A STUDY ON REDEFINING TRADITIONAL WAYS OF MARKETING OF LIFE INSURANCE POLICY IN CURRENT DIGITAL ERA

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ABSTRACT

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This paper examines the role of Information Communication and Technology (ICT) in Insurance Marketing and Services in South Central Zone of LIC. This research seeks to understand the new developments in the area of Insurance. This chapter presents the Need for the Study, Objectives of the Study, Statement of the Problem, Research Questions, Hypotheses, Methodology and Limitations of the Study. Information and Communication Technology (ICT) has always played a pivotal role in the growth and development of societies worldwide. As the restrictions of time and space become less relevant, new connections are being electronically forged and the concept of a 'global village' or 'networked community' is becoming a significant influence in learning design.

KEYWORDS: *Information and Communication Technology, entrepreneurs, corporate sector, investors,*

INTRODUCTION

In the present day insurance marketing scenario, the LIC and GIC play the role of an encouraging and supporting force to the entrepreneurs, corporate sector, investors, Government, Co-operatives, individuals and general public. There is vast scope for Insurance companies to enlarge its operations both in domestic and international market. Life insurance marketing is the design implementation and control of programmes seeking to increase the acceptability of a social idea or practice in a target group.

It utilises concepts of market segmentation, consumer research idea configuration, and communication, facilitation, incentives and exchange theory to maximise target group response.

CONCEPT OF INSURANCE MARKETING

In the present day insurance marketing scenario, the LIC and GIC play the role of an encouraging and supporting force to the entrepreneurs, corporate sector, investors, Government, Co-operatives, individuals and general public. There is vast scope for Insurance companies to enlarge its operations both in domestic and international market.

The following areas are identified as the scope of insurance marketing

1. Changes in Insurance policy
2. Evolving consumer needs
3. Distribution gains importance
4. Innovations in insurance marketing
5. Development of rural markets
6. Entry of public sector banks
7. Pension plans.

INSURANCE ENVIRONMENT AND SWOT ANALYSIS

The first stems from an analysis of the life insurer's environment. Every company has two environments external

and internal. The external environment consists of factors outside the company over which it has little or no control. While scanning it the life insurer may typically ask a number of questions such as:

• Which are the principal consumer groups in the market? What are the principal trends shaping the way they live and die? What kinds of life contingent outcomes! Risks are emerging as a result and which of these needs the company should try to address?

• What is the nature of the competition? In particular, the company must look at the barriers to have an entry; how customers perceive different life insurers and their value offerings; to which brands are they loyal and why; which kinds of distribution channels they use to access which segments and with what effectiveness; what is the scale of their operations and network; what kind of intellectual and infrastructural capital they own and possess? These all questions plya a vital role.

TYPES OF MARKETING CHANNELS

Marketing intermediaries: Middlemen like agents and brokers, which sell an insurer's products typically on face to face basis to customers.

• Financial institutions: Banks, investment and other financial firms who sell life insurers' products.
• Direct marketing: Here the customer deals directly with the insurer without any intervening intermediary or firm. Selling is done here through the company's direct sales force, via mail order, telemarketing or the Internet.

CUSTOMER RETENTION IN LIFE INSURANCE

Web InsuranceMarketing is another good strategy to promote insurance policies. The pop ups that one sees while using Internet are actually a very effective way of sending messages across the potential insurance customers. One should listen to the existing Life Insurance Policy Holders as well as the potential Life insurance policy holders and listen to what people who actually matters have to say. One common problem that the insured persons face is that the insurance companies do not inform its clients about the hike in the premium rates. These things should be kept in mind. Not only that, a client should be informed about everything related to his policy and the Life insurance company should keep the transparency as much as possible.

TECHNOLOGICAL EDGE

For a customer who is comfortable using the internet and has some experience of having made an online purchase, buying life insurance online is an easy and a logical option. It's fast, easy and secure - just fill in the details and make the payment through Internet Banking. Apart from the convenience, online policy is also cheaper than the offline version as online rebate is also available. LIC's e-Term is a regular premium non-participating "Online Term Assurance Policy" which provides financial protection to the insured's family in case of his/her unfortunate demise. This plan will be available through online application process only and no intermediaries will be involved.

LIC Alternate Channels of Premium Collection
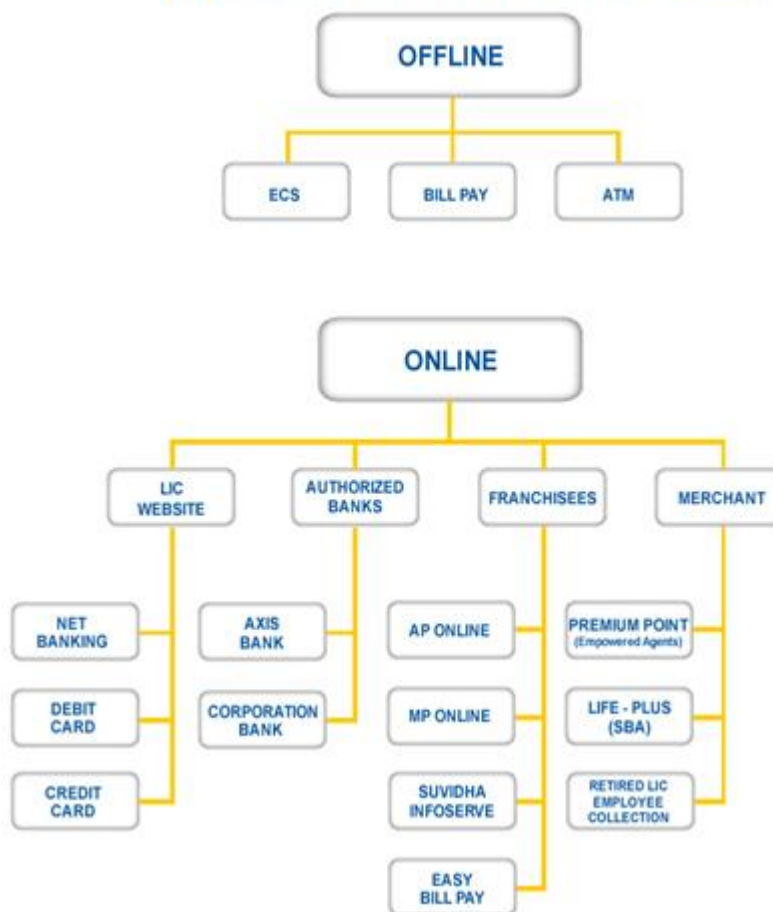
SIGNIFICANCE OF THE STUDY

In more recent times the need for organisations to compete not just locally but nationally and even globally has led to many organisations recognising the importance of the effective use of ICT's in Insurance. As human being is an income making asset. One's income generating ability depends on one's skills, qualification and life etc,. Therefore, there is a need for Insurance companies to continuously review their marketing operation and identity the deficiencies existing in the present era of ICT and knowledge global world. Keeping this in view of the above there is need to study the role of ICT in insurance marketing and services. India's rapid rate of economic growth over the past decade has been one of the most momentous developments in the global economy. Indian insurance industry has witnessed speedy growth during the last few decades. Consequently, many foreign companies have articulated their interest in investing in domestic insurance companies.

OBJECTIVES OF THE STUDY

- To study the impact of ICT over marketing strategies.
- To elicit the opinion of the respondents on future scope of ICT.
- To find out the user satisfaction regarding the ICT usage

ANALYSIS OF PROBLEM

The other crucial issue LIC is facing is to bring about an integration of these three vital pillars, namely business development, customer care/information technology, and develop a customer-facing solution to enhance the organization's customer interaction processes. The growing pressure of market conditions, the need to maintain and grow market shares and to maintain a meaningful brand identity, and the entry of more insurance providers/competitors is thus major challenge for LIC.

RESEARCH QUESTION AND HYPOTHESIS

- Acceptance of employees and customers?
- Marketing efforts using ICT and its influence over the consumer?
- The purpose of buying insurance policy is different among policy holders who have knowledge of ICT than policyholder who have little or no knowledge of ICT.
- The adaptation of ICT by the insurance sector has had a lasting impact on the performance of public sector insurance companies.
- ICT have significant impact on business strategies and goals.

METHODOLOGY

With inbound interactions, insurance customers offer their attention they visit a web site, make a call, or visit an agent or broker because they want something at that moment information about a product or help with a problem these interactions usually present an opportunity to communicate with a customer who is engaged by choice and ready to share information regarding his or her wants and needs outbound interactions are typically used to target products to particular customer segments based on analysis of customer data, the success of these interactions whether through email, direct mail, or other channels depends to a great extent on the organization's understanding of the customer's wants and needs at the time of the offer.

Sampling

Keeping in view of the above objectives the researcher felt it desirable to conduct research in the selected areas of Andhra Pradesh. A pilot study was conducted prior to the administering of the schedule. The respondents of the pilot study have also been included in the actual size of the sample for purpose of analysis.

Reliability of the Questionnaire / Schedule

The survey interview and questionnaire instrument were designed with close-ended and open-ended questions. Close ended-questions help the respondents to choose the answer or responses that have already been given by the interview questions or the questionnaire. This was used in order to offer both the researcher and respondents the advantage of answering the questions faster and easier.

Statistical tools

The Chi-square (χ^2) test is one of the simplest and most widely used non-parametric tests in statistical work. The symbol χ^2 is the Greek letter chi, the χ^2 test was first used by Karl Pearson in the year 1900. The quantity χ^2 describes the magnitude of the discrepancy between theory and observation.

$$\text{It is defined as: } \chi^2 = \Sigma \frac{(O-E)^2}{E}$$

Where O refers to the observed frequencies and E refers to expected frequencies.

F-test is the two-tailed probability test used to find the variances in array1 and array2 are not significantly different. This function is used to determine whether two samples have different variances.

Scoring and Measurement of variables

The different items relating to both the dependent variable and the intervening variables are provided the same alternatives on Likert Scale Pattern of 5-point scale. The five response categories together with the numerical values assigned to them for computation are:
Strongly Agree (5) Agree (4) Neutral (3) Disagree (2) Strongly Disagree (1)

Limitations

1. The present is a case analysis of Life Insurance Corporation of India Andhra Pradesh region, and its conclusion need not necessarily apply to other organizations of similar nature or business.
2. Keeping in view the immense recorded material available with the organization, the researcher took pains to arrange the data according to the different aspects of the present study.

REVIEW OF LITERATURE

Marketing of service is different from a product in that services cannot be owned; on the contrary, they can merely be used for a period of time. Because of this, it is important for the companies and representative of a service company to interact with the customers and focus on providing customers exceptional value. It is the imperative of every organisation to understand its own marketing activities so that it can capitalize the market need. Sowmiya, G., & Selvam, V. (2017)

insurance industry landscape in India has dramatically changed. New delivery channels like bank assurance, corporate agents, brokers, MFIs, post offices, SHGs and direct selling through Internet have totally revolutionized the process of insurance selling.

ANALYSIS OF DATA

Data analysis is considered to be important step and heart of the research in research work. After collection of data with the help of relevant tools and techniques, the next logical step, is to analyze and interpret data with a view to arriving at empirical solution to the problem. The researcher has administered the alpha scale method of reliability analysis for each and every dimension. Table below shows how the statements are related to one another for each and every dimension.

Reliability Tests

Dimension Name	Alpha	Cases	Items
ICT Philosophy	0.817	448	6
Communication	0.711	448	6
ICT Management System	0.652	448	6
Support for ICT	0.650	448	6
Overall	0.794	448	24

The alpha coefficient for the 24 items is 0.794, suggesting that the items have relatively high internal consistency.

S. No	Statements on ICT Philosophy	SA	A	N	DA	SDA
1	I am acquainted with the concept and application of ICT systems	14.3	81.3	3.6	0.2	0.7
2	I understand the usage ICT in marketing	13.6	80.4	2.9	2.2	0.9
3	I use ICT mediums like email & SMS/MMS etc.,	1.8	96	0.2	1.1	0.9
4	I use personal computer and other methods of communication	18.3	55.1	19.2	5.8	1.6
5	Website have the facility for visitors/customers to sign-up for your newsletter by their names, email and gender	17.9	54.9	17.6	7.6	2
6	I am with the automated online insurance application process	17.6	54.9	17	7.1	3.3
	Average Percentage	13.92	70.43	10.08	4.00	1.57

Table above reveals that the overall opinion of the respondents on the dimension "ICT Philosophy". It is observed from the data out of the total respondents of 448, on an average 70.43% of the respondents have agreed with the said dimension 13.92% of respondents have strongly agreed while 10.08% of the respondents could not state their opinion and the remaining 5.57% of the respondents are against the said statement.

S.No	Statements on Support for ICT	SA	A	N	DA	SDA
19	ICT Improve and increase speed of the services	10.3	50.9	23	12.5	3.3
20	ICT Improve and increase service convenience and reduce concept of distance	29.2	50.7	12.3	6.3	1.6
21	Discounted policies will attract and increase the sale of policies.	25.4	47.3	16.3	7.6	3.3
22	Agents create understanding and sale of highly complex products	22.3	48.4	17	8.3	4
23	Online advertising increases awareness of insurance products	10.3	50.9	23	12.5	3.3
24	Application of ICT can be helpful for the consumers as well as organisations	25.4	47.3	16.3	7.6	3.3
		20.48	49.25	17.98	9.13	3.13

Table above depicts that the overall opinion of the respondents on the dimension "Support for ICT". It is observed from the analysis that, on an average 69.73 % of the respondents have positively responded with the said dimension, while 17.98% of the respondents have not shared their opinion in the said dimension and the remaining 12.26 % of the respondents have apathetically responded.

Correlation Matrix ᵃ

		ICT Philosophy	Communication	ICT Management System	Support for ICT
Correlation	ICT Philosophy	1.000	.292	.337	.284
	Communication	.292	1.000	.592	.556
	ICT Management System	.337	.592	1.000	.554
	Support for ICT	.284	.556	.554	1.000
Sig. (1-tailed)	ICT Philosophy		.000	.000	.000
	Communication	.000		.000	.000
	ICT Management System	.000	.000		.000
	Support for ICT	.000	.000	.000	

a. Determinant = .345

The above table is an abridged version of the R-matrix. The top values of this table contain the Pearson correlation coefficient between all pairs of the factors whereas the bottom values contain the two-tailed significance of these coefficients. We can use this correlation matrix to check the pattern of relationships. First scan the significance values and look for any variable for which the majority of values are greater than 0.05. Then scan the correlation coefficients themselves and look for any greater than 0.9. If any are found then there is a problem of singularity in the data and we have to remove those variables. The determinant of the matrix of this data is 0.345 which is greater than 0.000001. So multi-collinearity is not a problem for this data. To sum up, all the factors correlate fairly well and none of the correlation coefficients are particular large; therefore no need to consider eliminating any questions at this stage.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.756
Bartlett's Test of Sphericity	Approx. Chi-Square	473.190
	df	6
	Sig.	.000

The above table reveals the KMO statistic which varies between 0 and 1. A value of 0 indicates that the sum of partial correlations is large relative to the sum of correlations, indicating diffusion in the pattern of correlations (hence the factor analysis is likely to be inappropriate). A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors. Here the value is greater than 0.756 so we can say that the range of being good.

CONCLUSION

After a detailed and in depth interpretation and analysis of the data as in the earlier chapter, the percentages and statistical tests were administered to construe the opinions of the respondents on appropriate statements.

MAJOR FINDINGS OF THE STUDY

It is clear that 81.3 percent of the respondents are acquainted with the concept and application of ICT systems. Almost 80.4 percent of the respondents have understanding about the usage ICT in marketing. 96 percent of the respondents use ICT mediums like email & SMS/MMS etc.,

Respondents who use personal computer and other methods of communication are at 55.1 percent. Regarding the statement that ICT continues to gain an edge over other non-computerized promotional materials such as brochures, posters or billboards because of some advantages it has in promotional messaging only 17 percent of the agree and most of the respondents preferred to be neutral. 45.3 percent respondents opined using media such as the Internet allows businesses to break through geographical barriers and promote products and services faster. Only 35 percent respondents believe ICT is Extremely Interactive to connect consumer to the service provider. 33 percent respondents' opined emails, SMS and MMS allow businesses to send out custom-made multimedia messages or alerts to a target audience that can facilitate direct responses.

SCOPE FOR FUTURE RESEARCH

Based on this study, further inferential studies may be carried out where hypothesis will be tested on a larger sample size with focus on quantitative techniques of data analysis. Studies should be conducted into other industries, other uses of ICT tools like short message services and multimedia media message services can also be investigated.

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