

IMPACT OF E- BUSINESS AND DIGITAL MARKETING ON INSURANCE SECTOR

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ABSTRACT

This is the era of E- business and digitalization; every sector is advance with technological advancements and insurance sector is one of them. This paper is concerned with the impact of E- business and digitalization on marketing of insurance products on various aspects from getting information about the policy, resolving queries, claim process and on other aspects as well. Further in this paper various distribution channels have also been discussed both traditional and new distributors, and how E- business and digitalization has affected them in marketing of insurance products. It also has been analysed how customers are now more interested in purchasing insurance online, in which web aggregators has played a wide role. Entry of web accumulation in distribution channel and their role in making insurance sector more digitalized which benefited both customers as well insurers, and the new practices acquire by insurers to deliver considerable value to their current and prospective customers is also discussed in this paper.

Keywords: *Insurance, Marketing, E-Business, Digitalization, distribution channel*

1. INTRODUCTION

INSURANCE BUSINESS IN INDIA

The insurance industry in India is undertaking a major transformation. Risen awareness, availability, regulatory reform, and economic growth are some of the key factors affecting the industry. For some insurers, it is a phase of re-instate and self-preservation for others, dealing with these disruptors is critical to their survival. The government's decision to permit a direct investment of more than 74% has made the Indian insurance industry profitable for foreign investors and entitled the insurers to operate aggressive programs related to growth and innovation. Digital transformation in India has disrupted the business environment in all industries and the insurance industry is pretentious. The increase in Internet entrance (with the number of users in India expected to increase from 429 million in 2017 to 829 million by 2021 at a rate of 17.9%) will continue to effect the insurance business and other industries. Currently, Investors are still investing in computerized business processes to achieve effectiveness and reduce costs. As per industry estimates, digital production can lower by approximately 20-30% of the cost of non-life insurance products and 15-20% of the cost of life insurance. In addition to the

cost benefits, digital transformation also creates good time for collaboration between them.

1.2 ENTRY OF WEB ASSEMBLAGE IN DISTRIBUTION:

The online insurance journey starts with the emergence of comparative and research platforms. At the same time, the idea of integrate insurance arose in 2005 with players like Apna insurance and Bimadeal entering the market. About 20 other players such as Policybazaar, Zibika, Fintact, My insurance club and Insuring India as well as various others have established their own venues. After examining the consolidation model, the paid start-ups led to insurance companies and received commissions on all earnings transformation. Web Assemblage has emerged as a new distribution channel in the insurance price list. The adoption of regulation by web aggregators in 2013, the number of registered web accumulation increased from 11 in 2013 to 22 March 2021. IRDAI issued guidelines for web-aggregators in 2011, 2013 and 2015, and the business is modulating under these guidelines and the webmasters have been granted a valid operating license. They now run as insurance product platforms from multiple insurance providers and provide information about product features, benefits, price, settlement claim and inclusion, etc., and comparisons of insurance products.

2. NEW PRACTICES ACQUIRE BY INSURERS TO MEET CUSTOMER EXPECTATIONS

1) Simplification - When developing a consumer consciousness strategy, insurers should consider customer categories, census,

preferred languages, communication method, duration of attention of key customer groups and the level of financial literacy. For example, videos and product information can be edited in local languages for better understanding and must be shared with consent from agents and customers to avoid any form of inappropriate communication.

2) Customer Centricity - Insurance providers need to raise the standard of customer involvement procedures to prevent conditions such as interactive voice response (IVR) loops, network communication, and viewing customer capitulation, transactions, and requests, etc. Creating a living environment around customers through joining with solidarity devices, social media communications, appropriate offer suggestions, financial dashboards, digital storage, and health watching will generate more communication points and can promote better customer relationships.

3) Personalization - The future insurance market is planning to be professionally driven and customized. To develop a personalized approach, insurers must use the information obtainable to customers. In addition, the integration of customer information has the potential to lead to a sound understanding of customer behavior. It will ensure that the interplay is customized and customer friendly. Improving contact points can conduct to more meaningful and customized interactions.

4) Digitization - For insurers, the digitalization of marketing processes has always been precedence. The provision of the Internet, easy communication channels, digital document acceptance, online claim processes and other applications and elasticity in account access are the basic services expected. In addition, the removal of paperwork with the introduction of business

process strategies will provide considerable relief for customers.

3. OBJECTIVES OF THE STUDY:

1. To study Impact of E-business and digitalisation of marketing on insurance products.
2. To study impact of utilization of mobile application or web portal and virtual assistance or chat bots for services related queries on digitalization and E-business on marketing of insurance products.
3. To study impact of use of mobile application or web portal and virtual assistance or chatbots for interaction for understanding the insurance terms/benefits/limitations/cost related on digitalization on marketing of insurance products.

4. MOBILE TECHNOLOGY FOR THE LIFE INSURANCE:

Those who disregard the mobile technology revolution may place their businesses at downside. Consumer behaviour and expectations, along with pressures to conduct business more competently, are making the shift toward mobile platforms more than just a fad. The challenge is how to use mobile technology tools and solutions not only to increase productivity but also to bring up personal customer interactions and promote customer service. With the entrance of mobile digital technology, the question is whether life insurance companies can take advantage from this new high-tech, high-touch approach to sales or not. The further challenge for insurers is how to choose from among the group of technologies, and which approach will be most secure and successful for their business, agents, and brokers. Over the years, the industry has depended on a fairly low-tech, high-touch process of selling

insurance products. Laptop PCs and the Internet at first met with slow acceptance due to an amalgamation of internal resistance and a lack of external pressure. Today the Web has changed from frightening challenge to a basic, and it has changed the relationship between agents and clients. A current insurance study found that eight out of every ten, new life insurance clients get insurance quotes or information from a company's website, and then approach to an agent to purchase a policy. Even though today's consumer depend on PCs and the Internet, the same is not true for the agents. Many agents still mostly depend on paper for presentations, illustrations and completing applications.

Mobile technology has the likely for increasing the use of technology by agents and making a lasting impression on the consumer as well. In variation to the years it took for the Web to catch on in insurance, mobile is relatively quickly becoming an expected platform in distribution. Today's diversity among mobile platforms and hardware devices bearing about challenges in deciding which platform or device to offer to agents. In general, each operating system offers a diversity of smart phones and at least one corresponding tablet from which to choose. As the variation and number of mobile platforms multiply, insurers must decide on the capabilities they want to deliver and then figure out the best way to employ a platform's unique features and functionality to reach those goals. Insurers say that their great concern is security.

For many insurers, the BlackBerry is the only choice because of its security features, but other mobile platforms are move up to meet enterprise security concerns. As insurers explore each platform, they must consider the effectiveness of a device in protect or expanding the personal, intimate connection

between agent and customer while alleviate the security implications of their choice. Insurers should develop a list of capabilities they want and then figure out which devices deliver those capabilities as they look into app development. The tablet provides an agent the capability to have an interactive selling experience, but mobile phones can be successful as well, depending on what functionality is desired. Even after choosing a platform or device, insurers might decide that cross-platform flexibility is the better approach to mobile app development. Although native apps are built for one mobile platform and take advantage of the specific features and functions on a specified device, mobile apps that use Mobile Web technologies are often more low cost and can be reused across mobile platforms and websites. Depending on what kind of app is desired, there are challenges and sake to both approaches. The cross-platform approach, however, may be very important if an insurer chooses to embrace a "bring your own technology" approach to asset management. Although there are risks, agents can benefit from having certain functions on their mobile tools. Additionally, mobile apps offer huge opportunity to increase market share and customer value. Some benefits include recruiting and keep younger salespeople, enhanced customer service, error reduction due to electronic data submission, direct access to marketing materials and more collective comfortable selling. All insurance companies must address is finding better and faster ways to connect the ever increasing demands of the regulatory environment. The impact of digital innovation will drive. Thus, additional pressures on insurance organizations to competently and effectively meet these regulatory requirements.

5. INVESTMENT DECISION OF POLICY MAKER:

Mostly the investors are making investment is form on the Gender, Age, Income and the Education but before their decision they should be in acknowledge of the investment. At the time the digitalization should do the great work of explaining the insurance policies in the detailed manner. This information is helped to assess the policies and also providing the several of decisions about the insurance policies. This decision is helped to save from the big level of loss and risk. On the basis of decision making they will face both advantages and challenges of the investment. They are like saving time for payment of insurance policy; minimum price of the internet while compare to the travelling charges and some disadvantages is unstable of the data and uncomplicated to theft the personal details through digitalization and E-business.

5.1. FACTORS AFFECTING DIGITAL INSURANCE ADOPTION

Digital Insurance is contrived by a many of factors. Customers will embrace digital insurance based on various reasons. Some of the reasons due to convenience, investment, security and savings associated with the numerous modes of digital insurance. The various factors discussed in details below.

Influence of Awareness: In insurance the digital transformation is very essential but the insurers do not have any awareness to adopt the digitalization of insurance. This is the main factor in insurance and India has very low awareness of the new innovative technologies when compare with the other countries, the India has very poor in finance and the developments.

Trust and Security: The customer trust is very essential factor that affects the success of digital insurance services uptake. So, the trust is only finalizing the security of digital

services, but the more customers should want to modify the digital transformation of services for their benefit at the same time trust and security is not fare to the customers and it is the main disadvantages in the digitalisation. The innovation is more complex and not user friendly, so the customer's needs lot of effort and it discourage the adoption of innovative technologies. So, the innovation is must generate comfortable to the customers they will try to use the digital technologies in long time and then they want the updated version in the digitalization.

6. CONCLUSION:

The E-business and digitalization of marketing in insurance sector has change the way companies communicate with customers; generate an environment in which marketing, information and technology should work together. Retailers and large industries have made huge strides in digital acquisition platforms to bring a satisfactory customer experience. Like mobile and social networks increasing popularity, consumers depend on Smartphone's and tablets in research, compare prices and buy products online - anytime, anywhere. Still, customers expect that the same accurate and easy experience from their insurance bearer as they do from their favorite program, search engine or online retailer. Digital incorporation has fundamentally changed the business model and the introduction of web accumulation in distribution channel has impacted the business of many insurers in a good as well as bad way, but consumers are cheerful to use web aggregator platforms for the information purpose. Consumers are also more inclined towards using mobile apps, chat boot, and company's website for interaction purpose of any kind like service related or claim related ones. E business and Digitalization has impacted on value added

services which directly affect the way by which insurers are now marketing their insurance products, engagement with customers and after sale services like how well and timely inquiry has been resolved, how quietly and quickly claim has been approved etc. all these factors have now became important for Insurance company to market his insurance products in the competitive market.

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