

CONSUMER BEHAVIOUR TOWARDS SOCIAL MEDIA ADVERTISING: A COMPARATIVE ANALYSIS OF COMPANIES IN THE LIFE INSURANCE SECTOR IN INDIA

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ABSTRACT

Businesses are increasingly relying on digital advertising options such as display and social media advertising. However, the insurance industry continues to lag behind other industries. A survey through a structured questionnaire was used to investigate consumer behavior, views of social media advertising, and a comparative analysis of four private insurers in India. The Insurers were Pramerica Life Insurance, Max Life Insurance, HDFC Life Insurance, and ICICI Prudential Life Insurance to see how they use digital advertisements, particularly social media, to attract target audiences and increase conversion rates. The study attempted to analyze social media advertising in the Life insurance market and tried to inquire why the insurance business lags in exploiting social media advertising and what steps may be made to boost their visibility. According to the survey results, people have a positive mindset toward credible commercials. As a result, firms should strive to include these characteristics in their marketing. Appropriate targeting should be done depending on the age and occupation of consumers to reach out to the audience on social media. Advertisements can be personalized to increase response and conversion rates. Businesses should work to increase engagement on their social media profiles.

JEL Codes: M13, M31, M37.

Keywords: Social Media, Advertising, Consumer Behaviour, Marketing, Insurance, India.

INTRODUCTION

Internet usage has been increasing at a very fast pace. Studies suggest that the number of internet users will increase to 5 billion by 2020. The whole digitalization process and usage of technology are changing the way a business interacts with its customers and vice-versa. The insurance sector is still far behind in leveraging technology to change their business models (According to the report of PWC (2012) titled “Life Insurance 2020: Competing for a future”, (Yoder, et al. 2012). Unlike other industries it has not fully exploited the positive sides of technology and is not using it to its advantage, it is still working with the traditional methods of marketing and selling.

It is becoming increasingly challenging for a marketer to influence and convince its customers through conventional means of advertising. As the world is moving towards digitalization the effectiveness of these traditional modes is decreasing making a marketer think