

Scope of Internet and Mobile Marketing in Selling Insurance

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Comments by the Faculty

In the present day business world, social media is playing an important role in bringing the products to the footsteps of the customer. Most of the organizations ensure that they are present in almost all the social media websites and also ensure that they are in regular touch through frequent advertisements. Sometimes they take the help of the celebrities to endorse their products on social media websites like Facebook, twitter, etc. It is becoming necessary even to the educational institutions to make their presence felt amongst the student community in order to sustain the competition. In some cases the organizations also upload their videos on the websites like YouTube and based on the number of viewers, confirm that their products are reaching the customers. All these show that internet marketing has become a necessary component in an organization's promotional strategy.

Among other things, mobile marketing is another important strategy that the organizations are now adopting to promote their products. Any new product that is being released into market needs immediate introduction to the customers who are in need of the same. Most of the customers are experiencing the same on daily basis. Even the government is using the same strategy to promote their policies and also the election campaigns are being made popular through mobile marketing.

One has to note that either it is an organization or government, it all depends on the type of product or information that they wish to pass on to the customer or public. When it comes to products being introduced by the insurance, it needs special treatment as most of the customers should know the complete details of the products. In such cases, internet marketing and mobile should be done more aggressively.

The project considered by Mr.Yogesh Bhandari is an important project that studies the importance of internet and mobile marketing in promoting the products of the insurance companies. It is done in two stages. In the first stage, he has done a thorough secondary research where the focus has been given on studying the scope of the internet and mobile marketing in selling the insurance products. In the second stage, he has conducted a primary survey to find out the response of the customers in introducing the internet and mobile marketing in promoting the insurance products.

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Company Profile

IDBI Federal Life Insurance Co Ltd. is a joint-venture of IDBI Bank, India's premier development and commercial bank, Federal Bank, one of India's leading private sector banks and Ageas, a multinational insurance giant based out of Europe. In this venture, IDBI Bank owns 48% equity while Federal Bank and Ageas own 26% equity each. Having started in March 2008, in just five months of inception, IDBI Federal became one of the fastest growing new insurance companies by garnering Rs.100 Cr in premiums. Through a continuous process of innovation in product and service delivery IDBI Federal aims to deliver world-class wealth management, protection and retirement solutions that provide value and convenience to the Indian customer.

The company offers its services through a vast nationwide network 2,308 partner bank branches of IDBI Bank and Federal Bank in addition to a sizeable network of advisors and partners. As on 31st December 2013, the company has issued nearly 5.5 lakh policies with a sum assured of over Rs. 32,110.48 crores.

Introduction to the Problem

IDBI Federal Life Insurance Co. Ltd was facing lower sales insurance due to new entries of other foreign insurance companies as their brand visibility was too weak in other parts of country and the study which is made by us is how IDBI Federal can cope with all this and how they can come back to market as new policy and strategy to gain market share and we even made some study why IDBI Federal should go for digitization and how they can improve their brand visibility by including e-marketing as their main area of focus.

Need for the Study

In today's corporate and competitive world, I find that insurance sector has the maximum growth potential as compared to the other sector. Insurance has the maximum growth rate of 70-80% while as FMCG sector has maximum 12-15% of growth rate. Despite recession this sector has noticed a growth rate of around 35-40%.

The growth potential attracts individuals to enter this sector and IDBI-Federal Life Insurance Company Ltd has given me the opportunity to get a peek of highly competitive and enhancing sector. The awareness related to life insurance products in India, among the mass, is still very low. The level is even lower in rural areas. Insurance is still considered as a tool for tax planning only, even when companies have attached investment benefits to it. The major factors affecting the purchase of an insurance product are trust, service, product features and relationship with advisors.

Firms like LIC are still favored only because of being a government undertaking units. The concept of m—is-selling has paralyzed the sector itself. People find it hard to have faith in advisors. Their job is really very hard. People are now getting aware of the various investment tools available in the market. The masses in urban cities like Pune have started comparing the products.

While talking to different people, I found that their purchase decision was highly influenced by their family and colleagues. They purchased the insurance products at the time when they needed it most, which according to them was at the time of tax planning, whereas any insurance product must be bought when the individual needs it least so that they can actually calculate the amount of life cover they need and the type of investment they want.

They can spread awareness by organizing various camps, sending mails or through free counselling for interested people and also they have two main driving force for their awareness campaign i.e. **Internet Marketing and Mobile Marketing** which also help insurance company to improve their Brand awareness and Sales. As we also came to know from the survey that people in rural areas and urban areas are moving to technological way for their work like Mobile Phones and computers.

Objective of the Study

To study the Scope of the Internet and Mobile marketing in selling insurance at IDBI Federal Insurance Co. Ltd

Methodology

Primary Data

Questionnaire method was followed in the rural areas and urban areas to see the preference of insurance in both the areas where it was focusing on the attitude of people in these areas when it comes to insurance.

Sampling

The statistical sample refers to individuals who are selected from the statistical population through sampling methods. In this research, the number of statistical population is equal to 200 people that 132 of them were selected and surveyed.

Place of Study

The following process was carried at Badlapur and Vangni (Mumbai) which is village area.

Secondary Data

Internet Survey and Personal Observation

The secondary data is collected from the sources related to various articles and case research done by many individuals which are included in conclusion that why e-marketing is important for every company and how IDBI Federal can use it in for their benefits.

Analysis

Two analysis were carried out to prove how internet marketing were successful how much it's important to company for growth.

Analysis 1- Relation between e-marketing and life and investment insurance sale

Analysis 2- Finding brand awareness and scope of internet marketing and mobile marketing is successful for sales improvement

Analysis 1- Relation Between e-Marketing and Life and Investment Insurance Sale

The Research Hypothesis:

- **The main hypothesis:** electronic marketing affects life and investment insurance sales.
- **The research sub-hypotheses**
 - **The first sub-hypothesis:** using internet in marketing activities related to clients affects life and investment insurance sales.
 - **The second sub-hypothesis:** using internet in marketing activities related to distribution channels affects life and investment insurance sales.
 - **The third sub-hypothesis:** using internet in marketing activities related to marketing research affects life and investment insurance sales.

Figure 1 shows the conceptual model of the research. In the model, the independent variables are the dimensions of electronic marketing including “the use of internet for marketing activities related to clients”, “the use of internet for marketing activities related to distribution channels”, and “the use of internet for activities related to marketing research”.

The model also shows the components of each dimension as well as the dependent variable of the study “life and investment insurance sales”.

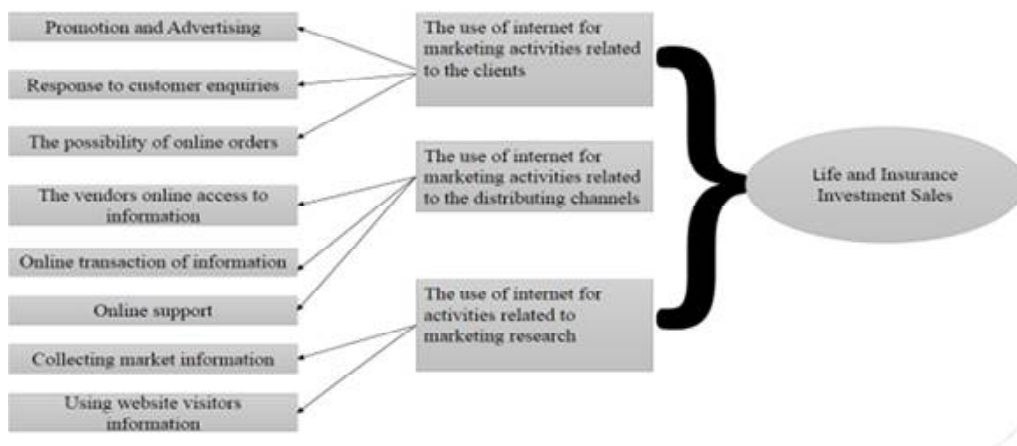


Figure1: The research conceptual model is derived from combining all the secondary data from various resources like article, cases, and thesis and research studies.

The present study is an applied research based on its purpose, because its results and findings can help in solving some current problems of insurance companies and developing new approaches for promotion of life and investment insurance sales. In terms of data collection, the study is a descriptive research, because it describes the subject and deals with the relations between the variables. On the other hand, in terms of descriptive research classification, the present study is considered a survey research based on the data collection method.

The statistical population refers to all individuals, events, or things that a researcher intends to study them. The statistical population of this research includes life insurance specialized managers, experts in issuance, sales and marketing of life and investment insurance, and technical staff active in the life and investment insurance part of insurance companies. These people can be considered as leaders in this field who provide the sales policies of this insurance for all sales.

The Results of Testing Research Hypotheses

Table 1: shows the results of testing research hypotheses

Hypotheses	The correlation coefficient	The result at the confidence level of 0.99
The main Hypothesis	0.623	Not Rejected
1 st hypothesis	0.510	Not Rejected
2 nd hypothesis	0.570	Not Rejected
3 rd hypothesis	0.610	Not Rejected

Results of testing research hypothesis

Table 1: shows the Multiple regression coefficients between e-marketing dimensions and life and investment insurance sales.

In fact, through the main hypothesis of this study, it was attempted to answer the question if e-marketing affects life and investment insurance sales or not. Also, the sub-hypotheses were proposed to answer the question if e-marketing dimensions (the marketing activities related to clients, the marketing activities related to distribution channels, and activities related to marketing research) affect life and investment insurance sales or not. Pearson correlation test was used to test the hypotheses.

According to the results of table 1, since in the main hypothesis as well as the sub-hypotheses, the significance level of test error for a confidence level of 0.99 is lower than 0.01, all hypotheses (the main hypothesis and the sub-hypotheses related to it) are not rejected.

Conclusion

In this study, it was firstly assumed that the e-marketing dimensions affect life and investment insurance sales. The results confirming the findings of previous studies showed that all three dimensions of electronic marketing affect life and investment insurance sales; however, the dimension “using internet in activities related to marketing research has the highest effect on life and investment insurance sales.

Hence, it is needed to give special attention to this dimension in insurance industry and attempt to use it for obtaining the necessary information about clients, competitors, and industry. The feedbacks derived from customer surveys can be used to improve and extend the insurance industry.

Thus, the insurance companies should pay special attention to e-marketing as a new tool for sales growth, achieving the top position among competitors, and conquering unexplored markets; also, they should develop appropriate marketing and promotional strategies to achieve a reasonable share in the market of life and investment insurance.

Analysis 2- Finding brand awareness and scope of internet marketing and mobile marketing is successful for sales improvement

Here we have discussed about each and every question in an analysis format to come at proper conclusion about the study carried out as it was divided in rural and urban areas to find the brand awareness and scope of internet marketing and mobile marketing is successful for sales improvement.

Note : IDBI Federal name was hidden so we can get proper replies

People are mostly aware of life insurance, fixed deposits, post office savings in rural areas we took 30 respondents for our study in rural areas where we found out people are not aware about policy in insurance sector they are just aware of names and mainly LIC was first that they recollect. While in case of urban areas out of 70 respondents 50 to 55 people know about long term saving plans invested in some or other plan.

1. In rural areas we found out of 30 respondents only 10 have life insurance policy while in urban areas we found out of 70 respondents 50 respondents have life insurance policy for them as well as their family members.
2. People are aware about life insurance by agents/ field sales and banks in rural areas while in urban areas people are aware about life insurance by Newspaper and magazine internet telemarketing direct mails and banks and agents most of people are aware about life insurance by internet.
3. Many respondents were facing lack of awareness, not approached by the intermediaries and even some of the respondents replied they can't afford it. While in case of urban areas there was no such problem due to information about the products on internet and other information sources. Here we can even see people were not aware about use of technology

in rural areas even they are available to them this may be due to lack of education and lack of agents approach.

4. If we combine rural and urban respondents most of the people who have policy are of LIC which has major market share in insurance sector.
5. When we asked what prompted you to buy life insurance policy mostly people replied about brand image of the company and impressed the company's Ads and promotion. Rating to this two option were very high.
6. Many respondents are aware LIC Ads and policy.
7. When we asked what message you had from the advertisement? The common replies were as follows: protection for the family, Tax saving, provision for old age risk coverage.
8. Majority of people believe ads as they make sales so company creates ads and some people gave opinion as advertising tempts people to think seriously about their ourselves and their family even people gave replies such as, even with so much advertising it is difficult to know which brand is the best while in questionnaire mostly all the points were agreed that seems there is good scope for advertising of product which satisfies customer
9. How do you make your purchase decision for life insurance product?

May respondents replied they consult the same brand that my friend /colleagues have bought, consult other people to help choose the best alternative available from a product class in rural areas but in urban areas people consult an agent /advisor before making final decision about a product and even they consult their friends/ colleagues for their experience with the particular company

10. We also asked about the brand loyalty respondents in rural areas replied that they would rather stick with a brand they usually buy than try something they are not sure of but in case of urban area they believe in benefits so they mostly replied when they see a new brand somewhat different from the usual they make esquires so they take a chance in buying unfamiliar brand just to get some variety in their purchase.
11. We asked them about how they do the transaction offline or online?

They gave reply as offline and after asking why offline they reply as its easy and there is no complex in doing it while in online they can't trust whether they have done with their payment and its very much complex to understand but when the same question was asked to youth many of them replied as online as it was vice versa to previous comments.

12. But due to current scenario we can see that majority of youth support internet and mobile banking now a days as they find it very exciting and easy to do as it saves time and today its confidential and secure as youth goes for mobile banking and marketing for related work.

Conclusion

From this survey we can come to conclusion that branding is most important and taking it from the right medium is the most important for success of the product. Brand needs visibility which can be done by Social media and word of mouth for which Internet marketing and Mobile marketing id important.

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