

Role of Social Media on Buying Behaviour in Life Insurance Industry

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Abstract

This study seeks to investigate the power and role of social media with respect to Indian context relating to insurance industry. In this era of social media, new dimensions are being created every day. The widespread penetration of the Internet, its scope of use is increasing daily. Brands have made their imprint on these platforms, and social media has become a vital aspect of everyday life. Insurance firms have also gotten their fair share of social media attention. The focus now is on re-energizing their online presence, making it more engaging for customers and profitable for the company. When it comes to their social media strategy, insurers have acknowledged the necessity to innovate and optimize. The goal of this research is to examine the current condition of social media usage and its impact on the Indian insurance business. No one can deny the necessity of engaging with social media for analytics, to form opinions, draw conclusions, and reach better decisions. However, the conservative nature of the insurance industry has been a significant factor in the delayed adoption of social media. Our latest data show that there are 4.48 billion social media users around the world in July 2021, equating to almost 57 percent of the total global population. These figures suggest that more than 9 in 10 internet users now use social media each month. Social media user numbers have surged in the past 12 months too, with 520 million new users joining social media in the year to July 2021. The present paper aims to define the forms and characteristics of social media as a soft power for people belonging to insurance industry in India.

Keywords: Social Media, Life Insurance, Digital Engagement, Digital Campaigns.

1.0 Evolution of Social Media

Many methods have been adopted for exchanging information since ancient times. From the kings to the Mughals, his message was carried by a messenger to another state or city. According to the legend of Ramayana, Hanuman, a devotee of Rama, had also become a messenger of Ravana in Lanka according to the orders of (Purushottam Geho, P. R., & Dangelo, J. 2012). Many people also used pigeons to convey their message in olden times. There were so many popular ways that people could convey their message from one place to another. There has been a lot of change in the means of communication over the ages. Man invented many things according to his convenience (Matthews, L. 2010). Alexander Graham Bell of Scotland invented the 'telephone' in 1876. In those days, it was considered a revolutionary step in the path of progressive development of human beings. Going forward on the path of progress, how many inventions were made and how many discoveries were made, which opened the secrets of human life and pushed his life from ordinary to excellence (Suman K Kasturi, 2013).

In today's world of internet, people have innumerable social media platforms available. Where people can easily communicate with each other. You can easily share your information and news

with each other. The most popular of them are Facebook, Instagram and Twitter at the forefront. Before Facebook, 'Orkut' of the Google family was the biggest name of the social platform but the charismatic influence of 'FB' ended its existence this year. Google completely terminated the services of Orkut on 30 September 2014 (Choudhary, A., Hendrix, W., Lee, K., Palsetia, D., & Liao, W. K. 2012). Today Facebook is the first choice of people (especially of most Indians). The second number comes from Twitter, which is also called the 'Haunt of Celebrities'. From politicians to actors and celebrities, you will find them all on 'Twitter' that too 'Original'!(Prashant K Mathur2012)

2.0 Present Era of Social Media

Today, social networking is the number one activity on the Internet worldwide. Social networking sites are powerful means of communication and information, through which people can keep their point of view without any restriction. This thing reaches every corner of the country and the world. Apart from expressing your own views, you are also able to express your opinion openly on the things of others (Mangold, W. G., & Faulds, D. J. 2009). According to one definition, 'Social media can be said to be a highly dynamic web-based platform of interaction through which people communicate, exchange information and user generated content as a collaborative process of content creation (Mehta, 2000).

People in different countries of the world are using these social sites according to their convenience and environment. Social media was first discussed in the nineties when the first social media came to the public in the form of Geosite in 1994. Its purpose was to create a website through which people can share their thoughts and conversations among themselves. Initially it was made for use in only 6 cities but today it has become popular all over the world (Alexander, D. E. 2014). Today all the social networking sites like Facebook, Instagram, Twitter, Google Plus, LinkedIn, My Space, Pinterest, Orkut, etc. are tying the world together. The tradition of Internet-based social networking originated with 'Friendster' in the year 2002. Facebook has the largest number of social networking sites. At present it has more than 100 crore members (Barreto, A. M. 2014). Globally, about 2.2 billion people use the Internet, and about half of them have a profile on Facebook. Ever since its inception in the year 2004, it has not known how many estranged people have provided an opportunity to meet again on the stage. Started as a small effort, this website has become the world's leading social networking website today (Curran et al., 2012).

Significantly, Facebook was not started in a day, but it also has a history. On February 04, 2004, American young computer programmer Mark Zuckerberg started this website along with his three friends Dustin Moskovitz, Eduardo Saverin and Si Hughes from Harvard University. The main purpose of starting this website was to connect the students of Harvard University with each other. Gradually, students from other universities also started joining this platform. In almost 10 years of its birth, Facebook and within 5 years, Twitter has not only made its own special place among the millions of people using the internet but has become the biggest weapon for them to speak their mind (Christensen, C. 2011). Neither Mark Zuckerberg, Dustin Moskovitz, Eduardo Saverin, Andrew McCollum and Chris Hughes, who brought Facebook to the world, nor Twitter founders Evan Williams, Noah Glass, Jack Dorsey and Biz' Stone would have ever imagined that these social sites The impact will be as wide as it seems now, because social networking sites such as Google's Orkut, Rediff's Connections, which were launched along or around them, could not show the same impact on Internet users in the world (Wells, D. M., Lehavot, K., & Isaac, M. L. 2015). One reason for this can also be that Facebook and Twitter got the support of mobile phones with state-of-the-art

technology and in a visionary way, technical and user-friendly changes were also made over time in them. But there is no doubt that by the end of the first decade of the 21st century and the beginning of the second decade, Facebook and Twitter emerged as powerful weapons of social movements (Devi, S. 2015).

In India too, there has been talk of surveillance on Google, Twitter, and Facebook from time to time. It is not that social networking sites are not littered with controversies. From time to time it has also become a victim of criticism all around. Facebook has also emerged as an addiction among many. Habits like changing profile photo on Facebook regularly, updating status several times a day, chatting with Facebook friends for hours have affected the younger generation to a great extent. Sticking to Facebook for hours is not only affecting their studies but also destroying their creativity to try something new (Safieddine, F. 2020). Through social networking sites, all obscene material and inflammatory things are also being broadcast to the people, which have a bad effect on the mind of the people. Social networking sites have forced people to live in virtual life instead of real life. It has become a game where happiness and sorrows and dreams are shared with each other with likes and shares and the very next moment relationships are also blocked (Dika SL, Singh K 2002).

3.0 The growing influence of social media

The past centuries of our world are remembered for one reason or the other. In this sequence, the 21st century will also be remembered for 'Internet, Web, Social Media' among other reasons. Its foundation was laid very firmly in the second half of the twentieth century. With the increasing expansion of social media, the power of media has come to some extent in the hands of the general public (Gaurav, K., & Ray, A. S. 2020). New means of social communication are emerging. It is no exaggeration to say that using social media has become an indispensable part of our daily life. The virtual world of social media is shaping, controlling to a great extent, many aspects of our lives (H. Ginsuanlian 2012). The tendency to share our lifestyle, work, happy moments, disappointments, fun, even sorrows on social media has become an integral part of our lifestyle. We humans are basically social animals. No matter how much we may gather all the luxuries of happiness and convenience, we may attain prosperity, yet we cannot feel a sense of satisfaction without its social fabric. Since the beginning of human civilization, we have been weaving the fabric of social relations through family, caste-fraternity, progeny and clan etc. (Fuchs, C. (2015).

4.0 Role of social media in present times

Social media refers to virtual groups created by the Internet and other means for interpersonal relationships. It is a medium for the sharing, participation of individuals and communities. Its use can also be seen as the use of mobile and web based technologies to create a highly interactive platform for the modification of user content in addition to social interaction. Presently, the role and intervention of social media in society is increasing continuously. In the democratic system of governance, the press is called the fourth pillar of the democratic system, the press has an important responsibility to bring to the fore the problems of the country and the people as well as keep an eye on the functioning of the government. There are also some pseudo restrictions in the dissemination of information through the press (Imran, M., Castillo, C., Diaz, F., &Vieweg, S. 2015).

Even today social media is banned in some countries of the world. The question that arises is how to define the freedom of social media? What is its limit? It is certain that like the freedom of the press, the freedom of social media cannot be absolute. The freedom of the press is not defined separately in

the Constitution of India, but has been defined as an integral part of the freedom of expression guaranteed by Article 19(1) of the fundamental rights of citizens. Therefore, the same definition of 'freedom of expression' applies in the use of social media (Saleem, A., & McDowell, S. D. 2016).

5.0 How is social media beneficial?

Ultimately the pros and cons of social media depend on how we use it. If used right, social media can be a powerful tool for change and communication. Used the wrong way and social media can cause some major damage as was seen during The Arab Spring in which a series of anti-government protests, uprisings, and armed rebellions spread across much of the Arab world. While social media can help us connect better to friends and family, it is amazing how reading comments and watching online content can present a new perspective as well (Chaliha, F. Y. 2020).

Social media sites like Facebook have become an important part of modern life. With its help, you can connect with your friends instantly and in real time. Users can interact with each other, connect frequently and socialize. Social media sites such as LinkedIn have become a major source of employment. More than 89% of new people are recruited using LinkedIn and company websites. Tweet is a world of 140 words of information. It gives you information about the world and your interest (Tiwari, S., & Ghosh, G. 2014).

Using social media is very beneficial for business. Its effective use helps reduce overall marketing costs. Online success comes with effective use of social media. With social media you can organize potential customers and grow your business. Recently social media examiners surveyed over 3,000 respondents to understand the importance of social media marketing. 89% of respondents said that business has been boosted by social media marketing. 64% of respondents saw an increase in lead generation and 62% of respondents said that using social media in the search engine category of their sites had improved significantly over almost two years (Verma, S. K. 2020).

6.0 What are the negative effects of social media?

Many users spend time on social media but excessive and uncontrolled use of social media can lead to serious addiction. The feeling of enjoyment with social media activities is awakened by the stimulation of the center of our brain. Although production of the center and dopamine is commencing along with other activities, it is disseminated on a completely different level in online communication and connectivity. Excessive use of the Internet can play a major role in dissolving concentration (Trottier, D. 2016). While working on social media, you keep changing the work in one another. Focusing on a single task reduces your concentration ability. Such activities relax your brain. Its abundant use leads the brain to fatigue and stress. You must have noticed that whenever you start any of your work on the Internet, first of all check your own particular Facebook profile (Sharma, L. (2016).

Social media has promoted the possibility of identity theft, theft of details, cyber fraud, hacking and virus attacks. If you have updated your address, phone number, workplace and your family information on any social media site, you have lost your privacy. Usually we keep posting new pictures on Facebook and Instagram day by day. One must be very cautious while doing this, as pictures and other information can be misused by evil elements in society (Seth, P., & Mittal, S. 2020).

7.0 Importance and acceptance of social media

According to a report, the number of active Indians on Facebook and Twitter in India alone is more than 100 million and 33 million respectively. These figures are surprising, imagine what will be the extent of exchange of information among so many people? Looking from the Indian point of view, it is known that in the last few years, 'Social Media' has acted like a 'game-changer' in the Indian border. Be it politics or business or education, 'social media' has shown its amazing power in every field (Rishi, M., Bhanawat, S., & Bajaj, V. 2012). Today people are able to effectively promote their business, campaign for elections through Facebook. Information about education and health is being received from social media. Earlier people used to spend crores on advertisement and they did not even get the result as expected, today people are promoting their business through Facebook page at low cost, which are also getting positive results in the right direction to those people. Let us try to objectively analyze and assess all those results one by one (Patel, K. 2015).

8.0 Insurance Industry of India: Current Scenario

There are 57 insurance companies in India's insurance industry. There are 24 life insurance companies and 34 non-life insurance companies. Life Insurance Corporation (LIC) is the only public corporation among life insurers. In the non-life insurance segment, there are six public sector insurers. Aside from this, the General Insurance Corporation of India is the only national re-insurer (GIC Re). Agents (individual and corporate), brokers, surveyors, and third-party administrators handling health insurance claims are among the other stakeholders in the Indian insurance sector. The total insurance penetration in India was at 3.76% in 2019 (life insurance 2.82% and non-life 0.94%) and the total insurance density in India was at \$78 in 2019-20 (life insurance density: \$58, non-life insurance: \$19) (www.investindia.gov.in). In FY20, the Life Insurance Industry posted a total premium of INR 5.73 trillion (\$81.3 billion), up 12.75 percent from the previous year, with private insurers accounting for 33.7 percent of total premium insured (www.investindia.gov.in).

9.0 Role of Social Media in the Indian Insurance Industry

The insurance industry has used social media marketing and analytics to understand customer expectations and enhance business growth. Online conversations on different professional websites such as Facebook, Instagram and Twitter, etc., help life insurance providers learn customer sentiments better and work proactively along the same lines. Insurance and social media have been correlated to offer several benefits to business expansion (Miles and Huberman, 1994). Social media presents a whole new world of opportunity for insurers. Traditionally, insurance firms have relied on word-of-mouth marketing and client referrals to operate. Endorsements on social media have now become a new way to influence client behaviour (www.wns.com/insights). Social media presents insurers with several opportunities, but it also introduces new risks and obstacles. Customer privacy, regulatory compliance, core insurance solutions, delivery methodologies, and business model integration are all problems. Social media has the potential to reshape the insurance outsourcing industry, presenting new leadership opportunities. Insurers, on the other hand, must improve their IT infrastructure and outdated policy administration systems. An effective social media strategy requires comprehensive preparation and execution, in addition to technological capabilities.

10.0 Customer Engagement through Social Media

When a customer engages directly with a brand or firm, this is known as customer engagement. This is one of the most effective methods for obtaining feedback. Furthermore, it improves the

relationship and provides clients a sense of empowerment, both of which are advantageous to the company in the long run. In this method, the brand can build goodwill in the eyes of the customer, resulting in brand loyalty.

Social media plays an important role in influencing a consumer's decision because the platform provides options such as reviews, ideas, and ratings that assist the buyer in forming an opinion about purchasing a product. Brands can use social media to reach their target consumers and communicate information, identify potential customers, promote content, and so on in order to gain the most attention from them.

11.0 Social Media Influencing the Indian Insurance Industry

Customers' behaviour can be better understood by using social media. Social media has influenced insurance firms in the following ways:

- **Audience:** People are involved in social media, and if you already have a network of people, you have a potential market. To obtain information, the insurance firm might go deeper and obtain insights directly from the clients. In this manner, the insurance will be able to make a beneficial option.
- **Engage:** The value of engaging with customers cannot be overstated. The insurance firm must have a positive relationship with its consumers in order to remain in their minds. Insurance firms may run open competitions to draw in new customers.
- **Instant communication:** Interacting on social media is instantaneous and inexpensive. Customers' questions are increasingly being answered by insurance providers directly on social media platforms.
- **Customer Base:** As a customer's commitment grows and the time it takes to resolve a complaint decreases, it has a profound impact on the customer's mind, causing him or her to provide the highest ratings, reviews, and so become a good promoter via social media platforms.
- **Cost-Effective:** In both monetary and time terms, social media is insightful. Any policy-related material might be quickly posted on the company's social media account. In comparison to social media, placing an advertisement on a conventional media platform is costly. Furthermore, insurers can obtain a database of customers from different walks of life and tailor customized insurance products for them.

12.0 Use of Social Media in Insurance

The use of social media in the insurance sector is a relatively new development. There are reinsurance businesses that have made social media an integral part of their marketing and communication strategies.

Many businesses created a digital campaign like #rakshakarankireet, #pehleteeka, #rakshakateeka, #humkarkerahenge and #Coveredhai, which emphasized the fact that when it comes to insurance, the most popular inquiry is "Is it covered or not?" and was launched during the cricket world cup fever of 2019. The insurer's motor insurance plan was the centerpiece of this promotion. The insurance company has posted a creative on its social media account in response to this, advising customers to consider the breadth of general insurance plan.

Many insurance businesses have used social media to promote their products. Insurance businesses have established their presence on numerous social media platforms, recognizing the need of the

hour in this highly competitive environment. The number of followers and subscribers reflects the popularity of the insurance company's social media account and suggests that it is well-managed.

13.0 Conclusion

Social media has impacted the insurance industry in various ways. It has helped the insurers understand the customer sentiments and better address them. It has also helped the insurers understand the customer concerns and customize the plan accordingly. Today a majority of population using social media platforms for engaging customer with respect to Indian insurance industry. The insurance industry is focused on the consumer and operates on the basis of trust. As a result, it is critical to develop an insurance firm brand image in all colours, which will result in better services for both the insurance provider and the policyholder.

There is no doubt that the past of social media was glorious, the present is prosperous, and the future will be bright and successful. The way in which every section of the society has given their acceptance to social media, it is likely that its 'acceptance' and 'usefulness' will increase in a big way in the coming times. The future of social media is likely to spread on a wide scale. In the end, I would like to say only that it is beneficial to accept the importance and usefulness of the social media because this era is 'Facebook' 'Instagram' 'Twitter' and 'G-mail'.

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