

A STUDY ON INNOVATIVE STRATEGIES ADOPTED BY SELECTED INSURANCE COMPANIES (WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT)

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ABSTRACT

Universally the Insurance Industry has adored the business conditions for the past limited years but deteriorating view will likely pose some of the challenges over the year ahead. Though, Insurance company is said to be a matured / developed industry driving profitable part is quite difficult due to increase in competitors among global level and from other Insurance related sector too. This study aims to identify the various schemes suggested by Insurance companies to Insurance holders, factors influencing the innovative strategies and to investigate the innovative strategies adopted by Insurance Companies. The present research is descriptive in nature and brings out the significance difference in the Innovative strategies adopted by Insurance Companies. The data collection is done in Primary and secondary method considering the selected Insurance Companies inside Coimbatore City. The Study reveals about the most prominent innovative strategies adopted by Insurance Companies. The main statistical tools like Simple percentage analysis, Ranking Analysis and Chi-square analysis is used to test the variables as per the respondents collected. In summary, this research study appears to focus on the challenges and innovations in the insurance industry, with a particular emphasis on the strategies adopted by insurance companies in Coimbatore City. It suggests that embracing technology-based innovation can provide a competitive edge in a competitive and mature industry.

Key words: challenges, innovative strategies, profitable, technology-based, competitive.

1. Introduction

An innovation strategy is a commitment to a common innovation mission and a structured set of activities which aim to support the future growth of the organization. Advertising and promoting activities and practices are quite common to all Industries either it may be a Manufacturing Sector or Service Sector, these activities are intended to communicate their product and services related information with customers including with the Company idea and vision. The promotional strategy adopted by any company is informing, persuading, and influencing in a consumers decision making. Insurance business can broadly be classified into general and life/ long term. Despite this classification, the different classes of insurance businesses can be viewed as lines of business along the profit centre concept. The Survey revealed that the General insurance business is facing two major challenges. The first challenge is to come up with a solution for companies whose viability is threatened by their inability to meet policy holder claims. The second major challenge is how to generate growth for an industry that has significant potential for growing as a percentage of GDP but has been stagnant.

1.1 Statement of the Problem

Globally, the insurance industry has enjoyed strong business conditions over the last few years but worsening economic outlook will likely pose considerable challenges in the years ahead. These challenges will be especially pronounced in the property and casualty segment, where growing pricing pressure as the market softens will drive a need for cost-cutting and greater efficiency. In Present scenario, the Insurance Companies faces a number of Challenges Digitizing small commercial, Commoditization, Cyber Security etc..Most of the researchers focuses only on the innovation strategy introduced in bank sectors but most researcher have not focused on the innovative strategies introduced in Insurance Companies.

1.2 Objective of the Study

- To know the various schemes suggested by the Insurance Companies to the Insurance Holders.
- To identify the factors influencing the Innovative Strategies by Insurance Companies in Coimbatore District.
- To investigate the Innovative Strategies adopted by Insurance Companies in Coimbatore District.

1.3 Research Methodology

The present study is done on the basis of descriptive research. In descriptive research, the different variables are chosen and analyses is done with different tools based upon the nature of question. This was done with an objective of finding the innovative strategies adopted by Insurance Companies in Coimbatore District. The data analysis technique used under the study was descriptive analysis method, because the researcher used both primary and secondary data analysis relating to the Innovative Strategies adopted by Insurance Companies in Coimbatore District.

1.4 Population of the Study

The research study includes 10 Selected Insurance Companies inside the Coimbatore District. In that the data is collected from 112 respondents by issuing questionnaire from concern employers.

1.5 Data Analysis

The data is collected through questionnaire was analysed with the help of Statistical Package for Social Sciences (SPSS). The data analysis is done in forms of descriptive statistics such as simple percentage, chi – square and Ranking Analysis. The results were displayed using the tables, charts and graphs for easy and simple understanding. The analysis includes the Interpretation of the findings and suggestions from the above findings.

1.4 Limitation of the Study

1. The study was restricted to Coimbatore District.
2. This study is fully based on the Innovative Strategies adopted by selected Insurance companies. Hence, there is a chance of having human bias.
3. Time constraints are the major limitation of this study.

2.Review of Literature

James (2018)¹ said that the introduction of radical innovations to stay ahead of competition, while simultaneously utilizing incremental innovations to maximize profits is a major challenge for contemporary business managers.

Damanpour (2016)² suggested the inclusion of various types of innovation such as technological, administrative, and ancillary innovations. Although technological innovation drives most organizations, the proof of technological innovation resides in the marketplace, which requires facilitating marketing and administration measures.

3.Data Analysis and Interpretation

3.1 Introduction

The purpose of the data analysis and interpretation phase is to transform the collected data into credible evidence about the statistical data view that is been calculated based on the research conducted.

3.2 Tools to be used are:

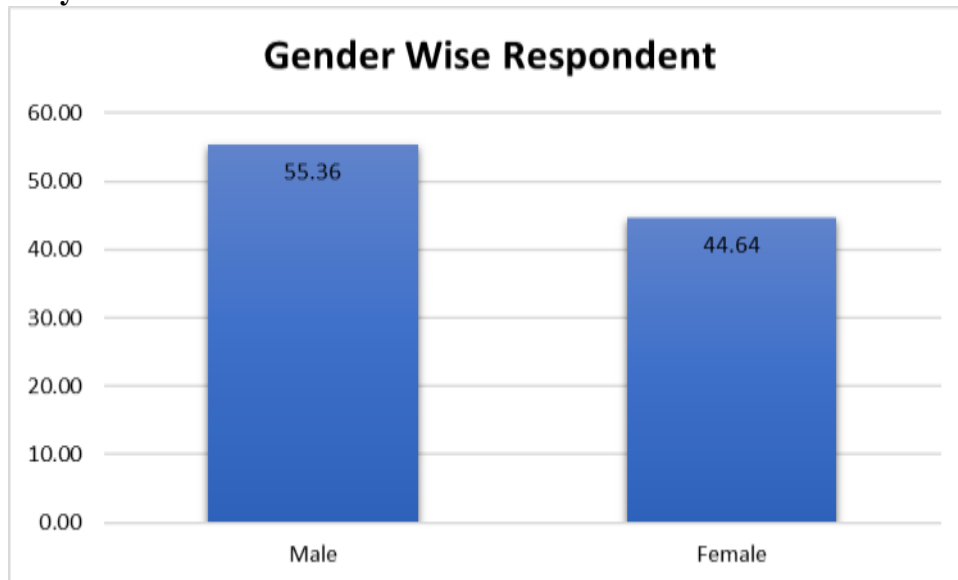
- Simple Percentage Analysis
- Ranking Analysis
- Chi Square Analysis

3.1.1 Simple Percentage Analysis

Table 3.1.1 Gender-Wise Distribution of the Respondents

Sl. No.	Gender	Number of Respondents	Percentage
1	Male	62	55.36
2	Female	50	44.64
Total		112	100

Source : Primary Data

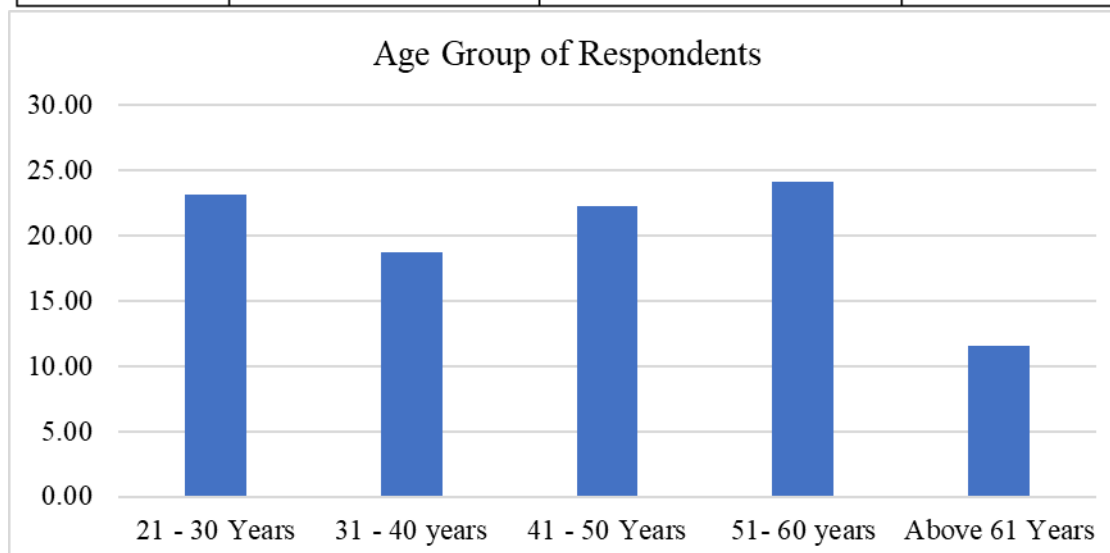


Interpretation

The above 3.1.1 chart and table depicts 55.36 % of respondents are male and 44.64% of the respondents are female. The above figure shows that the majority of interviewed respondents is Male.

Table 3.1.2 Age -Wise Distribution of the Respondents

S. No.	Age Group	Number of Respondents	Percentage
1	21 - 30 Years	26	23.21
2	31 - 40 years	21	18.75
3	41 - 50 Years	25	22.32
4	51- 60 years	27	24.11
5	Above 61 Years	13	11.61
Total		112	100



Interpretation

The above table and chart describe the age group of respondents where 24.11% is from 51-60 years , 23.21% is from 21 – 30 years , 22.32% is from 41-50 years , 18.75% is from 31-40 years and 11.61 % is above 61 years. The majority of the respondent is from the age group from 51 – 60 years.

Table 3.1.2 Innovative Strategies Adopted by Insurance Companies

S. No.	Innovative Strategies	Number of Respondents	Percentage
1	Product Penetration	21	18.75
2	Marketing	19	16.96
3	Customer Care	8	7.14
4	Technology	15	13.39
5	Product Pricing	14	12.50
6	Diversification Strategy	15	13.39
7	Claim Process	10	8.93
8	Human Resource	10	8.93
	Total	112	100



Interpretation

The above table and chart outlays the Innovative strategies adopted by the Insurance Companies where (18.75%) is Product Penetration, (16.96) is marketing , (13.39) is technology and by following the least of innovative strategy is (7.14%) is customer care. The majority of Innovation strategy adopted by Insurance companies is Product Penetration.

3.2 RANK ANALYSIS

3.2.1 Table showing the Various schemes suggested by the Insurance Companies to the Insurance Holders.

S.No	Various Insurance Policies	Rank
1	Term Insurance	4
2	Unit Linked Plans	6
3	Endowment Plans	3
4	Money Back Life Insurance	7
5	Whole Life Insurance	2
6	Child Plan	5
7	Retirement plan	1

Interpretation

From the above table its shows the Various schemes suggested where the Retirement plans has given (Rank 1) , whole life insurance (Rank 2) , Endowment Plans (Rank 3) , Term Insurance (Rank 4) , Child Plan (Rank 5) , Unit Linked Plan (Rank 6) , Money Back Life Insurance (Rank 7). **Majority of the scheme suggested by the Insurance Companies to Insurance holder is the Retirement plan.**

3.3 Chi Square Analysis

3.3.1 Table showing the gender and factor influencing the Innovative Strategies adopted by Insurance Companies in Coimbatore District.

Hypothesis

Ho: There is no significant association between the gender and factor influencing the Innovative Strategies adopted by Insurance Companies.

Statistical	Calculated Value	Significance Level	df	Table Value	Result of Hypothesis
Chi-square value	16.6	5% level	2	21.03	Hypothesis is Accepted

Interpretation

The result of Chi square test reveals that the calculated chi square value (16.6) is less than the table chi square value (21.03) at 5%level of significance and therefore, there is no significant relationship between the gender and factor influencing the Innovative Strategies adopted by Insurance Companies. Hence, the null hypothesis is accepted.

4.1 Findings, Suggestion and Conclusion

4.1.1 Findings of the Study

Simple Percentage Analysis

- The majority of respondents is Male (55.36%).
- The majority of the respondents is in age group is 51- 60 years (24.11%)
- The Majority of Innovative strategy adopted by Insurance Company is Product Penetration(18.75%).

4.1.2 Ranking Analysis

- Majority of the scheme suggested by the Insurance Companies to Insurance holder is the Retirement plan.

4.1.3 Chi Square Analysis

- There is no significant association between the gender and factor influencing the Innovative Strategies adopted by Insurance Companies.

4.2 Suggestions

- The Insurance Industry must increase their promotional activities so that it will reach to the common people and it will make them to understand the value of Insurance Policies.
- Direct approach and frequent interaction should be there between the Insurance Company and Insurance Holder.
- The Insurance Companies should make the Insurance Holders to understand the value and importance of the policies offered.
- The Insurance companies must suggest the Research and Development executive' s for the innovative updates.

4.3 Conclusion

The Insurance Companies with a strong and technology-based innovation strategy are the most competitive advantage and create greater shareholder value. Implementing electronic document management systems makes documents available electronically and automates workflows. This enhances customer service, disaster management and business continuity capability. Innovation requires not only the inputs and capacity but also the political influence of the reform too. A formal

innovation strategy should be introduced by all the insurance companies so that it helps them to achieve in new scheme developments.

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