


MODERATION EFFECT OF INTERMEDIARIES' ROLE IN SELECTING CHANNELS BETWEEN DIGITAL AND TRADITIONAL IN BUYING HEALTH INSURANCE: A STUDY OF HYDERABAD

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 14 April 2023</p> <p>Accepted 12 July 2023</p>	<p>Purpose: The purpose of this research study is to investigate the relationship between technology adoption and workforce productivity within the manufacturing industry. The study aims to identify the role of Intermediaries in assisting choice of channel.</p>
<p>Keywords:</p> <p>Intermediaries; Channel Selection; Health Insurance; Moderation Effect; Digital Channels; Traditional Channels; Hyderabad.</p>	<p>Theoretical Framework: The study adopts a qualitative strategy and utilizes content analysis to analyze a significant amount of secondary data from theoretical and empirical reviews. Additionally, interviews with members of the relevant community were conducted to gather specific data for an unstructured questionnaire. Exploratory factor analysis and confirmatory factor analysis were performed to validate the proposed theoretical framework.</p> <p>Design/Methodology/Approach: Data was collected from 384 software employees in Hyderabad, selected due to their likelihood of using both digital and traditional channels for purchasing insurance. The study employed a Likert scale questionnaire to measure respondents' perceptions of various factors influencing channel selection. SPSS 26 and AMOS were used for data analysis, including exploratory factor analysis and confirmatory factor analysis.</p>
	<p>Findings: The exploratory factor analysis revealed a six-factor channel selection model that explained 77.443% of the variance. All factors demonstrated high reliability (Cronbach's $\alpha > 0.883$), and the final model consisted of 39 items. The confirmatory factor analysis confirmed the suitability of the model, as all fit indices met the criteria for absolute and incremental fitness.</p> <p>Research, Practical & Social Implications: The study provides insights into the factors influencing channel selection in the context of health insurance purchases. It highlights the importance of intermediaries in the decision-making process and their role in moderating the relationship between various factors and channel selection. These findings have practical implications for insurance providers and intermediaries in developing effective marketing strategies and improving customer experience. Socially, the study contributes to a better understanding of the dynamics between digital and traditional channels in the insurance industry.</p> <p>Originality/Value: This study contributes to the existing literature by examining the moderation effect of intermediaries on the relationship between factors influencing channel selection in the context of health insurance. The research extends the theoretical understanding of channel selection and provides empirical evidence in a specific geographical setting. The findings have practical implications for insurers, intermediaries, and policymakers, enhancing the value of this research in the insurance industry.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i6.3283</p>

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EFEITO DE MODERAÇÃO DO PAPEL DOS INTERMEDIÁRIOS NA SELEÇÃO DE CANAIS ENTRE DIGITAL E TRADICIONAL NA COMPRA DE SEGUROS DE SAÚDE: UM ESTUDO DE HYDERABAD

RESUMO

Objetivo: O objetivo deste estudo é investigar a relação entre a adoção da tecnologia e a produtividade da força de trabalho na indústria de manufatura. O estudo tem como objetivo identificar o papel dos Intermediários na assistência à escolha do canal.

Estrutura Teórica: O estudo adota uma estratégia qualitativa e utiliza análise de conteúdo para analisar uma quantidade significativa de dados secundários de revisões teóricas e empíricas. Além disso, foram realizadas entrevistas com membros da comunidade relevante para coletar dados específicos para um questionário não estruturado. A análise exploratória do fator e a análise confirmatória do fator foram realizadas para validar o quadro teórico proposto.

Design/Metodologia/Abordagem: Foram coletados dados de 384 funcionários de software em Hyderabad, selecionados devido à probabilidade de usarem canais digitais e tradicionais para a compra de seguros. O estudo empregou um questionário da escala Likert para medir as percepções dos entrevistados sobre vários fatores que influenciam a seleção de canais. O SPSS 26 e o AMOS foram utilizados para análise de dados, incluindo análise fatorial exploratória e análise fatorial confirmatória.

Constatações: A análise exploratória do fator revelou um modelo de seleção de canal de seis fatores que explicou 77,443% da variância. Todos os fatores demonstraram alta confiabilidade (α de Cronbach $> 0,883$), e o modelo final consistiu de 39 itens. A análise fatorial de confirmação confirmou a adequação do modelo, uma vez que todos os índices de adequação cumpriam os critérios de adequação absoluta e incremental.

Pesquisa, Implicações Práticas & Sociais: O estudo fornece informações sobre os fatores que influenciam a seleção de canais no contexto da compra de seguros de saúde. Destaca a importância dos intermediários no processo de tomada de decisão e o seu papel na moderação da relação entre vários fatores e seleção de canais. Essas descobertas têm implicações práticas para os fornecedores e intermediários de seguros no desenvolvimento de estratégias de marketing eficazes e na melhoria da experiência do cliente. Socialmente, o estudo contribui para uma melhor compreensão da dinâmica entre os canais digitais e tradicionais no setor de seguros.

Originalidade/Valor: Este estudo contribui para a literatura existente, examinando o efeito moderador dos intermediários sobre a relação entre fatores que influenciam a seleção de canais no contexto do seguro de saúde. A pesquisa estende o entendimento teórico da seleção de canais e fornece evidências empíricas em um ambiente geográfico específico. As descobertas têm implicações práticas para seguradoras, intermediários e formuladores de políticas, aumentando o valor dessa pesquisa no setor de seguros.

Palavras-chave: Intermediários, Seleção de Canais, Seguro de Saúde, Efeito de Moderação, Canais Digitais, Canais Tradicionais, Hyderabad.

EFFECTO DE MODERAR EL PAPEL DE LOS INTERMEDIARIOS EN LA SELECCIÓN DE CANALES ENTRE DIGITAL Y TRADICIONAL EN LA COMPRA DEL SEGURO DE SALUD: UN ESTUDIO HYDERABAD

RESUMEN

Objetivo: El objetivo de este estudio es investigar la relación entre la adopción de la tecnología y la productividad de la mano de obra en la industria manufacturera. El objetivo del estudio es determinar el papel de los intermediarios en la prestación de asistencia para la elección del canal.

Estructura Teórica: El estudio adopta una estrategia cualitativa y utiliza el análisis de contenido para analizar una cantidad significativa de datos secundarios a partir de revisiones teóricas y empíricas. Además, se realizaron entrevistas con miembros de la comunidad pertinente para reunir datos específicos para un cuestionario no estructurado. Se realizaron análisis de factores exploratorios y análisis de factores confirmatorios para validar el marco teórico propuesto.

Diseño/Metodología/Enfoque: Se recolectaron datos de 384 empleados de software en Hyderabad, seleccionados debido a la probabilidad de usar canales digitales y tradicionales para la compra de seguros. El estudio empleó un cuestionario a escala de Likert para medir las percepciones de los entrevistados sobre diversos factores que influyen en la selección de canales. Se utilizaron SPSS 26 y AMOS para el análisis de datos, incluido el análisis factorial exploratorio y el análisis factorial confirmatorio.

Hallazgos: El análisis exploratorio de la fatora reveló un modelo de selección de canales de seis factores que explicaron el 77,443% de la varianza. Todos los factores demostraron alta fiabilidad (α de Cronbach $> 0,883$), y el modelo final consistió en 39 artículos. El análisis factorial confirmatorio confirmó la idoneidad del modelo, ya que todos los índices de adecuación cumplían los criterios de adecuación absoluta e incremental.

Investigación, Implicaciones Prácticas y Sociales: El estudio proporciona información sobre los factores que influyen en la selección de canales en el contexto de la compra de seguros de salud. Se destaca la importancia de los intermediarios en el proceso de toma de decisiones y su papel en la moderación de la relación entre diversos factores y la selección de canales. Estos hallazgos tienen implicaciones prácticas para los proveedores de seguros y los intermediarios en el desarrollo de estrategias de marketing efectivas y la mejora de la experiencia del cliente. Desde el punto de vista social, el estudio contribuye a una mejor comprensión de la dinámica entre los canales digitales y tradicionales en el sector de los seguros.

Originalidad/Valor: Este estudio contribuye a la literatura existente al examinar el efecto moderador de los intermediarios en la relación entre factores que influyen en la selección de canales en el contexto del seguro de salud. La investigación amplía la comprensión teórica de la selección de canales y proporciona evidencia empírica en un entorno geográfico específico. Los descubrimientos tienen implicaciones prácticas para las aseguradoras, los intermediarios y los responsables de las políticas, lo que aumenta el valor de esta investigación en el sector de los seguros.

Palabras clave: Intermediarios, Selección del Canal, Seguro de Salud, Efecto de Moderación, Canales Digitales, Canales Tradicionales, Hyderabad.

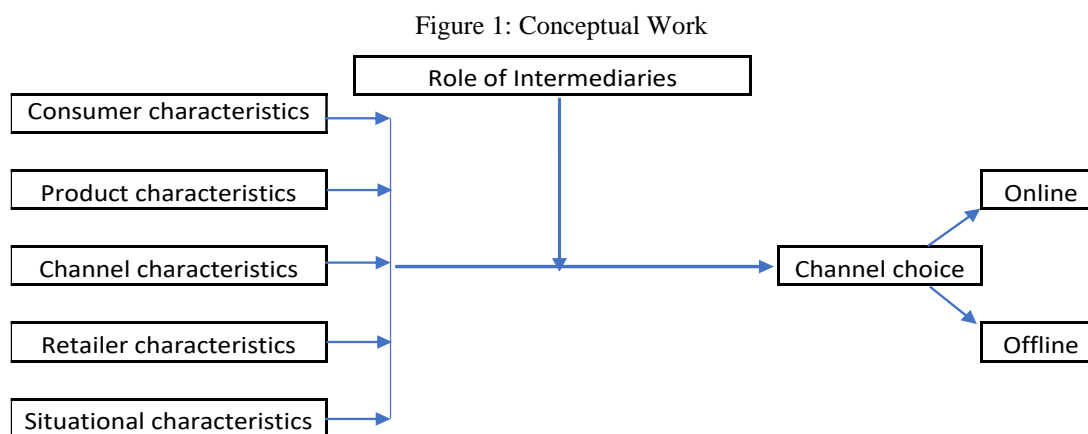
INTRODUCTION

One of the fastest-growing businesses in India is the insurance sector. The insurance business's upward tendency can be attributed to rising earnings and improved industry knowledge. India is the fifth-largest life insurance market in the world, with a growth rate of between 32 and 34% annually. New and inventive products have evolved as a result of the recent industry's fierce battle among competitors. The insurance sector has witnessed significant changes in terms of new inventions, altered rules, amendment suggestions, and expansion in 2022. These advances have created new growth opportunities for the sector while ensuring that insurers remain relevant in light of modern technological advancements and societal changes. The rise of the insurance industry is facilitated by significant government activities, strong democratic components, a favorable regulatory environment, expanding partnerships, new product developments, and active distribution networks. The offline channels like corporate agents, offline brokers, or banks predominated the insurance industry in considerable part. Consumers may now purchase insurance with a single click through a variety of distribution channels thanks to quick digitization, product innovation, and progressive regulatory laws. The insurance sector in India has adopted modern technology. Currently, it makes use of Block chain, ML to automate claim management, IoT to customize insurance pricing, and telematics for auto insurance. Insurers have developed several firms that have improved their core products by adopting various technologies like AI, IoT, ML, and much other software, according to the India Fintech Report 2022. The industry has also gotten increasingly digital in the years since Covid. The digital platforms of insurance businesses have also been enhanced by the addition of virtual assistants and the replacement of antiquated

technologies. According to data from the National Investment Promotion & Facilitation Agency, users are also utilizing more portals and apps. For GI (General Insurance) and HI (health plan) products, 73% of them prefer digital insurance solutions. respectively, while 62% of clients preferred the online mode. More people will have access to insurance and will interact with the insurance industry as technology becomes more pervasive in the sector. The data unmistakably shows a trend that, while customers use online tools to compare and investigate different insurance policies, they prefer offline assistance to fully grasp the nuances and make the ultimate decision. In the insurance sector, a human touch is still necessary despite technical improvements. Customers could not comprehend industry jargon or technical terms due to the complexity of the items. There is a clear demand for skilled agents who can help customers navigate the complexities of their policies and ensure they are fully protected because rural populations are frequently less tech-savvy. Additionally, they can help clients choose the policy that is best suited to their needs by guiding the various types of plans that are available. Therefore, the combination of technology and human touch will ensure the industry's growth.

Significance of the Study

While selecting a channel for buying health plan different external internal factors will influence, this paper found the result of the Moderating effect of intermediary with Consumer attributes, Product attributes, Channel attributes, Retailer attributes, and Situational attributes in selecting a channel in buying health plan products:



Source: Prepared by authors (2023)

OBJECTIVE

To identify the role of Intermediaries in assisting choice of channel.

METHODOLOGY

The researcher underwent a qualitative strategy. When doing qualitative research, content analysis was used to combine a significant amount of secondary data from theoretical reviews, both methodological and empirical reviews. Additionally, information was gathered from interviews with members of the relevant community to compile specific data for an unstructured questionnaire. Although less structured, data relating to descriptions can be difficult to an Purpose: The purpose of this research study is to investigate the relationship between technology adoption and workforce productivity within the manufacturing industry. The study aims to identify the role of Intermediaries in assisting choice of channel. alyze. The correctness of the data was achieved by the use of three different methodologies, sources, and evaluators. Along with the reports gathered from interviews, the data was manually analyzed and evaluated. Data collected from software employees, as per Ministry of Electronics & IT 51 lakh working in the software industry(*Source: NASSCOM*) collected data from 384 software employees reason to select this pool, these have good chances to use digital channels very often and traditional channels as well. Exploratory Factor analysis, CFA done and Moderation effect calculated by using SPSS 26 and AMOS,

REVIEW OF LITERATURE

Health Plan in India

Markup R, Duggirala A (2021), His research offers a merchandising model perspective and tactical insights on health plan as a means of outlay healthcare. The study's findings indicate that over the past ten years, numerous changes in the health plan and healthcare industries have consistently posed challenges to the spread of health plan as a fine feather outlay mechanism in India. One of the biggest problems facing insurance firms is the high claim ratio. According to the survey, the Indian health plan market is very adequate and insurance providers can gain an advantage by concentrating on key success characteristics. health plan business models vary from one another, come in different configurations, and typically feature strategic decisions and their effects. To increase their profitability and secure a long-term competitive edge, the author lists five strategic decisions that health plan businesses might undertake. Researchers advise insurance businesses to create and implement a new business strategy targeted at reducing the increase in client willingness to pay and claim ratio.

Madan Mohan Dutta's (2020), Study attempts to understand the pursuance of the health plan industry in India, as well as how much claims and commissions, and management

per diem need to be incurred to earn certain amounts of premium. The study found that there is a weighty alliance association between earned premiums and underwriting loss. The increase in premium earnings has increased underwriting losses over the years, instead of increasing profitability for the sector. Although the sector's earnings are growing at a compound annual growth rate of 27%, it is still unable to earn underwriting profits. A study determined that the health plan market was not able to appeal to the younger generation of society try-age-based pricing would likely appeal to them.

Shailender Markup Hooda (2020), study presents the historical evolution, financing, bottom, reportage, and execution fame of the currently promoted government-funded health plan schemes across socioeconomic classes, districts, and states. Specifically, the study examines data from the India Human Development Study 2012, the National Family and Health Survey 2016, and the 75th round of the National Sample Survey on Health. Estimates from survey data do not support according to the official data, 109 million families will be protected by GFHIs by 2017–2018. In the study, it was found that the entry of different schemes is far higher in non-poor urban regions than in their equivalents, with huge variances within states and districts, making it difficult to guarantee equal access to healthcare. Although it still makes up a very small portion of total health spending, insurance is growing in importance. OOP (out-of-pocket) spending by the household continues to make up a larger portion of funding for medical expenses.

Rana Rohit Singh, Abhishek Singh (2020), An attempt is being made in this study to sketch out the current state of the health plan industry in India, which is a part of general insurance. The author mentioned that since liberalization, the health plan sector in India has risen substantially due to the introduction of private healthcare financiers, an increase in household wealth, price and service competition among health insurers, a rise in health consciousness across all segments of society, and a lack of bureaucratic attitudes among insurance personnel. The study concluded that a large proportion of the population is still uninsured. Further growth and development of this sector in India can be greatly enhanced by innovation in health plan products. In conclusion, health plan companies should advertise their specialties and advantages to attract new customers by promoting health plan portability. To increase competition among health plan companies, IRDA should adopt policies similar to those for the telecom sector.

Trends in the Health Plan Market

Bishwajit Nayak, Som Sekhar Bhattacharyya, Bala Krishnamoorthy (2021), The goal of the project was to create a social strategic advantage model for Indian micro health plan firms. 565 managers in the health plan sector were interviewed for this study to learn more about their opinions on health plan. The findings showed that there were numerous mediators linking inclusive service dispensation and people orientation in enterprises to strategic social leverage in firms, including developing technologies, product variation, knowledge management practices, and socio-technical skills. The knowledge management practices used by businesses had a moderating effect on the liaison between the management of comprehensive upcoming technologies and managers' experience. This result suggests that more experienced firm managers think that successful technology adoption leads to effective knowledge management practices within the company. This surprising finding showed that understanding business dynamics better might be advantageous. The association between the management of inclusive emerging technologies and managers' experience showed a moderating influence as a result of firms' knowledge management practice. This conclusion indicates that more seasoned firm managers believe that adopting new technology successfully results in strong knowledge management practices within the firm. This unexpected result implied that managers would enthusiastically accept developing technology to gain a competitive societal advantage as they gained more knowledge of the market dynamics.

B. Reshmi et. al. (2021), To increase health plan awareness and uptake among Indian citizens, different interventions have been conducted in India. The goal of this review is to identify these interventions and evaluate their efficacy. The following outcomes will be taken into account: awareness of health plan, attitude towards it, decision-making about it, adoption of it, and awareness as a factor in adoption.

Mohd Zuhair, Ram Babu Roy (2019), Study provides a summary of the usability, pattern, and accessibility of government-sponsored health plan plans in India. Many state governments in India have begun to cover the shallow-income group and shady population with health plan to reduce their out-of-pocket medical expenses. On the contrary health plan schemes have different structures and offerings based on different demographic factors. By examining the various health plan schemes, the study will present a comparative analysis of their products and financing sources. An analysis of these schemes will provide insight into the lessons to be learned and expand knowledge about health plan in India. A study of these tensions and issues would help identify issues of the feasibility of health plan schemes in India.

Role of Intermediary in Buying Health Plan

Singh, R. K., & Deshmukh, A. A. (2022) It is important to research how convenient and successful offline and online distribution channels are. The subject of marketing is constantly changing, and marketing budgets are distributed among many different channels and methods of client contact. The introduction of new technology and its uptake by the general public and the target market also contribute significantly to the development of novel customer engagement strategies. Offline and Online Distribution Model is one of the effective methods employed by marketers throughout large corporations. The researcher wants to investigate and compare "Online Distribution Model" and "Offline Distribution Model" and how corporations in the Indian environment might benefit from either.

Tun-I Hu, Andrea Tracogna (2020) study evaluates the available channel options for contractualized individual services, focusing on heterogeneous channel search patterns and web rooming acts, in which customers conduct online searches before making in-person purchases at service providers' locations. A series of assumptions regarding the factors influencing customers' shopping experiences, including decisions regarding search and purchase channels, were put to the test using an international poll of vehicle insurance customers. The results demonstrate that the customer's choice for human connection (which normally favors face-to-face channels) has a significant impact on channel preference relative to both search and purchase; generally speaking, the pertinence of channel choice cogent varies throughout the various shopping stages: While the customer's passion for shopping innovation and enjoyment, as well as their demand for information, may be shown in their search sequences (mono vs. many; faceless vs. individual), The customer's opt for service quality (personal purchases) and price consciousness (electronic purchases) are what primarily determine the purchase channel selections, which represent the customer's need for knowledge and passion for shopping wrinkle and enjoyment. Web rooming, in particular, happens when a consumer who is less concerned with price chooses to acquire the service physically (at an insurance agent, for example), to satisfy their need for exceptional customer care and personal interaction. The findings of this study provide insight into multichannel behaviors in the service sector and could aid retailers in developing more effective retail strategies for contractualized individual services.

Shetty A, Basri S (2020), in their research work "Assessing the Technical Efficiency of Traditional and Corporate Agents in Indian Life Insurance Industry: Slack-based Data Envelopment Analysis Approach" discovered that the coherence scores of traditional agents

and bancassurance do not differ much. There is no evidence to support the "quiet life" concept that the market share of distributional channels (premium alms to total premium divided by market share) and their efficiency ratings have a negative correlation. Additionally, the slack analysis reveals that both channels generated too many inputs relative to their outputs. The study concluded that poor performance over the long run and subsequent financial crises are probable if the businesses with low-efficiency scores do not stop the leaks in the commission and agent count.

Hariom Singh (2020) His research centered on the function of brokers in the insurance industry. The study has described the characteristics of several insurance industry distribution channels. The study concluded that there are numerous points at which insurance sector intermediaries interact with policyholders. Even if they may not always be able to provide customers with adequate and intelligent service, insurance companies should still develop their points of conduct and make every effort to provide adequate and superior service to policyholders. The private insurance firms are increasing their innovative and technical intermediary's insurance channel whereas the government insurance companies in India are primarily depending on the individual agent's channel so that the Indian insurance business can meet the challenges of the twenty-first century.

Naserian N, Justus T (2019) The impact of bancassurance on insurance companies' conventional distribution channels is being researched. According to the authors, bancassurance has become a significant distribution channel in many nations. In France, the term "bancassurance" was first used in 1980 to describe the trade of insurance goods through banking channels. The study concludes that the main distribution channels for life insurance products are still brokers, agents, and direct selling.

Acharya, D. (2017) These facts regarding insurance intermediaries are revealed through a survey of the literature on them. that no intermediary can offer every type of product or service profitably in every market. Additionally, customers ought to receive a price break for using various channels. The correct product mix and channel will enable the company to operate financially. The consumer universe must be segmented according to the type of channel. Insurance companies must enhance their operations to support a multi-product, multi-channel distribution strategy. This calls for constant planning, evaluation, and modification.

Nancy Jo Black, Andy Lockett, Christine Ennew (2002) Researchers in this study examined the factors influencing channel preference in an exploratory study. The paper advances the argument that customer, product channel, and organizational characteristics—

with the consequence of focus group talks, channel choice in financial services is influenced by product-channel interactions and consumer-channel interactions, which are particularly important. It was noted in the study that as distribution channels vary quickly and multi-channeling is becoming more common, consumer studies would need to focus on both the products as well as the variables driving channel selection. Despite substantial research into the choice of specific channels and the acceptance of new channels, there is no evidence that we have a comprehensive knowledge of why buyers like certain channels over others when purchasing essentially equivalent products. Consider the financial services industry as an illustration, where multi-channeling is and has been the benchmark for some time.

Study Variables

This study intends to analyze the impact of six factors on channel selection in terms of purchasing insurance products by looking at their impact on channel selection. The factors are designed as, Channel Factors (Value Added Services, Easy Buying Process, After Sales Services, Easy Payment System, Risk in Buying Process. Speed in Services. Channel Efficiency, Protective Services), Product Factors (Quality, Discounts, Features, Awareness, Availability, Unique, Price & Premium, Additional Benefits) Personal Factors (Solo Decision Maker, Future Centric, Dynamic Nature, Planned Buyer, Self-Efficient, Cautious, buying tendency (variety seeking), Proactive) Situation Factors (Family Care, Relocate, Price Fluctuations, Economic Status, Social Considerations, Financial Benefits, Peer Pressure,

Prior experience) Retailer Factors (Brand Name, Brand Image, Claim Settlement Ratio, Economic Status, Prompt Services, Trust, Offers/Discounts, Less Grievance) and Intermediary Factors (Trustworthiness, Knowledge, Smooth process, Reachability, Relation, after-sales service, Easy claim Process, identifying needs) Consumers were asked to respond on a Likert scale from strongly disagree to strongly agree. To analyze data, one dichotomous variable was used as a dependent variable and eight predictor variables were included.

Table 1. SPSS Code details.

Factor	Variable	Item Code
Channel	Value Added Services	CH01
	Easy Buying Process	CH02
	After Sales Services	CH03
	Easy Payment System	CH04
	Risk in Buying Process	CH05
	Speed in Services	CH06
	Channel Efficiency	CH07
	Protective Services	CH08
Product	Discounts	PR01

	Features	PR02
	Awareness	PR03
	Availability,	PR04
	Price & Premium	PR05
	Additional Benefits	PR06
	Unique	PR07
	Quality	PR08
Personal	Solo Decision Maker	PRSNL 01
	Future Centric,	PRSNL 02
	Dynamic Nature	PRSNL 03
	Planned Buyer	PRSNL 04
	Self-Efficient	PRSNL 05
	Cautious	PRSNL 06
	Variety seeking	PRSNL 07
	Proactive	PRSNL 08
Situation	Family Care,	SF01
	Price Fluctuations	SF02
	Economic Status	SF03
	Social Considerations	SF04
	Financial Benefits	SF05
	Relocate	SF06
	Peer Pressure	SF07
	Prior experience with Channel	SF08
Retailer	Brand Name	RC01
	Brand Image	RC02
	Claim Settlement Ratio,	RC03
	Economic Status	RC04
	Prompt Services	RC05
	Trust	RC06
	Offers/Discounts	RC07
	Less Grievance	RC08
Intermediary	Trustworthiness,	IN01
	Knowledge,	IN02
	Smooth process,	IN03
	Reach-ability,	IN04
	Relation,	IN05
	After-sales service,	IN06
	Easy claim,	IN07
	Identifying needs	IN08
Online	24/7 Services	OLF1
	Convenience	OLF2
	User-Friendly Applications	OLF3
	Price & Product Comparisons	OLF4
	Time-Saving	OLF5
	Privacy	OLF6
	Security	OLF7
	Accuracy	OLF8
Offline	Sales Person Interaction	OFF1
	Reasonable time for Decision Making	OFF2
	Online Frauds	OFF3
	Traditional Channel	OFF4
	Cost Effective	OFF5
	Personalized services	OFF6
	Prompt Response	OFF7
	Known person	OFF8

Source: Prepared by authors (2023)

RESULTS

Exploratory Factor Analysis

Table 2. Rotated Component Matrix

	Component					
	1	2	3	4	5	6
PRSNL8	.725					
PRSNL6	.720					
PRSNL5	.713					
PRSNL4	.709					
PRSNL7	.686					
PRSNL8	.661					
PRSNL1	.645					
PRSNL3	.625					
Int5		.794				
Int4		.786				
Int7		.745				
Int6		.708				
Int1		.664				
Int2		.663				
Int3		.651				
Int8		.649				
PR3			.790			
PR4			.776			
PR7			.723			
PR5			.698			
PR8			.663			
PR2			.609			
PR1			.563			
PR6			.557			
CH2				.817		
CH4				.709		
CH3				.673		
CH1				.667		
CH6				.612		
CH8				.600		
CH7				.556		
SF7					.697	
SF3					.663	
SF5					.583	
SF8					.582	
RC1						.596
RC3						.585
RC5						.553
RC2						.525

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a

a. Rotation converged in 8 iterations.

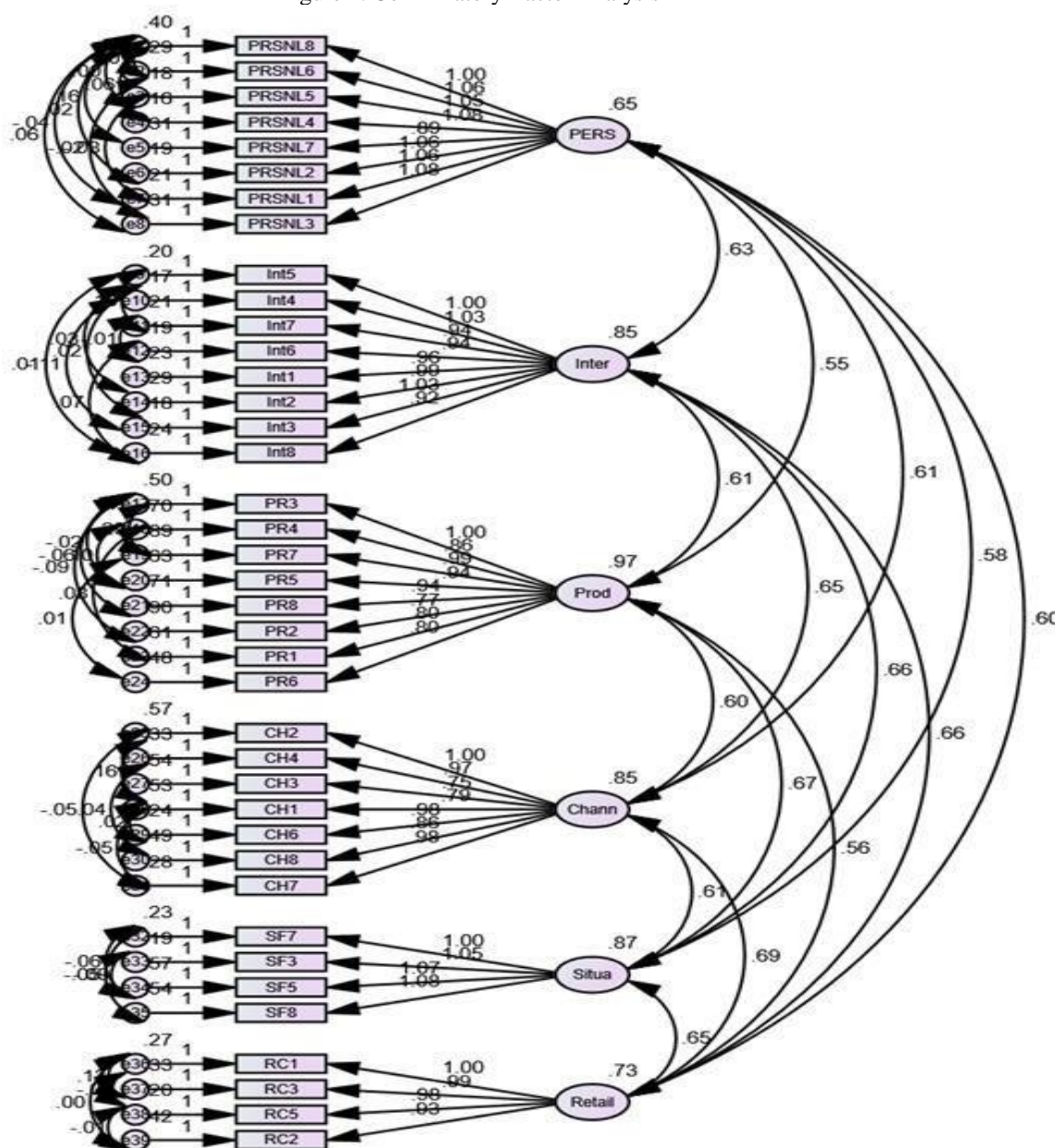
Source: Prepared by authors (2023)

For a better analysis of the factor structure, Tabachnick and Fidell (2013) suggested deleting items under .50 factor loading. These items do not load significantly. When selecting to

delete an item under .50 factor loading, this study also examined Cronbach's A after the items were minimized and tested if it was in the range of Cronbach's A. It is acceptable to have an alpha value higher than 0.8, great internal consistency, and at least 0.7.

An exploratory factor analysis (EFA) reveals that the six-factor channel selection model explained 77.443% of the variance. They have all high reliability (Cronbach's $\alpha > .883$). There were 39 items left in the final model after deleting items that crossed-loaded multiple factors (Channel, Situation, and Retailer). This study confirms the Six-factor structure of the Channel Selection Model.

Figure 2. Confirmatory Factor Analysis



Source: Prepared by authors (2023)

Model Fitness of Confirmatory Factor Analysis

A model's fitness is its ability to reproduce an existing linkage with similar data. The fit of a model ensures consistency. Thus, before assessing the association between variables, it is important to examine the model fitness (Kenny, 2020). The results of the model fitness analysis are shown below.

Table 3. Model fitness of confirmatory factor analysis

Name of category	Name of index	Adequate fit	Actual Results
Absolute fit measure	CMIN/Df (normed/relativeChi-Square)	Less than 5	4.862
RMSEA (root mean square of approximation)	Estimate model efficiency with unknown but optimal parameters for the population covariance matrix	Less than 0.10	0.797
Incremental fit measure	NFI (normal fit index)	Greater than 0.90	0.911
CFI (Comparative fit index)	The discrepancy between the model and data calculated using sample size in NFI revised form	Greater than 0.90	0.924
TLI (TuckerLewis index)	NFI model modified to enable smaller sample size examination	Greater than 0.90	0.911
IFI (Incrementalfit index)	Adapted NFI model for sample size	Greater than 0.90	0.933
Parsimoniousfit measure	PCFI (Parsimony adjustment measures index)	Greater than 0.5	0.714

Source: Prepared by authors (2023)

Table 4. Variables

Minimization:	.078
Miscellaneous:	1.410
Bootstrap:	.000
Total:	1.488

Source: Prepared by authors (2023)

Comparative Results of CFA

Table 5. Comparative Results

Absolute Fit Measure	Index Value	Result
Less than 5	4.862	Model Fit

Source: Prepared by authors (2023)

All indices values in Table are approximately satisfying the criteria for absolute fitness i.e., CMIN/Df is $4.862 < 5$, RMSEA is $0.797 < 0.10$ (Hooper et al., 2008).

Additionally, in incremental fitness, NFI is $0.911 > 0.9$, CFI is $0.924 < 0.9$, TLI is 0.911

> 0.9 and IFI is $0.933 > 0.9$ (Hooper et al., 2008). Despite parsimonious fitness, P CFI is $0.714 > 0.5$ and PNFI is $0.69 > 0.5$ (Hooper et al., 2008). Thus, the model is suitable for linking factors and determining variables 'contribution to channel selection as it fulfills all requirements.

Moderation Effect Details

Moderation Effect of Intermediary Factors between Channel Factors and Choice of Channel Selection: Moderation Analysis – Channel Factors – Choice of Channel

Table 6. Regression weights on Channel Factors on Choice of Channel

			Beta	C.R.	P
Inter	<---	ChanCh	.237	5.271	***
Chann	<---	Inter	.640	37.162	***
Chann	<---	ChanCh	.476	30.193	***

Source: Prepared by authors (2023)

The study assessed the moderating role of Intermediary Factors on the association between Channel (ChanCh) Factors and Choice of Channel Selection (Chann). The Results from Table, revealed there is no moderating effect of Intermediary Factors between Channel Factors and Choice of Channel Selection. Thus, the Channel factors have an impact on the choice of channel.

Hypothesis:

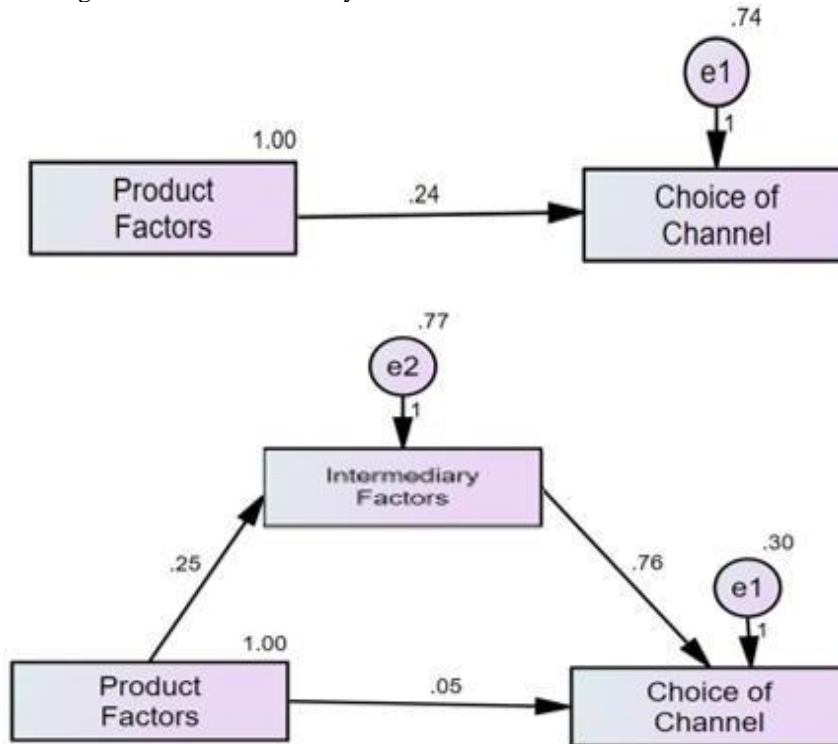
H01: There is no moderation of Intermediary Factors on the association between channel factors and choice of channel selection.

Ha1: There is a moderation impact of Intermediary Factors on the association between channel factors and choice of channel selection.

Result: It is clear from the results shown in Table, the formulated hypothesis (H0) "There is no moderation impact of Intermediary Factors on the association between" is accepted.

Moderation Effect of Intermediary Factors between Product Factors and Choice of Channel Selection: Moderation Analysis – Product Factors – Choice of Channel

Figure 3. Moderation Analysis – Product Factors – Choice of Channel



Source: Prepared by authors (2023)

Table 7. Regression Weights of Product Factors on Choice of Channel

	Beta	C.R.	P
Inter <--- Proch	.246	5.501	***
Chann <--- Proch	.053	1.856	.032
Chann <--- Inter	.759	24.105	***

Source: Prepared by authors (2023)

There is a moderating role of intermediary factors (Inter) on the association between product factors (Proch) and channel selection factors (Chann) which can be determined by the results of Table. In addition to this, it is also shown that there is a moderating effect of Intermediary Factors between Product Factors and Choice Channel Selection. Therefore, it can be concluded that there is a significant effect of Product Factors on Choice of Channel Selection.

Hypothesis:

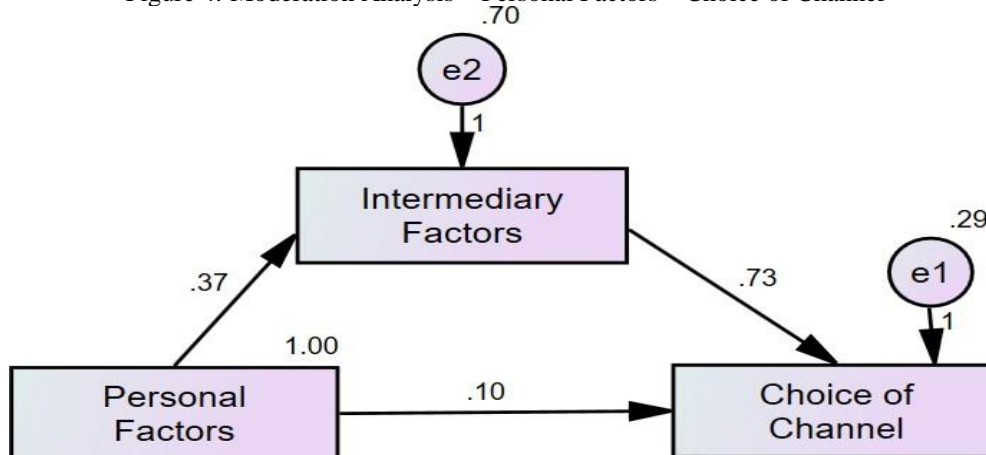
H02: There is no moderation impact of Intermediary Factors on the association between Product factors and choice channel selection.

Ha2: There is a moderation impact of Intermediary Factors on the association between Product factors and choice channel selection.

Result: It is clear from the results shown in Table, the formulated hypothesis (H02) “There is moderation impact of Intermediary Factors on the association between Product factors and choice of channel selection” is rejected.

Moderation Effect of Intermediary Factors between Personal Factors and Choice of Channel Selection: Moderation Analysis – Personal Factors – Choice of Channel

Figure 4. Moderation Analysis – Personal Factors – Choice of Channel



Source: Prepared by authors (2023)

Table 8. Regression Weights of Personal Factors on Choice of Channel

			Beta	C.R.	P
Inter	<---	Persch	.367	8.616	***
Chann	<---	Persch	.096	3.184	.001
Chann	<---	Inter	.732	22.329	***

Source: Prepared by authors (2023)

It is evident from Table, that Intermediary factors (Inter) play a moderating role in the association between Personal Factors (Perch) and channel selection factors (Chann) as a result of the results of the analysis. The results of this study also indicate that there is a moderating effect of intermediary factors between Personal factors and Choice of Channel Selection. So, it is confirmed that there is a significant influence of personal factors on the choice of channel selection.

Hypothesis:

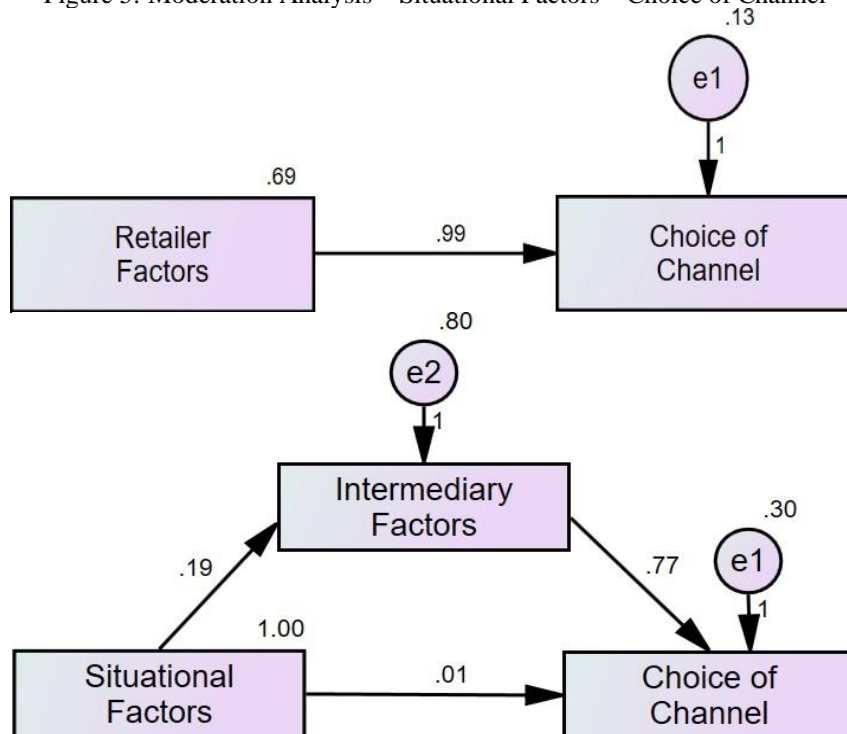
H03: There is no moderation impact of Intermediary Factors on the association between Personal factors and choice of channel selection.

Ha3: There is a moderation impact of Intermediary Factors on the association between Personal factors and choice of channel selection.

Result: It is clear from the results shown in Table, the formulated hypothesis (H03) “There is moderation impact of Intermediary Factors on the association between Personal factors and choice of channel selection” is rejected.

Moderation Effect of Intermediary Factors between Situational Factors and Choice of Channel Selection: Moderation Analysis – Situational Factors – Choice of Channel

Figure 5. Moderation Analysis – Situational Factors – Choice of Channel



Source: Prepared by authors (2023)

Table 9. Regression Weights of Situational Factors on Choice of Channel

			Beta	C.R.	P
Inter	<---	Sitch	.191	4.211	***
Chann	<---	Sitch	.011	.382	.007
Chann	<---	Inter	.772	24.796	***

Source: Prepared by authors (2023)

From Table, it can be concluded that Intermediary factors (Inter) play a moderating role in the association between Situational Factors (Sitch) and channel selection factors (Chann) as a result of the results of the analysis. The results of this study also indicate that there is a moderating effect of Situational factors on choice channel selection. Thus, it can be concluded that there is a significant impact of situational factors on the choice of channel selection.

Hypothesis:

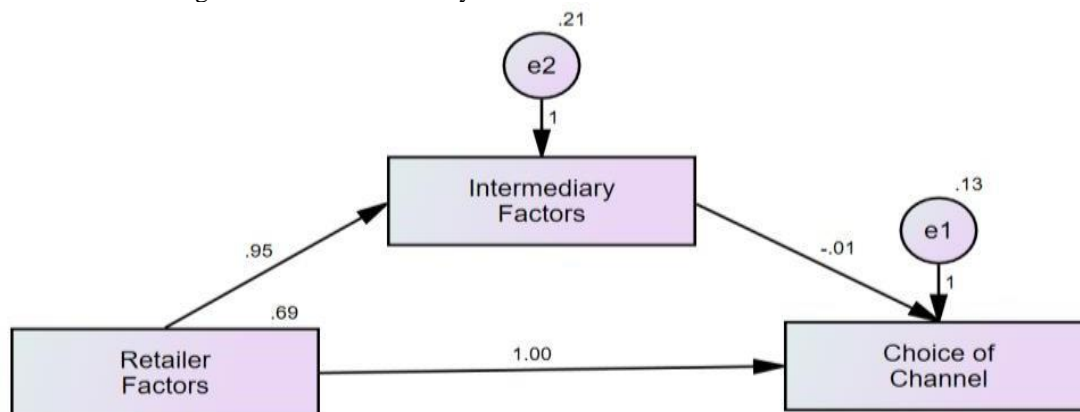
H04: There is no moderation impact of Intermediary Factors on the association between Situational factors and choice of channel selection.

Ha4: There is a moderation impact of Intermediary Factors on the association between Situational factors and choice of channel selection.

Result: It is clear from the results shown in Table, the formulated hypothesis (H04) “There is moderation impact of Intermediary Factors on the association between Situational factors and choice of channel selection” is rejected.

Moderation Effect of Intermediary Factors between Retailer Factors and Choice of Channel Selection: Moderation Analysis – Retailer Factors – Choice of Channel

Figure 6. Moderation Analysis – Retailer Factors – Choice of Channel



Source: Prepared by authors (2023)

Table 10. Regression Weights of Retailer Factors on Choice of Channel

			Estimate	C.R.	P
Inter	<---	Retail	.976	58.816	***
Chann	<---	Retail	.101	5.704	***
Chann	<---	Inter	.051	2.930	.003

Source: Prepared by authors (2023)

There is a moderating role of intermediary factors on the association between Retailer factors (Retail) and Choice of Channel selection factors (Chann) which can be determined by the results of Table It is confirmed from the analysis, that there is a less moderating effect of intermediary factors between Retailer Factors and Choice of Channel Selection. Thus, it is confirmed that there is an effect of Retailer factors on choice of channel selection.

Hypothesis:

H05: There is no moderation impact of Intermediary Factors on the association between Retailer factors and choice of channel selection.

Ha5: There is a moderation impact of Intermediary Factors on the association betweenRetailer factors and choice of channel selection.

Result: It is clear from the results shown in Table, the formulated hypothesis(H05) “There is a moderation impact of Intermediary Factors on the association between Retailer factors and choice of channel selection” is rejected.

DISCUSSION

The Intermediary Impact is there in Buying Health Plan in Relation to Channel Factors

From the channel factors high loading of Easy buying, After sales services, and Easy payment variables impacting buying health plan, but still high loading variables like Relation, and accessibility impacting buying health plan means with the easy buying process and easy payment customers can go with digital channels but still after-sales services with accessibility and relation can go with intermediary

The Intermediary Impact is there in Buying Health plan in Relation to Personnel Factors

From the Personal factors high loading from Pro-activeness, cautious, self-efficient influencing to go for digital channels but still impacting of intermediary with high loading of Relation, accessibility, easy claim process, means though the customer can able to take the decision still intermediary skills making the customer think on second thought, only digitalization cannot make sense instead keep subject matter expert in support in the buying online process

The Intermediary Impact is there in Buying Health plan in Relation to Situational Factors

The high loading of Peer influence, Economic status, and Financial Benefits are influencing channel selection but still impacting intermediaries with high loading of Relation, accessibility, and easy claim process, which means if any intermediary can show some discount on your buying product is observing,

The Intermediary Impact is there in Buying Health Plan in Relation to Retailer Factors

The high loading of Brand Name, Claim-ratio, and Prompt services are influencing channel selection but still have very less impact on an intermediary, which means insurance company brands and fact sheets are highly influenced by information

The Intermediary Impact is there in Buying Health plan in Relation to Product Factors

From the high loading of Awareness, Availability, and Uniqueness influencing channel selection but intermediary variables of Relation, accessibility, and easy claim process impacting buying health plan products means if clients are ready to go digital channels with their awareness but availability of the product also one of the important factor, recently all insurance companies extending their distribution in larger space, specifically some products are available

at some distribution only, as per channel costing companies creating unique product distributions with the unique channel, but still relation and easy claim process of intermediary impacting as making the customer to think about advisory of an intermediary.

RECOMMENDATIONS

As insurance industry is moving dynamically with upward direction in sales ,which is happening with multi distribution channels as to increase the insurance penetration which is obvious in this cut throat competition to sustain any company, have observed different segments of the customer some are interesting with digital channels and some are with traditional channels, traditional channel customer also expecting easy claim process, easy payment methods and process as well, same way digital customers expecting subject matter expert support while buying products, it is better for the penetration products should be very easy to understand with less process and terms and conditions digital channels sales can get increase and for traditional channel buyers prioritized selling with multiple payment options can make more satisfied customers, all the way most of the customers are expecting interaction with subject matter expert or intermediary means Role of intermediaries are scalable and much more recommending in the present health plan product choosing and buying as per needs of the customer. So the role of intermediaries is important it is advisable to have intermediaries online too, advising live assisting in from customer care can give good results in sales especially online channels, however off-line channels keep their importance as well with human touch So suggesting can create strategies with the integration of off-line and on-line for better strategies.

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