



A study on consumer perception towards social media advertising of life insurance products**¹Ms. Nandini Singh, ²Dr. Sitaram R. Roundal**¹Research Student, Department of Commerce, SPPU, Pune²Research Guide, Department of Commerce, SPPU, Pune

Abstract

Rapid growth in reach of internet is witnessed in the spread and use of internet over last two decades. Internet has become not only the most used but is also the mandatory part of communication since years. Speed, economy, reach and the convenience are basic advantages of internet attracting various businesses to use it as the source of communication among stakeholders. Various types of internet communication include direct messaging, e-mail communication, e-commerce platforms, business websites and social media platforms. Social media is nothing but the online platforms which are created for making internet communities and avail mass communication with members of various social groups. Very widely used social media platforms like Facebook, Instagram, Twitter, WhatsApp and many more gives user a platform to be socially connected with other individuals at any point of time and hence this becomes the most popular medium of communication. Wide spread of internet and smart phones has created the access and convenience to use social media platforms for most of the individuals throughout the globe. Businesses in this competitive global environment are looking this as an opportunity to reach every individual through social media enacting its reach to almost every individual over the globe. This research paper is aimed to understand the perception of social media users towards the communication and advertising efforts by businesses.

Keywords: Consumer Perception, Life Insurance, Social Media, Advertising, Social Media Advertising

Introduction

Number of people using internet and the time they spend online is increasing day by day. The use of internet has crossed its boundaries over the medium of communication and has gained huge advantage in individual's life. Internet has become the medium of performing many routine work like shopping, booking, teaching-learning, e-commerce trading and entertainment. Businesses have adopted internet for almost every business activity and created the convenience for consumers. According to a newly released Kantar IMRB ICUBE report; the number of internet users in India has surpassed 500 million marks which are projected to reach 627 million by end of 2019 with annual growth of 18%. 87% of the total user is defined as regular users having access to internet continuously since 30 days. The most common platform to use internet is mobile phone where 97% of users access the internet on their mobile device. Use of internet in rural area has registered 35% growth in internet users over the last year. Cheap data plans, availability and the competition among service provider have created the conducive environment for the use of internet. Kantar reports that women today comprise 42% of total internet users which made the use of internet highly gender bias ever.

With the access and ease of internet facilities; the number of social media users in India has reached to 326.1 million in 2018 and 351.4 million in first quarter of 2019. The social network users in India are expected to reach almost 448 million by 2023. Facebook remained the popular social media among the users followed by WhatsApp till the end of 2019. The entry of WhatsApp into India's digital market boosted usage of various apps to use social media, with a doubling the number of users in rural areas in recent years.

Use of social media by marketers to communicate consumer about their product and services has got very huge significance in such digitally equipped consumer generation. Social media advertisings are digital forms of traditional advertising served to users on social media platforms. Social media platforms are providing various facilities to businesses for advertising like business specific profiles and pages, paid campaigning, viral marketing and many more. Marketers can communicate the content in various forms like audio, video and text formats. In many instances, when target market aligns with the user demographics of a social platform, social advertising can provide huge increases in conversions and sales with lower cost of acquisition.

It is an experience of every social media user that advertising on their internet device has very frequent appearance. Growing number of social media users and marketers adopting social media advertising efforts have created major scope for this study. As social media has huge impact on psychological behavior of user; it is found important to study the impact of social media advertising on consumer behavior in life insurance industry.

Today, it is not possible for any business to be away from internet and social media when it comes to business communication and advertising and insurance sector is not an exemption for this. Every insurance company offering services in India has independent digital media campaigning team in marketing department and their existence is visible in social media. Various types of advertising and campaigning are competing each other in social media for insurance products. This research is aimed to understand the impact of such campaigning toward the brand preference of consumers purchasing life insurance policies. Study will also be addressing various aspects of consumer behavior towards social media advertising of life insurance products like consumer's awareness and attitude.

Review of Literature

Anjali in (2017) has conducted research with the purpose to examine the impact of social media on consumer buying behavior. Marketers in this modern business can use social media as a promotional tool instead of traditional methods. Social media gives information and knowledge to customer about various brand and prefer brand that are advertised on social media while purchasing. Customers believe that social media is promotional tool is more reliable, informative, innovative and interactive than. Social media also help marketer to promote their product and service and build the goodwill of organization.¹

Al-Gamal, Ebrahim&Siddiq, Abbokar (2018) attempted to study the online advertising of products and services to the population of Internet users. This study was aimed to understand the consumer's perceptions towards advertising on social networking sites. The marketers can have some ideas about their advertisements via Internetto enhance the business knowledge in this

field. Researchers discovered that most of the respondents don't have positive perception about the online advertising with a high quality. This study helped marketers in understanding all the factors that gives inspiration to consumer's attitude towards online advertising. Marketer can better create an effective advertisement to influence consumers' informational responses with the help of online platforms instead of using traditional methods.²

Natarajan, Thamaraiselvan & Balakrishnan, Janarthanan&Arasu, B & Manickavasagam, Jeevananthan in (2014) attempted research to study the increasing presence of social media in India. This research gives avigorousimprovement to marketers to attract consumers through advertisements.The Indian consumer's perception towards online advertisements remain unexplored till the time. This study aims in exploring consumer perception and beliefs towards social media advertisements inFacebook, LinkedIn, Twitter and YouTube platforms. Seven belief factors; product information, hedonic/pleasure, good for the economy, social role and image, materialism, falsity, and value corruption was engagedin the study. All belief factors shownrelatively significant difference between the four social media websites except for the materialism, beliefs and value corruption. Study also have identified the belief falsity shows a highest significant mean difference between LinkedIn and YouTube.³

Jojo Joy (2017) said that; social media in current day's influencing the perception of consumers. However there arise a matter whether or not the techniques of social media marketing influencing rural consumers successfully. India is a country with more than 50% of its population belongs to rural areas. The identical time it's conjointly margined the opportunities for companies to attach their products and services during a personalized manner as the usage of social media is growing exponentially to satisfy the wants of web users. But the real challenge of a brand is to get the attention of the users irrespective of urban and rural and make.⁴

Bindia Daroch (2017) the respondents were visiting the social media are spending more than 3 hours to 4 hours a day more than 10 times a week and. Facebook is the frequently used social media site followed by Instagram and twitter. 80% of the users decided that advertisements on social media catch their attention and people do visit products websites with interest. More than 90 percent people resulted to buy the product being advertised on social media. Consumers were able recognize the various brands with the information being demonstrated by the marketers on their websites. Consumers who have responded for this research agreed that the information displayed by various sellers about their products on social media provides required knowledge as well as keep them updated. Consumers buy the products after watching such announcements. Users of that site tend to involve in impulse purchase for some of the companies uses social media sites for their product promotion.⁵

Dr. AashishS.Jani(2016) discovered from his study that both Non-life Insurances are appearing to provide attention towards changing customer expectation. Improvements are required with reference to Safety and security of investments, branch location, accurate information through media, diversified product line suitable to specific customers. Besides Health insurance, there is a big market available in different fields for Non-life insurance companies. The need is to identify and fulfill customer's expectation in this changed scenario and the present study helps in

understanding customer’s perception towards better and improved service quality, which will also bring high returns to Non-insurance companies.⁶

George, Lina. (2014) said that the insurance industry in our country is on the threshold of a new era of speedy expansion. Risk management has an extensive solicitation. A more competitive environment is emerging with new participation entering the insurance industry. To understand risk, measure it and weigh its consequences are an integral part of management. It is relevant not only to insurance industry but also many other organization’s in the field of business and finance. Financial information in the management of the funds placed with them have to reckon with market risk, credit risk, counter party risk and liquidity risk. To mitigate the impact of various risks is the essence of risk management. In this paper, an attempt has been made to know the difficulties on sales position of insurance industries and a detailed study is made to identify the potential segment of people to market insurance in Bangalore.⁹

Variables Measured for this research:

Sr. No.	Dependent Variable	Independent (Measuring) Variables
1	Awareness	Advertising on social media alerts me to new offerings
		I have become aware of new life insurance brands by social media
		Advertisements on social media attract my attention to certain life insurance brands
		I can remember several life insurance advertisements seen on social
2	Attitude	Advertising on social media has made me in favor of life insurance
		Social media has a positive influence on me for liking life insurance brands
		Advertisements on social media are irritating and annoying
		Advertisements on social media are a poor source of knowledge
3	Interest	I have positive feelings for life insurance brands that are advertised on social media
		Advertisements on social media are relevant to my interests
		Advertisements on social media insist me to purchase specific brand
		I would buy the products that are advertised on social media
4	Preference	I Strongly prefer the brand advertised on social media

Objectives

1. To study the level of consumer awareness about social media advertising.
2. To study the consumer's attitude towards social media advertising of life insurance products.
3. To study the relation between online advertising of life insurance products and consumer behavior.
4. To study the impact of social media advertising on consumer perception towards life insurance products.

Hypotheses

1. H01= Brand preference is not dependent on the consumer's awareness, attitude and Interest in life insurance brand that are advertised on social media.
2. H02= There is no significant relationship between social media advertising and consumer preference towards life insurance brand.

Research Design

Descriptive research design is adopted to estimate the hypothesized relationships and dependency of variable among each other. Objectives, hypotheses and list of variables of this research are designed based on the analysis of the existing literature and hence; the research becomes the mix of exploratory and descriptive designs. Primary data is collected from 506 respondents as per Krejcie & Morgan (1970) sample size determination formula with purposive sampling method. The google survey was circulated over social media platforms to collect responses. Structured close ended questionnaire was used to collect primary data. All the variables except demographic profile of respondent were measured on five point Likert scale in order to estimate statistical relations with the help of parametric tests. Instrument used for data collection found valid with the Cronbach's Alpha value of .869 in acceptable range. SPSS tool is used in this study to perform correlation and regression test for hypotheses testing.

Data Analysis

Statistical mean for all measurement variables was estimated to study the objective number 1, 2 and 3. Mean more than three ($\mu > 3$) is considered an agreement of respondent for that particular variable as the responses were collected on five point Likert scale like mentioned in variables table. The mean estimation is shown in table mentioned below:

One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Advertising on social media alerts me to new offerings	21.304	505	.000	.828	.75	.90
I have become aware of new life insurance brands by social media	18.986	505	.000	.903	.81	1.00
Advertisements on social media attract my attention to certain life insurance brands	18.802	505	.000	.901	.81	1.00
I can remember several life insurance advertisements seen on social media	12.136	505	.000	.595	.50	.69
Advertising on social media has made me in favor of life insurance	7.485	505	.000	.374	.28	.47
Social media has a positive influence on me for liking life insurance brands	6.589	505	.000	.328	.23	.43
Advertisements on social media are irritating and annoying	3.883	505	.000	.209	.10	.32
Advertisements on social media are a poor source of knowledge	-3.191	505	.002	-.184	-.30	-.07
I have positive feelings for life insurance brands that are advertised on social media	5.288	505	.000	.271	.17	.37
Advertisements on social media are relevant to my interests	3.833	505	.000	.180	.09	.27
Advertisements on social media insist me to purchase specific brand	5.713	505	.000	.277	.18	.37
I would buy the products that are advertised on social media	1.600	505	.110	.089	-.02	.20
I Strongly prefer the brand advertised on social media	5.485	505	.000	.255	.16	.35

Observation:

As shown in above table; $\mu > 3$ for respondent's agreement on "Advertising on social media alerts me to new offerings, I have become aware of new life insurance brands by social media, Advertisements on social media attract my attention to certain life insurance brands, I can remember several life insurance advertisements seen on social media" indicates that respondents

are agreeing that they are aware about the social media advertising of life insurance products. $\mu > 3$ for respondent's agreement for "Advertising on social media has made me in favor of life insurance, Social media has a positive influence on me for, liking life insurance brands, Advertisements on social media are irritating and annoying" indicates their positive attitude towards social media advertising. Only "Advertisements on social media are a poor source of knowledge" variable has $\mu < 3$ which indicates that the advertisements are good source of knowledge according to consumers. $\mu > 3$ for respondent's agreement for "I have positive feelings for life insurance brands that are advertised on social media, Advertisements on social media are relevant to my interests, Advertisements on social media insist me to purchase specific brand, I would buy the products that are advertised on social media indicates they are interested in purchasing life insurance brands which are advertised on social media. All significant values in above table for t-statistics signify the outcome of mean analysis in population.

Hypotheses Testing:

- H01= Brand preference is not dependent on the consumer's awareness, attitude and Interest in life insurance brand that are advertised on social media.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.777 ^a	.603	.594	.667	.603	62.472	12	493	.000	2.233

a. Predictors: (Constant), I would buy the products that are advertised on social media, Advertisements on social media are irritating and annoying, I have become aware of new life insurance brands by social media, I can remember several life insurance advertisements seen on social media, Advertisements on social media are a poor source of knowledge, Advertisements on social media attract my attention to certain life insurance brands, Social media has a positive influence on me for liking life insurance brands, Advertisements on social media are relevant to my interests, Advertisements on social media insist me to purchase specific brand, Advertising on social media alerts me to new offerings, I have positive feelings for life insurance brands that are advertised on social media, Advertising on social media has made me in favor of life insurance brands.

b. Dependent Variable: I Strongly prefer the brand advertised on social media`

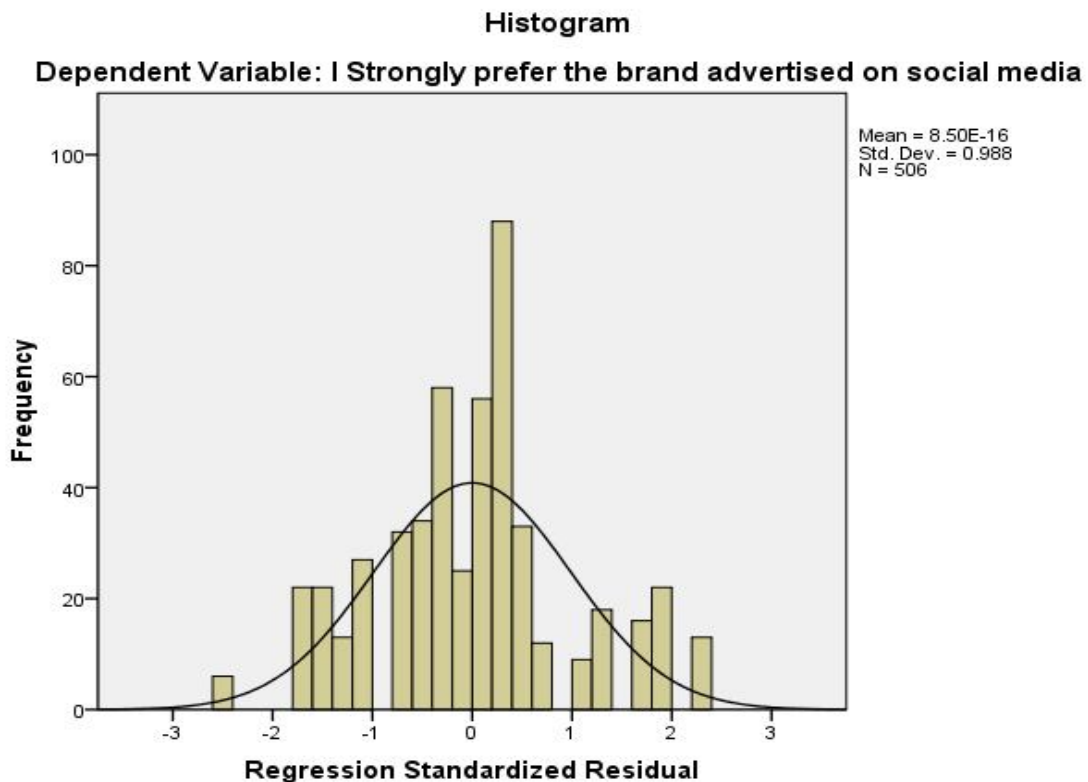
ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	333.076	12	27.756	62.473	.000 ^a
	Residual	219.037	493	.444		
	Total	552.113	505			

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.82	4.71	3.25	.812	506
Residual	-1.651	1.517	.000	.659	506
Std. Predicted Value	-1.772	1.793	.000	1.000	506
Std. Residual	-2.477	2.276	.000	.988	506

a. Dependent Variable: I Strongly prefer the brand advertised on social media



Observation

From the above mentioned results in model summary; the R square value indicates the percentage of dependency of dependent variable on measurement variables. We can conclude that the Consumer brand preference for life insurances is 60.3% dependent on their awareness, attitude and interest in social media advertising of that brand. Significant alpha value of ANOVA justifies the rejection of null hypothesis in this case.

2. H02= There is no significant relationship between consumer awareness towards social media advertising and consumer preference towards life insurance brand.

Correlations

		I Strongly prefer the brand advertised on social media	Advertising on social media alerts me to new offerings	I have become aware of new life insurance brands by social media	Advertisements on social media attract my attention to certain life insurance brands	I can remember several life insurance advertisements seen on social media
I Strongly prefer the brand advertised on social media	Pearson Correlation Sig. (2-tailed) N	1 .213** 506	.213** .000 506	.206** .000 506	.233** .000 506	.351** .000 506
Advertising on social media alerts me to new offerings	Pearson Correlation Sig. (2-tailed) N	.213** .000 506	1 .000 506	.725** .000 506	.541** .000 506	.392** .000 506
I have become aware of new life insurance brands by social media	Pearson Correlation Sig. (2-tailed) N	.206** .000 506	.725** .000 506	1 .000 506	.635** .000 506	.534** .000 506
Advertisements on social media attract my attention to certain life insurance brands	Pearson Correlation Sig. (2-tailed) N	.233** .000 506	.541** .000 506	.635** .000 506	1 .000 506	.573** .000 506
I can remember several life insurance advertisements seen on social media	Pearson Correlation Sig. (2-tailed) N	.351** .000 506	.392** .000 506	.534** .000 506	.573** .000 506	1 .000 506

** . Correlation is significant at the 0.01 level (2-tailed).

Observation

As shown in above mentioned correlation matrix preference to the brand advertised on social media and all four measurement variables of consumer awareness have significant positive relation among them as no correlation value is in negative and alpha value is less than 0.05. Preference to purchase life insurance brands advertised online is 21.3% directly proportional to the alert created by advertisement, 20.6% to the awareness created by social media marketing for new brands, 23.3% to the attraction created by social media advertising and 35.1% to the space created in consumer mind by making them remember the brand. Hence; the null hypothesis is rejected which justified that the preference to the brand advertised on social media and all related measuring variables of consumer awareness are directly proportional to each other.

Findings

1. It is found in this study that purchase preference towards life insurance brands advertised on social media is directly proportional to the consumer awareness about social media uses, their attitude towards the social media advertisements and their interest in the brands advertised on social media.
2. Consumer awareness towards social media advertising of life insurance brands and their purchase preference are directly correlated to each other.
3. Consumer attitude and their purchase preference towards life insurance brands advertised on social media are interdependent on each other.
4. Consumer interest is the deciding factor which has direct relationship in their purchase preference towards life insurance brands advertised on social media.

Conclusion

It is observed in this research that consumer awareness, attitude and interest in advertisements have strong impact on consumer behavior of life insurance brand. Life insurance brand preference of social media users is significantly dependent on their awareness, attitude and interest in social media advertising of that brand. Hence; companies in life insurance industry can take insight that advertising on social media should consider audience's awareness, attitude and interest in social media while communicating these target groups.

Scope for Further Research

Further research can be the detail analysis of relation between consumer behavior and their demographic profile in different geographical areas as this study has the limitation on geography. Proposed research in this segment also can focus the relationship between awareness, attitude and interest of consumers about social media and social media advertising of other products than life insurances in same geographic area as well as in other geographies.

Limitations

This research study does not have any specific geographical scope hence outcome of this research study may not be applicable to different geographies. Future studies have a great scope to explore in terms of behavioral studies and usage of social networking sites in specific geographical locations and target groups of respondents.

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