

## PROGRESSIVE CONSUMER BEHAVIOUR IN THE LIFE INSURANCE SECTOR

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### ABSTRACT

*New-age Indians are different from their previous generations. As per demographic criteria, India's population is getting younger and with further exposure to the world, the demands of the younger generation are rapidly changing. This change is pushing all industries to create, and the shift is more prominent in the Insurance space than anywhere else. For Example, Nowadays youth are considering Life Insurance not only for protection purposes but to achieve their life goals. Ambitions such as preventive healthcare, world travel, entrepreneurship, and having a parallel career demand financial planning by young people all over the world. Customers' expectations from Insurance products are quickly changing as they demand additional efficient services which match their lifestyle and needs. For instant, self-service apps, Digital touchpoints, and automated payment reminders. Progressively, the product demand is also moving towards new-age products which can be bought and redeemed online, have more transparency than previous products, and don't tangle the customers in complicated terms and conditions.*

**Keywords:** Life Insurance, Progressive Consumer Behaviour, Customer's Expectations, Life Insurance Industry Growth.

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### Introduction



(Image Source : <https://economictimes.indiatimes.com/wealth/insure/life-insurance/how-to-decide-life-insurance-policy-term/articleshow/73352254.cms> has retrieved on 25<sup>th</sup> May, 2021. )

### Life Insurance

The significance of investing in life insurance cannot be emphasized enough. Life insurance is designed to offer financial security against the death of the policyholder and also works as a good investment tool, which helps policyholders meet several life goals in revolve. The life insurance sector in India has been observing steady progress as more and more citizens are become aware of the

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requirement of investing in life insurance. The life insurance industry reported growth in the last previous years, but still, a large number of the population is not covered by life insurance. Unfortunately; being a highly populated country, the Indian insurance sector accounts for only 1.5% of the total insurance premiums worldwide. This indicates a pressing need for insurance coverage for a majority of the Indian population.



(Image Source: <https://insurance.kotak.com/insurance-guide/about-life-insurance/roles-of-life-insurance> has retrieved on 23<sup>th</sup> May, 2021)

### **Progressive Consumer Behaviour**

Whatever happened due to the corona crisis, the worldwide situation has changed dramatically since then. Over the past few months, countries have had to deal with the covid-19 crisis by locking down. As a result, customers have had to change to entirely unknown circumstances.

Now people are used to social restrictions, but the corona crisis will leave a lasting impression. The ways of people thinking, feeling and, of course, shopping has been significantly impacted, and their behaviours will be remarkably different for months to come.

### **The Ongoing Trends in term of Consumer Behaviour**

We've put the following ongoing trends in consumer behaviour that affects the marketing strategy of the Insurance sector, With adequate knowledge of progressive consumer behaviour, the insurance companies can plan their marketing strategy for the rest of 2021 and beyond.



(Image Source: <https://images.app.goo.gl/7fanNpxyqT2dGe3K7> has retrieved on 23<sup>th</sup> May, 2021.)

- **Health-Conscious Mindset**

Nowadays Consumers have a more health-conscious mindset than before the corona crisis. As per the Accenture Report, health ranked on the top of the priority list of consumers right now. 80% of surveyed people indicate that the health of their loved ones is at the top of their minds, followed by 78% of people who were most concerned with their personal health.

After months of increased hygiene through regular hand washing, wearing masks, maintaining social distancing, and isolating indoors, will persist at the lead of everyone's minds. But it's not just about the short-term impact of contracting the Covid-19 crisis. According to a Forbes report, the world pandemic has forced people to think about growing old. People now need to think about how they can have a healthy lifestyle into their old age.

Another research study regarding consumer behavior suggests that a general health-conscious way of living life is a key factor of a current consumer trend. A detailed research study conducted by Foresight Factory reveals that people are concerned with becoming stronger so that they don't have to depend on the state government or any other healthcare system for support. Their behaviors will change as a consequence, including imposing social distancing measures on themselves, and avoiding injurious activity.

- **Awareness About Mental Health**

With the force of worrying about personal as well as loved one's physical health; the corona, the pandemic has taken its charge on the world's mental health. In fact, governments across the globe have advised providing mental health support for their citizens at this time of crisis.

- **Lockdown as Community Driven Tool**

Nationwide lockdowns have taught mankind to admire the value of those around them, the key to a more selfless means of thinking. Across the globe, online community groups have formed to offering support to neighbors, whether it is through providing food or medicine delivery services or through online social interaction to support people who are feeling low as a result of anxiety, stress which occurred because of lockdown. These groups are likely to stick around for some time, according to a Forbes report.

- **Significance of Virtual world for workers and learners**

The corona circumstances have made human beings realize the ease of digitalization, with realizing the facts that they no longer feel the requirement to be physically present for all the stuff. In fact, As per the research by Accenture, a new sentiment revealed among consumers behavior that is as follows

'If I can do it online, I will go for it'

For Example, Online has become the new way for connectivity. The past few years have viewed as a strong digital revolution with the rising penetration of smart phones and internet connectivity across the country. But there was still some reserve space with regards to e-commerce and digital payments among the more wary older generation of nation.

### **Rapid Change in Desire and Need, Customer's Expectations**

In the case of Life Insurance; Consumer Behavior has been changed rapidly; Because of the Awareness of Consumer about the Significant reasons for holding a life insurance policy. The following are the reasons to buy a life insurance policy as per Progressive consumer behavior perspective:

- **Younger the Buyer, Reasonable the Insurance Plan**

Life insurance plans will be observed as reasonable when consumers invest in the same at their young age. The younger the customers are, the reason their insurance plan will be. the customers need to Plan out the insurance coverage that they require even if they are currently single and do not have direct dependents. Single individuals often have to provide financial assistance to parents or siblings. Insurability is an additional factor worth considering. The younger and healthier the customers are, the more insurable they will be. they can thus get the best possible insurance policy rates.

- **Tax Savings at Higher Rates**

Customers can expect tax savings with their insurance policies. The premium paid on life insurance policies is eligible for the tax deduction as per Section 80C. They will also be eligible for tax-free proceeds in case of death/maturity as per the Income Tax Act of 1961 under Section 10 (D).

- **People may Not Qualify for Life Insurance Later**

Unpredictability is a part of life. people may be healthy and fit at present and paying the life insurance premium may seem an extra expense; But it is worth it, since they will not be allowed to buy certain life insurance coverage if they fall ill later on. purchasing a life insurance policy early is a highly essential thing before any chances of their health decline later on.

- **Support the Retirement Goals**

Everyone wants healthy retirement savings for a long time. With the correct life insurance plan, customers can actually earn well-organized income every month in the future. Investing money in life insurance policies helps them to support their retirement targets.



(Image Source: <https://life.futuregenerali.in/life-insurance-made-simple/savings-investments/5-compelling-reasons-why-you-should-invest-in-life-insurance> has retrieved on 24<sup>th</sup> May, 2021)

### Life Insurance Industry Growth

The insurance industry is in the middle of digital disturbance and convergence. The Life Insurance Sector leaders are expanding and modifying their products and services in order to meet the progressive needs of their customers. This involves digital innovation, creating brand new plans to meet the customer needs in the best possible way.

The current period is a significant turning point for the insurance industry and a golden chance to prove them as they can fulfill the customer's expectation. The insurance Industry needs to adopt digital services for fulfilling customer's needs and expand their business by satisfying the customer expectations with their products and services.



(Image Source: <https://insuranceglitz.com/4-benefits-of-automation-in-the-life-insurance-industry/> has retrieved on 25<sup>th</sup> May, 2021)

### Conclusions

Death is a universal truth and we all have responsibility for taking care of our families and they will rely on us throughout our lifetime and also when we are not there anymore. Invest in a good life insurance policy and put these worries to rest is the best way to have peace of mind because that insurance investment will take care of our family in any situation and will help in replacing the loss of household income, paying a fee for the education of our kids or even providing financial safety to our spouse if something wrong happens to us.

Investing in a life insurance policy should not be perceived as a load but should be treated as a necessity, both for safeguarding us and our family from any kind of uncertainty/risks and also for having greater peace of mind.



(Image Source: <https://bfsi.eletsonline.com/why-is-it-important-to-insure-against-covid-19-crisis/> retrieved on 25<sup>th</sup> May, 2021)

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