

Influences of Digital Marketing & its impact in the Perspective of Indian Insurance Industry

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Abstract:

E-commerce is the part of Internet marketing. The advent of the Internet made the world so simple and dynamic in all the areas. Internet is the growing business because the people in the world are using day to day in their life. The conventional model of purchasing goods in our society is replaced by the contemporary mode of satisfying the needs of the consumers. E-commerce is attractive and efficient way for both buyers and sellers as it reduces search costs, time, energy and psychic for buyers and inventory costs for sellers. In this paper the researcher investigate the influence of online marketing on the insurance industry in India. The recent growth of Internet infrastructure and introduction of economic reforms in the insurance sector have opened up the monopolistic Indian insurance market to competition from foreign alliances. We study the recent scenario in the insurance industry in India and identify the characteristic of online insurance that improve the conventional insurance model and thus, makes it more attractive for the Indian insurance industry to go online.

Keywords:

Digital Marketing, Economic Development, Consumer Satisfaction, Policy Purchasing Decision, Attributes

Introduction:

With the advent of Internet the world seems to be contracted to such a level that now it is being referred as a global village. The astronomical speed and the interconnectivity that Internet provides between individuals had made possible many things easier, faster, more economical and transparent than before. It has also changed the way people used to buy things. Now instead of going to traditional brick and mortar shops, more and more people prefer to buy online. So now a days online marketing is helping in increasing considerably the earnings of the firms doing online businesses.

Insurance industry is also rapidly adopting the new technology including Internet marketing to tap the huge insurance market. In this paper we will discuss the influences, prospects and challenges faced by insurance companies while doing online marketing.

Reasons which highlight the importance of life insurance

- *To pay off debts*

Most people, during their early professional life, end up taking loans to fulfil various needs like purchasing a house, or a car or for their child's wedding. However, in case you happen to pass away suddenly, the burden of all these loans and debts falls directly on your dependent family members. With a life insurance policy can help the family take care of such liabilities, without compromising their needs.

- *To take care of your family's needs*

After your demise, there will be permanent loss of regular income for your family. It will become difficult for your family members to take care of all expenses. That's where life insurance steps in, to help the family take care of their needs like children's education etc. and to provide much needed financial stability to the family members.

- *Insurance for your business*

There are life insurance policies specially designed for business owners where the surviving business partner to acquire their deceased partner's share of the enterprise, while the benefit sum assured pay-out is provided to the deceased's nominee.

- *To take care of short & long-term future requirements*

The right life insurance policy can be crucial in helping your loved ones take care of their short term, and long term needs. Short term needs may include immediate expenses such as loans, or liabilities, which need to be repaid quickly. Over the longer term, the family would require funds to take care of the children's education, to invest, or save for the future, to take care of recurring household expenses, etc.

- *For mental peace*

With life insurance, mental peace is attained. You no longer have to worry about what happens to your family's financial well-being if you are not around. Given that your death or accident can strike at any time, having a life insurance policy will at least give you peace of mind that your loved ones are financially taken care of.

- *To save on tax*

Besides providing protection, people buy insurance to save tax.

These are just some of the many reasons that make life insurance an absolute necessity, especially for someone who is the sole earning member in their household. If your family's future is dear to you, then you must not delay purchasing a life insurance policy, after due consideration of your needs.

1.1 Penetration of e-commerce in the Indian Insurance Industry

E-commerce transaction of insurance goes through the following phases:

- a) Consumer becomes aware that he needs to be insured
- b) Search of information about different online insurance companies
- c) Evaluation of different insurance product that match customer's needs
- d) Taking a decision regarding purchasing the policy
- e) Post sales resolution of problems & maintain goods relations with consumers

The last phase which involved resolution of problems faced by consumers is mostly an ignored area by insurance firms. This has led to dissatisfaction among consumers about the insurance firms and resulted in loss of precious consumers.

Generally during claim settlement neither the agents nor the insurance companies take too much effort to sort out the problems faced by consumers. Moreover online claim settlement is a tedious process and has to be done meticulously to avoid any payment to fraudulent persons leading to hardship to the genuine consumers. It might lead to legal problems. It might also severely damage the reputation of the insurance firm if such news goes viral either through Internet or news media. So the process of post purchase behavior is very difficult to implement over Internet. Till now it does not seem that claim settlement is possible with human intervention.

1.2 Delighted Customers Promotes Business

In the field of customer research and marketing, consumer satisfaction is being treated at the highest goal to be pursued by all the successful firms. Consumer satisfaction is most important as it helps in generating the number of consumers.

Though it is regarded as the most important yet it is the most ignored area. This should be reversed otherwise the insurance firms will be continuously losing its consumers to competitors. It will also downgrade the goodwill of the firm. It has been increasingly felt by the companies that old customers satisfaction plays a pivotal role in increasing or in a way generating the number of new consumers. Mouth to mouth advertisement is the best advertisement especially in the insurance sector. The satisfied customer will shower their statements about satisfaction they derive from their insurance companies. This will motivate the new consumer to purchase the insurance products of their companies.

If the consumer possesses a high level of positive predisposition about the fast and hassle free services provided, the more the company will be able to generating sales.

This helps in building trust and confidence between insurer and insurance companies. This will be possible only if both the parties understand the needs of each other clearly. Immediate issue of policy documents, clearly specifying the terms and conditions of insurance and spreading awareness among consumers, regarding the insurance products offered by them and their competitors will surely lead to increase in the level of satisfaction within the minds of current customers. Quick settlement of claims will lead to increase in goodwill and moreover it will also help in attract other new customers.

1.3 Customer Perceived Value and Satisfaction

The consumers have to bear certain expenses to purchase an insurance product. They derive a level of satisfaction from being insured. The difference between the level of satisfaction that a consumer derives and the expenses incurred is called the customers perceived value. If they feel that its value is high he is satisfied and vice versa. So it is very necessary for insurance companies to adopt all those measures which will help in meeting the expectations of consumers so that their level of satisfaction remains highest in comparison to their competitors.

2. Insurance companies offering e-services can be classified into the following categories:

- a) Niche Marketing
 - b) Web page
 - c) Power shifts from buyer to seller
 - d) Greater Transparency
 - e) Aggregators
 - f) Customer value & satisfaction
3. Attributes in Life Insurance Industry
- a) Digital Medium/Platforms
 - b) Building Trust by following Ethical Standards
 - c) Offering Tangible benefits
 - d) Value Proposition
 - e) Promotion & Advertisement
 - f) Customer Satisfaction & Retention

CONCLUSION

Due to massive expansion of Internet, the insurance companies had also started providing online insurance services. From Internet they learn about the insurance products offered, goals of different competing insurance companies.

So consumer has to be satisfied by online processes with least human intervention. E insurance will be successful only if the website and the information are being provided are easily understood by the online consumer. The prices also must be competitive and also be flexible so that it suits the needs of most of the consumers. Then only e insurance will be a massive success that will help in generating a huge number of consumers and increase in goodwill of the insurance company.

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