

Tracking the Digital influence on Health and Motor insurance



Google

ICICI Lombard
Nibhaye Vaade

India at a glance



600 mn
below 25 years

200 mn
English speakers

302 mn
Internet users

25%
Internet Penetration

55 mn
Installed PCs

900 mn
Mobile Sub

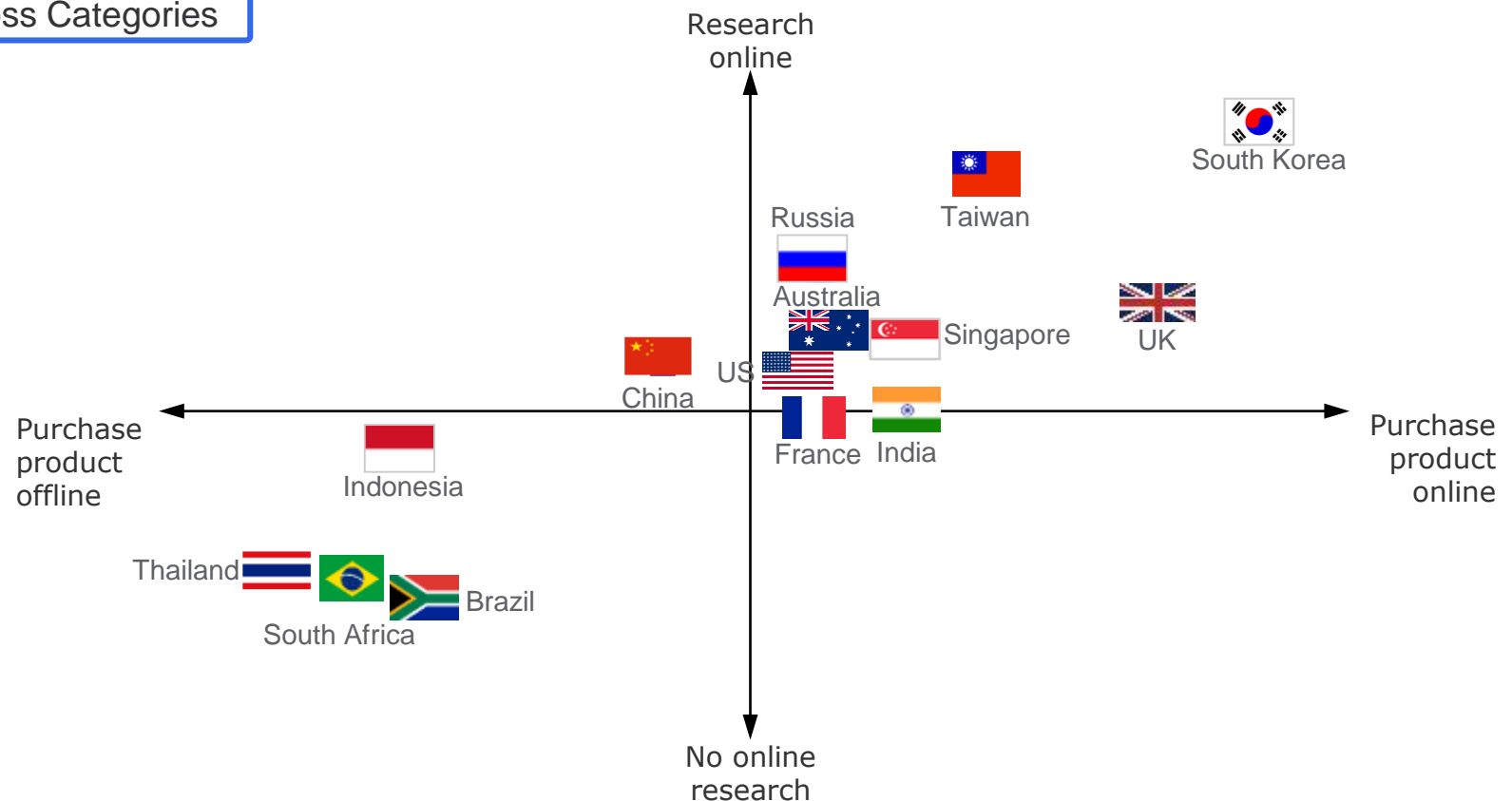
\$5bn
eRetail

120 mn
Smartphones

As markets develop, users both research and buy online

Relationship between research online and purchase online

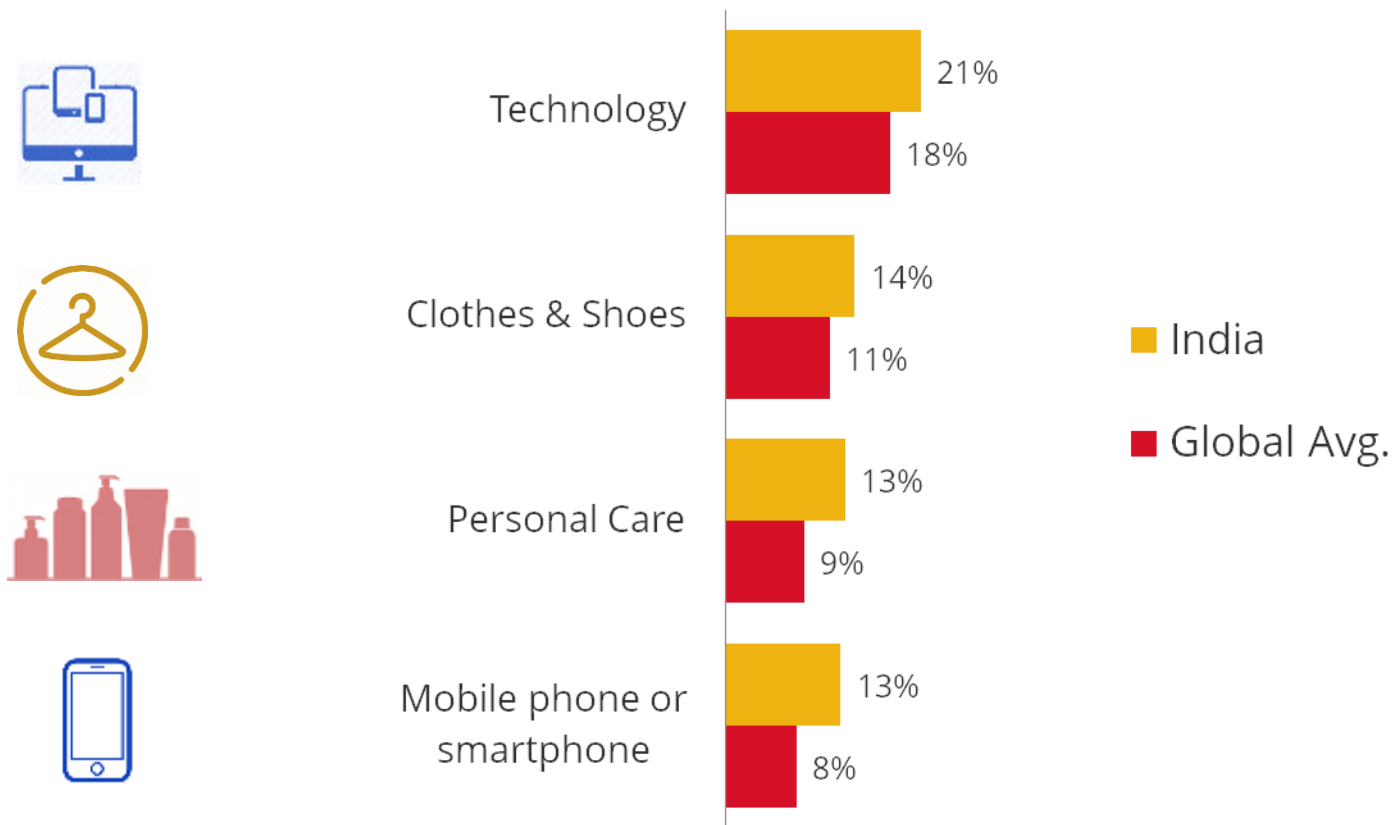
Across Categories



Source: TNS Connected Life 2014 India & Global Report

India is ahead on online purchase across categories

Online Purchase in various categories



Source: TNS Connected Life 2014 India & Global Report; Q E3: The last time you purchased each product, was the purchase made online or offline? Base: n=1658 (India); n=54774 (global)

The Internet of Insurance Is Online Insurance

a Niche phenomenon?



a Youth phenomenon?



a Metro phenomenon?



a Large screen phenomenon?



a Pricing game alone?

Target group & Sample coverage

We spoke to: Active Internet users

Aged 25-55 years

- 25-35 yrs. - 42%
- 36-45 yrs. - 34%
- 46-55 yrs. - 24%

SEC A & B

- SEC A - 69%
- SEC B - 31%

Sample Size covered: 3007

- Health Insurance - 1454
- Motor Insurance - 1553

📍 Metro (5)

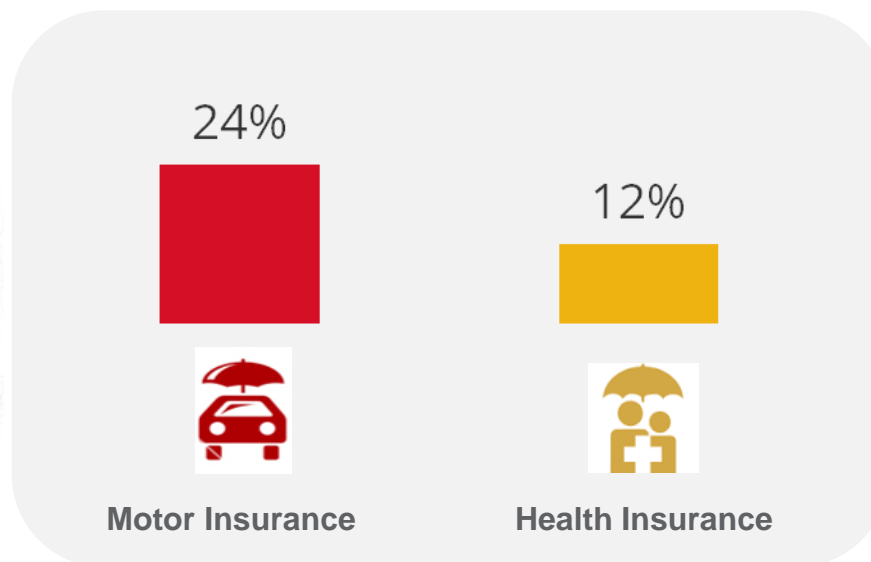
📍 Tier-I (13)



Note: Active Internet users defined as users accessing Internet at least once a week and have performed at least one eCommerce transaction

Online purchase gaining traction for insurance purchase

% of respondents who purchased/renewed insurance online



Modes of payment



Debit/ Credit card

43%



Internet Banking

43%



EMI on Credit card

14%

Source: Google-ICICI Lombard-TNS India Insurance Research; Q: Please let us know how did you do the final transaction for purchasing/renewing the health/motor insurance? Sample: Health n=1036; Motor n=1553. Q: What was the mode of payment while purchasing/renewing your health/motor insurance? Sample: All those who have purchased/renewed insurance through **online modes** in the last three months n=343

Online customers more evolved when buying Health Insurance

Purchase behavior



Online customers opted for family floater 25% more often compared to offline customers

Renewal behavior



Customers who bought Health insurance online displayed 35% higher propensity to renew their policy in the second year

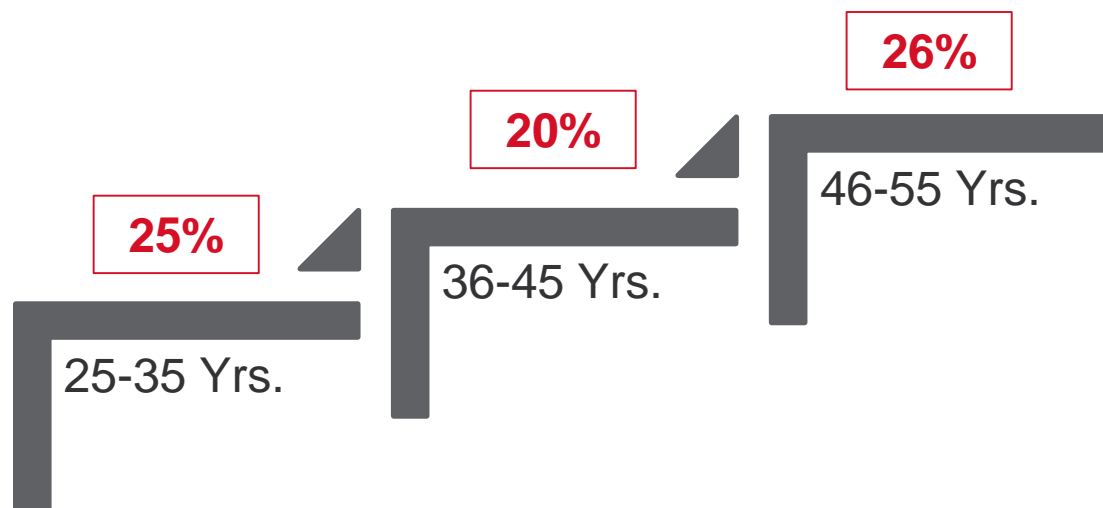
Online motor insurance prevalent across age groups

“Ease of purchase” and “convenience” – key drivers for online Motor insurance

% of respondents who purchased/renewed insurance online



Motor Insurance



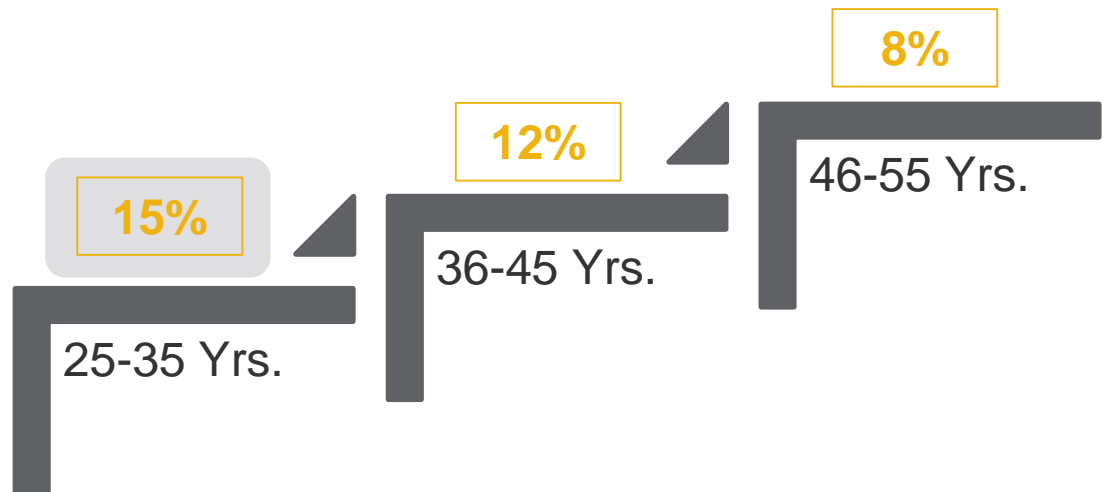
3 out of 4 customers of ICICI Lombard purchasing motor insurance online are < 45 years

First time buyers more prone to buying / renewing health insurance online

% of respondents who purchased/renewed insurance online

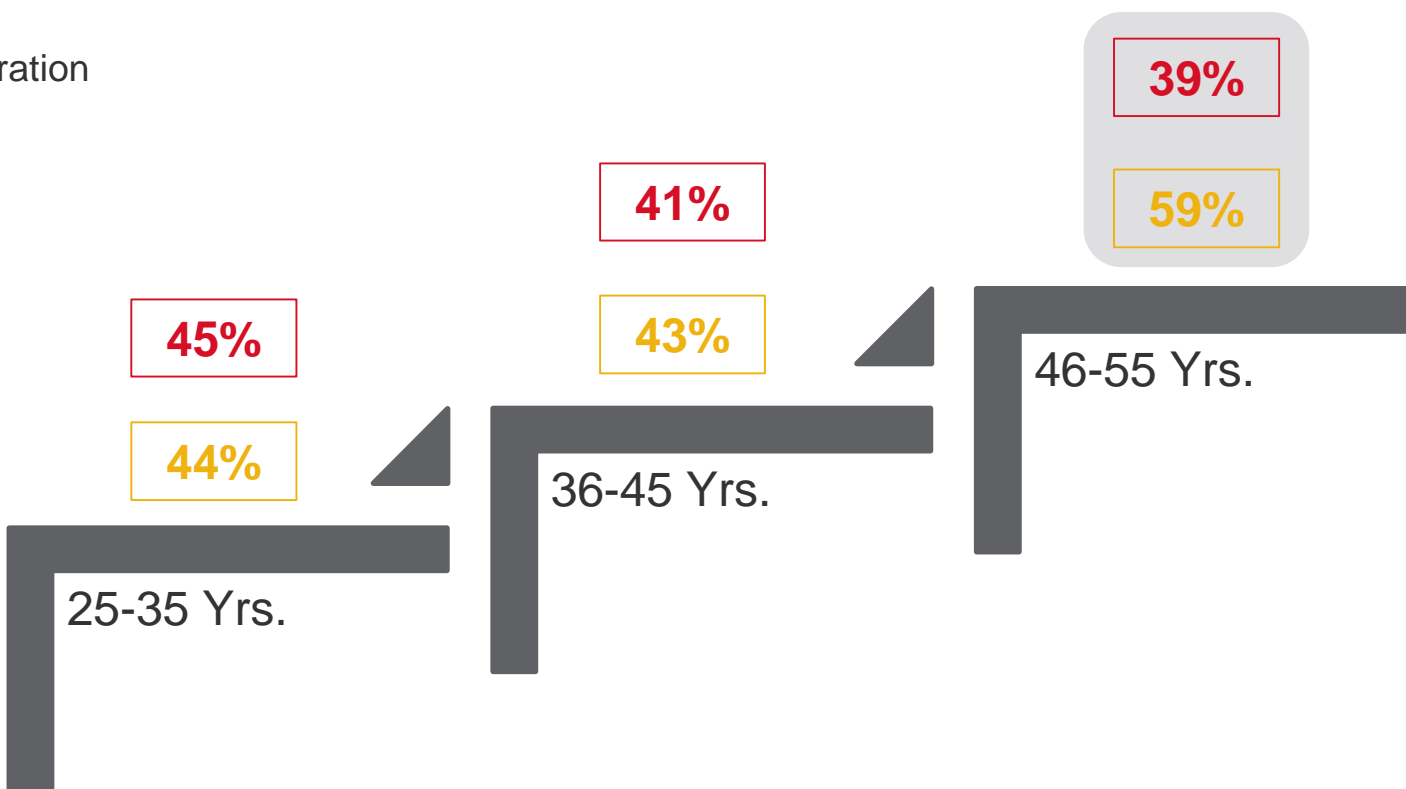


Health Insurance



Future Positive - Older segment willing to migrate online

Offline to Online migration



The Internet has percolated deep into India

% respondents who had gone Online at any stage of research/ evaluation/ purchase



Metro

85%



Non-Metro

82%

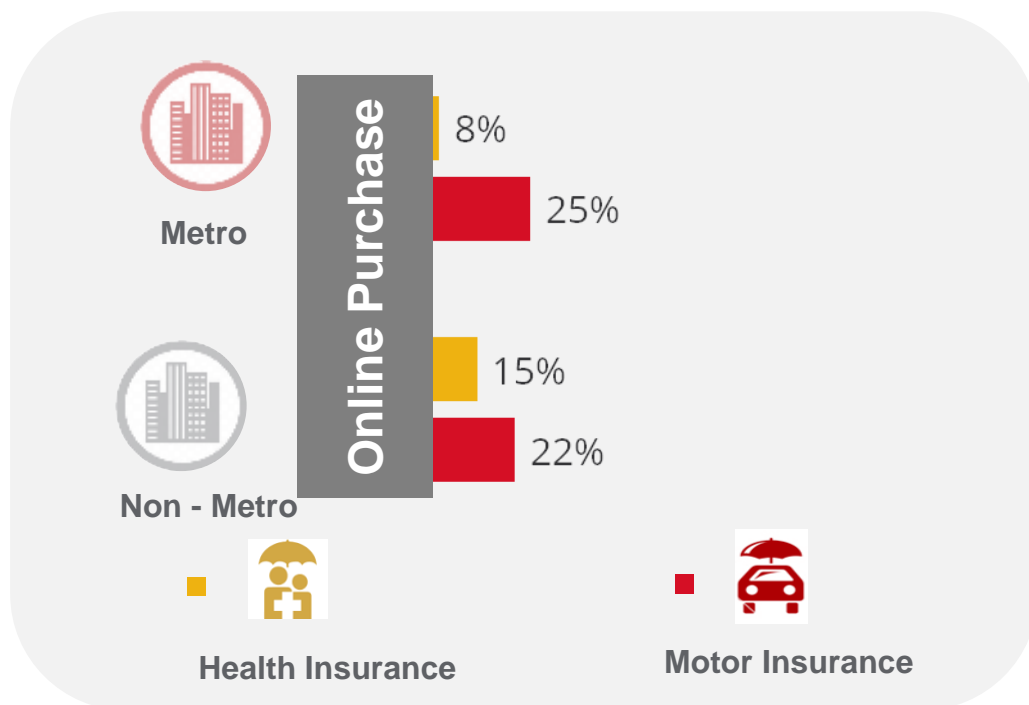
Going online

Insurance (Health & Motor)

Non-Metros at par with Metros on Online purchase

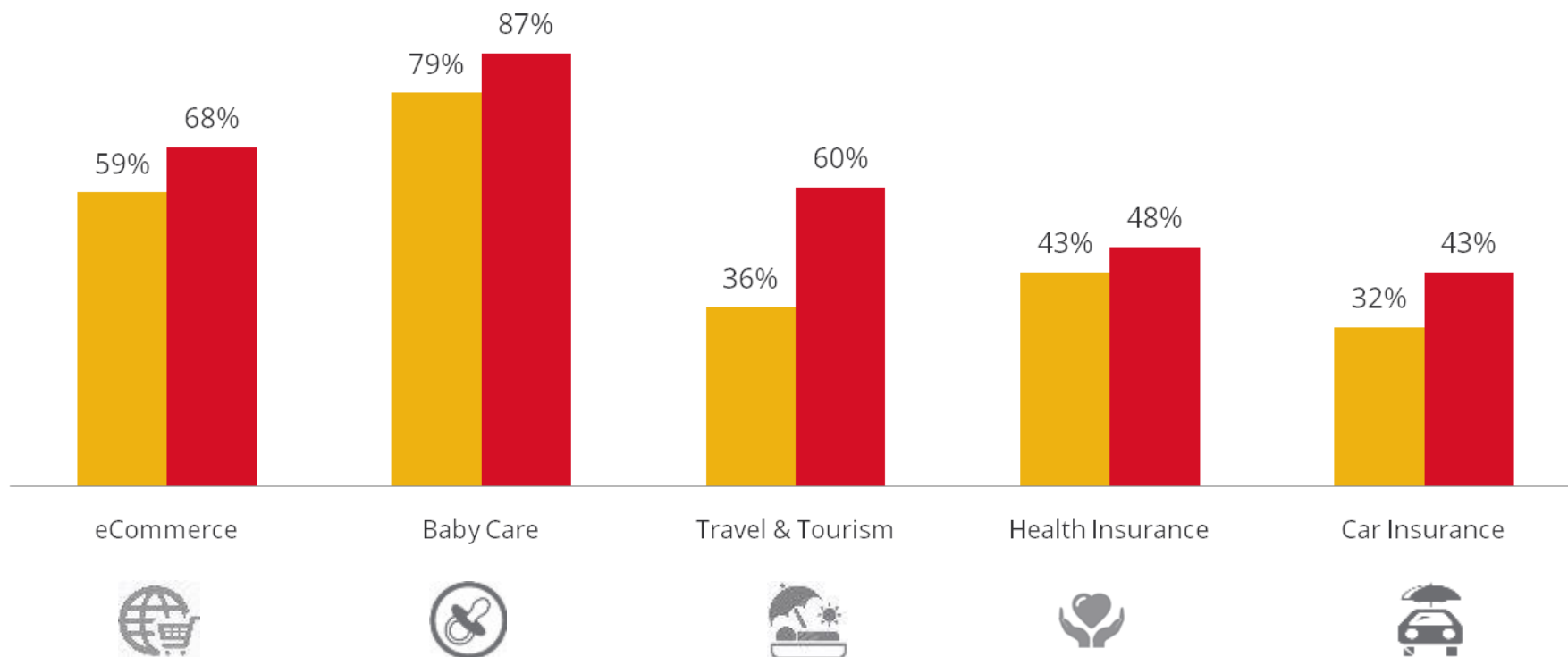
More respondents in non-metros purchased/renewed health insurance online compared to metro customers

% of respondents who purchased/renewed online



...and are growing faster than Metros

■ Metros ■ Non-Metros*

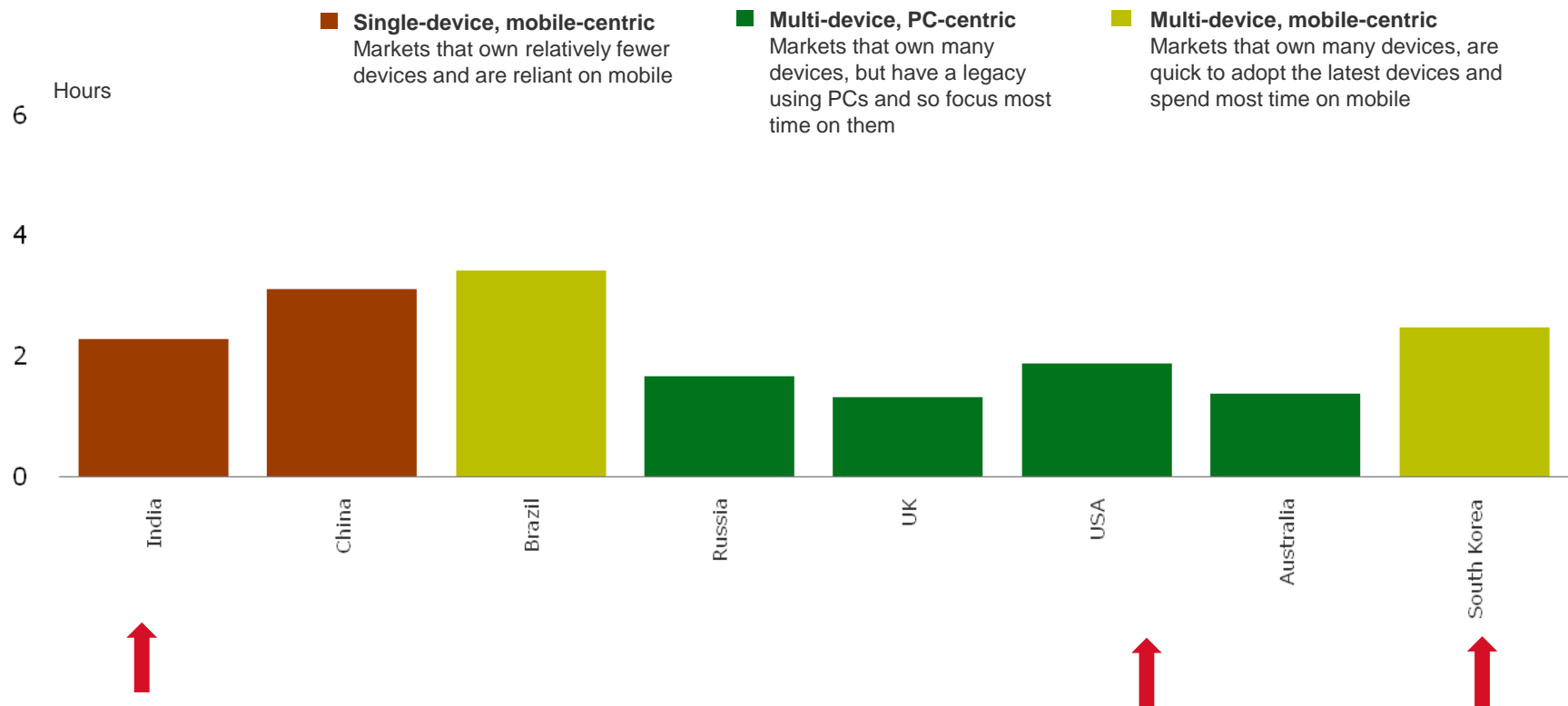


*Considering 18 cities covered as part of the Survey

We are living in a mobile-centric world

The least and most (digitally) advanced markets spend most time on mobile; 60% of Indian Internet users access Internet using Mobile devices currently

Daily time spent on mobile/PC (hours)



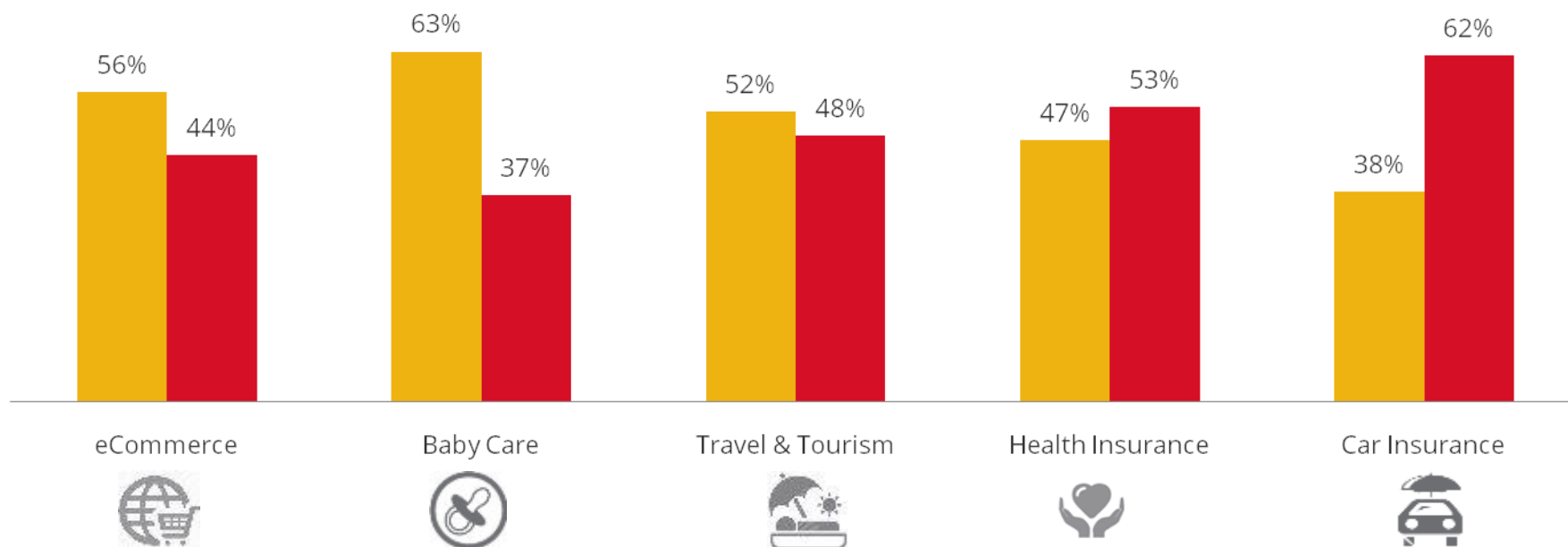
Source: TNS Connected Life 2014 India & Global Report; IMAI-IMRB Report "Mobile Internet in India 2014"

Big shift to Mobile has already happened across several categories

Health Insurance already commanding ~50% queries through Mobile

Queries from Mobile Vs. Desktop across sectors

■ Mobile ■ Desktops



*Mobile includes non-smartphone devices as well

Source: Google Search Queries data for India in 2014

Screen size doesn't matter

Insurance customers in India are equally comfortable researching and transacting on Desktops and Mobile devices

Devices used to access internet



80%



85%

Activities conducted online on respective devices



Health Insurance



Desktop/Laptop



Mobile/Tablet

81%

73%

74%

65%



Motor Insurance



Desktop/Laptop



Mobile/Tablet

75%

71%

69%

67%

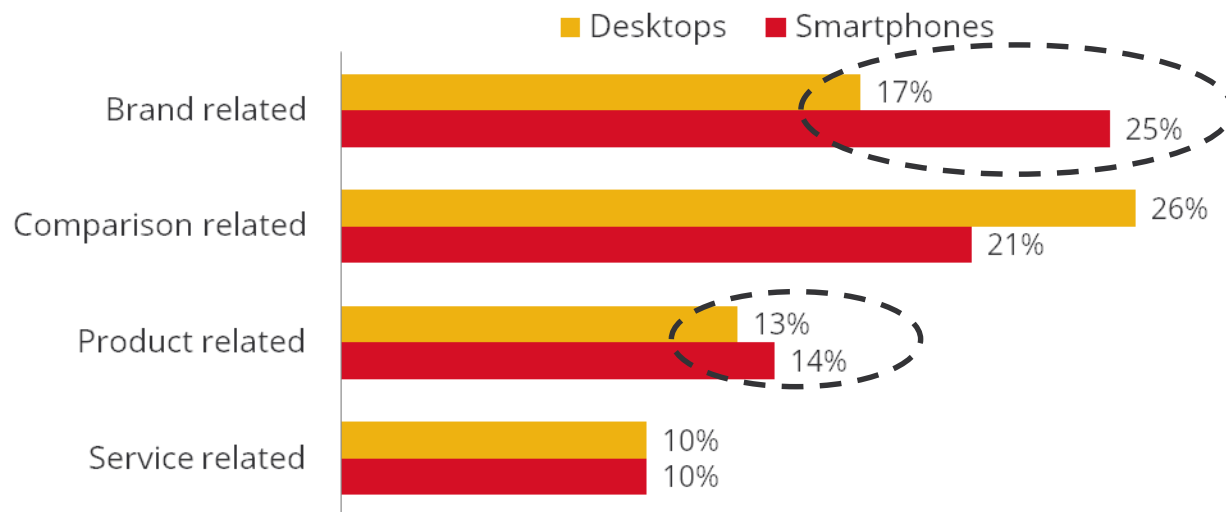
Using search engine to know about health/ motor insurance

Visiting insurance company websites to know features, price etc.



Mobile is the go-to instrument for customers **in the market** for Insurance purchase

More Brand and Product related search queries on Mobile vs. Desktops



Devices used vs. mode of final transactions

Desktop/Laptops + Mobile

Mobile only

Desktop/Laptops only

Online

13%

12%

4%

Offline

87%

88%

96%

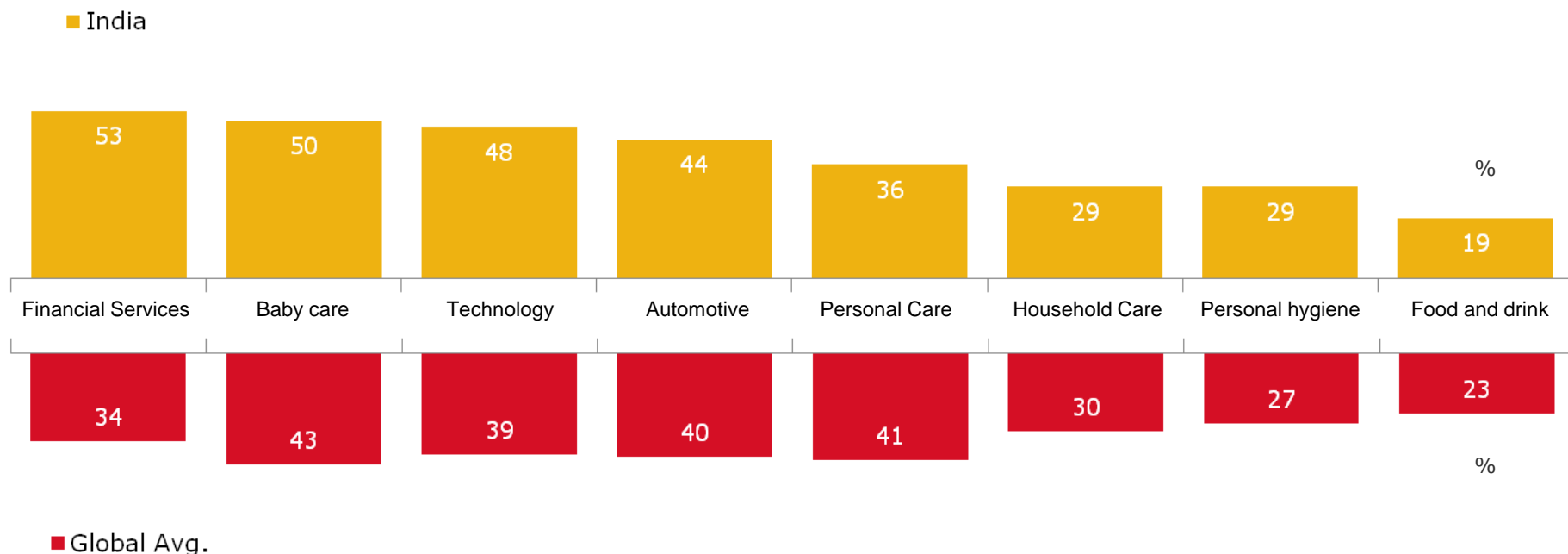
Source: Google Search Data for Health and Motor Insurance in 2014

Q: Please let us know how did you do the final transaction for purchasing/renewing the health/motor insurance? Sample: All those who have purchased/renewed insurance through **online modes** in the last three months n=343

Indian Internet users more willing to engage with brands

Higher willingness to engage with Financial Services brands against Global average

Willingness of users to engage with brands across categories

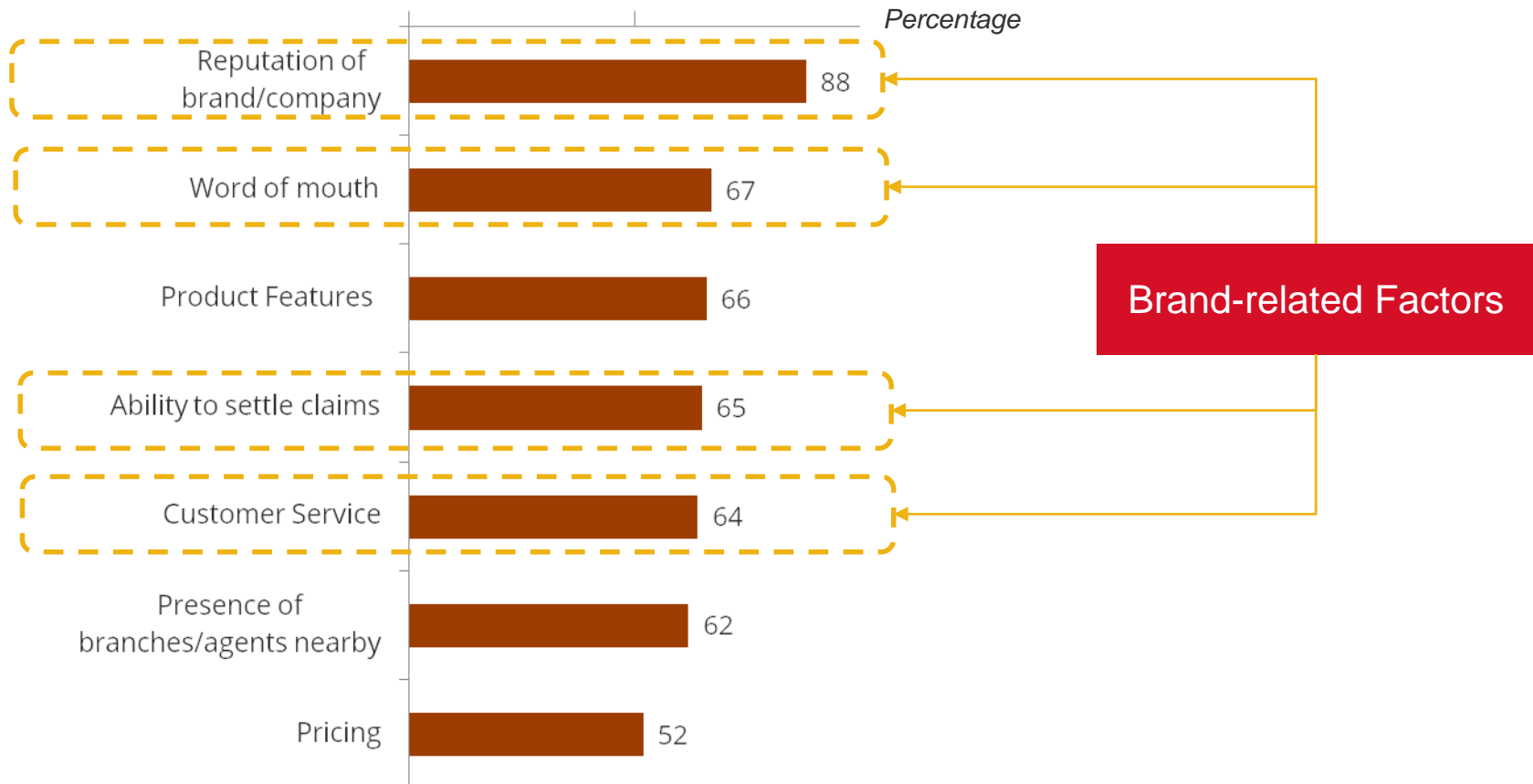


C6. Categories willing to engage with brands

India Base: Category purchasers (1,658) | Baby care (451) | Personal care (810) | Automotive (311) | Technology (944) | Financial services (362) | Household care (425) | Personal hygiene (1,005) | Food and drink (755) |

Source: TNS Connected Life 2014 India & Global Report

‘Brand’ - the most important factor for Insurance purchase



Source: Google-ICICI Lombard-TNS India Insurance Research; Q: What are the key factors on which people decide on which Insurance to buy? Sample: All First time purchasers n=868

Personal contact with agents and better post sales service- key reasons for not transacting online

Key Obstacles that Insurers need to remove for online migration

	 Health Insurance
Difficult to get query resolved	37%
Agents provide better post sales service than internet; particularly claim and policy receipt	31%
Need assistance in choosing right health insurance	29%
	 Motor Insurance
Difficult to get query resolved	38%
Agents provide better post sales service than internet; particularly claim and policy receipt	31%
No personal contact point to ask query, if required	31%

Non-life insurance riding the Internet wave...

- ✓ **Internet no bar**- 1 in 4 Internet users buying Motor Insurance online;
Online HI customers show 35% higher propensity to renew
- ✓ **Age no bar**- consistent behaviour across age-groups, 25-45 age groups form major Insurance segments transacting online
- ✓ **Geo no bar**- Non-metros show higher interest in Insurance purchase online;
growing faster vs. Metros
- ✓ **Screen no bar**- Online insurance is a multi-screen phenomenon; 85% Insurance customers access Internet through Mobile
- ✓ **Price no bar**- Brand most important factor for online Insurance transactions;
4 out of 5 top factors influencing online Insurance purchase related to Brand

Thank you