



STUDY OF VARIOUS INTERNET ADVERTISEMENTS TO UNDERSTAND INSURANCE SALES PATTERN INDIA AND WORLD

Management

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ABSTRACT

Use of internet and information technology is widely used across all industrial sectors in India Internet advertising is one of most important tool of advertising, as it has many fold benefits are elaborated in the research paper. PWC (2012) in their report. An interesting observation made in the report was that almost 50% of the respondents in the survey believed that internet will change the way and the type of insurance that is bought. In the same report they have also stated that around 50% of the respondents believe that “big data” developments will provide an important source of competitive advantage and increased market share for the insurance companies.

KEYWORDS

Internet advertising, IT, tools of sailing insurance.

Introduction

This research is primarily about advertising and internet advertising. Selling a product like life insurance is challenging. Companies world over have tried number of tricks to persuade people to buy life insurance. We look at one such highly creative advertisement— Source – <http://www.flickrriver.com/photos/ tags/ inexpensive lifeinsurance/ interesting/>

Observations—

1. Creativity really is beautiful. It helps convey a big message in very few words and pictures. A product like life insurance needs a push. People at times understand the importance of the product but they simply procrastinate. They need an advertisement message that will shake-up them up a bit. Advertisements like the baby and the lightning effectively does the pushing task.



Creativity in the advertisements

2. Then there is that out-of-box thinking magic-literally! They say that the ad world is a mad world. Look at the creative madness in this ads—



Out-of-the-box advertisements

3. The genius of the ads is just beyond our imagination. Look at the simple one from our very own LIC—

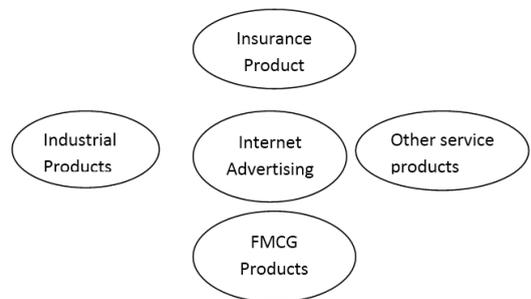


Diagram 5 – The genius in the advertisements

It is a superb creation—the creation of the shadow of a man figure that is guarding the little girl. The caring nature of life insurance has been

highlighted so well with an imaginary figure.

An interesting issue is how a medium like internet advertising can be effectively used to sell a widely consumed service like life insurance. Like life insurance there can be number of wide applications of internet advertising as shown under—



Scope of internet advertising

The product like life insurance seems like a handicap and is sold by some or other support. Life insurance sales in India – a handicap as it is sold on four parameters only – a) Tax benefits, b) force or influence sailing, c) saving and investment tool (ROI tool), d) escorting product with riders Isn't it a failure on the part of marketing and advertising to convince people to go for life insurance cover? How long the product will continue to sell with supports of Income Tax benefit and compulsory sale through banks (the recent one.)

1 Observations on the Literature Review -

- Consumer buying behavior is a highly complex phenomenon and is a highly dynamic concept.
- That being the case a technological thing like the internet and the mobile certainly has a significant influence over the buying behavior
- Advent of internet has had a profound impact over the buying behavior in the recent past.
- The changes and advancements in the digital world have been at a phenomenal pace.
- Internet advertising will continue to dominate the marketing world in the near future. Mobile internet advertising will be a driving communication force.
- The Internet marketing tree highlights the fact that internet marketing is a big subject with number of dimensions. Each one of them has its peculiar characteristics. Moreover it brings out another important dimension about internet marketing that it is a strategic activity with a number of things at its root.

Conceptual discussion –

• Nature of internet advertising

Also called as online advertising, internet advertising is a way of marketing or advertising that uses the internet to deliver promotional content to customers.

Some features of internet advertising that explain its nature are –

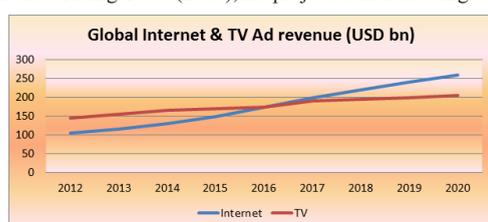
Features of internet advertisements are –

- In essence, internet advertising is a type of core advertising substance.
- Forms can vary from a banner to a pop-up
- It is targeted at internet users
- To lead to user attention and "clicks"
- Viewership can be optional (at the choice of the browser) or mandatory by way of an auto-load or pop-up
- Internet advertising can be interactive through responses sought by way of clicks

Thus internet advertising at its core is the same as any other type of advertising but at the same time has unique features like interactivity that makes it different from traditional advertising.

Prospects and challenges before internet advertising

With access to the internet growing at a massive speed, prospects for internet advertising are certainly bright. Technological advances in the telecom sector have made huge penetration into the markets offering access to internet though the mobile thereby increasing the scope for internet advertising. PWC (2016), has projected the following –



Comparison of Internet and TV ad revenue

The report has projected that mobile advertising – combining mobile display, search and video will be a big growth story by 2020. On an overall basis the projected CAGR for growth of internet advertising over the next 5 years is 11.1%.

There is a strong impact of internet advertising

Almost 3/4th majority of the respondents agreed that internet advertising has an impact on the buying behavior in respect of life insurance products. Internet advertising has certain advantages over other forms of advertisements. For example it can offer interactive mechanism to the prospective buyer to explore details as per his requirement. Secondly use of internet is growing at a rapid pace. Some insurance companies like Allianz have joined hands with data analytics companies in order to develop predictive models. Hartmut Mai, Chief Underwriting Officer & Board Member, Allianz, (2017) has said that forward looking models will change the way underwriting is done. It is a fact that usage of internet is rising across the world and in India at a rapid pace. For a country with a demographic profile where youth share dominates the population, the usage of internet is going to go up phenomenally. And internet advertisements will definitely have a significant role to play in the area of life insurance products. In fact, they can lead to on-line purchase of insurance products benefiting both the insurance companies and the insured

Class of policy doesn't matter

In reply to this question, 49% of the respondents replied in disagreement. At least they know that there is something called as a plain term insurance wherein the only benefit they get is the risk cover on their life and then there are host of other products that carry additional features. One important reason for the lack of interest in the different types of insurance products is that the insurance is widely purchased primarily to save income tax. As long as the insured gets tax benefit, he doesn't bother much about anything else. However, now people are giving some importance to the risk part as well.

Class decisions too technical

Choosing the right type of insurance definitely requires some knowledge. This decision is often taken with the help of an agent or an advisor. An important point is whether the agent or advisor is reliable or not. At times agents or advisors may push for plans that may not be really appropriate for the buyers. Hence, if the agent or advisor is under the control of the insurance company, it can be ensured that the buyer is provided with the right kind of advice. Internet and internet advertising can offer this control to the company. In fact, a systematic model can be

easily designed to accomplish the selection of the right insurance policy for the buyer by correctly identifying the objectives of the buyer.

Internet ads reaching to lower income strata

With increasing levels of internet access, internet advertisements can play an important role in promoting life insurance among the huge uninsured class in India. Social media platform like Whatsapp, Facebook, and Twitter etc. can be utilized to increase the reach. Actually the internet space is a marketing space. Same thing is bound to happen with internet. Internet advertising, therefore, will have a big role to play in achieving penetration levels for selling life insurance.

Conclusion–

1. On an overall basis, as per the opinion of the respondents, advertisement has an impact on buying behavior of consumers in respect of life insurance products.
2. Similarly, as per the opinion of the respondents, internet advertisement has a strong impact on buying behavior of consumers in respect of life insurance products. In a matter of 5 to 10 years, the role of agents in selling life insurance may be taken by internet advertising and this will help in bringing down the cost of the insurance.
3. There is no influence of internet advertising on purchase of various classes of life insurance products cannot be significantly disproved. In other words, it cannot be reasonably concluded that internet advertising has an impact on selection of various classes of life insurance products.
4. Respondents also confirmed that internet advertising has an impact on purchase of life insurance product amongst different segments.
5. Survey on the 10 internet advertisements on life insurance products lead us to conclude that these advertisements fair reasonably well in terms of effectiveness. At the same time, Indian advertisements fair better as compared to their global counterparts.
6. Marketing of a product like life insurance is a tricky job. The modern day buyer of insurance product demands lot of features apart from the basic requirement of risk protection. Companies are offering lot of such products and internet advertising is playing its part in promoting such products.
7. Internet advertising definitely has a strong edge over the other platforms of advertising. Particularly for a product like life insurance that calls for use of some knowledge, interactive platform offered by internet advertising is a big advantage. Companies are looking forward to reap the benefit of internet advertising by transferring the click stream data to big data analytics.
8. Internet advertising can also play its part in promoting life insurance across the lower income strata.
9. The strategy for pushing life insurance needs a careful consideration. Should it be pushed on the basis of cheap price or should it be pushed on the basis of its value is a point worth debating because a huge market awaits in India that is still uninsured.
10. The concept of big data analytics will be playing a big role in insurance business in the near future. Therefore, it is in the interest of the companies to leverage the technology advantage offered by internet advertising. The click stream data can be converted to useful information and can serve as input for devising appropriate strategies.
11. Online purchase of insurance is still at an abysmally low level in India. Internet advertising can definitely play a positive role in pushing online purchase of life insurance thereby eliminating the need for an agent.

Suggestions

The strategy for promoting life insurance across the lower income strata needs a rethinking and some good research. We are of the opinion that the line of promotion should be the utility of the product and not its cheap price.

How the internet advertising can be made more effective in helping the prospective buyer in choosing the right kind of product also needs to be explored further.

A systematic study is also needed in the direction of eliminating "Agent" as a medium of sales for life insurance. Agent commission is a

significant cost for the company which ultimately gets passed on to the buyer. How internet can be leveraged to replace the agent need's to be seriously studied.

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