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SUSTAINABILITY OF DIGITAL INSURANCE CHALLENGES AND OPPORTUNITIES

Rahmath Unnisa Begum

Lecturer in Commerce

Government Model Degree College

Yerragondapalem

Prakasam District

Introduction

The insurance industry has already invested a lot in improving customer journeys, but there's still more to do as: the insurance customer experience is still far from being as attractive as those in other industries. Today's digital consumers expect personalised and flexible offers at the point of interest. Insurers can be much closer to customers much faster thanks to digital processes that create an end-to-end view and harness automation.

Digitising core operations is a pre-condition not only for engaging in digital ecosystems but also for meeting evolving consumer expectations and staying cost-competitive in a changing insurance industry. In 2023, expect insurers to take advantage of new technologies. An example of this is leveraging AI for speech and text analytics to automate customer interaction, providing additional insights for improving customer experience.

While digitalisation and new data insights allow insurers to create new opportunities for customers, they must ensure the trust of customers by demonstrating strong data privacy and cyber security.

Objectives

1. To Analyse on market size and government initiatives towards insurance sector.
2. To examine on consumer usage of digital marketing towards insurance sector.
3. To evaluate on LIC empanels and agencies to handle media, digital channels.

Review of literature:

P, I Made Indra (2022) assessed that social insurance as commodity less important and feel a loss if they share in social insurance. This is caused by the lack of knowledge carried out by the government. Thus, as a university in the field of insurance, it's necessary to carry out knowledge to the community through community service. Conditioning will be carried out in the form of performances by making animated vids about social insurance.

Venkatesh and Srinidhi (2019) examined that this study investigates the play of significant data analytics to recharge the insurance custom from its conventional ball game and abetment in exponential pan-industry accretion. Data vacuity has expanded dramatically with the emergence of social media. This allows insurance firms to not only aggregate drew up data that are freely accessible to them, but also obtains turn to diverse kinds of unformed data that's visual on social media. Consequential data may be utilized efficiently for prophetic analytics and fraud analytics in this environment. Big data provides speedier data processing, allowing insurance businesses to recycle usages and claims more swiftly, influencing in upgraded situations of customer happiness. To sustainably evolve in the request, insurance firms must enforce a marketing plan, and important data is the return.

Statement of the Problem:

This research is specially related to insurance businesses which surely not show all kind of product details in the online marketing. It is difficult to understand the consumer opinion of the product or policy. Illiterate people difficult to understand the policy and online processes activity. Middle and low level consumer are not able to involve and not complete period of policy payment in the online insurance market.

Research Methodology:

The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant books, articles, papers and web-sites are used in this study.

Conceptual framework:

Government Initiatives

The Government of India has taken a number of initiatives to boost the insurance industry. Some of them are as follows:

1. Government of India launches Pradhan Mantri Vaya Vandana Yojana, a pension scheme which will provide guaranteed 8 per cent annual return to all the senior citizen above 60 years of age for policy tenure of 10 years.
2. The Union Cabinet has approved the public listing of five Government-owned general insurance companies and reducing the Government's stake to 75 per cent from 100 per cent, which is expected to bring higher levels of transparency and accountability, and enable the companies to raise resources from the capital market to meet their fund requirements.

3. The Insurance Regulatory and Development Authority of India (IRDAI) plans to issue redesigned initial public offering (IPO) guidelines for insurance companies in India, which are to looking to divest equity through the IPO route.

Target Insurance Consumers on Social Channels

Reaching your customers and prospects at the right moment and through the right channel is key to any business. And social media is proving to fulfill this role for businesses across all industries. The insurance industry is certainly no exception. Research by LIMRA, the world's largest association of life insurance and financial services companies, discovered that 93% of life insurance companies had social media programs in place. Historically, insurance isn't known as being an industry that emotionally connects and interacts with consumers. Yet, insurance covers very emotional events in a person's life. Social media is a powerful tool to create these customer connections and to engage with consumers on a more personal level. When done correctly, social media can establish your brand's reputation as being customer focused, reputable, and trustworthy – all important factors for consumers when deciding which competitor will win their policy.

Test Audiences and Creative

In digital marketing, it is essential to use multiple variations of creative and targeting strategies to determine what resonates most with health insurance shoppers and convert the most visitors into enrollments.

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Nurture leads through digital media

Virtual structures have helped to enhance the satisfactory of target market focused on and retention in a manner conventional media hasn't been capable of. The sort of lead concentrated on and nurturing strategies to be had these days makes it feasible to interact together with your clients at numerous touch points. Inside the insurance phase, this is very critical to benefit new policyholders and to retain present ones even after their plan expires. One of the simplest lead nurturing techniques for insurance organizations is drip electronic mail marketing. With this technique, you may create focused communications for your customers in each section of their buy decision system.

Social Media

The function of social media in the insurance enterprise is breaking new grounds past traditional advertising and marketing strategies and sensible advertisements. The method of communicating with customers is converting and social media is one of the reasons. This is also a platform for clients to research approximately the coverage agencies, examine critiques and even evaluate a product.

Gives safety

In contrast to paper insurance guidelines, the hazard of loss or damage to a coverage is eliminated. The electronic form of the insurance policy is secure and may be accessed from everywhere and whenever by using the policyholder. Also, virtual coverage offers a protection internet against mis-promoting and fraud by means of agents or distributors.

Comfort of Transacting

Modern customers require quick and immediate decision to their wishes. On-line transactions provide the ease of engaging in various coverage-related techniques. Besides, on line transactions can be done from home and at any time, providing comfort to clients. Also, by digitizing the manner associated with shopping for, renewing and claims, the whole procedure is simplified, thereby enriching the patron’s universal revel in.

Digitalization:

The literal meaning of digitalization gives an apparent idea of development and technology dependent world. Digitalization means computerization of systems and jobs and distribution for better ease and accessibility. It is a new market force that is driving a massive change in consumer expectations. It will require a different set of skills, culture and measurement. Digitalization is about meeting customers where they live. Digitalization and its impact can be explained with the help of a diagram of digitalization triangle.

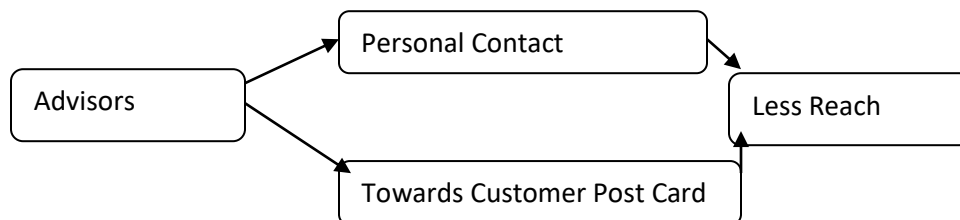
Insurance Advisor:

In Insurance industry the term “agent”, is ordinarily applied to a person engaged by the insurer to procure new business. Advisors are the backbone of any insurance company. Insurance Act 1938 defines “Insurance Agent” as insurance agent licensed under Sec42, being an individual who receives or agrees.

Digitalization and Insurance Advisor:

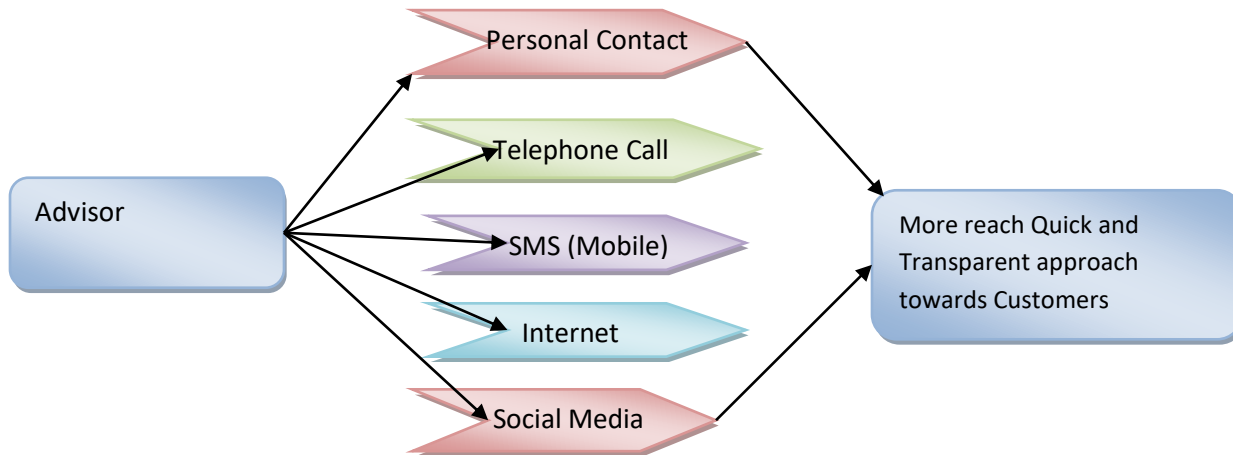
Before opening the insurance sector to private insurance companies, advisors used only traditional methods to approach their clients as well as prospective customers.

Earlier Model:



After opening up of insurance sector, many multinational partners introduced new technology to insurance sector, which was already present in banking and other financial sectors except insurance. This has resulted in broader approach by advisors to customers, thereby enhanced the quality of service provided by advisors.

Present Model:



Conclusion:

The digital data has amazing potential in today’s world where people leave behind them great amounts of data when they visit a website. Many carriers are already mining data from social media to track a policy holder’s life events for sales, and also using this data to check for fraudulent claims. Parsing digital data can help insurers calculate a driving score, what customers to attract etc. Although there are well placed privacy concerns, the benefits for both insurers and customers are significant. The adaptability of insurance companies will make a difference for them in the future. Digitalization has impacted on value added services which directly impacted the way by which insurers are now selling their insurance products, engagement with guests and after trade services like how well and timely queries has been resolved, how easily and snappily claim has been approved etc. Not only in case of digitalization, but also with new technologies rolling out every new day, the market leader would be the one that learns to evolve with the changing time. All these factors have now come important for marketer to request his insurance products in the competitive request.

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