



# “A Study of Customer Perception towards Life Insurance Policies with Special Reference to Katraj, Pune”

Guide :- Dr. Nisha Wagh

Mayuri Pradip Kulkarni

Department of Master of Business Administration

Zeal Institute of Management and Computer application, Narhe, Pune

---

**Abstract :-** This study examines customer perception towards life insurance policies in Katraj, Pune. It focuses on awareness, preferences, and factors influencing customers' decisions. Data is collected through questionnaires and secondary sources. The study finds that trust, service quality, and timely claim settlement are key factors affecting customer perception. It concludes that better service and transparency can improve customer satisfaction.

**Keywords :-** Customer Perception, Life Insurance, Awareness, Customer Satisfaction, Service Quality, Claim Settlement, Trust, Buying Behavior, Insurance Policies, Katraj Pune.

---

## I. INTRODUCTION

Life insurance is one of the most important components of financial planning, providing individuals with protection against life uncertainties and ensuring financial stability for their dependents. It serves a dual purpose of risk coverage and long-term savings, making it a vital tool in modern financial management. In addition to offering security, life insurance policies also support wealth creation, retirement planning, and tax benefits.

The life insurance industry in India has witnessed significant growth and transformation, particularly after economic liberalization. The dominance of the public sector insurer Life Insurance Corporation of India has been complemented by the entry of several private insurance companies, resulting in increased competition, innovation, and customer-oriented services. This has led to the availability of a wide range of insurance products such as term plans, endowment policies, Unit Linked Insurance Plans (ULIPs), and pension schemes, catering to diverse customer needs.

Customer perception is a critical factor influencing the success of life insurance products. It refers to the process by which individuals select, organize, and interpret information to form a meaningful understanding of insurance services. Customer perception is shaped by various factors including awareness level, trust in insurance providers, premium affordability, expected returns, brand image, service quality, and claim settlement efficiency.

Katraj, located in Pune, is a rapidly developing suburban area characterized by a diverse population comprising students, salaried employees, entrepreneurs, and small business owners. The socio-economic diversity of this region provides a suitable base for analyzing different customer attitudes and perceptions towards life insurance policies.

This research study aims to examine the perception of customers towards life insurance policies in Katraj, Pune. It focuses on understanding the level of awareness, factors influencing purchasing decisions, customer preferences among various insurance providers, and overall satisfaction with insurance services. The findings of the study will be useful for insurance companies in designing effective marketing strategies, improving customer relationships, and enhancing service quality.

## II. LITERATURE REVIEW

### 1.Sandhu and Bala (2011)

Sandhu and Bala (2011), in their study titled “Customer Perception towards Service Quality of Life Insurance Companies,” analyzed how service quality influences customer satisfaction in the insurance sector. The study identified five key dimensions of service quality: reliability, responsiveness, assurance, empathy, and tangibility. Reliability refers to delivering services accurately and consistently, while responsiveness means providing prompt service to customers. Assurance relates to the knowledge and confidence provided by employees, and empathy focuses on giving personal



attention to customers. Tangibility includes the physical facilities and communication materials used by the company. The study concluded that these dimensions significantly affect customer satisfaction and overall perception. Higher service quality leads to greater trust and long-term relationships with customers. It also reduces the chances of customers switching to other insurance providers. From a critical point of view, the study highlights that service quality is a major competitive advantage in the insurance industry. Companies that focus on improving service standards can retain more customers. In the context of Katraj, these findings are very relevant, as customers expect quick service and personal interaction. In Pune, especially in areas like Katraj, customers rely heavily on agents, making empathy and responsiveness very important factors.

### **2.Chawla and Singh (2008)**

Chawla and Singh (2008), in their study titled “Determinants of Customer Buying Behavior in Life Insurance,” examined the factors influencing customers’ decisions while purchasing insurance policies. The study found that agent interaction, product features, and promotional strategies play an important role in shaping customer behavior. Among these, interaction with insurance agents was the most influential factor, as customers depend on agents to understand policy details and benefits. The study also highlighted that customers prefer personalized guidance and clear communication before making decisions. It was observed that trust in advisors strongly affects buying behavior. From a critical point of view, the study shows that personal selling still dominates the insurance sector despite increasing digitalization. Customers feel more confident when they receive face-to-face advice. In the context of Katraj, this is highly relevant as many customers rely on agents for information. In Pune, especially in Katraj, middle-income groups prefer direct interaction with advisors while choosing life insurance policies.

### **3. Sana Khan and Rupali Khurana (2026)**

Sana Khan and Rupali Khurana (2026), in their study titled “Customer Perception towards SBI Life Insurance,” analyzed the factors influencing customer attitudes toward life insurance. The study found that brand trust, claim settlement ratio, and customer service are the most important determinants of customer perception. Customers prefer companies that have a strong reputation and provide timely claim settlements. The study also observed that traditional plans like endowment policies remain popular because they offer both savings and protection benefits. It highlighted that customers feel more secure investing in well-known

insurance companies. From a critical perspective, trust is the most important factor in financial products like insurance. Even with digital growth, customers prioritize safety and reliability over new features. In the context of Katraj, these findings are highly relevant as customers prefer trusted insurers. In Pune, especially in Katraj, people often choose companies like LIC and SBI Life due to safety concerns and strong brand image.

### **4. Harshal Londhe & Kiran Rodrigues (2025)**

Harshal Londhe and Kiran Rodrigues (2025), in their study titled “Customer Perception and Satisfaction toward Life Insurance Plans,” analyzed the changing trends in customer behavior. The study found that transparency, digital services, and financial returns are key factors influencing customer perception. Customers now expect easy online access to policy details and quick service delivery. The research also highlighted that digital platforms like mobile apps and websites are becoming important in the insurance sector. Customers prefer convenience and faster processes while managing their policies. From a critical point of view, the study shows a clear shift towards digital insurance platforms. However, it also indicates that human interaction is still important for decision-making. In the context of Katraj, these changes are gradually visible. In Pune, especially in Katraj, increasing smartphone usage is encouraging customers to adopt online policy management while still depending on agents for guidance.

### **5.Deshpande (2018) – Pune City Study**

Deshpande (2018), in the study on customer perception towards life insurance in Pune, found that rising income levels and increasing financial awareness have significantly improved insurance adoption. The study revealed that customers prefer policies offering both protection and investment benefits. Service quality and brand trust were identified as key factors influencing decision-making. Customers tend to select companies with strong reputation and reliable services. The study also observed that urban customers are more informed about insurance products. However, they remain cautious while selecting policies due to risk concerns. Demographic factors such as income and education play an important role in shaping customer preferences. From a critical perspective, the study highlights the need for transparency and customer education. It also emphasizes the importance of customized insurance products. In areas like Katraj, similar trends are observed, especially among salaried and middle-income individuals.



**6.Patil and Jadhav (2019) – Pune Region**

Patil and Jadhav (2019) examined customer satisfaction in the insurance sector in Pune and identified key factors influencing customer experience. The study found that timely claim settlement is one of the most important determinants of customer satisfaction. Transparency in policy terms and conditions also plays a crucial role in building trust. Effective communication between insurers and customers was highlighted as a major factor. Customers showed higher trust in companies with a strong service record. The study also revealed that delays and hidden conditions lead to dissatisfaction. From a critical perspective, lack of clarity in policy details is a major issue. Customers need simple and understandable information before purchasing policies. In areas like Katraj, customers expect clear communication and reliable services. This is especially important for middle-income groups who depend on agents for guidance.

**III. OBJECTIVE OF THE STUDY**

1. To understand customer perception towards life insurance policies in Katraj, Pune.
2. To identify the key reasons why Customers purchase life insurance policies.
3. To analyze the factors influencing customers while selecting a life insurance company (premium, brand, returns, agent advice, etc.).
4. To study the awareness level and satisfaction of customers regarding different life insurance policies.
5. To examine the problems faced by customers and provide suggestions to improve satisfaction and awareness.

**IV. RESEARCH METHODOLOGY  
RESEARCH DESIGN:**

Component	Description
Research Design	Descriptive research design is used to study customer perception towards life insurance policies.
Sources of Data	Both primary and secondary data are used in the study.
Primary Data	Collected directly from respondents through structured questionnaires.
Secondary Data	Collected from journals, books, websites, articles, and fintech reports.
Sample Size	The study includes 100 respondents from Katraj, Pune.

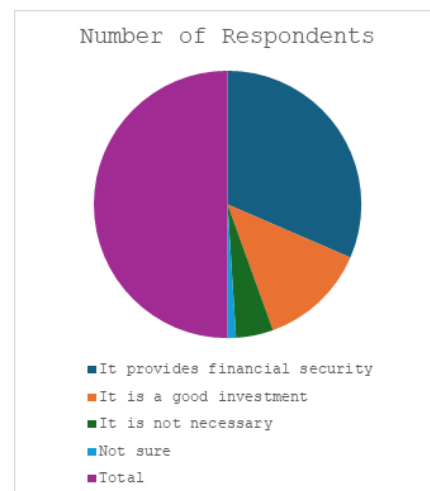
Component	Description
Sampling Method	Convenience sampling technique is used for selecting respondents.
Data Analysis Tools	Data is analyzed using percentage method along with charts and graphs.

This study is based on a descriptive research design to understand customer perception towards life insurance policies in Katraj, Pune. Both primary and secondary data have been used for the research. Primary data was collected through structured questionnaires from 100 respondents in the Katraj area using the convenience sampling method. Secondary data was gathered from research journals, books, websites, articles, and fintech reports to support the study. A quantitative approach was used to analyze the data. The collected data was interpreted using percentage analysis along with charts and graphs with the help of MS Excel. The study aims to identify customer awareness, satisfaction level, and factors influencing the purchase of life insurance policies.

**V. DATA ANALYSIS AND INTERPRETATION**

**What do you think about life insurance ?**

Opinion	Number Respondents	Percentage (%)
It provides financial security	63	63%
It is good investment	26	26%
It is not necessary	9	9%
Not sure	2	2%
<b>Total</b>	<b>100</b>	<b>100%</b>





### **Interpretation :-**

The data shows that a majority of respondents (63%) believe that life insurance provides financial security, indicating strong awareness about its primary purpose. Around 26% of respondents consider life insurance as a good investment, showing that some people also view it as a financial planning tool. However, 9% feel that life insurance is not necessary, which reflects a lack of awareness or perceived need. A very small portion (2%) are unsure, indicating confusion or limited knowledge. Overall, the results suggest that most customers in Katraj, Pune have a positive perception of life insurance, mainly as a source of financial protection.

## **VI. FINDINGS OF THE STUDY:**

- Customers in Katraj, Pune mainly see life insurance as a way to protect their family and ensure financial security, not as an investment option.
- This is similar to the study by S. K. Bhatia (2010), which also found that people consider insurance as a safety tool.
- The main reasons for buying life insurance are family protection, tax benefits, and future savings.
- This matches the findings of C. R. Kothari (2004), who said financial security and tax saving are important reasons.
- Customers choose insurance companies based on brand name, affordable premium, and advice from agents.
- This supports the study by Naresh Malhotra (2008), which shows that brand trust and price are key factors.
- The study shows that customers have average (moderate) awareness, and many do not fully understand policy details.
- Most customers are satisfied, but their satisfaction depends on service quality and claim settlement process.
- This is similar to reports by Insurance Regulatory and Development Authority of India, which highlight lack of awareness in semi-urban areas.

## **VII. CONCLUSION**

The study concludes that customer perception towards life insurance policies in Katraj, Pune is generally positive. Most customers consider life insurance as an important tool for financial security and future planning. Factors such as trust, service quality, premium amount, company reputation, and agent advice play a significant role in influencing customer decisions.

The research also shows that while customers are aware of basic insurance concepts, there is still a lack of detailed understanding of different policies and their benefits. Insurance agents continue to play a crucial role in guiding customers, especially in areas where personal interaction is preferred.

However, some challenges exist, such as complex policy terms, lack of transparency, and delays in claim settlement, which affect customer satisfaction. Therefore, insurance companies need to focus on improving service quality, simplifying procedures, increasing awareness, and ensuring timely claim settlement.

Overall, by enhancing customer trust, communication, and service efficiency, life insurance companies can strengthen customer relationships and increase policy adoption in the Katraj area.

## **REFERENCES**

1. Sandhu, H.S., & Bala, N. (2011). Customer Perception towards Service Quality of Life Insurance Companies. International Journal of Research in Commerce & Management. [Customers' Perception towards Service Quality of Life Insurance Corporation of India \(PDF\) https://scholar.google.com/scholar?q=Sandhu+and+Bala+2011+Customer+Perception+towards+Service+Quality+of+Life+Insurance+Companies](https://scholar.google.com/scholar?q=Sandhu+and+Bala+2011+Customer+Perception+towards+Service+Quality+of+Life+Insurance+Companies)
2. Chawla, D., & Singh, H. (2008). Determinants of customer buying behaviour in life insurance. Journal of Marketing & Communication <https://www.researchgate.net/search?q=Chawla%20Singh%202008%20insurance>
3. Khan, S. & Khurana, R. (2026). Customer Perception towards SBI Life Insurance. <https://www.researchgate.net/search?q=customer%20perception%20life%20insurance> <https://www.researchgate.net/search?q=SBI%20Life%20Insurance%20customer%20perception>
4. Londhe, H. & Rodrigues, K. (2025). Customer Perception and Satisfaction toward Life Insurance Plans. <https://scholar.google.com/scholar?q=customer+satisfaction+life+insurance+digital+services>
5. Deshpande (2018). Customer Perception towards Life Insurance in Pune City. <https://scholar.google.com/scholar?q=insurance+awareness+india+customer+behavior>
6. Patil, S., & Jadhav, R. (2019). Customer Satisfaction in Insurance Sector: A Study of Pune Region.



<https://scholar.google.com/scholar?q=insurance+awareness+india+customer+behavior>