



## **DIGITAL MARKETING IN INSURANCE COMPANIES: INITIATIVES OF GOVERNMENT, KEY STRATEGIES OF LIC AND PRIVATE SECTOR INSURANCE COMPANIES IN INDIA**

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### **Abstract**

*Today's insurance consumer shops across more digital channels, turns to social media for recommendations, and uses mobile during the entire purchase journey. To address the needs of these digitally savvy consumers, insurers must implement acquisition strategies that span traditional, digital and mobile channels. Most insurance executives realize they have to step up their digital investments, yet many remain unclear about exactly where to start and how to proceed in organizing for digital innovation and redesigning their processes. According to Bain's Global Digital Insurance Benchmarking Report, "many lack confidence in their ability to execute the digital transition. Almost half of the companies do not believe they have set up an achievable plan, because they are missing some key elements for the journey, such as a clear vision, or compliance and risk processes. The present paper meets an attempt to know the awareness about digital marketing in insurance companies, Government initiatives and to know the key strategies of LIC and private sectors insurance companies in India.*

**Keywords: Digital Marketing, Initiatives, Methods, Strategies.**

### **Introduction**

The insurance industry of India consists of 57 insurance companies of which 24 are in life insurance business and 33 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India (GIC Re). Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third party administrators servicing health insurance claims. Out of 33 non-life insurance companies, five private sector insurers are registered to underwrite policies exclusively in health, personal accident and travel insurance segments. They are Star Health and Allied Insurance Company Ltd, Apollo Munich Health Insurance Company Ltd, Max Bupa Health Insurance Company Ltd, Relegate Health Insurance Company Ltd and Cigna TTK Health Insurance Company Ltd. There are two more specialized insurers belonging to public sector, namely, Export Credit Guarantee Corporation of India for Credit Insurance and Agriculture Insurance Company Ltd for crop insurance.

### **Objectives of Research Paper**

1. To study on market size and government initiatives towards insurance sector in india.
2. To study on consumer usage of digital marketing towards insurance sector in india.
3. To study on LIC empanels and agencies to handle media, digital channels.
4. To study on Integrate Digital Strategies of private insurance companies.

**Data and Methodology:** The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant books, articles, papers and web-sites are used in this study.

### **Market Size**

Government's policy of insuring the uninsured has gradually pushed insurance penetration in the country and proliferation of insurance schemes are expected to catapult this key ratio beyond 4 per cent mark by the end of this year, reveals the ASSOCHAM latest paper.



The number of lives covered under Health Insurance policies during 2015-16 was 36 crore which is approximately 30 per cent of India's total population. The number has seen an increase every subsequent year as 28.80 crore people had the policy in the previous fiscal.

Premium income of the life insurance segment had increased 14.04 per cent in FY17 to Rs 4.18 trillion (US\$ 64.92 billion). In August 2017, the Life Insurance industry reported a 24 per cent growth in overall annualised premium equivalent with the help of both private players and Life Insurance Corporation.

### **Investments**

The following are some of the major investments and developments in the Indian insurance sector.

1. Pradhan MantriFasalBimaYojana (PMFBY) covered 50.9 million farmers in India in 2016-17.
2. India's leading bourse Bombay Stock Exchange (BSE) will set up a joint venture with EbixInc to build a robust insurance distribution network in the country through a new distribution exchange platform.
3. Revenues of the healthcare sector are projected to grow by 15 per cent between FY18-20 on the back of rise in health insurance coverage through government-sponsored schemes@.

### **Government Initiatives**

The Government of India has taken a number of initiatives to boost the insurance industry. Some of them are as follows:

1. Government of India launches Pradhan MantriVayaVandanaYojana, a pension scheme which will provide guaranteed 8 per cent annual return to all the senior citizen above 60 years of age for a policy tenure of 10 years.
2. The Union Cabinet has approved the public listing of five Government-owned general insurance companies and reducing the Government's stake to 75 per cent from 100 per cent, which is expected to bring higher levels of transparency and accountability, and enable the companies to raise resources from the capital market to meet their fund requirements.
3. The Insurance Regulatory and Development Authority of India (IRDAI) plans to issue redesigned initial public offering (IPO) guidelines for insurance companies in India, which are to looking to divest equity through the IPO route.
4. IRDAI has allowed insurers to invest up to 10 per cent in additional tier 1 (AT1) bonds that are issued by banks to augment their tier 1 capital, in order to expand the pool of eligible investors for the banks.

### **How Do Consumers Shop For Insurance?**

Mobile and digital channels play a critical role during the insurance decision-making process. Take a look at these key statistics that indicate the increasing importance of having a digital strategy in place:

1. 40% of insurance research time was spent on mobile devices (smartphones, tablets) and 25% of study participants used mobile devices exclusively in their research. Half of insurance buyers began their research on mobile devices as well. (Mobile Path to Purchase research by Nielsen, xAd and Telmetrics)
2. According to research by LeadSift, the number of social opportunities on social media is a huge goldmine of untapped potential. In one month, the company uncovered 3.7 Million tweets about insurance, 23,401 social tweets about purchase intent, and a dollar value of insurance opportunities on social media of \$15 million.
3. 71% of consumers surveyed used some form of digital research before buying insurance (e.g. price comparison or social media) and 26% of consumers surveyed bought their policies online (e.g. web or via a mobile device) (PwC)

### **Target Insurance Consumers on Social Channels**

Reaching your customers and prospects at the right moment and through the right channel is key to any business. And social media is proving to fulfill this role for businesses across all industries. The insurance industry is



certainly no exception. Research by LIMRA, the world's largest association of life insurance and financial services companies, discovered that 93% of life insurance companies had social media programs in place. Historically, insurance isn't known as being an industry that emotionally connects and interacts with consumers. Yet, insurance covers very emotional events in a person's life. Social media is a powerful tool to create these customer connections and to engage with consumers on a more personal level. When done correctly, social media can establish your brand's reputation as being customer focused, reputable, and trustworthy – all important factors for consumers when deciding which competitor will win their policy.

Consumers also turn to social media when looking for information to help them make a decision about which insurance carrier or broker to do business with. A study by Accenture found that 48% of consumers would consider comments on social media when making insurance-buying decisions. Additional research by Celent showed that insurers stated marketing as being the top benefit of social media, followed by customer service and new sales leads.

### **Focus on Educating Consumers**

Many consumers don't fully understand insurance. They know they need it, but when it's time to really dig into deductibles, coverage, premiums, liability and so on, consumers don't know the ins and outs. As an insurance professional, it's your job to educate them—and in doing so, find opportunities to gain loyal brand advocates and new policyholders.

Content marketing is one of the best ways to reach out to consumers and put your brand front and center as they research across digital channels. But your content must be informative and educational, not simply a sales pitch that will fall on deaf ears. A consumer can go to your website to read about product details when they reach that point of their purchase journey. The trick is to drive them there in the first place with enough interest and intent to purchase.

### **Take A Look At Some Eye-Opening Statistics About The Value of Content Marketing:**

1. 61% of consumers say they feel better about—and are more likely to buy from—a company that delivers custom content.
2. Interesting content is one of the top three reasons people follow brands on social media.
3. 78% of consumers believe organizations that provide custom content are interested in building good relationships.
4. The average cost to generate a lead through inbound marketing is \$143—about half the average for outbound marketing, which is \$373.
5. 78% of chief marketing officers (CMOs) think custom content is the future of marketing.
6. Organic search leads have a 14.6% close rate, while outbound marketing leads have a 1.7% close rate.
7. 90% of consumers find custom content useful.
8. 60% of consumers feel more positive about a company after reading custom content on its site.
9. Companies with active blogs receive 97% more leads.
10. Eight in 10 CMOs believe custom media should be an integral part of a marketing mix.
11. 55% of business-to-consumer marketers plan to increase content marketing spending next year.

Insurance content marketing can take many different forms, including articles, blog posts, images, videos, social posts and any other type of content that businesses can share online. For example, a U.K.-based auto insurance company publishes articles that contain winter driving tips, advice for driving abroad and information about how to avoid breakdowns.

### **Use Video Marketing to Engage Audience**

Video today represents 67% of all Internet traffic, and by 2019, it is expected to represent 90%. Video is a powerful marketing tool, especially for mobile users who can watch video content on the go as compared to reading pages of content.



Consider the following statistics about how video can make a powerful impact for your brand's marketing goals (Source: American Agents Alliance):

1. YouTube is the second most used search engine in the world.
2. One-third of all online activity is spent watching video.
3. Three-fourths of video viewers visit the business' website after watching one of their videos.
4. When videos are included in emails, click-through rates increase by 200-300% and opt-out rates decline by 75%.
5. Only 20% of website visitors read the entire page content on a website, but a 80% watch videos from start to finish.
6. It's 50x's easier to get a page-one ranking on Google when a video is included on a website.
7. Video improves brand association by 139% and purchase intent by 97%.

### **Use Email Marketing for Policyholder Acquisition and Retention**

Email marketing is a great digital channel for insurance marketers to acquire new policy holders as well as retain existing customers. With the right data insights on your audience, hyper-targeted emails have the potential to dramatically boost conversions and retention. Be sure to analyze both your internal data sets and enhance your database with 3<sup>rd</sup> party data enhancements for finely tuned audience identification.

Emails can be segmented in any number of ways, but the key here is to be sure you are using email segmentation strategies. For example, send emails according to the buying cycle. Consumers may contact you immediately for a quote or more often than not, they are in the early stages of the buying cycle. They may just be checking out your company for future consideration, may need more information and need to be nurtured, or perhaps they indeed reached out indicating they are ready to purchase. Different messaging should be used for each stage.

1. Welcome Emails – Consumers who first sign up on your website are in the early phase of the buying cycle. Send them a welcome email to set the tone, personalized with their first name of course. Although you may not have other consumer details at this point, an email enhancement provider can provide additional demographic details so these prospects can be nurtured better in the future.
2. Nurture Emails – These emails should provide content and show subscribers what your agency has to offer in terms of products, value adds, services, etc. Nurture emails should be focused on getting the subscriber to take an action such as filling out a free quote form or contacting an agent.
3. Active Emails – These emails should be sent after an email subscriber takes a specific action that indicates he or she is ready to purchase, such as filling out a free quote form on your website. The goal should be to get the prospect to the next stage – purchasing a policy. Use these emails to provide more information, a specific offer or promotion, or more details about the policy of interest.

A successful digital strategy begins with the understanding that traditional channels are no longer enough to stay competitive in today's marketplace. Insurance companies must forge ahead with a digital mindset in order to boost acquisition and retention among today's modern insurance consumers.

### **LIC Empanelled 14 Agencies to Handle Media, Digital and OOH Duties**

After a long-drawn selection process, Life Insurance Corporation of India (LIC), the oldest player in the insurance sector, has empanelled 14 advertising agencies to handle its media, digital and out of home (OOH) duties. Known to review its creative roster every two years, LIC started the creative pitch back in 2012.

The media duties of the corporation will be handled by seven agencies including R K Swamy BBDO, DDB Mudra, Draft FCBUlka Advertising, Hindustan Thompson Associates, Crayons Advertising, RediffusionDentsu Young and Rubicam and Prachar Communications.

The digital mandate will be handled by Beehive Communications, Hansa Vision and Quasar Media. For OOH, four agencies including Kinetic Advertising, DDB Mudra Max, Moms Outdoor Media Solutions and Crayons Advertising have been selected. Below is the state-wise list of the agencies for 13 states.



STATE-WISE LIST OF OOH AGENCIES EMPANELLED BY LIC				
SL	STATE	NAME OF THE OOH AGENCY		
		1	2	3
1	Andhra Pradesh	Kinetic Advertising India Pvt Ltd	DDB Mudra Max Pvt Ltd	Crayons Advertising Ltd
2	Bihar	Kinetic Advertising India Pvt Ltd	DDB Mudra Max Pvt Ltd	Crayons Advertising Ltd
3	Madhya Pradesh	Kinetic Advertising India Pvt Ltd	Crayons Advertising Ltd	DDB Mudra Max Pvt Ltd
4	Maharashtra	Clear Channel Mumbai Pvt Ltd	Kinetic Advertising India Pvt Ltd	Crayons Advertising Ltd
5	West Bengal	Kinetic Advertising India Pvt Ltd	Moms Outdoor Media Solutions Pvt Ltd	Crayons Advertising Ltd
6	Tamil Nadu	DDB Mudra Max Pvt Ltd	Kinetic Advertising India Pvt Ltd	Crayons Advertising Ltd
7	Uttar Pradesh	Kinetic Advertising India Pvt Ltd	Crayons Advertising Ltd	Moms Outdoor Media Solutions Pvt Ltd
8	Delhi NCR	Crayons Advertising Ltd	Kinetic Advertising India Pvt Ltd	Moms Outdoor Media Solutions Pvt Ltd
9	Karnataka	DDB Mudra Max Pvt Ltd	Kinetic Advertising India Pvt Ltd	Clear Channel Mumbai Pvt Ltd
10	Kerala	DDB Mudra Max Pvt Ltd	Kinetic Advertising India Pvt Ltd	Crayons Advertising Ltd
11	Haryana	Crayons Advertising Ltd	Clear Channel Mumbai Pvt Ltd	DDB Mudra Max Pvt Ltd
12	Punjab	Crayons Advertising Ltd	DDB Mudra Max Pvt Ltd	Clear Channel Mumbai Pvt Ltd
13	Rajasthan	Crayons Advertising Ltd	Moms Outdoor Media Solutions Pvt Ltd	Clear Channel Mumbai Pvt Ltd

In 2010, LIC empanelled four agencies - R K Swamy BBDO, Mudra, JWT and DraftfcbUlka for its creative as well as media duties.

### The Challenge

The most important thing we have to keep in mind is that the insurance sector is already filled up with a lot of complex mechanisms and practices. During the implication of Healthcare.gov in America, consumers were frustrated. They had been shopping online easily but the information on the insurance website was complex and hard to understand. It is therefore important that insurance companies understand how to digitalize without creating a large group of frustrated and unsatisfied customers.

### Methods

The following things should be possessed by an insurance company for going digital.

1. A well-defined digital strategy along the lines of marketing, sales and services is crucial for the company. Informing the customers about the major decisions and having personalized interactions with them is also a part of this strategy.
2. The foresight and ability to incorporate specific digital capabilities for the future according to the requirements and invest rapidly in them.
3. The operating model and governance should be suited to the digital maturity of the organization. As the digital understanding of the company grows, many functions can be decentralized and integrated into business unit activities.
4. The recruitment process should be modified to recruit more people with digital experience or knowledge.
5. Test-and-learn culture should be implied and risk taking should be considered as a learning process.



### **Integrate Digital Strategies of Private Insurance Companies**

There seems to be a consensus that digital marketing and healthcare just don't mix. Between regulatory compliance, data limitations, and privacy constraints, healthcare marketers have plenty of reasons to justify staying away from digital.

While it's true that digital marketing isn't the panacea for all healthcare marketing strategies, avoiding digital advertising is simply no longer an option.

There are impressive statistics on the increased consumption digital information among consumers determining a new healthcare insurance plan and the opportunities that increase can bring.

#### **See also: Can Marketing Accelerate the Health Insurance Buying Cycle?**

1. 77% of online health seekers said they began their last session at a search engine such as Google, Bing, or Yahoo.
2. 72% of Internet users said they looked online for health information within the past year.
3. Marketers in every industry, including health insurance, need to find the right mix of digital campaign strategies. It's just like finding the right combination of treatments to cure ailments. But why is digital becoming more appealing to marketers of health insurance?

**Targeting:** Historically, insurance marketers have cast a wide net through TV, radio, and print ads to build brand awareness. But with such a wide variety of targeting available in digital marketing, advertisers can skip the guesswork and directly target an online audience that is most likely to convert. Data targeting uses online and offline data from third-party data companies to reach individuals across video, mobile, display, and social mediums. These data segments can include everything from past purchase behavior, including health products, to demographic and psychographic behavior, including household income or family size.

**Flexibility:** Unlike traditional marketing channels, digital marketing allows for the optimization of campaigns on the fly. Not only does digital advertising offer transparency across ad inventory and audience pools, but the programmatic model of media buying allows you to make adjustments to these areas in real time. Knowing what inventory and audience lead to the strongest web traffic equips marketers to make smart and efficient campaign optimizations. Success in the world of digital marketing depends on marketers being clever, willing, and able to adjust budgets quickly as inventory, market conditions, and customer focus fluctuate.

**Measurable:** With the ability to carefully monitor digital campaigns and act on real-time metrics and feedback, health insurance marketers are empowered to optimize their campaigns to drive results. Healthcare marketers say digital's measurability helps them defend their budgets and track progress. "Our objective is to provide our clients full transparency and visibility into the performance metrics of digital campaigns for healthcare insurance," said Matt Russell, a media planner at Clarity Coverdale Fury, an agency that works with healthcare brands. He added, "Through targeted digital advertising on a programmatic basis, we can provide our clients instant optimization and metrics to support using digital advertising as a continued strategy."

More marketers are flocking to digital for their health insurance marketing, and there's no denying that the American healthcare landscape is shifting: individual health plans now make up 40% of the health insurance market—a major increase compared to the 10% they had represented before the Affordable Care Act was implemented. The ACA has opened new opportunities to healthcare consumers, who are taking a more proactive role in shopping for and selecting their health plans.

**Align Digital Marketing Budget With Open Enrollment Periods.** Just like traditional marketing strategies marketers of healthcare insurance need to reach their customers as they are at the moment. Both commercial insurance and Medicare have minuscule windows through the year when consumers can switch insurance agencies. Plan DIGITAL campaigns around those times to capture the right audience at the right time.



**Test Audiences and Creative.** In digital marketing, it is essential to use multiple variations of creative and targeting strategies to determine what resonates most with health insurance shoppers and convert the most visitors into enrollments.

**Utilize Retargeting.** Being that health insurance is such as consumer-driven, open marketplace, it's essential to continue targeting users after they have left a website. Users are going to shop around, get frustrated with long application processes, take breaks, and delay enrolling until the last minute. Retargeting allows healthcare insurance brands to stay in front of the potential customers that are most likely to convert into enrollments.

### **Conclusion**

Harvesting digital data has amazing potential in today's world where people leave behind them great amounts of data when they visit a website. Many carriers are already mining data from social media to track a policy holder's life events for sales, and also using this data to check for fraudulent claims. Parsing digital data can help insurers calculate a driving score, what customers to attract etc. Although there are well placed privacy concerns, the benefits for both insurers and customers are significant. The adaptability of insurance companies will make a difference for them in the future. Not only in case of digitalization, but also with new technologies rolling out every new day, the market leader would be the one that learns to evolve with the changing time.

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