

A STUDY ON PERCEPTION OF INSUREES' TOWARDS DIGITAL TRANSFORMATION OF INSURANCE INDUSTRY

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ABSTRACT

In the world most of the people are has want to improve their knowledge about the technology, so the insurance industry has try to transformation of digital insurance with insuree's perception. In this digital insurance sector tackle both advantages and disadvantages. In this paper, try to find the customer's convenience, security feel, factor influence, awareness and decision making of digital insurance. And also get the overall perception of insurees about digital transformation of insurance. This new type of digital insurance technology is creating the bright life and improve their life quality in the society. In this research paper should analyse the quality of digital transformation of insurance and also how the insurees are aware about the digital insurance.

Key Words: security, convenience, highly personal, investment and insurees perception.

INTRODUCTION

Today most of the insurance industry has try to transformation of digital insurance, so in this activity is useful or not on perception of insurees and get some suggestion from the insurees for policy making. In this perception is based on customers demographic profile about feel security of transaction, convenience, awareness of insurees on digital insurance, factor influence, providing proper information of decision making and overall perception of the digital insurance.

This digital transformation is not support to all the customers because some insurees are uneducated so they don't know about the digital insurance. So, the insurance company should improve their creation level of awareness of digital transformation of insurance in highly.

The digital insurance company should introduce some new technology of digital insurance they are like digital billing of payment, automated insurance claims, highly personalised customer data, alert information of premium due date and finally digital application of new enterer of insurance.

Today most of the insurees are using debit card to pay the insurance premiums, but their ranking is going to bill payment because they feel the bill payment is safety and security for their money, most of the time the online payment has some network problem and having difficult to pay premiums via digitalization.

Both private and public insurance sector improving their technology for stabilising their existing customers and attract the new customers. So, the customer's overall perception about the digital transformation of insurance is both in positive and the negative. So, the digital transformation creates a new environment in the overall world and it's very important to develop the knowledge and skills.

In this research is finding the chi-square and the correlation analyses of statistical tools and comparison of two variables to find the hypothesis of the respondents of the questionnaire some respondents are not aware and have some fear about the digital transformation of insurance.

STATEMENT OF THE PROBLEM

Digital transformation as it has demonstrated the velocity of its growth is incredibly fast and efficiency. It has allowed individuals including companies to perform their businesses from their home or offices in a very cost effectively. Studies have shown that with this new technology it has become possible for both the insurance industry and customers to have an immediate insight about the status and operations of their insurance policy. This study focused on the opportunities and challenges that they introduction of digital in insurance industry has brought in India. On a deeper level the research aims to acquire better understanding of the factors influencing the development of digital transaction.

OBJECTIVES OF THE STUDY

Identify the key services that are available to customers through digitization.

To study the overall perception of customers towards the digital transformation of insurance industry.

To analyse the satisfaction level of customers by using the digital insurance.

REVIEW OF LITERATURE

Gartner (nov 2017), "accelerating digital transformation in insurance, this paper explaining the transformational challenges and CRM service cloud and digital".

Ruby Ghunia (2016), "digital transformation of insurance, it is explained the acquisition timeline of the digital insurance".

Meenakshi Acharya and Dr.C.K. Hebbar, (2016), "Digitalization of Insurance sector: Issues and challenges to an Insurance advisor. This research explains the difference of the old and new insurance technology.

Anshu Arora, (may 2003), "E-insurance: analysis of the impact and implications of E-commerce on the insurance industry," this paper describes the new trends is introduce in the digital insurance.

Dr. Fredrick S. Odoyo, (nov 2011), “E- insurance: An empirical study of perceived benefits. In this research describes the various of technology of insurance using in the both the public and private insurance industry.

International Association of Insurance Supervisors, (nov 2018), “Increasing digitalization in insurance and its potential impact on consumer outcomes.” This research describes types of technology using in various countries.

Martin Eling and Martin Lehmann, (2018), “The impact of digitalization on the insurance value chain and the insurability of risks.” In this research paper describes the list of digital technologies and also insurers values.

Rajesh R. Gawali, Dr. Shivaji, D. Mundhe (nov 2016), “Digital transformation in insurance sector.” This study explains attract new customers and stabilize the existing customers by digital insurance.

Dr. S. Yuvaraj, Sheila Eveline.N (july 2018), “Consumers’ perception towards cashless transactions and information security in the digital economy.” This paper explains the new technology of internet.

Shamsher Singh, (dec 2017), “Study of consumer perception of digital payment mode.” This research describes the offers and any security risks in digital insurance.

Ruth Kwamboka Momanyi, “Factors influencing the adoption of digital banking by customers among commercial banks in Kenya.” This paper describes digital insurance acquiring the many customers by various of technology like digital billing, online applications and automated claims in transformation of digital insurance.

RESEARCH METHODOLOGY

RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis the data.

The task of defining the research problem is the preparation of the design of the research project, popularly known as the research design.

Descriptive Research Design

The descriptive research is concerned with describing the characteristics of a particular individual or of a group. It is also concerned with specific predictions with narration of facts and characteristics concerning individual, group and situation. This research is completely based on the description of factors that lead to the user’s decision-making process. No influence on researcher’s opinion over this study. The design is rigid and the design must make enough provisions for protection against bias and must maximize reliability.

QUESTIONNAIRE DESIGN

The structured questionnaire was used to collect the data from the respondents who have the insurance policies close ended questions were used to collect data.

SCALING TECHNIQUE

Likert scale have been used. Likert scale are developed by utilizing the item analysis approach wherein a particular item is evaluated on the basis of how well it discriminates between those persons whose total score is high and those whose score is low. Those statements or items that best meet this sort of discrimination test are included in the final statement.

SAMPLING FRAME

A sampling frame is a set of information used to identify a sample population for a statistical study. A sampling frame includes a numerical identifier for each individual, plus other identifying information about characteristics of the individual, to aid in analysis and allow for division into further frames for more in-depth analysis.

Sampling Technique

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Sample designs may as well lay down the number of items to be included in the sample that is the size of the sample. Sample designs determined before data are collected. Some designs are relatively more precise and easier to apply than others. To obtain the representative sample, simple random sample and sample size formula is used in this study.

Sample Size

The sample size taken for the main study is 150. The sample size is arrived to 150 since it is simple random and sample size formula for data collection.

Survey Design

For the proposed study, structured questionnaire was used as a research instrument. A structured questionnaire was prepared based on the objectives of the study. Then the questionnaire was given in insurances and the data was collected by field survey method.

SOURCE OF DATA COLLECTION

The data was collected from primary data.

Primary Data

The primary data was collected through the structured questionnaire from the respondents of the insurance policers.

STATISTICAL TOOLS USED

For the purpose of analysis and interpretation, the data collected from the questionnaire were taken into consideration and analyzed using the following. The hypotheses are framed and tested with the help of suitable tools such as simple percentage, chi-square and correlation method.

Simple percentage method

Percentage analysis method is represented data as a percentage (a part in 100%) for better understanding of collected data.

$$\% = \frac{\text{Number of respondents}}{\text{Total sample size}} \times 100$$

Chi-square method

Chi-square test was used to find out the association between two types of comparison test of goodness of fit and test to independence. A test of goodness of fit establishes whether or not an observed frequency distribution differs from a theoretical distribution.

$$X^2 = \frac{\sum (\text{Observed Value} - \text{Expected value})^2}{\text{Expected value}}$$

FINDINGS AND RESULTS

Chi-square method

Hypothesis:1

H0: There is no significant association between Marital status and Insurance sector.

H1: There is significant association between Marital status and Insurance sector.

Table Name: Marital status Vs Insurance sector

| | Value | Df | Asymptotic Significance (2-sided) |
|------------------------------------|--------------------|----|-----------------------------------|
| Pearson Chi-Square | 5.618 ^a | 1 | .432 |
| Continuity Correction ^b | 6.335 | 1 | .563 |
| Likelihood Ratio | .634 | 1 | .426 |
| Fisher's Exact Test | | | |
| Linear-by-Linear Association | .614 | 1 | .433 |
| N of Valid Cases | 150 | | |

Chi-square result

Calculated value : 5.618
 Degrees of freedom : 1
 Tabulated value : 3.841
 Significant value : 5% Level
 Comparison : 5.618 > 3.841

Interpretation

Calculated chi-square value is greater than the table value. Therefore, null hypothesis, H0 is rejected. There is significant association between marital status and insurance sector.

Correlation method

Correlation: 1

H0: There is no significant association between gender and factor influence digital transformation.

H1: There is significant association between gender and factor influence digital transformation.

Table name: Gender Vs factor influence digital transformation

| | | Gender | Q13 |
|--------|---------------------|--------|------|
| Gender | Pearson Correlation | 1 | .064 |
| | Sig. (2-tailed) | | .436 |
| | N | 150 | 150 |
| Q13 | Pearson Correlation | .064 | 1 |
| | Sig. (2-tailed) | .436 | |
| | N | 150 | 150 |

Correlation is significant at the 0.436 level (2-tailed)

Calculated value = 0.064

Significant value = 0.436

The significant value is greater than 0.05. Hence H0 is rejected and H1 is accepted.

Interpretation

It is inferred that the gender of respondents is positively correlated to the factor influence digital transformation.

Correlation: 2

H0: There is no significant association between profession and internet per month.

H1: There is significant association between profession and internet per month.

Table name: Profession Vs internet per month

| | | Profession | Q24 |
|------------|---------------------|------------|------|
| profession | Pearson Correlation | 1 | .081 |
| | Sig. (2-tailed) | | .324 |
| | N | 150 | 150 |
| Q24 | Pearson Correlation | .081 | 1 |
| | Sig. (2-tailed) | .324 | |
| | N | 150 | 150 |

Correlation is significant at the 0.324 level (2-tailed)

Calculated value = 0.081

Significant value = 0.324

The significant value is greater than 0.05. Hence H0 is rejected and H1 accepted.

Interpretation

It is inferred that the profession of respondents is positively correlated to the internet per month.

CONCLUSION

In the digital insurance industry has try to interact the customers and also, they work hard for stabilising the existing customers and also attract the new customers in a big level. So, today most of the insurance company creating an awareness of the digital transformation level instead of the customers is also try to adopt the new technology to run their life with the innovative technology. The overall perception of the customers in insurance industry is either high or nor low and also, they want to adopt by some variables like low transaction fees, investment and so on.

This research is help to make the decision of the customers for making the policy via digital transformation of the insurance.

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