Awareness of Health Insurance -Shifting Perspectives and Emerging Trends

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ABSTRACT

Introduction: Consumer awareness is one of the essential preconditions for regulated competition in health care. Studies carried out in various part of India as well as globally have shown that the major contributing factors to the health insurance are the age, gender, income marital status occupation and awareness. In this scenario, the need arises to study the existing health insurance marketing trends and understand the perspectives of the consumers to develop a concrete awareness plan to attract and retain them**.**

Method: A descriptive study was carried out to understand sources of awareness regarding health insurance policy in Pune City. The population was studied for the preferences of contemporary marketing and traditional marketing. The traditional marketing includes advertisement in newspaper, television, referral by friends and family members and word of mouth by insurance agents. On the other hand the contemporary sources of awareness includes mailers, WhatsApp marketing and use of social media platforms.

Results: Out of 269 respondents in the study, 118 had preferred traditional marketing and 112 quoted contemporary marketing as sources of awareness.29 respondents said that they came to know about the health insurance policies through traditional marketing but social media was helpful in providing additional details about the products. Use of social media platforms is a must in todays world and the younger generation is more inclined towards it.

Conclusion: The study shows preferences of both the traditional as well as contemporary sources of awareness by the study population. Health insurance marketing perspectives have come a long way from the traditional "agent-client relationship" to "click to buy" health insurance policies. Age and income affects preferences of awareness.

Keywords: *Health insurance awareness, traditional sources, contemporary sources*

Introduction

Health Insurance is widely accepted as the most important measure towards UHC (Universal Health Coverage). The growing technical and managerial capacity of health insurance is widely recognized. With authorities like IRDA, ROHINI the previously unregulated HI (Health Insurance) market is much regulated now and heading towards standardization. With the growing Indian middleclass, the economic growth of the country by 2020 projects educated and aware population with high purchasing powers.[1]

On the other side with rapid urbanization, rapid expansion of government sponsored health insurance schemes, technology integration and standardization of healthcare processes, the penetration of health insurance is obvious. The factors affecting the consumer's choice and readiness to purchase insurance play an important role in the percolation of Health insurance plans. With increasing number of insurance products, the buyer having purchasing power will purchase only if the consumer is aware of the policy and its benefits. Therefore, there is

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always a need to study factors leading to awareness of health insurance. The consumers perspective along with the insurers perspective needs to be analyzed to develop and deliver insurance awareness plans suite to the need of the all segments of population.[2,3]

Consumer awareness is one of the essential preconditions for regulated competition in health care. Studies carried out in various part of India as well as globally have shown that the major contributing factors to the health insurance are the age, gender, income marital status occupation and awareness. On the supply side of health insurance the marketing and advertising is important as it serves as the basis of awareness and benefits of the products.

Studies from the developing countries show that income, education and health risks are the major factors affecting purchase of health insurance.[4] However in the developing countries the most significant barrier in the purchase decision is the income. In the developing countries including India the purchase of health insurance is also accompanied by socioeconomic & socio cultural practices. Studies have stated a strong influence of societal component in purchase decision.

There exits a low awareness about the health insurance among the insured as well as the insured categories the uninsured being the least aware.[5] Furthermore he states that on the supply side the suppliers of health insurance are less motivated which can be directly correlated with the less incentive for the insurance advisors.

In a study on customers perception towards health insurance in Bardoli and Mandvi region studies correlation between income and interest of an individual towards purchase of health insurance. Study demonstrated a strong association between income and interest.[7]

Studies also examines awareness & willingness to pay for health insurance in the city of Coimbatore. The study also explored various factors, which act as impediments to join health insurance.[8] Majority out of the 225 respondents were willing to join Health Insurance. Moreover, significant association exists between awareness, age, education, monthly income and willingness.[9]

Several studies also examined the current practices and emerging trends in health insurance for low income segment in India and concluded that health insurance schemes have considerable scope of improvement. Studies recommend that regulatory and delivery mechanisms needs to be channelized. There is a need for coordination and collaboration among multiple agencies to strengthen the health insurance. [10]. Apart from the economic conditions, poor initiatives are also cause of low awareness.[11,12]

Consumers today can choose from a wide range of insurance products. There are various options in terms of deductibles, provider networks, coverage of specific services and medications, and out-of-pocket prices.[13,14] Even at the time of purchasing insurance policy, most consumers have limited information about the benefits of the policy. In this scenario, the need arises to study the existing health insurance marketing trends and understand the perspectives of the consumers to develop a concrete awareness plan to attract and retain consumers.[13]

Aim & Objectives of the Study

1. To study the sources of awareness regarding health Insurance products.
2. To understand the consumers preferences of contemporary sources of awareness over traditional sources.
3. To understand the emerging trends in health insurance marketing.

Methodology

A descriptive study was carried out to understand awareness regarding health insurance policy. Data were collected through a questionnaire from individuals enrolled in voluntary health insurance policies in Pune City. Questionnaire included data on different socio-economic variables like age, income, gender, education & occupation. Other important parameters on which information was gathered included sources of awareness related to health insurance policies and understanding consumer's preferences of contemporary sources of awareness over traditional sources. The questionnaire was circulated to 360 individuals out of which 269 responded and filled the complete questionnaire.91 questionnaire were rejected due to incomplete information.

The inclusion criteria were limited to individuals enrolled in voluntary health insurance. Those individuals

who were enrolled in some form of group health insurance through employer or any other firm were excluded from the study. Further, this population was studied for the preferences of contemporary marketing and traditional marketing. The traditional marketing includes advertisement in newspaper, television, referral by friends and family members and word of mouth by insurance agents. On the other hand, the contemporary sources of awareness includes mailers, WhatsApp marketing and use of social media marketing.

The study period was January 2017 to August 2017. The analysis of the data was carried out using Microsoft excel.

Data Analysis and Results

The total sample size included in the study was 269. Out of 269 respondents 118 had preferred traditional marketing and 112 quoted contemporary marketing as sources of awareness.29 respondents said that they came to know about the health insurance policies through traditional marketing but social media was helpful in providing additional details about the products.

Below mentioned table depicts the descriptive statistics of the study participants. This includes gender, age, income, education and sources of awareness of health Insurance.

Table 1: Descriptive statistics of the participants

	Percentage (%)		Percentage (%)
Gender		**Education**	
Male	62.8	Primary	11
Female	37.2	Graduation	46
		Post-graduation	41
Age		**Occupation**	
Less than 30	31	Self employed	15.6
30-40	33	Business	27
40-50	19	Service	30
More than 50	14	Retired	21
Education		Unemployed	4
Primary	11	**Education**	
Graduation	46	Primary	11
Post-graduation	41	Graduation	46
Occupation		**Income per annum**	
Self employed	15.6	Less than Rs 50000	11
Business	27	Rs 50000-100000	8
Service	30	Rs 100000-150000	3
Retired	21	Rs 150000-200000	16
Unemployed	4	Above Rs 200000	59

Table 1 shows that significant proportion of the sample were male members i.e. 63 %.Female participants were 37%. Majority of the respondents belonged to the age groups of 30-40 years. Majority of respondents were graduate followed by higher education and post-graduation and were employed. As regards the income, a major percentage of the respondents were having annual income of more than 2 lacs.

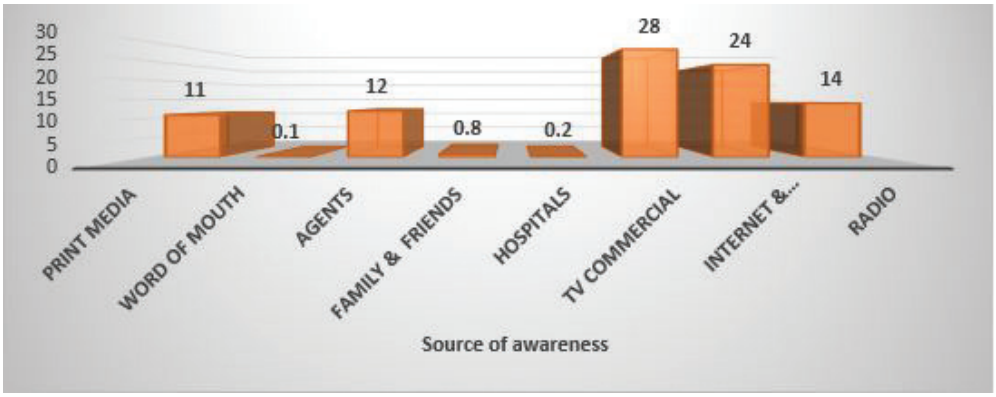

Fig. 1: Source of awareness of health insurance policy

Fig. 1 shows that there exists different preferences in sources of awareness. Television commercials were preferred the most by about 28% respondents. Internet and social media followed this, which was found to be 24%. 12 % of the respondents said that they got awareness through insurance agents.

Table 2: Comparison of age & income of traditional sources and contemporary sources of health insurance awareness

	N= Traditional sources	Mean	N = Contemporary sources	Mean	N= Both	Mean
Age	118	46.45	112	31.5	29	42
Less than 30						
30-40						
40-50						
More than 50						
Income per annum	118	5.6 L	112	7.6 L	29	6.5
Less than Rs 50000						
Rs 50000-100000						
Rs 100000-150000						
Rs 150000-200000						
Above Rs 200000						

Table 2 depicts the comparison of age & income of participants preferring traditional sources and contemporary sources of health insurance awareness. The mean age of the participants who preferred traditional sources was 46.5 years and was much higher than the group who preferred contemporary sources. The mean age of participants using both sources was 42 years.

As regards the income, the mean income of the traditional source group was 5.6 lacs, which is lower than the contemporary group whose mean income was 7.6 lacs. The third group using both traditional and contemporary sources had mean income of 6.5 lacs.

Discussion

The study aims to understand preferences of the participants regarding the awareness of health insurance. In addition, it examines the shifting perspectives and emerging trends in creating awareness about health insurance products. The marketing of health insurance has come along way from the agent client relation to the "just a click" policy of purchase.

Health insurance is an emerging concept & the people are aware about it. However, the sources of awareness range from traditional means to the contemporary ones. The sources mainly consists of TV followed by newspaper, insurance agents, family & friends etc. and the much in trend social media marketing. Judicious use of social media in creating awareness is the contemporary form of marketing for various products and healthcare is no different. Thus in the current scenarios the insurance companies need to focus on contemporary marketing techniques too along with the traditional sources of awareness. The age group 30-40 years was found to prefer the social media sources for awareness ranging from email marketing, social media platforms like Facebook, Instagram, WhatsApp & YouTube marketing.

Due to the enhanced digital technology, the information communicated on social media reaches faster, can be retrieved anytime and lasts longer as compared to the traditional means. Also, there are websites like policy bazaar.com, coverfox.com, bankbazaar.com etc which allows one to understand the policy and compare the benefits with other policies in just one click. In such scenario, a comprehensive strategy is required to use all possible platforms to spread awareness regarding the health insurance products.

The mean age of the participants who preferred traditional sources higher than the group who preferred contemporary sources. The mean age of participants using both sources was 42 years. This shows that different

age group have different preferences for awareness. The study also shows that younger age group have higher income and are more inclined towards the social media marketing. This suggests that the awareness sources needs to be such that the potential group ranging between 30 -40 years of age can be targeted & attracted easily.

Although there is digital media boom, the role of traditional sources of awareness still play a major role. 44% percentage of people in age group 40 – 50 years of age still preferred print media and TV as traditional sources of information and conveyed them to be the potential source. About 10% of the population said that they got the information from the traditional sources but social media was effective in obtaining additional information about the products. The mean age of the population was 40 -50 who used both the sources.

For about 12 % of the study population the agents were the only source of insurance policies and they purchased the policy solely through the influence of the agents. Other sources like radio also contributed to awareness in 14 % of the study population.

This study brings out the need of a comprehensive plan by health insurance companies for spreading awareness. The plan should include a mix of traditional and contemporary sources of awareness to reach to its target audience.

Conclusion

The study shows preferences of both the traditional as well as contemporary sources of awareness by the study population. Health insurance marketing perspectives have come a long way from the traditional "agent-client relationship" to "click to buy" health insurance policies. Age and income affects preferences of awareness.

Use of social media platforms is must in today's world and the younger generation is more inclined towards it. There exists a need by the insurance companies to market their products on contemporary as well traditional awareness platforms.

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