

# A Study on Problems and Prospects of Health Insurance Marketing in India

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## ABSTRACT

India, with its enormous populace and quickly developing white collar class has detailed fast advancement since monetary progression in the nineties. In spite of the fact that health insurance in India was presented in 1986 as Med claim by the Public Sector General Insurance organizations, there is an enormous piece of populace that doesn't get any social or administrative security against significant health consumptions and over 70% of the health spending is being met from cash based by families. The locale of Gujarat, with 33 Million populace is progressed in social markers practically identical to created nations, but on the other hand is confronting health related issues. The target of the current examination is to comprehend the range of health insurance idea among the buyers of the region of Gujarat, and factors impacting purchaser's buy choices of health insurance. The investigation distinguishes three components – individual, promoting and social, speaking to the purchaser, merchant and the business condition that impact buyer buy choices of health insurance. It utilizes review strategy utilizing organized survey and information is gathered from 245 clients from three areas of the locale . Significant discoveries incorporate buyer mindfulness levels, effect of segment factors and different components on buy choices of health insurance.

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## 1. Introduction

World Health Organization characterizes health as complete physical, mental and social prosperity and not simply the nonattendance of ailment and injury. According to WHO, a nation's health frameworks contain all the organizations, foundations and assets that are committed to create health activities. Giving health care additionally has a cost part. This is met by a few gatherings that incorporate the focal government, region government, neighborhood bodies, private or willful organizations, insurance organizations and the influenced singular himself.

India, is additionally one of only a handful hardly any nations that has a low general health spending bringing about almost seventy five percent of the costs being met from cash based by family units. With changing illness profile because of evolving ways of life, quickly expanding cost of clinical consideration and developing mindfulness, Health Insurance as a way to finance health care is relied upon to get wide acknowledgment. Post progression and globalization, Indian insurance segment is seen to be a rising zone, an extremely potential market anticipated to have a quick and steady development.

In spite of the fact that health insurance in India was presented in 1986 as Mediclaim by the Public Sector General Insurance organizations, there is a huge piece of populace that doesn't get any social or legislative security against significant health consumptions. As a matter of fact, it is seen that administration spending on health is descending. With a goal of giving health security to the sloppy part, the administration of India has propelled the health insurance plot for Below Poverty Line (BPL) families named RashtriyaSwasthyaBima Yojana, in 2008 where the focal government contributes 75 percent of the yearly premium and the area government takes a portion of 25 percent. The plan accommodates an advantage of up to INR 30,000 to all individuals secured by the plan. Post advancement of the Indian economy in 1991, a few private

insurance organizations entered the market with alluring bundles and as of 31st March 2012, there are 22 organizations, that incorporate stand 1 alone health insurance organizations, giving health insurance plan of some structure or other to the buyers. Despite the fact that this has prompted rivalry in health care insurance showcase, a generous piece of the market is yet to be genuinely focused by these organizations and we can say the health insurance business is still in early stages in India. In 1999, the Insurance Regulatory and Development Authority (IRDA) was comprised as a self-governing body to direct and build up the insurance business and compelling control component is being set up to guarantee reasonable treatment of customers.

The locale of Gujarat , rumored for its progression in health care and health awareness is confronting sure issues identified with health care that can prompt high uses for the patients. Two issues need uncommon notice: the high rate pace of way of life illnesses like diabetes, circulatory strain, kidney and heart issues that can prompt clinical entanglements and request significant expense treatment, second is the issue of episode of infectious health issues that can influence the huge populace – regardless societal position or prosperity. Further, the Gujarat society with its social advancement pattern is moving from treatment of sickness to avoidance of disease and occasional indicative checks are getting normal. Another issue is the developing matured populace. A quest for elective arrangement choices, for example, health insurance or elective health fund methodology for the region of Gujarat with regards to fast maturing is significant.

## 2. Review of Literature

The main significant investigation of shopper purchasing conduct was led by John Dewey who proposed the old style five phase model of the purchaser purchasing process in 1910. As indicated by him, the purchaser buy choice experienced five phases viz., issue or need acknowledgment, data search,

assessment of options, buy choice and post buy conduct. Nicosia fabricated a far reaching model including five modules. The encoding module incorporates determinants like "traits of the brand", "ecological components", "shopper's properties", "characteristics of the organization", and "qualities of the message". Different modules in the framework incorporate, customer deciphering, search and assessment, choice, and utilization. In 1968, Engel, Kollat and Blackwell built up the Engel-Blackwell-Miniard model, where shopper conduct has been portrayed as a choice procedure of five exercises which happen after some time: 1) inspiration and need acknowledgment 2) search or data 3) elective assessment 4) buy and 5) results. The creators perceive two altogether various methods of activity by the purchasers. One is depicted as broadened critical thinking conduct (EPS) which is described by significant levels of inclusion or potentially elevated levels of apparent hazard and the other restricted critical thinking conduct (LPS) where the shopper is working under low degrees of association or low degrees of hazard.

Another model of purchaser conduct is the Stimulus Response Theory, where showcasing and other upgrades enter the client's purchaser choice procedure delineated as "black box" and produce certain reactions. In 1991, Cohen proposed a model of purchaser buy choice, recommending promoting inputs and mental sources of info brings about customer buy choice. As per the data handling point of view, the connection between the customer and upgrades in the earth is a progressing psychological procedure in which the buyer creates convictions and perspectives towards nature. The data preparing point of view expect that the purchaser, so as to maintain a strategic distance from psychological cacophony, looks for a harmony in which there is balance between the buyer's mentalities and convictions and the genuine condition. As opposed to the data preparing point of view, different scientists suggest that buyers' full of feeling reactions, as enthusiastic reactions, ought to be remembered for the clarification of purchaser dynamic.

The effect of promoting exertion on buyer buy choices is featured by Brassington and Pettitt when they called attention to that in advertising setting, it very well may be area d that shoppers can create perspectives to any sort of item or administration, or to be sure to any part of the showcasing blend, and these mentalities will influence conduct. This is additionally brought out by Goldsmith and Lofferty, when they locale that the most impacting hypothesis in showcasing and promoting research is disposition towards-the-advertisement. In any case, the demeanor that is framed towards the promotion help in impacting shopper's mentalities toward the brand until their buy goal. Joseph region d that insurance being a topic of requesting, skill of the specialist helps in making customer certainty and buy. Purchasers of insurance oftentimes depend on the apparent skill of the operator as far as the guidance he gives. Parasuraman et al examined the administration quality measurements that contribute most essentially to pertinent quality evaluations in the conventional assistance condition. Recognizable proof of the determinants of administration quality is important so as to have the option to indicate measure, control and improve client saw administration quality. Their investigation recognized 10 itemized determinant of administration quality through center gathering contemplates: They are physical assets,

dependability, responsiveness, correspondence, get to, fitness, graciousness, believability, security, understanding/information on client. Later these ten measurements were additionally decontaminated and formed into five measurements effects, unwavering quality, responsiveness, affirmation and compassion to gauge administration quality.

Rothschild and Stiglitz broke down the enthusiasm of buyers towards the health insurance and buy choice of purchasers with respect to health insurance was likewise decided dependent on a few components. Standard insurance hypothesis predicts that insurance markets will experience the ill effects of unfavorable determination, which happens when less healthy individuals or individuals who are progressively dangerous with their health are all the more ready to buy health insurance since they realize that the sum they spend on healthcare will be bigger than the superior they will pay. According to Mikael, despite the fact that every single money related assistance have an impalpable prevailing variable, they change in their level of substantial quality as far as the shopper's capacity to get a handle on the specific help intellectually — to understand the administration rendered. On account of insurance items, it is additionally founded on the impression of dangers and need to cover the hazard that a shopper assesses the administration. Hansen thought about a few points of view in the shopper conduct and customer dynamic procedure. A few factors that structure these points of view are value, mentality, mindfulness, chance discernment and so on. The cost influenced apparent quality, which thus influenced disposition, which thusly influenced purchasing goal of the customer.

Patel in his paper commented that 'absence of buyer consciousness of where to get health insurance, what it costs and what choices exist is a basic boundary that keeps numerous individuals from getting inclusion in the individual market. The worker's impassion towards the insurance plans can be defeated at any rate somewhat through instruction endeavors and items that make LTC insurance dependent upon life and incapacity deals. Individuals, especially in helpless families, can be shielded from cataclysmic health uses by lessening a health framework's dependence on cash based installments and giving increasingly money related hazard assurance. Increment in the accessibility of health administrations is basic to improving health in helpless nations, however this methodology could raise the extent of family units confronting disastrous consumption; hazard security strategies would be particularly significant in this circumstance.

We continue with the getting that while advertising exercises make more client mindfulness and more elevated levels of purchaser mindfulness prompts more significant levels of great customer buy choices, concentrates likewise acquire directing effect on the buy choice by numerous elements identified with the buyer and the market like instruction, age, sex, pay, family status, number of ward relatives and so forth. In view of the audit of writing, we locate various components add to the procedure of customer dynamic – which can be extensively ordered in to three classifications: 1) that identifies with the individual and demographic factors relating to the shopper 2) that can be credited to the exercises started by the showcasing organization and 3) outside variables that can be ascribed to the earth like government arrangements, health care related issues, living styles of individuals, monetary

condition and so forth. In view of the investigation of writing, contributions from promoting officials of health insurance provider organizations and conversations with existing/expected buyers of health insurance, and the result from factor examination dependent on collected information, the

accompanying model, that contain three elements viz., individual, showcasing and social, speaking to the purchaser, dealer and the business condition is proposed as the elements that influence shopper buy choice in health insurance:



The Personal elements include: segment factors, attention to health insurance, demeanor towards health insurance and fulfillment towards health insurance. The factors adding to Marketing factor are the 'four P's: Product, Price, Place and Promotion and brand recognition. The Social factors that are distinguished from the examination are: social mindfulness, accessibility of plans, increment in health hazard, increasing expense of health care.

**3. Methodology**

In this unique situation, the goal of the current examination is to comprehend the range of health insurance idea among the buyers of the area of Gujarat, and factors impacting customer's buy choice.

The examination depends on customer overview utilizing an organized survey among an example of 245 people in the age bunch over 18 years. Multistage irregular testing is utilized, and reactions are taken from one get together supporters in a single locale every one of three delegate districts, south, focal and north Gujarat proportionate to the area's populace. Since the people over 18 years are qualified voters in India, the authority discretionary rundown that contains names of every enrolled voter in these three voting public is taken as the populace outline. ANOVA, Independent Sample T-Test and Regression are utilized for measurable investigation.

**Hypotheses**

In view of the perceptions from the investigation of writing and the model created, certain theory were made, which were measurably tried utilizing proper apparatuses. Mindfulness about the administration and its accessibility being pre-requirements for buy choice, the degree of mindfulness about health insurance among the example viable was estimated dependent on six variables on a self rating premise and the solidified worth taken. These components adding to mindfulness are: Awareness of organizations offering health insurance, consciousness of advantages of health insurance, attention to various plans offered by organizations, familiarity with illnesses shrouded and prohibitions in health insurance plans, consciousness of cost of health insurance inclusion and mindfulness about fundamental health insurance guarantee process.

H01: There is no huge distinction in mindfulness about health insurance among respondents of different segment gatherings.

H02: There is no huge impact of individual variables on buy choice of health insurance.

H03: There is no noteworthy impact of promoting factors on buy choice of health insurance

H04: There is no huge impact of social components on buy choice of health insurance

**Some Findings Of The Study**

1. There is an elevated level of mindfulness among purchasers about health insurance. 98.5% of the respondents educated they have normal or more degrees of information about health insurance and had the option to cite at any rate one health insurance supplier and health insurance plot. (Ref Table 1)
2. The purpose behind taking health insurance. Over 45% (111 out of 245) of the individuals overviewed were of the assessment that they are taking health insurance to meet huge uses and another 20% (48 out of 111) referred to the explanation as to shield from increasing expense of health care. This demonstrates the security against health care consumption is a significant worry among the individuals. (Ref Table 2)
3. The purpose behind not taking health insurance. The most elevated number of respondents (74 out of 245) reviewed were of the conclusion that health insurance strategies don't give return for the installments made and another 59 says that the premiums are high. A decent number, (21%), referred to the explanation 'didn't feel the need' as the purpose behind not taking health insurance strategy. (Ref Table 3)
4. Higher age bunch shoppers take more health insurance. An investigation of the age profile of purchasers show that over 75% of arrangements are taken by individuals from the age bunch over 40 years. The more youthful age bunches are hesitant to take health insurance strategy.

**4. Results and Discussion:**

Testing of Hypothesis 1, for various segment factors give blended outcomes. (Ref Tables 4, 5). An investigation of the distinction in significant variables of mindfulness across segment bunches shows that:

1. There is no critical contrast in mindfulness across areas, salary gatherings and region.

2. Between age gatherings, there is noteworthy distinction in mindfulness other than in familiarity with organizations.
3. Across instruction gatherings, critical distinction isn't there in mindfulness aside from about case process
4. Among wedded and unmarried individuals there isn't a lot of noteworthy distinction aside from in familiarity with plans
5. Between respondents of various sexual orientations, critical distinction in mindfulness is accounted for in familiarity with organizations, cost of inclusion, rejections of diseases from inclusion and guarantee process.

Investigation of the test consequences of speculations 2, 3 and 4 show that: (Ref Table 6)

1. Segment factors that are found to have critical effect on health insurance buy choice are age and conjugal status. The individual elements, attention to health insurance, demeanor towards health insurance and fulfillment towards health insurance are found to have huge impact.
2. Among the promoting factors, publicizing, cost and shopper's impression of brand are found to have critical impact while the impact of other showcasing blend parts isn't discovered huge.
3. Among the social variables, rising social mindfulness on health care, accessibility of reasonable health insurance plans and increasing expense of health care are found to have critical impact.

## 5. Marketing Implications

1. The perception from the finding that the age of the respondent is a huge factor and that the more youthful age bunch isn't receiving the idea of health insurance are of worry as this gathering while at the same time making sure about their health consumption by insurance can be a counter to unfriendly determination for the advertiser. What's more, to the safeguarded, it can give assurance from any untoward circumstance at lower cost.
2. As it is seen that marriage and family status changes the disposition towards health insurance, the

gathering of recently wedded can be an objective fragment.

3. Buyer mindfulness isn't high in the zones of plans offered and advantages to buyers of health insurance and simultaneously ads are viewed as the most significant wellspring of data, promotions featuring the plans and advantages can add to development of business.
4. Purchaser mentality toward health insurance is seen as significant. Positive activities as straightforward dealings, early and reasonable settlement of cases, evasion of fakes, appropriate data and so forth will add to make inspirational mentality among customers.
5. Customer fulfillment is a territory that has noteworthy effect on the shopper buy choice. This fulfillment is seen as coming about because of reactions to inquiries, simplicity of guarantee procedure and settlement of cases. Subsequently, it will be beneficial to guarantee the administrations gave in these territories are consistently improved to meet the ever-developing purchaser desires for better help. This is even more significant since verbal correspondence is found to have impact in dynamic on acquisition of health insurance.
6. Brand picture and shopper's trust in specialist co-op are significant in impacting customer buy choice and ought to be a center region for the advertisers.
7. Increasing expense of health care is a worry territory for the customer. How this hazard can be relieved successfully through health insurance should be passed on to the shopper. Correspondence through media, medical clinic offices, leaflets and web can be thought of.

## 6. Conclusion

By the examination, it is relied upon to comprehend the degree of consciousness of buyers about health insurance and the job individual, advertising and social natural components have in impacting buy choice. The perceptions can likewise be of pertinence to administrative organizations that are associated with augmenting the health insurance inclusion in the nation.

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