

Exploring E-Commerce Benefits For Policyholders In A Developing Country: India

A. W. Jilani

A. Kumar

Deptt. Of Commerce, St. John's College,
Agra, U.P. India

Abstract: E-commerce is a massive growth area where a large sum of money made and spent everyday. The internet is growing exponentially, and will continue to grow rapidly. This coupled with good advertising, can provide solid foundation from which to launch a stake in the internet and e-commerce boom. E-commerce has a lot of benefits which add value to customer's satisfaction in terms of customer convenience in any place and enables the company to gain more competitive advantage over the other competitors. The study was conducted to aware the importance of e-commerce and found positive result, which prepares the base of goodwill of business organizations.

Keywords: business, customer satisfaction, e-commerce, information technology.

I. INTRODUCTION

The number of Internet users around the world has been steadily growing and this growth has provided the impetus and the opportunities for global and regional e-commerce. Various studies have been conducted and models have been developed to identify diffusion of e-commerce in different environments. (Zwass, 1999; Wolcott, et. al. 2001; Travica, 2002) The effects of e-commerce are already appearing in all areas of business, from customer service to new product design. It facilitates new types of information based business processes for reaching and interacting with customers like online advertising and marketing, online order taking and online customer service etc.

Boughton (2005) remarked that most online advertising campaigns have two main objectives: brand development and direct response. (Kesharwani and Tiwari, 2011) studied the importance of website quality towards the success or failure of any e-vendor. (Khan and Mahapatra, 2009) studied that the quality of internet banking (i-banking) services in India from customer's perspective. (Malhotra and Singh, 2007) carried out a research to find the i-banking adoption by the banks in India. (Shahriari et.al., 2015) also found the benefits of e-commerce.

Thus, it is high time that India should act fast and decisively in order to use the growing electronic trade to our advantage. In view of this, a study was carried out for the following objectives:

- ✓ To get views of respondent on use of E-commerce in India.
- ✓ To identify the benefits of E-commerce.

II. MATERIAL AND METHOD

A survey has been made to get the real picture of use of e-commerce in the insurance business BALIC (Bajaj Allianz Life Insurance Company) with views of 250 total respondents for the following:

- Essential factors for growth of E-Commerce
- ✓ Physical presence not required
- ✓ Saving of time
- ✓ Clarity of transactions
- ✓ Comparative study of products is easy
- ✓ Easy settlement of claims
- ✓ Availability of messaging procedure

The study conducted on participants resided and worked in different regions and for different types of organizations,

and had different educational levels, professions, and gender. We asked our study participants about their Internet usage to identify their familiarity with technology and their access to Internet, and their e-commerce participation to determine their ability to pay for e-commerce.

III. RESULT AND DISCUSSION

It is clear from the table-I that out of 250 policyholders, only 66 policyholders (26.4%) enquired for the purchase of policies on internet. 58 policyholders chose agency channel. 33 broker channel and 42 policyholders made contact to the nearest branch offices. It means that e-commerce has been fairly adopted by the people in Agra region of western uttar Pradesh. As the insurance products are both old and new, the figure of internet users is encouraging. Most of the policy holders replied at the time of direct interview that before 2004 the internet processing was not easy and commonly available to all. For the comfortable use of internet the policyholder should be well known to use of internet devices. Hence, it is clear that online trend of searching and purchasing of various products is on increase because of number of reasons. It is well applicable to the insurance sector also, and so online services are gaining importance in the insurance sector more frequently.

Particulars	Agency channel	Banker channel	Corporate channel (Broker)	Brach office	On Internet	Total
Traditional Policies	31	28	16	30	42	147
ULIP Policies	22	19	14	10	21	86
Health Plan	05	04	03	02	03	17
Total	58 (23.2%)	51 (20.4%)	33 (13.3%)	42 (16.8%)	66 (26.4%)	250

Table 1: Policyholders Enquired For Purchase Of Policies Through Various Channels

The above data is well displayed through pie chart to understand the policyholders trust on various channels.

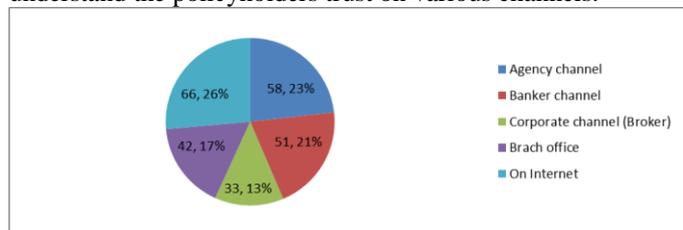


Figure 1

A number of reasons are there on the basis of which the policyholders now appreciate using e-commerce in the insurance and other monetary transactions based businesses. The policyholders, in general replied that there are number of reasons, such as it saves for the increased use of e-commerce in the insurance business, time, physical presence of persons, clarity of transaction, comparative study of products, easy settlement and messaging procedure. This is clearly shown through study in Table-II.

Insurance company	No. of total respondents	Physical presence not required	Saving of time	Clarity of transactions	Comparative study of products is easy	Easy settlement of claims	Availability of messaging procedure
BALIC	250	89 (36.6%)	185 (74.4%)	86 (34.4%)	117 (46.8%)	160 (64%)	208 (83.2%)

Table 2: Reason Of Increasing Online Insurance Business: Views Of The Policyholders

IV. CONCLUSIONS

The following suggestions may be provided for proper functioning of e-commerce in insurance business.

- ✓ Digitization of infrastructure should essentially be promoted to its maximum extent as it provides a solid foundation on which a viable marketing channel may be built.
- ✓ A multidisciplinary approach is necessary in order to understand e-commerce because no single academic discipline covers all facets of e-commerce phenomenon.
- ✓ Richness of e-commerce should be developed by the insurance companies because it reduces the strength of distribution channels, decreases firm's reliance on traditional sales forces, and helps a company developing better post sales support strategies. Insurance companies can use interactive properties of e-commerce to develop differentiation strategies and customization techniques to reduce threats from substitutes. It should be kept in mind that interactivity, personalization and customization techniques decrease a firm's reliance on traditional sales forces and help them to reduce operational costs.

The main benefits of e-commerce from sellers' point of view is increasing revenue and reducing operation and maintenance costs through internet.

These include as follows:

- ✓ Raises customer loyalty and retention.
- ✓ Develops customer and supplier relationships.
- ✓ Improves speed of the process of selling.
- ✓ Improves internal and external communication.
- ✓ Develops the company image and brand.

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