

IMPACT OF DIGITAL MARKETING OF INSURANCE PRODUCTS

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Abstract

Insurance is a social contract based on the principle of mutual benefit. It provides for contingencies in life and offers social security. In India, insurance is often taken as an unsolicited product in the sense that buyers of insurance policies avail insurance out of compulsion and persuasion and not out of own choice. This warrants special marketing efforts on the part of insurance companies, whether life or general, to inform, motivate and persuade potential customers to buy insurance products. The Internet has fast emerged as a popular medium of communication and online marketing strategies and online advertising have emerged as effective marketing tool by the insurance companies in India. Through Search Engine Optimisation (SEO), Organic Search (OS), Pay Per Click (PPC), Short Message Services (SMS), targeted emails, social media campaigns and YouTube videossurance.com, companies across India are trying hard to generate revenue, improve profits and extend the customer base. The present study attempts to evaluate the impact of online advertising strategies of insurance companies in India in informing, attracting and retaining customers. Data collected from 85 respondents in Thrissur district, Kerala using purposive sampling method. For analysing the data, statistical tools like weighted average, mean, standard deviation and ANOVA are used. The study concluded that the most popular advertising strategy of insurance company among public is insurance company's website and there is no significant difference among occupation, qualification, gender and age of respondents with reference to perception.

Key words:- Insurance, Online advertising, Search Engine Optimisation, Pay per Click.

Insurance is a contract between the insurer and the insured whereby the insurer promises to compensate the insured against any loss or damage suffered by the latter on account of future contingencies. Life insurance policies come up with an assurance and financial security whereas

general insurance policies promise to protect and indemnify the insured.

In India, life insurance policies are often assumed as an avenue for investment rather than as a tool for protection. There seems to be a lack of affinity towards the idea of getting insured voluntarily. Surveys have shown that only a meagre 15 per

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cent of buyers of insurance policies were self-motivated to buy insurance products whereas the remaining 85 per cent got insured out of compulsion or persuasion by insurance agents or insurance web portals. No wonder why the insurance penetration in India is still at its infancy in India. Despite being the fifth largest economy in the world, insurance penetration in India is too disappointing.

Life insurance penetration in India is as low as 3.3 per cent and general insurance penetration level is only 5 per cent. Lack of financial literacy, lack of awareness and delinquent financial inclusion etc can be attributed to be the major reason behind that. However, insurance companies across the country are now concentrating on internet as an active medium of communication and online advertising as strategic weapon to win customers. Search Engine Optimisation (SEO), Organic Search (OS), Pay per Click (PPC), Short Message Services (SMS), targeted emails, social media campaigns and YouTube videos are being resorted to by insurance companies across India to inform, motivate and persuade customers. At this juncture, this paper attempts to evaluate the effectiveness of online advertising tools in winning customers and analyse the experience of the buyers of insurance policies, insurance agents or insurance web portals.

Life Insurance Corporation (LIC) of India dominates the life insurance segment and the general insurance market is dominated by four insurance companies operating in the public sector, namely United India Insurance, Oriental Insurance, New India Assurance and

National Insurance. A recent trend in the marketing of insurance players is the emergence of Fitch companies and aggregator online portal like Policy bazaar, Insurancedekho, PhonePe, Paytm etc. that provides user friendly websites and mobile apps to provide 24X7 online services.

Overview of Literature

Alt, M.A., Saplacan, z., Bendek, b., & Nagy, B.z. (2021), Digital touch points and multi-channel segmentation approach in the life insurance industry, conducted a cross-sectional research survey in order to segment potential customers of life insurance based on information search, purchasing channels and personal characteristics in the digital environment. The study revealed the need for insurance companies to develop channels like search engine optimisation, company web page and Facebook page bearing in mind that insurance companies can go a long way ahead by resorting to online advertising strategy.

Bua-inN. (2021), A model of advertising on online marketing with content marketing in life insurance business, observed that advertising of life insurance business on social platforms is growing, thank to innovative technology. It embraces competitive advantage and faster customer relationships. The analysis of components of online marketing in life insurance business reveals 4 components - effective communication, content marketing, organisational efficiency and customer relationship. Study shows that content marketing and building customer relationships are the most effective ones.

Cvitanovic P.L. (2021) The analysis of digital marketing tactics of selected insurance companies in Croatia, studied the online marketing strategies of insurance companies in Croatia and analysed the Google search results of insurance companies. A comparative analysis was also made about the websites of various insurance companies and marketing tactics applied by them at social media sites and YouTube channels. It was found that through developing increased awareness of digital marketing tactics, and through learning from competitors, every insurance company can improve on business results.

Singh, V. (2015), Online advertising effectiveness in service sector; a literature review and conceptual framework, observed that online advertising can be an effective tool for conveying promotional messages to potential customers. Because of the versatility and universal nature of the internet, global enterprises operating in the service sector like banking and insurance are fast turning into the online version of advertising. With the increase in the number of internet users, we can see it as a potential medium for deriving higher customer satisfaction.

Deshwal, P. (2016) Online advertising and its impact on consumer behaviour, identified display, search, affiliation, email, social media, rich media, mobile and classified as major strategies of online advertising. The major aim of online advertising stands to be generating sales, followed by build social media follow base. Floating ads, expand ads, wallpaper and YouTube video ads can

influence the customers easily. Economy, wider reach, personalisation and flexibility are major advantages of online advertising.

Research Problem

In this age of digitalisation, every industry is changing as a result of technology breakthroughs and the insurance industry is no exception. For insurers the shifting of insurance landscape has sparked a rush of technology developments in the sector. Internet and data connectivity have changed the very modus operandi of the business. Online marketing and online advertising have revolutionized the very concept marketing communication. No wonder why insurance companies are increasingly going online by migrating to digital portals. Insurance companies spend heavily on online advertising strategies. But one has to check the impact of online advertising campaigns in informing, influencing and persuading customers into a final decision. The present study addresses this problem by evaluating the effectiveness of online advertising related to insurance and allied services.

Research Objectives

1. To identify the popular online advertising platforms in insurance sector.
2. To measure the customer perception towards online advertising strategies of Insurance products in India.
3. To study the influence of demographic factors on perception of online advertising strategies of insurance products.

Research Methodology

The study is analytical in nature and used secondary data as well as primary data. Secondary data have been collected from various government agencies, reputed journals and credible websites. Primary data have been obtained by means of a structured questionnaire distributed online via Google form. Data collected from 85 respondents in Thrissur district, Kerala using purposive sampling method. The reliability of the research is restricted to data provided by the

respondents. For analysing the data, statistical tools like weighted average, mean, standard deviation and ANOVA were used.

Results and Discussions

From table 1, it can be inferred that, the most popular advertising strategy of insurance company among public is insurance company’s website with a weighted average of 26.86. The second most popular advertising strategy is mobile applications with an average value

Table 1
Popular online advertising strategies

| SI. No | Strategies | Weighted average | Rank |
|--------|--------------------------------|------------------|------|
| 1 | Insurance company’s website | 26.86 | 1 |
| 2 | Online aggregators | 7.26 | 5 |
| 3 | Mobile Applications | 22.73 | 2 |
| 4 | Virtual Assistance or Chat box | 11.33 | 4 |
| 5 | Digitalisation | 15.20 | 3 |

Source: Primary Data

Table 2
Customer perception towards online advertising strategies of Insurance products in India.

| SI. No | Statements | Mean | SD |
|--------|---|--------|--------|
| 1 | It is possible to execute purchase decision in a fast manner. | 4.2000 | 1.2611 |
| 2 | It is available to compare and choose the appropriate product to purchase. | 4.0235 | 1.2245 |
| 3 | It is interactive in nature. | 4.1529 | 1.0740 |
| 4 | Easy resolution of queries is made possible through effective websites. | 4.1765 | 1.2167 |
| 5 | Able to reassure decision made through reviews posted in social media and websites. | 3.4235 | 0.8779 |
| 6 | Updated information is obtained through website of company. | 3.4824 | 0.9833 |
| 7 | Third-party websites play a crucial role in purchase decisions. | 3.4000 | 1.1041 |
| 8 | Digitalisation leads to easy availability of reliable information. | 2.8000 | 0.9486 |

Source: Primary Data

of 22.73 followed by digitalisation, virtual assistance and online aggregators with weighted average values of 15.20, 11.33 and 7.26 respectively.

From the table 2, it can be seen that, the execution of purchase decision in a fast manner scores the highest mean value of 4.200 with a standard deviation of 1.2611. Easy resolution of queries through effective websites follows with a mean score of 4.1765 (SD 1.2167). Interactivity in its nature and availability to compare and choose the appropriate product are with higher mean values of 4.1529 and 4.0235. Digitalisation leads to easy availability of reliable information has the lowest mean score of 2.8000 with a SD value of 0.9846.

From the table 3, it is clear that the perception level towards online strategies among male and female are not having any significant difference as the p-value is greater than 0.05. It can be seen that out of the maximum score of 40, the mean

score of male and female faculty members together is 29.6588 with a Standard Deviation is 7.4447. The mean score of the perception level among female respondents are 29.2400 (SD 8.2723) and among male respondents are 30.2571 (SD 7.0849) which indicates that there is no significant difference between male and female respondents with regard to perception towards online strategies of insurance companies.

Since the p-value is less than 0.05, the assumption of equal variance is rejected. Hence, value of Welch is considered in the study. Following table spells out the Welch’s results.

From table 5, it can be clearly observed that the p value is 0.050. Hence, it can be concluded that there is no significant difference among age of respondents with reference to perception.

Since the p-value is greater than 0.05, the assumption of equal variance is accepted. Hence, value of ANOVA is

Table 3
Influence of demographic factors on online advertising of insurance products.

| Gender | N | Mean | SD | t- value | Max Score | p-value | Remarks |
|--------|----|---------|--------|----------|-----------|---------|-------------------------|
| Female | 50 | 29.2400 | 8.2723 | -0.591 | 40 | 0.556 | Equal variances assumed |
| Male | 35 | 30.2571 | 7.0849 | | | | |
| Total | 85 | 29.6588 | 7.4447 | | | | |

Source: Primary Data

Table 4
Age category wise Test of Homogeneity of Variances of Perception

| Variable | Levens’s Statistic | P Value |
|------------|--------------------|---------|
| Perception | 3.759 | 0.014 |

Source: Primary Data

Table 5
Age Category wise Analysis of Perception

| Age category | N | Mean | SD | Max Score | F value/ Welch F | P Value | Remarks |
|--------------|----|---------|--------|-----------|------------------|---------|---------|
| Below 25 | 21 | 27.9048 | 8.2577 | 40 | 2.828 | 0.050 | Welch |
| 25-40 | 28 | 28.0000 | 9.4672 | | | | |
| 40-60 | 17 | 31.5294 | 6.8110 | | | | |
| Above 60 | 19 | 32.3684 | 3.4514 | | | | |
| Total | 85 | 29.6588 | 7.7774 | | | | |

Source: Primary Data

Table 6
Qualification wise Test of Homogeneity of Variances of Perception

| Variable | Levens's Statistic | P Value |
|------------|--------------------|---------|
| Perception | 1.645 | 0.185 |

Source: Primary Data

Table 7
Qualification wise Analysis of Perception

| Qualification | N | Mean | SD | Max Score | F value/ Welch F | P Value | Remarks |
|------------------|----|---------|---------|-----------|------------------|---------|---------|
| SSLC | 22 | 28.2727 | 9.31042 | 40 | 0.407 | 0.748 | ANOVA |
| Higher Secondary | 30 | 30.7000 | 6.5818 | | | | |
| Graduation | 13 | 29.4615 | 9.5534 | | | | |
| PG and above | 20 | 29.7500 | 6.6243 | | | | |
| Total | 85 | 29.6588 | 7.7774 | | | | |

Source: Primary Data

considered in the study. Following table spells out the results of ANOVA.

From the above table 7, it can be clearly observed that the p value is 0.748 which is greater than 0.05. Hence, it can be concluded that there is no significant difference among qualification of respondents with reference to perception.

Since the p-value is less than 0.05, the assumption of equal variance is rejected. Hence, value of Welch is considered in the study. Following table spells out the Welch's results.

From the table 9, it can be clearly observed that the p value is 0.087 which is greater than 0.05. Hence, it can be

Table 8
Occupation wise Test of Homogeneity of Variances of Perception

| Variable | Levens's Statistic | P Value |
|------------|--------------------|---------|
| Perception | 9.181 | 0.000 |

Source: Primary Data

Table 9
Occupation wise Analysis of Perception

| Occupation | N | Mean | SD | Max Score | F value/ Welch F | P Value | Remarks |
|--------------------|----|---------|---------|-----------|------------------|---------|---------|
| Student | 23 | 31.7826 | 6.2374 | 40 | 2.396 | 0.087 | Welch |
| Business | 28 | 29.7500 | 7.9097 | | | | |
| Profession | 11 | 21.8182 | 11.9984 | | | | |
| Retired /Homemaker | 23 | 31.1739 | 3.4595 | | | | |
| Total | 85 | 29.6588 | 7.7774 | | | | |

Source: Primary Data

concluded that there is no significant difference among occupation of respondents with reference to perception.

Conclusion

Online marketing of insurance policies is one area that has tremendous potential for accelerated growth. Access to internet and social media through smartphones are closely associated with online purchase of insurance policies. People in the lower age group with better educational qualifications are more inclined towards online subscription. Customers put more trust on company websites than third party aggregate websites. However, they feel that third party websites facilitate real time comparison of competing insurance products. Comfort of home, attractive discounts, real time comparison, instant activation, ease of online payment and cost

effectiveness are the major points of attraction. Lack of personal touch, erroneous information, exaggerated promises and lack of trust are the critical barriers. Majority of the policy holders find banner advertisements and YouTube ads as most appealing. Many of them consider emails, SMS and push notifications to be least effective. Junk mails, untimely ads and unsolicited marketing calls are pointed out as irritating. 80 per cent of the respondents weigh high trust on social media reviews before buying. 65 per cent believe that Chatbots can effectively manage their queries. Thus, we can see that insurance providers can cash in a lot from cost effective online advertising and marketing efforts. With more penetration of internet and high-speed connectivity, its reach can further be extended.

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