

Digital Marketing – A Strategic Platform for Insurers to Target Prospective Customers

D. Abraham Pradeep, B. Anbazhagan

Abstract: Digital marketing is intensifying in India with rapid velocity. Many Indian insurers are now migrating from conventional marketing to digital marketing for competing with one another. Digital marketing refers to the advertising strategy through digital channels such as search engines (google, bing, yahoo), social media (facebook), email, SMS and mobile apps. Digital marketing can also be referred as the use of ICT that provide access to information through telecommunications. This includes the world wide web, wired and wireless networks, mobile phones and other communication mediums. Digital marketing includes both Business to Consumer (B2C) and Business-to-Business (B2B) services. For businesses, digital marketing helps in cost savings, increase opportunities and promote conveniences. The choices are more for the customers in how they compare, pay, interact and avail various services. It is always a challenge for the insurers in marketing their products as it involves speaking with uncertainties which many people refuses to discuss. When the insures opt for digital marketing, through interactive and customized online tools, enable the prospective customers to primarily identify their risk and decide either they can retain or transfer their risk. Also the prospective customers can calculate the consideration called premium to be paid by them. Through the digital platform, the insurers can concentrate on service excellence.

Keywords: Digital Channels, Uncertainties, Service Excellence.

I. INTRODUCTION

Insurance is a lawful two-party agreement between i.e. insurer (the insurance company) and insured (policy holder). Under the contract of insurance, the insurer indemnifies the insured on happening of the insured contingency for which the consideration (premium) is paid by the insured. The contingency is the event that causes a loss. It can be the death of the insured or damage to the property of the insured. It is called a contingency because there is an uncertainty regarding happening of the event. Insurance is based on principles of co-operation i.e the losses of a few are shared by many. In simple words it is 'self help and mutual help'. As the risk is being transferred from the insured to the insurer, the former feels more secured.

Digital Marketing refers marketing of tangible products or

intangible services through electronic means. The insurance customer in the present era has different expectations from the insurer. Hence they need to focus on digital platform in order to target the prospective customers.

II. CLASSIFICATION OF RISK

Anything that can cause losses is termed as Perils. It differs according to frequency and intensity. Risk is the chance something destructive or unexpected may happen. This can be due to loss, theft, or damage of valuable asset and belongings, or it may involve someone being injured.

Table – I: Types of Risk

Catastrophic Risk	:	Single event leads to very higher losses
Financial Risk	:	Loss that can be quantified in terms of money
Non-Financial Risk	:	Loss that cannot be quantified in terms of money
Dynamic Risk	:	Risk arise due to changes in an economy
Static Risk	:	Risk arise due to dishonesty of individuals
Pure Risk	:	Risk which are not under the control of people
Speculative Risk	:	Risk which is under the control of people
Fundamental Risk	:	Risk that affects a lot of people
Particular Risk	:	Risk that affects only a specific person

III. TYPES OF INSURANCE

The Indian insurance industry can be broadly classified into two based on the risk being insured. Life insurance covers the life of human beings. General insurance covers non-human objects. Under general insurance fire insurance covers fire related risk, marine insurance covers transportation risk related to sea, air, rail or road. Miscellaneous insurance covers risk related to motor vehicles, engineering, burglary, fidelity, health and liability.

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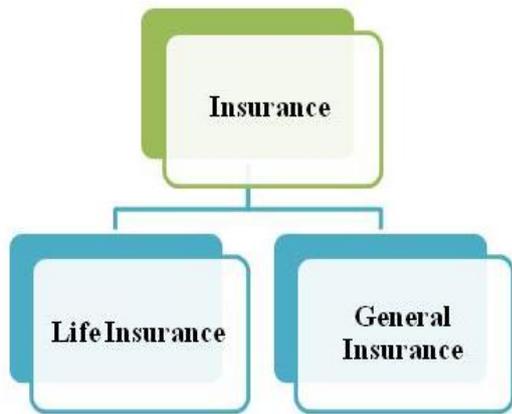


Figure-I: Classification of Insurance

Life insurer settles the claim in case the insured dies, whereas the general insurer pays the claim on the event of an unexpected loss such as an accident or a theft or a sudden liability. Life insurance is a long-term contract and whereas non – life insurance is usually for a year.

Table – II: Types of Insurance

Type of Insurance	Insurance Coverage
Life Insurance	To provide social security to the family members in the case of untimely death of the insured.
Marine Insurance	Marine insurance covers the loss or damage to the vessel and cargo which are in transit.
Fire Insurance	Fire insurance covers the loss or damage to property or inventory caused by fire, during a specified period
Health Insurance	Health insurance cover medical costs during hospitalization
Motor Insurance	Motor insurance is taken for cars, trucks, motorcycles, and other road vehicles to compensate in the event of physical damage or bodily injury resulting from collisions and against liability that could also arise.
Liability Insurance	Liability insurance is covers the risks of liabilities imposed by lawsuits.
Burglary Insurance	Burglary insurance covers losses resulting from a theft.
Engineering Insurance	Engineering insurance covers the risks associated with erection and working of any machinery, plant or equipment.
Fidelity Guarantee	Fidelity Guarantee is taken by the business organizations to safeguard them from act of fraud or dishonesty committed by any of its employee.
Micro Insurance	Micro insurance is designed for low-income people against specific perils.

IV. INSURANCE CUSTOMERS

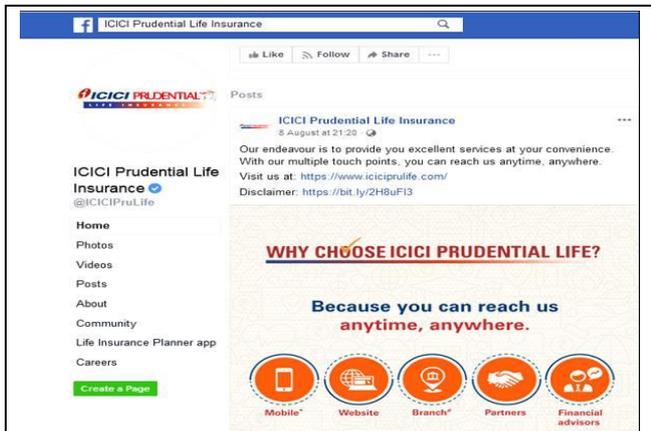
Insurance customers can be classified as Retail (individuals), Small and Medium-sized Enterprises and Corporate. In insurance the customers are also called as insured or policy holder. The segmentation and the targeting of insurance customers is tabulated below;

Table – III: Classification of Insurance Customers

Customer	Products
Retail	Personal Accident, Health Policies, Endowment Plans, Money Back Policy, Unit Linked Insurance Plans, etc
SME	Package policies that covers small shops, restaurants, cafes, offices, etc
Corporate	Group Health Insurance, Liability, Fidelity Guarantee, etc

Table – IV: Digital Marketing Strategies

Strategy	Expected Outcome
Search Engine Optimization	New customer acquisition and retention of existing customers. For example if a prospective insurance customer writes the following question in the web “Which is the best life insurance policy in India?” The displayed result is determines the success of the insurer. This is so called SEO
Content Marketing	Content marketing focuses on creating and promoting content for targeted clients over the world wide web. The insures can use this technique to educate prospective clients. This will indirectly build a strong brand in the minds of the people.
	<p>Did you know?</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>1 Myth: One does not need a health insurance when young and healthy</p> <p>Fact: In fact, the right time to buy a health insurance cover is when you are in the pink of health and leading a fit life</p> </div> <div style="width: 45%;"> <p>2 Myth: Policy benefits begin from Day 1</p> <p>Fact: Every health insurance policy comes with a 'waiting period', before which, claims against specific ailments are not entertained. In the first 30 days from the commencement of the healthcare policy, no diseases are covered</p> </div> </div>
Email Marketing	Email marketing is one of the most cost-effective, high ROI channels to acquire new policy holders. Insurance companies by using e-mail can generate more leads. Also thorough periodic email relationship with the existing policyholders is also enhanced.
Social Media Marketing	Social Media Marketing is a form of internet marketing that involves creating and sharing content on social media networks like facebook in order to promote business. An insurer may create a page in the social media and can post, promote contents which can be viewed and shared by many users around the globe.



SMS Marketing	<p>SMS Marketing is a technique used by an enterprise to send promotional campaigns or transactional messages for marketing purposes using text messages (SMS). These messages are predominantly meant to correspond time-sensitive offers, updates, and alerts to people who have consented to receive these messages.</p> <p>In insurance, reminder for premium payment, claims status, etc can be communicated by SMS.</p>
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Dr. B. Anbazhagan., MBA., M.Com., M.Phil., Ph.D .PGDHE, Associate Professor, Department of Business Administration, Sourashtra College, Madurai- 625 004 has 22 years of teaching experience and twelve years of research experience. He served as Dean (Academic Affairs) for two years (2014-2016). He has produced 15 PhDs, 54 M.Phils and guided over 200 MBA projects so far. His area of

interest is General Management and Services Marketing. He has published over 21 articles and presented over 45 papers in national and state level seminars. He has organized several Management meets and conducted a Mega Job Fair in 2010. He organized four state level faculty development Programme, two Entrepreneurship Development programme and one workshop on aptitude development. Presently 6 candidates are working under him for PhD in Business Administration. He has completed one UGC Minor research project as Principal investigator and one more as co-investigator. Most of his students become his fans for his friendly approach, proper career guidance and counseling. He is famous for his innovative teaching methods in Management studies. He is a First Rank holder in MBA of Madurai Kamaraj University engaged in continuous learning and follows the famous quote of Shri Radhakrishnan that “a teacher ceases to be a teacher when he ceases to be a student.” Many of his students occupy key position in reputed firms in India and abroad which he considers to be the reward for his service. Sourashtra College Council has awarded him with the Best teacher award and for his philanthropic services; Madurai Thirupugazh sabai has given him an award. He is a follower of Lord Vallalar’s suddha sanmargam.

V. CONCLUSION

Digital marketing emerged as a new platform in almost all business. As far as insurance business is considered, digital marketing platform enhances the reach of the product by the way of orienting the prospective customers to understand the need and importance of insurance. The accrued benefits through digital marketing are enhanced brand appreciation and superior brand loyalty, reduction in costs and better ranking in search engines.

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