

# DRIVE TO DIGITALIZATION IN INSURANCE A STUDY ON POLICYHOLDERS' ATTITUDE TOWARDS USING MOBILE BANKING

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## Abstract

After demonetization on 8<sup>th</sup> November, 2016 in India, life insurers saw a six-fold increase in the premium collection up to Rs.6.700 crore for November, as more people took to buying policies through direct, agent or online. Post demonetization, there was 50% growth year-over-year at private insurers, as LIC saw premiums rise three-fold, because all businessmen, students, employees, and the general public started using smart mobile banking apps including e-applications for paying all their bills including insurance premium. Also mobile banking play a very significant role for insurance companies for collecting their premium, policy settlement, and also it is reducing the work burden of the insurer. Still there are certain policyholders in Life Insurance Company who oppose and do not fully happy about the drive to the digitalization of insurance and their attitude towards using mobile phone apps or internet banking for payment of premium was dissatisfied. The study covers only the policyholder's attitude towards using mobile banking services provided by LIC in Oragadam only. The choice of the respondents for the study may not be similar, if it is conducted from other districts of Tamil Nadu. The size of the sample was limited to 200 only. The questionnaire was collected only from the online users while making their payment through mobile. Insurance customers still access services through conventional channels, which provide face to face services. They do not come forward to use the E-Services offered by insurance industries, because they do not trust the online services, at the same time they are afraid of adopting mobile insurance. Mobile services offer enlarged agility and control and save time. Customers only made use of the payment through Debit, credit card and net banking.

**Keywords:** Digitalization, Debit Card, E-payment and Policyholders' Attitude, Internet Banking, Mobile Banking, Debit Card, E-services.

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## INTRODUCTION

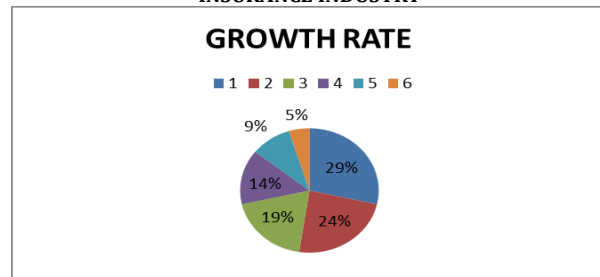
"There has been a surge in digital transactions through the use of credit/debit cards and mobile phone applications/e-wallets, etc., in reverberating the cancellation of the legal tender character of old Rs.500 and Rs.1,000 notes. The Central Government has agreed on a package of incentives and initiatives to support the country's digital and cashless economy to quicken this cycle further. Most insurers offer a digital mobile insurance service that offers digital insurance evidence and a way for consumers to pay their premiums or file claims. All of these attributes are normal now. Insurers that do not sell identical instruments are already behind them. The companies that remain up-to-date are starting to change the attention of the insurance industry by providing mobile applications that enhance the user experience for both customers and agents. Most of the insurance was often buy by an agent or broker, whether personal or money-making. Mobile applications for agents have proliferated to help them lead research, monitor their companies, and link back to insurers.

**Table 1.1: The Growth Rate of Mobile Banking in Insurance Industry**

GROWTH RATE	MONTH/YEAR
60000	16-Apr
50000	16-Mar
40000	16-Feb
30000	16-Jan
20000	15-Dec
10000	15-Nov

Source: RBI

**Chart No 1.1 GROWTH RATE MOBILE BANKING IN INSURANCE INDUSTRY**



## OBJECTIVES

- To find the personal outline of the policyholder's using mobile banking services provided by LIC
- To make out the policyholder's approach towards with mobile banking services obtainable by the LIC

## REVIEW OF LITERATURE

**Ashok Jhavar and VirshreeTungare (2014)** noticed that most businesses provide IT services based on the needs of the consumers. Their frameworks are easy to comprehend, and they require fast access to services. The E-CRM is one such tool that helps to fulfill the beliefs of the customer as per their changing needs.

**Oghojafor and Aduloju (2015)** found that with the aid of information systems, how consumer relationships can become more efficient and investigate the view that CRM, when properly performed using appropriate information technology, can produce optimum results for organizations. The results of this study indicate that insurance companies in India have introduced very higher-than-public-sector information systems in the firm with both the private industry.

**Azila and Mohamed Noor (2011)** manage to provide some significant insight into e-CRM performance's impact on customer loyalty. However, the results are consistent with previous empirical research regarding the value of e-CRM success and its effect on customer satisfaction.

**Manisha Rani (2012)** described how, with the help of information systems, customer relations could become more successful. She explored the view that when adequately implemented using sufficient information technology, CRM is generating optimal results for organizations.

**Pappeswari and Raja Lakshmi (2013)** analyzed LIC's consumer satisfaction of the policyholders. When technology allows them to make comparisons easily and reliably, consumers have become increasingly aware of their needs and demand higher quality standards.

**Fredrick S. Odoyo and Richard Nyangosi (2011)** researched the perceived importance of attribution in Indian insurance firms for the introduction of ICT systems. The findings show that ICT integration is viewed as improving openness, high efficiency, and promoting brand and image. It also boosts your sales value. **TalhatAlmohamedAlhaiou (2011)** analyzed the interaction between E-CRM features and E-Loyalty at the different stages of the purchase process (pre-purchase, at-purchase, and after-purchase) on the websites of cell phone companies in the UK. The results show that the use of E-CRM in building customer relationships has an impact on consumer satisfaction and loyalty online. **MehrdadAlipour and HomaDorodi (2011)**, Feasibility Analysis of E-Insurance Services in Iranian Insurance carriers. This paper aims to research the viability of e-insurance services at an insurance company in Asia. This approach may be technically used in many insurance firms.

**MATERIALS AND METHODOLOGY**

The analysis is observational. Data were obtained from major as well as from minor sources. The critical information was gathered from both the survey, and additional data were collected through journals, posts, and websites. For the analysis, both an objective form and a standardized survey of the liker scale were used. The sample size was just 200. The author used heterogeneous, randomized sampling. The sample was obtained from policyholders in Oragadam, Chennai, using the internet banking services offered by LIC.

**RESULTS AND DISCUSSION**

**Table 1: Demographic Profile**

Demographic Profile	Classification	Frequency	Percentage
Age	20-30	89	44.5
	31-40	69	38.5
	Above 41	42	17
	<b>Total</b>	<b>200</b>	<b>100</b>
Education	UG	64	29
	PG	136	71
	<b>Total</b>	<b>200</b>	<b>100</b>
Policyholder's attitude	SA	79	39.5
	A	59	42
	DA	62	18.5
	<b>Total</b>	<b>200</b>	<b>100</b>
Mobile Banking	SA	64	20
	A	110	68
	DA	26	12
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Author's Findings

**Interpretation**

From the above table 1, it is found that 54% of the policyholders are male and the remaining 146% policyholders are female. 89% of policyholders range between 20-30 years, 69% of the policyholders between age group 31-40, and 42% of the respondents are of the age group above 41. 64% of the respondents are undergraduate, 136% of policyholders are postgraduate. 79% of the respondents strongly agree with policyholder's attitude towards using mobile banking, 59% of the respondents agree with the policyholder's position towards using mobile banking, and the remaining 62% of the respondents disagree with policyholder's approach towards using mobile banking. 64% of the policyholders strongly agreed with mobile banking, 110% of the policyholders agreed with mobile banking and the remaining 26% of the respondents disagree with mobile banking.

**Chi-square Test for Association between Stress Free to use and Internet Banking**

**Null hypothesis (H<sub>0</sub>):** There is no association between stresses free to use internet banking

**The alternative hypothesis (H<sub>1</sub>):** There is a connection between stresses free to use internet banking

**Table 5.1**

Variable	Degrees of freedom	Calculated value(chi-square)	Asymp.Sig(2-sided)	Significant\Not significant
Stress free to use	198	0.059	0.131	Significant

**Null hypothesis (H<sub>0</sub>):** There is no association between flexible and mobile banking

**The alternative hypothesis (H<sub>1</sub>):** There is an association between flexible and mobile banking

**Table 5.2**

Variable	Degrees of freedom	Calculated value(chi-square)	Asymp.Sig(2-sided)	Significant\Not significant
Flexible	194	0.056	0.175	Significant

**Null hypothesis (H<sub>0</sub>):** There is no association between Positive and mobile banking

**The alternative hypothesis (H<sub>1</sub>):** There is an association between Positive and mobile banking

**Table 5.3**

Variable	Degrees of freedom	Calculated value(chi-square)	Asymp.Sig(2-sided)	Significant\Not significant
Positive	195	0.116	-2.384	Not Significant

**Null hypothesis (H<sub>0</sub>):** There is no association between time-consuming and Mobile Banking

**The alternative hypothesis (H<sub>1</sub>):** There is an association between time-consuming and Mobile Banking

**Table 5.4**

Variable	Degrees of freedom	Calculated value(chi-square)	Asymp.Sig(2-sided)	Significant\Not significant

<b>Time Consuming</b>	<b>196</b>	<b>0.058</b>	<b>0.176</b>	<b>Significant</b>
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#### FINDINGS

It is contingent from the above table 5.3 that the significant value is 0.059. Since the intended value is less than the table value at a 5% level of significance, it is clear that there is a significant difference between the stress-free to use and Mobile Banking. Hence Hypothesis is rejected. Table 5.4 showed that the significant value is 0.056. Since the intended value is greater than the table value at a 5% level of significance, it is clear that there is a significant difference between the flexible and debit card. Hence Hypothesis is accepted. Table 5.5 showed that the significant value is 0.116. Hence, the intended value is greater than the table value at 5% level of significance, it is clear that there is no significant difference between the Positive and Credit card. Hence Hypothesis is rejected. Table 5.6 showed that the significant value is 0.058. Hence, the considered value is less than the table value at a 5% level of significance, it is clear that there is a significant difference between the time consuming and Mobile Banking. Hence Hypothesis is accepted.

#### CONCLUSION

"E-Insurance is not just about the panorama to buy insurance through an electronic channel. In my opinion, a pleasure attitude is the key. Policyholders should be able to hold policies in electronic form and have the competence means to transact in electronic form. RBI has a newly permitted setting up of expense banks. These payment banks are likely to ride the mobile application to reach the approaching policyholders. They will play a major role in the financial enclosure in the country. While access to the internet through broadband being available to urban India, entrée to the internet through mobile devices has reached also to rural India. Finally the researcher accomplished that compared to rural areas the urban people are mostly used mobile applications while making their payment through mobile banking. The emergence of digital display place in insurance will bring about not only safety and handiness but also a reduction in premium.

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