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Analysis of Sales in Insurance Domain

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Abstract: Insurance is a means of protection from financial loss that assists you and your loved ones in recovering from a disaster, such as a fire, theft, lawsuit, or a road accident. When you get insurance, you'll be given an insurance policy, which is a legal agreement between you and your insurance provider. When you have a covered loss and file a claim, your insurance company pays you or a designated recipient, known as a beneficiary, according to the terms of your policy. Majority of insurance sales agents use social media, phone calls, text message, in-person meetings, etc to sell their policies, these techniques are not only time consuming and traditional but also have less hit ratio, because the customer may not be interested in that particular insurance or he/she already has that insurance. This paper analyses the different methods of sales and also tries to provide an alternative solution.

Keywords: insurance, sales, analysis, online insurance sales

I. INTRODUCTION

The COVID-19 outbreak has spurred a massive reprioritization of technological efforts, which will speed the global adoption of digital solutions. Asia will be at the forefront of innovation, with digital platforms in the area solidifying their position and branching into financial services. These platforms make things easier for clients by bringing together solutions that are traditionally separate and autonomous to provide a more comprehensive experience. By co-creating and adapting their solutions to the new digital environment, insurers may play a critical role. Collaboration between insurers and digital platforms has the potential to deliver more sophisticated online distribution, predictive underwriting, and faster claims processing. By adding financial services to their portfolio, digital platforms can profit from increased company diversity and possibly increased client stickiness. Insurers and platforms will need to improve their understanding of how customers could interact with these developing platforms in the context of financial services in order to create effective relationships. This will entail determining how product features might need to alter, as well as how the user experience would need to be customised to make risk protection meaningful in these new scenarios.

II. LITERATURE REVIEW

Online sales

There are several methods for selling internet insurance. A company may utilise its website to display brochures and information, publish answers to commonly asked questions, and give another way to contact the company. Second, a company may become more active in its online approach by providing quotations and making online sales. According to a survey conducted by Williams, while 50% of the agents and brokers polled used the Internet to conduct business with their carriers, just 37% were interested in developing their own websites. Those who had a website used it to provide general information (97%), solicit leads (54%), obtain quote information from visitors (46%), provide links to other websites (27%), provide risk management information (27%), provide real-time quotes (17%), furnish certificates of insurance to customers (14%), and accept notification of claims (12 %). It is vital that insurance salespeople provide clients with the appropriate information and services. Insurance is a sophisticated product, and many customers may want assistance in evaluating their needs and how to best satisfy them. And also because their costs are lower compared to traditional channels, internet insurance claims that premiums are 10 to 20% less expensive. It also draws insurance customers by offering a simulation tool that allows them to pre design various insurance policies before enrolling. Because of the direct transactions between consumers and firms, insurance products supplied over the Internet are more competitive in terms of premiums than goods sold through insurance brokers.

According to a survey conducted by Swiss Re Institute in the late 2020, online insurance has seen a boom in India. Diverse businesses are interacting and realising synergies that were impossible even a decade ago thanks to digital platforms. The insurance sector is forming new ecosystems as a result of these tech-enabled business models. It is possible to obtain insurance in industries like as healthcare, combined and supplied alongside products and services e-commerce, mobility, and a variety of other topics are just a few examples.

The effect of COVID- 19 on the insurance market

The pandemic increased our reliance on the internet. Due to which the businesses that were online surged including the

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insurance market. And the pandemic has always made everyone health conscious. In India, the fast spread of COVID-19 has boosted public knowledge about health risks and insurance. In a survey of Asian markets in May 2020, two-thirds of respondents expressed concern about their health and well-being, and claimed that their insurance purchasing habits will transition to online means. Sales data backs this up: between March and May 2020, India's largest web aggregator, Policybazaar, recorded a tripling of health insurance sales on the platform. Another poll by Max Bupa Health Insurance indicated that after the epidemic expanded, millennials (aged 27–35) had begun to inquire about health insurance. Indian insurers were fast to respond to the epidemic by introducing COVID-19 coverage. Some items were available before the national lockdown, which started in March. The majority of products have been sold online, with payment and e-commerce applications frequently used for delivery. Insurers have also developed a COVID-19 product that was designed by regulators and is based on benefits. Some conventional agency salespeople have also been given digital tools to help them work through lockout and the resulting social isolation. Prior to the epidemic, insurers in India were beginning to migrate to digital-first customer service, but COVID-19 has expedited the speed of change, allowing them to bring new solutions to market ahead of schedule. Adapting customer support operations by expanding the usage of video conversations, AI-assisted telephoning, and contactless claims processing are just a few examples. Some companies have gone paperless with client onboarding and claim processing. Insurers who have used multichannel techniques have seen a 50 percent increase in the use of digital conversational interfaces.

Other factors that are influencing online insurance sales

The key customer category for digitally distributed products and services in India is millennials. They are the driving force behind digital adoption in the country. They account for around 34% of the Indian population and 47% of the workforce. In India, Millennials are more educated and more technologically connected than previous age groups, accounting for over half of all internet users. They act as a catalyst for market segment and business model upheavals. Smartphone ownership and data consumption are increasing in India, owing to the availability of low-cost, high-quality smartphones offered both online and offline, as well as better, inexpensive internet access. Analysts predict that by the end of 2022, there will be more than 820 million Indian smartphone users. In the year 2019, Indian smartphone users downloaded 19 billion applications (behind only China). 18 They spend 17 hours a week on social media, which is higher than users in China and the United States. By digitally linking customers and sellers, these developments have enhanced the tradability of items and services.

The Indian government has set a goal of "broadband for everybody", as part of its "National Broadband Mission." It plans to invest USD 100 billion over the next three to four years, with USD 35 billion going to the environmental cause. USD 35 billion to construct telecommunications towers, USD 30 billion to deploy fiber-optic cables spectrum, research and development, and other activities should be funded. It is expected to have a multiplier effect on the economy. Effect: an increase of 10% in mobile internet traffic can boost India's GDP by 1.6 percent.

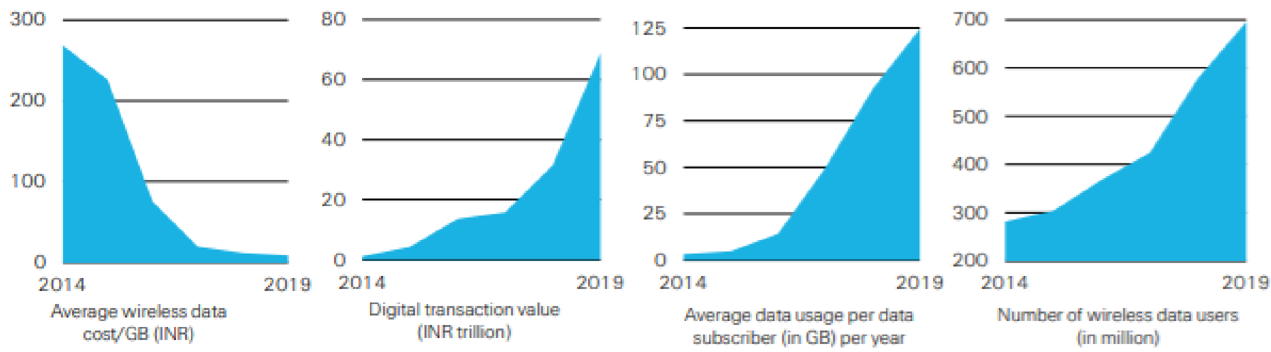

Figure 1

Fintech is an established start-up market in India, accounting for 10% of all IT startups. Despite COVID-19, Fintech remained the most well-funded industry in the first half of 2020, with USD 1.47 billion invested, up 60% year over year. The most common use cases include digital payments, insurance comparison, and alternative financing, while investing platforms, credit score management, and internet-first banks are likely to be the future use cases. Fintech start-ups were the first to include India Stack into their apps and familiarise users with digital payment channels, expanding the scope for providing financial services to a diverse group of people. Fintech companies that began as loan originators and credit marketplace participants are increasingly branching out into lending, both to SMEs for business loans and salaried employees and students for peer-to-peer credit.

Traditional agents, brokers, and word of mouth remain the most common sources of insurance-related information, although respondents intend to utilise aggregation sites and payment applications more in the future. We queried respondents about the perceived benefits of digital platforms for purchasing insurance later in the poll, and the most

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common responses were lower pricing and the capacity to locate the proper plan. Customers also appreciate insurers' apps or websites, potentially as a result of Indian insurers emphasising these for consumer contact. Consumers only use an insurer's website/app a few times per year, according to information from other marketplaces. Insurers, on the other hand, must promote regular engagement with their websites. A separate survey indicated that customers of all ages are adopting a "millennial attitude" of trusting their own research, generally online, to find and purchase insurance products. This low-assistance purchasing behaviour is a worldwide trend that is predicted to intensify as a result of COVID-19 and remain after the epidemic is over.

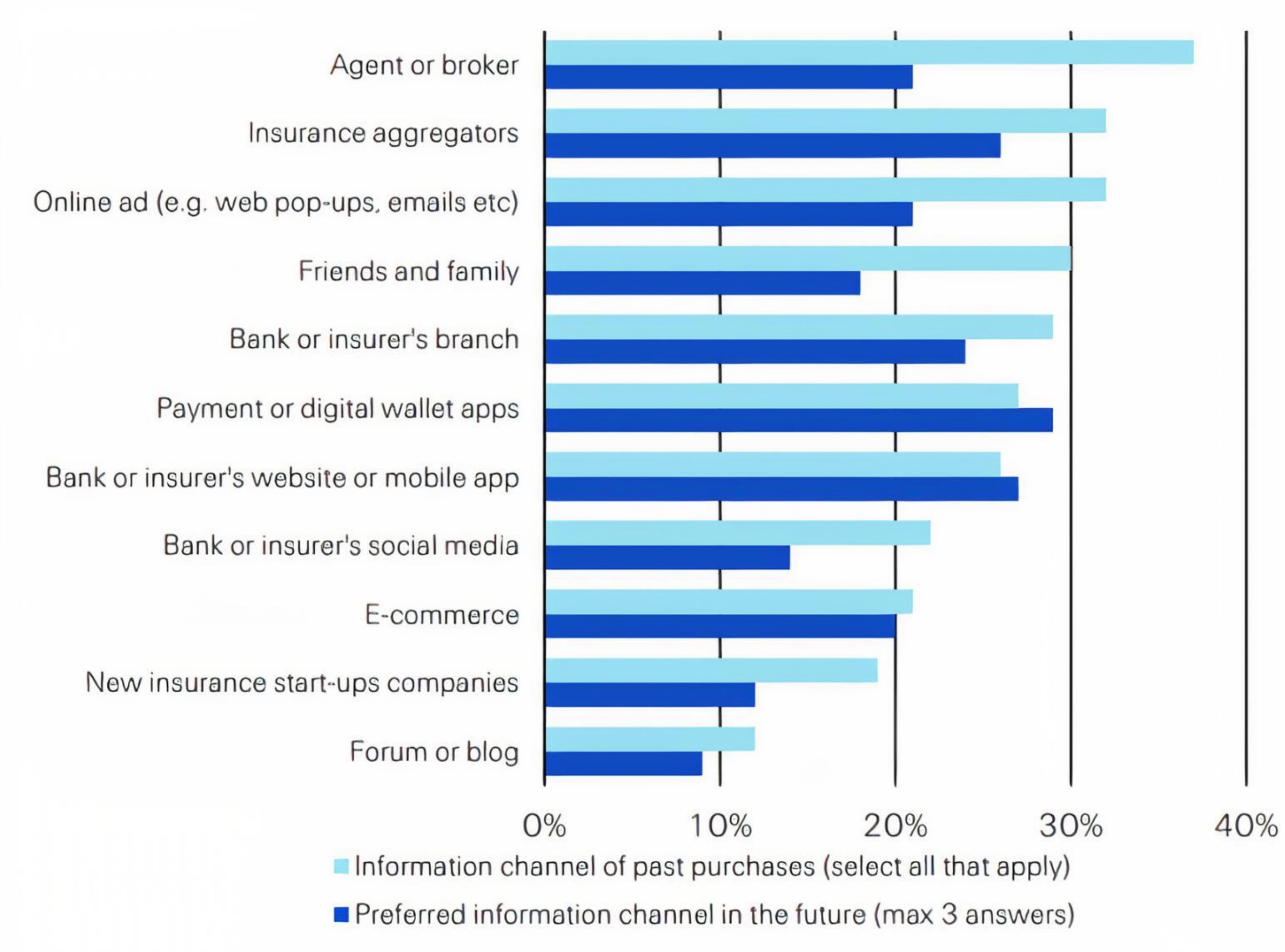

Figure 2

Features that attract users the most

A longer duration of coverage: Longer policy durations were favoured by individuals of all ages, presumably to ensure premium and coverage certainty. They preferred annual policies to short-term (10 year) and medium-term (1 to 3 year) policies, and they chose annual policies even for seasonal insurance covers typically granted for short periods, such as hospital cash – smog protection, which we examined. It contrasts with the non-life insurance practise of pay-as-you-go.

Simple paper works: Almost half of those surveyed (46%) said they would rather answer three health questions than fill out extensive papers and undergo medical tests when purchasing insurance. Only 48% would prefer even greater simplicity if there was only one question. Biomarker data would be accessed by about 26% of those who use health tracking applications. Only 29% still desired a medical checkup and were satisfied with the present system.

Payment of an annual premium: Respondents favoured annual premiums over daily premiums, possibly suggesting a desire for premium predictability and an easier buying procedure. Consumers would prefer to pay a variable premium based on the number of in-app purchases rather than a fixed price for the full policy duration when purchasing a daily premium-paying insurance product through mobile applications. Insurers will need to understand how people shop on digital platforms and build packages that are reasonable by dividing premiums down into daily payments.

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Bundling of products: More appealing than individual cancer insurance are bundled CI policies that cover various ailments. This study backs up a previous Swiss Re poll on India's readiness to pay for CI insurance. It was discovered that on average, illness-specific coverages such as heart disease, cancer, and diabetes. Diabetes was not as popular as a product that covered all six major CIs in India.

III. FURTHER IMPROVEMENTS IN ONLINE SALES

The reasons that the online sales of insurance are increasing are discussed in the above section along with the trusts, impact, and other factors that boomed the growth of online insurance. But there are a few problems: the marketing of the policies is not top-notch, because you can't show the same advertisements to everyone as everyone has different needs. This decreases the Click-through rate(CTR) of the advertisement thereby not reaching the optimal sales. A platform is needed where the advertisements are interactive so that agents can send that advertisement with their referral link and calculate the commission of the agent. The advertisement will be a video with clear pieces of information excluding unnecessary jargon and at the end of the video, the viewers can buy the insurance if they find it interesting. Adoption of this by every insurance company will not only be profitable for them but also engaging for the consumers.

IV. CONCLUSION

Consumer expectations for a range of lifestyle, health, and financial services are rising as a result of digital platforms. They want insurers to deliver similar simplicity, speed, and personalization. Insurers must determine if they are primarily a traditional product supplier or a disruptor looking to offer value-added solutions in collaboration with digital partners. The timing is fortunate, as insurers grapple with issues such as thin margins, a scarcity of new risk pools, and distribution model disruption as a result of the COVID-19 epidemic. The improvements discussed are decided based on the shortcomings of the online sales.

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