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A Study on Customer Perception on the Digitilization in Insurance Sectors with Reference to Coimbatore City

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ABSTRACT: The Internet has undoubtedly brought a revolution in the market and totally changed all the traditional models of the society, starting from technology to academics as well as from administration to entertainment. There is no denying the fact that the Internet is now ruling the world. It is found that currently over 50% of households shop likes to purchase online and this number is continually growing. Moreover, Insurance firms now have multiple digital technologies built exclusively for them. Traditionally, the Insurance premiums for automobiles have been determined based on several parameters such as age, education of the owner, accident proneness of the owner or driver, etc. However, with the help of digital technologies, this trend has changed much as some new factors could be used now such as the driving behaviour of the owner or driver. This research presents exhaustive information about the development of digital transformation in the Insurance sector. Further this research provides the society and Insurance Industry an awareness about the attributes for purchasing of Insurance.

KEYWORDS: Insurance- Digitalization-Purchase behaviour –Digital media- Customer perception

I. INTRODUCTION

E-commerce has now primarily focused on business to consumer (B2C) applications and it concentrated on understanding the requirements and wishes of the consumers and tries to fulfill those needs with the help of the product development process. The Insurance industry primarily struggled in bringing their products to their potential and targeted clients as they did not have too much knowledge about the various aspects of the Insurance. But after a long struggle and continued effort of the Insurance industry, especially the Insurance Regulatory Development Authority of India (IRDA) some growth in the outlook of the potential clients about the necessity of Insurance is seen. In recent times, this trend has been altered with the increasing use of mobile technologies and digital platforms. Currently various important businesses are linked to digital platforms and digital platforms has been playing the role of the catalyst for wide investigation and some distinguished applications by leading insurers. However, it is seen that the digital transformation that is prevailing in the Insurance sector is mounting. As digital platforms and Information technology is very much active in terms of Insurance segment; this will help them to change the social media approach towards Insurance marketing STP (segmentation, targeting and positioning) in terms of their services.

RESEARCH OBJECTIVES

- To identify the demographic profile of the clients who are using digital services for Insurance
- To identify the type of policies the clients are using mostly through digital platforms.
- To analyze the perception of participants about digital transformation in Insurance sectors.

II. REVIEW OF LITERATURE

1. Li and Bernoff (2008) said that it is very essential to recognize how relationships are formed in social media. Though there has been a huge technological change, the influence on personal relationships has now become stronger.
2. According to Rajagopal (2013), consumers are becoming very active and play a great role in co-creating marketing content with firms as well as brands. As such, firms currently are constantly looking into online social media programs as well as campaigns so that they can reach their consumers in a better way.

3. Nicolla Confos, Teresa Davis , digital marketing", European Journal of Marketing Vol. 50 No. 11, pg. 1993-2) in "Young consumer-brand relationshipbuilding potential using 017 examines branding strategies directed at child consumers across three digital marketing platforms. It identifies brand relationship-building potential in a digital context. This research analyses the contents of branded using mobile phone applications, websites and Facebook.
4. The paper, "How digital transformation affects Insurance firms: overview and use cases of digital technologies", by Christian Eckert, Katrin Osterrieder 25 , Springer, pg. 333-360 aims to provide a comprehensive overview of digital technologies and strategies, including artificial intelligence, cloud computing and analyzing the cases in the Insurance industry. Researchers examine the benefits and opportunities for Insurance firms using digital systems.
5. The research paper, "Influences of online marketing in the prospective Indian Insurance Industry," Journal of Business and Management, pg. 24-30 researcher Dr R. Karthi 26 , investigate the influence of online marketing on the Insurance industry in India. As observed in the recent growth of Internet infrastructure and economic reforms, the Insurance sector has opened up the monopolistic Indian Insurance market to competition from foreign alliances. The researcher studied the current scenario in India's Insurance industry and identified the characteristic of online Insurance that improves the conventional Insurance model and thus, makes it more attractive for the Indian Insurance industry to go online.

III. RESEARCH METHODOLOGY

In this research descriptive research design is used. Descriptive statistics is calculated to draw the inference with respect to objectives and hypothesis. This design is sufficient and appropriate to conduct the survey and collect primary data.

DATA COLLECTION

Primary Data is gathered through questionnaire method.

SAMPLE SIZE & AREA

Data is gathered from 50 clients and 20 employees of Insurance firms. Data is gathered from the participants of Coimbatore City.

SAMPLING

Sampling method used for this research is convenience sampling.

TOOLS USED

Using percentage analysis and Arithmetic mean and Standard Deviation methods primary data is analyzed and explained .

LIMITATIONS OF THE STUDY

The results of the present research carried out were specific to selected city and may not be relevant to different regions of the country which differs in socioeconomic status of the participants

The results from the research are related with respondent views and those decisions capacity separated research required to understand to socio, psycho logical analysis

The research carried out only limited Insurance schemes.

SCOPE FOR FUTURE STUDY

- This research is based on limited city while —Insurance is a global phenomenon so this research can be carried out in several other city to identify the key factors affecting selling of Insurance.
- This research is limited to only few Insurance policies— this research can be carried out in other sectors of Insurance as well.

IV. FINDINGS OF THE STUDY**OBJECTIVE 1: TO IDENTIFY THE DEMOGRAPHIC PROFILE OF THE CLIENTS WHO ARE USING DIGITAL SERVICES FOR INSURANCE**

- There are 64% male participants and 36% participants are Female.
- It is observed that 9% participants are Married, 85% participants are Unmarried and 6% participants fall in others category.
- Regarding age group, 5% participants are aged below 25 years, 19% are aged between 25 to 35 years, 39% are aged between 36 to 45 years, 35% participants are aged between 45 to 60 years and 4% participants are aged above 60 years.
- Qualification of participants is also gathered, 10.5% participants are Undergraduates, 46.5% are Graduates, 31% participants are Post Graduates and 12% participants are Professionally qualified.
- There are 56.8% participants live in nuclear family while, 43.2% participants live in Joint family.
- It is also observed that 22.2 %participants have Annual income Up to 5 lacs, 20.5% participants have Annual income 5 to 10 lacs, 34.5% participants have Annual income 10 to 25 lacs and 22.7% participants have Annual income More than 25 lacs.
- Information about sector of employment is recorded, 24.2% participants worked in IT sector, 11% participants worked in Insurance sector, 23.5% participants worked in Banking sector, 27% participants are Professional consultant sector and 14.3% participants worked in SME sector.

OBJECTIVE 2: TO IDENTIFY THE TYPE OF POLICIES THE CLIENTS ARE USING MOSTLY THROUGH DIGITAL PLATFORMS.

- 24% had 1 endowment Policy, 30% had 2 Endowment Policies, 21% participants had 3 endowment policies, 15%had 4 endowment policies, 7% participants had 5 and 3%participants had 6 endowment policies
- 25% had 1 Term Insurance Policy, 47% had 2 Term Insurance Policies and 28 %participants had 3 Term Insurance policies in their household
- 26% had no Children's Plan policies, 10% had 1 Children's Plan Policies, 55%participants had 2 Children's Plan policies and 9% had 3 Children's Plan policies.
- 63% had 1 Unit-linked Insurance Plan Policies, 22% participants had 2 Unit-linked Insurance Plan policies and 15% had 3 Unit-linked Insurance Plan policies
- 68 %had no Retirement Plan policy, 24% had 1 Retirement Plan Policies and 8 %participants had 2 Retirement Plan policies in their household.
- 78% had 3 Health Insurance policy and 12% had 2 Health Insurance Policies and 20% had 1 Health Insurance policy in their household

OBJECTIVE 3: TO ANALYZE THE PERCEPTION OF PARTICIPANTS ABOUT DIGITAL TRANSFORMATION IN INSURANCE SECTORS

- The mean score for Digital media as source for Decision making for buying Insurance policy is 67.10 percent. Corresponding standard deviation is 18.62, indicating that there is high variation in the responses.
- The mean score for Print and social media as source for Decision making for buying Insurance policy is 61.08 percent. Corresponding standard deviation is 17.60, indicating that there is high variation in the responses.
- The mean score for digital platforms services is 62.95 percent. Corresponding standard deviation is 18.81, indicating that there is high variation in the responses.
- The mean score for Price of product is 61.06 percent. Corresponding standard deviation is 21.65, indicating that there is high variation in the responses.
- The mean score for Impact on sales in Insurance sector is 67.01 percent. Corresponding standard deviation is 22.39, indicating that there is high variation in the responses.

V. SUGGESTIONS

- Most of the participants are having Life Insurance Policies, So other sectors also have to concentrate more in providing good customer services and online services to increase their sales.
- It is advised that Initial touch points in the customer office should be made digital, along with the option of regional language: - this will reduce the staff cost
- Digital Training platforms should be introduced for training and development purpose, this will reduce careers cost to a great extent.
- Use of AI (artificial intelligence) will improve service quality and role of agent will be diluted.
- Digital media can additionally used to improve customer relationship. It is additionally advised that and frequency of communication of information related to 'reminder for new premium', 'digital receipt of payment of premium', and 'declaration of bonus on policy'.
- To raise consumer awareness and knowledge firms should leverage the social media platform

VI. CONCLUSION

In India, just 20 percent of the insurable population is currently covered by Insurance, with the remaining 80 percent of the population still to be covered by any form of protection. Due to the liberalization of the Insurance industry, the monopoly of government-owned businesses has been broken, and a large number of new private 203 players have joined the market, making the industry extremely competitive while also being full of obstacles. A mutually beneficial relationship exists between the Insurance industry and the overall economic development of the nation. The standard of living of the people rises in tandem with the growth of the economy. It is advised that use of digital platforms services in Insurance may be improved in quality as well as quantity.

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ONLINE RESOURCES

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