

# Factors Affecting E-Insurance Acceptability by Indian Customers': A Quantitative Investigation

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**Abstract:** The current study intends to explore customers' opinions toward E-insurance as well as their comprehension of the concept. This research also aims to identify potential issues and roadblocks to the introduction of e-insurance. This article explores the elements that influence Indian customers' acceptance of e-insurance. The study took a quantitative approach, with data obtained using an online survey form. The information gathered was evaluated with statistical procedures such as descriptive statistics, regression analysis, and factor analysis. According to the study, several factors influence e-insurance acceptance, including perceived utility, perceived ease of use, trust, perceived risk, and demographic considerations. To boost e-insurance acceptance, e-insurance providers should focus on enhancing consumer trust and lowering perceived risk, according to the research. The researcher had considered people with different occupation and age group to know the factors that affect e-insurance acceptability by Indian customers and found that perceived usefulness, perceived ease of use, protection & confidentiality, trust, degree of service provided by e-insurance companies and perceived control different factors that affect e-insurance acceptability by Indian customers.

**Keywords:** E-Insurance, Quantitative Approach, Descriptive Statistics, Consumer Trust

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## Introduction

In this ever-competitive environment, technology is infiltrating someone's life by allowing people to do activities with the press of a button. The financial services industry is no different. The banking sector has indeed accepted and implemented e-banking. Today's youngsters as well as those with internet connectivity. Further use of E-Commerce in the Underwriting is E-insurance, which involves policyholders maintaining all or most of their insurance products in electronic format, with everything done online, including that of the implementation, offer, agreement, and settlement. Despite its patients with regard, this service has very few subscribers. With the growth of technology, the insurance business has undergone substantial upheaval. E-insurance services have arisen as a paradigm shift in the insurance sector, allowing users to buy and manage insurance plans online. E-insurance services have grown in popularity in recent years, with a rising number of clients choosing for them. However, despite becoming one of the speediest insurance markets, India's uptake of e-insurance products has been gradual (Pahuja, & Chitkara, 2016).

The Indian insurance business has grown tremendously in subsequent generations, with the penetration level of insurance goods growing from 2.71 percent in 2001 to 2.71 percent now. In fiscal year 2018, insurance product prevalence was 26%. However, the acceptance of e-insurance products has lagged behind the expansion of the insurance business. In India, the

acceptance of e-insurance services is still in its early stages, with clients hesitating to use them. This is mostly due to a lack of understanding, trust, and perceptions of the dangers connected with e-insurance services. As a result, it is critical to explore the elements influencing e-insurance acceptance among Indian clients (Sowmiya, & Selvam, 2017).

The goal of this study is to examine the factors that impact Indian customers' adoption of e-insurance. The study's purpose is to identify the factors that influence customers' willingness to utilise e-insurance services, and also the barriers that keep them from doing so. In the study, a systematic corruption questionnaire is used to collect data on customers' perceptions of e-insurance service, such as perceived usefulness, ease of use, possible cost, trust, and social effect. To evaluate the factors impacting e-insurance acceptability, the data is recorded and analysed and inferentially analysed (Khani, & Jalili, 2014).

The most recent findings are advantageous to e-insurance companies aiming to increase their customer base in India. The study will help e-insurance companies understand the factors that influence consumers' acceptance of e-services and also the barriers that limit their adoption. This will enable e-insurance companies to develop strategies to increase the perceived usefulness, ease of use, and reliability of their service, as well as to lower the perceived risks associated with e-insurance services. The study will also help e-insurance companies use social influence to increase acceptability among Indian clientele. The insurance business in India has been continuously expanding as more individuals seek insurance services. Various causes, including increased knowledge of the significance of insurance as well as the availability of different insurance products, have contributed to the expansion. With the advancement of something like the internet and technology, several insurance firms are now providing clients with e-insurance services. However, e-insurance services have been reluctant to gain traction, with many customers mainly selecting traditional insurance services. This article explores the elements that influence Indian customers' acceptance of e-insurance (Maheswari, & Chandrasekaran, 2018).

E-insurance services have arisen as a paradigm shift in the insurance sector, allowing users to buy and manage insurance plans online. However, despite being one of the quicker insurance markets, India's uptake of e-insurance products has been gradual. As a result, the purpose of this research is to look at the elements that influence Indian customers' acceptance of e-insurance. The findings of this study are likely to be useful for e-insurance businesses looking to expand their client base in India (Prasad, & Krishna, 2009).

## **Literature Review**

Insurance has been a critical tool in managing risks associated with various aspects of life. However, with the increasing reliance on technology, the insurance sector has undergone a significant transformation, and e-insurance has become the norm. Despite the benefits associated with e-insurance, there are still some challenges in its acceptability by Indian customers. This literature review aims to explore the factors that affect e-insurance acceptability by Indian customers through a quantitative investigation. E-insurance is the use of electronic equipment and channels of communication like the internet to acquire, administer, and claim insurance. E-insurance provides various benefits both to insurer and insured. E-

insurance helps the insurer to save money by reducing the overhead expenses associated with the traditional insurance operations. E-insurance gives ease, flexibility, and customised insurance products to the insured. Although these virtues, e-insurance is already a relatively new idea in India and has struggled to acquire significant client adoption (Magotra, et. al, 2018).

One of the important aspects influencing client acceptance of e-insurance is perceived usefulness. The Technology Acceptance Model (TAM) defines perceived usefulness as the degree to which a person feels that employing a specific technology would improve their performance. Customers are more inclined to adopt e-insurance companies if they believe they will be beneficial in satisfying their insurance needs. E-perceived insurance's usefulness is impacted. Customers' approval of a service is heavily influenced by its perceived usefulness. Customers are more inclined to utilise e-insurance services if they believe they would benefit them. According to one study, the performance expectancy of e-insurance services affected users' adoption behaviour substantially. Another key aspect influencing e-insurance acceptability is perceived ease of use. Customers are more inclined to utilise e-insurance services if they think they are simple to use. Customers' intentions to utilise e-insurance services were highly impacted by perceived ease of use. Customers' perceptions of the convenience of utilising e-insurance services are referred to as perceived ease of use. Customers' inclination to utilise e-insurance services is significantly predicted by perceived ease of use. Customers, for example, may view e-insurance to be too difficult to use, discouraging them from using e-insurance services. As a result, e-insurance companies must guarantee that their products are user-friendly and simple to use (SELVAM, 2016).

Customers' perceived risk of loss as a result of using a service is referred to as perceived risk. Customers are worried about the protection & confidentiality of their private information as part of e-insurance. As a result, risk perception is a substantial barrier to e-insurance service acceptance. According to one study, perceived risk has a major impact on customers' adoption behaviour. Another element influencing Indian clients' acceptance of e-insurance is perceived risk. The perception of danger is a fundamental impediment to the acceptance of e services. Customers, for example, may view e-insurance to be less dependable than traditional insurance, making them unwilling to use e-insurance services. As a result, e-insurance operators must address consumers' perceived risk concerns by giving open and thorough details about the e-insurance offerings they provide. Customers' adoption of e-insurance services is heavily influenced by their trust. Customers are more inclined to use e-insurance products if they respect the e-insurance provider.

Trust is a major aspect in Indian clients' acceptance of e-insurance. Trust is essential in online payments, and it influences customer judgement. Customers' propensity to depend on an insurance provider to perform the promised services is referred to as trust. Customers who purchase e-insurance may be concerned with the safety and protection of their personal data. Customers may also be sceptical of the insurer's capacity to deliver on the services offered. As a result, it is critical for e-insurance companies to earn their clients' trust by delivering safe and dependable e-insurance services. Customers' intentions to use e-insurance services were highly impacted by trust. The impact of other individuals on a customer's user acceptance is referred

to as social influence. In the case of e, influence is a crucial factor of client acceptability. According to one study, social influence has a major impact on customers' adoption behaviour. The effect of friends, family, and co-workers on an entity's ability to use e-insurance services is referred to as social influence. In India, social influence is a strong predictor of e-insurance acceptability. For example, even when a people's friend has had a favourable event with e-insurance, they are more inclined to use it themselves. As a result, e-insurance companies must maximize impact by encouraging delighted customers to post their wonderful experiences with others, enhancing the acceptance of e-insurance (Uma Maheswari, 2015).

Srivastav & Mittal (2016) Service quality is the most important factor in banking. Be it any area, the quality has to be maintained otherwise customers would switch to another bank. Banks must maintain all the broad components of the service quality (Srivastav and Mittal, 2016)

Customers' perceptions of their capacity to govern their contacts with e-insurance provider are referred to as perceived control. In India, perceived control is a strong determinant of e-insurance acceptability. Customers may be more willing to use e-insurance services if they believe they have influence over the process, such as choosing the type of publicity they want or handling their claims online. As a result, e-insurance providers must guarantee that they give clients with the tools and resources they need to maintain their e-insurance operations, enhancing e-insurance acceptance (Fakhri, et. al, 2014).

Customers' perceptions of the cost of e-insurance services are referred to as perceived cost. Customers' propensity to use e-insurance services is significantly influenced by perceived cost. Customers, for example, may consider e-insurance to be more expensive than regular insurance, discouraging them from using e-insurance services. Customers' perceptions of the amount about which e-insurance services may enhance their lives are referred to as perceived usefulness. User satisfaction is a strong predictor of customers' willingness to utilise e-insurance services. Customers, for example, may view e-insurance to be more user friendly and easy than health plans, which may encourage them to use e-insurance services. To boost their perceived usefulness, e-insurance companies must convey the effectiveness of e to their consumers. The degree of service provided by e-insurance companies to their consumers is referred to as service quality. It is a strong predictor of e-insurance acceptance in India. Customers, for example, may regard e-insurance to be of bad quality if claims procedure is sluggish or if customer support is lacking. To boost e-insurance acceptance, e-insurance companies must guarantee that they give high-quality solutions to their consumers. Another aspect influencing e-insurance acceptance among Indian clients is customer experience. Customer experience relates to how consumers perceive their encounters with said e-insurance provider. Customers, for example, may have a pleasant attitude unless the e-insurance provider provides tailored and quick services. On the other side, if the e-insurance company provides poor customer experience or has a bad reputation (Banan, 2009).

Marketing methods are used by e-insurance companies to promote their business to potential consumers. In India, marketing is a strong predictor of e-insurance acceptability. E-insurance companies, for example, might expand their product to potential clients using social media sites, email campaigns, or search engine optimization. As a result, in order to boost e-insurance

acceptance, e-insurance companies must employ successful marketing methods. The legal and regulatory structure that governs e-insurance services in Delhi is referred to as the regulatory framework. The regulatory environment has a considerable impact on the acceptability of e-insurance in India. Customers may regard e-insurance as unsafe if the regulatory environment is poor or non-existent, which may dissuade them from using e-insurance services. As a result, it is critical for such Indian government to build a strong regulatory framework that safeguards the user privacy of consumers' personal information while also promoting the acceptance of e-insurance (Umamaheswari & Chandrasekaran, 2015).

**Objective:** To know the factors that affect e-insurance acceptability by Indian customers.

**Methodology:** The researcher had considered people with different occupation and age group to know the factors that affect e-insurance acceptability by Indian customers. The survey was conducted with the help of a questionnaire. The sample size of the study was taken 136 respondents. The researcher had collected the primary data through random sampling method and was analysed by statistical tool called mean.

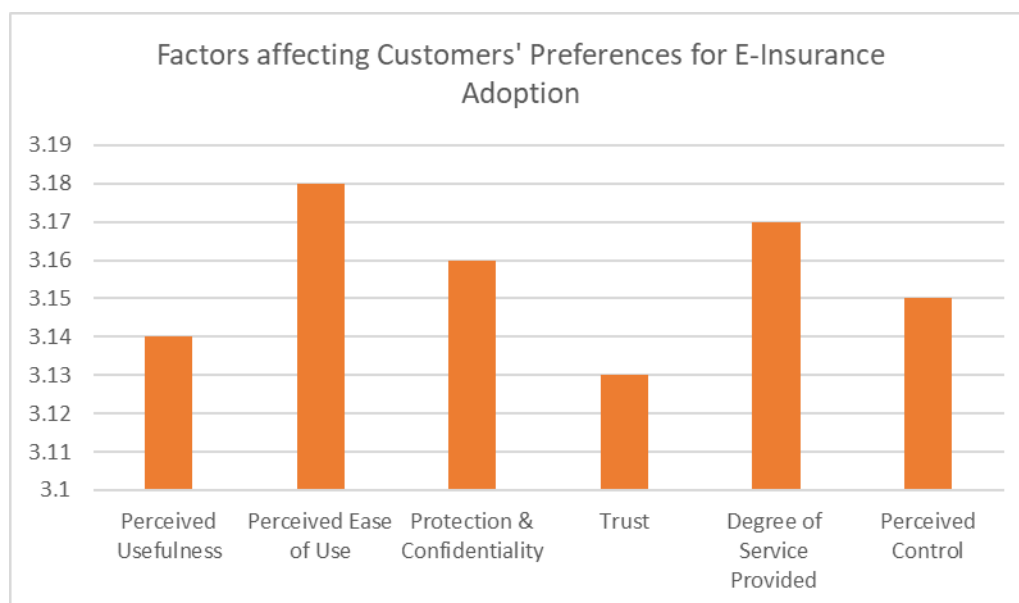
## Findings

### Factors that affect e-insurance acceptability by Indian customers

S. No.	Statements	Mean Value
1.	Customers' approval of a service is influenced by its perceived usefulness	3.14
2.	Customers' inclination to utilise e-insurance services is affected by perceived ease of use	3.18
3.	Customers are worried about the protection & confidentiality of their private information as part of e-insurance	3.16
4.	Customers' adoption of e-insurance services is influenced by their trust	3.13
5.	Customers' adoption of e-insurance services is influenced the degree of service provided by e-insurance companies	3.17
6.	Customers' perceptions of their capacity to govern their contacts with e-insurance provider are referred to as perceived control	3.15

Table above is showing different factors that affect e-insurance acceptability by Indian customers. The respondent says that Customers' inclination to utilise e-insurance services is affected by perceived ease of use with mean value 3.18, Customers' adoption of e-insurance services is influenced the degree of service provided by e-insurance companies with mean value 3.17 and Customers are worried about the protection & confidentiality of their private information as part of e-insurance with mean value 3.16. The respondent also says that Customers' perceptions of their capacity to govern their contacts with e-insurance provider are

referred to as perceived control with mean value 3.15, Customers' approval of a service is influenced by its perceived usefulness with mean value 3.14 and Customers' adoption of e-insurance services is influenced by their trust with mean value 3.13. Figure 1 presents the mean values graphically.



**Figure 1 Factors affecting the Customers' Preferences for E-Business**

## Conclusion

This study looked at the elements that influence Indian customers' acceptance of e-insurance. According to the findings, perceived utility, usefulness and ease of use, risk involved, trust, and cultural pressure are all important determinants of e-insurance acceptance in India. According to the findings, e-insurance providers should work on improving the perceived utility, convenience of use, and dependability of their services in order to boost their acceptance among Indian clients. To enhance uptake among Indian clients, e-insurance providers really should focus on harnessing social influence. This research is useful for e-insurance businesses looking to expand their client base in India. By providing convenience, flexibility, and customised insurance solutions, e-insurance has the potential to change the insurance market in India. However, various aspects impact Indian customers' acceptance of e-insurance, including trust, potential risk, perceived utility, user satisfaction of use, purchase intention, customer satisfaction, social influence, and perceived control (Jeniffer, & Chandran, 2016).

The study had explored different factors that affect e-insurance acceptability by Indian customers and found that perceived usefulness, perceived ease of use, protection & confidentiality, trust, degree of service provided by e-insurance companies and perceived control different factors that affect e-insurance acceptability by Indian customers.

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