Consumer's Perception Towards Personalized Marketing in Health Insurance

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Abstract
Traditional marketing focuses on broad customer segments, but advancements in technology have led to a complete shift towards personalised marketing, which focuses on individual customers according to their requirements and preferences. Personalised marketing is a digital marketing innovation that has become increasingly common in the health insurance sector owing to advancements in data analytics and digital communication. This study aims to explore consumers' perceptions of personalised marketing practices in the health insurance sector, focusing on awareness, trust, and willingness to share personal data. This study examines the key factors affecting the acceptance of personalised marketing, including data privacy and transparency. Data were collected using a structured questionnaire and analysed. The research methodology employed in this study includes percentage analysis, Garrett ranking, and chi-square test. The study revealed that consumers have a positive attitude towards personalised marketing and are willing to share personal information, such as medical history and lifestyle habits, with insurers they trust. This trust is built on factors such as transparency, privacy policies, authenticity, and the insurer's reputation. It is suggested that consumer trust and loyalty depend on how effectively these innovations address concerns related to data security and ethical use in the health insurance sector.

Keywords: Personalised Marketing, Consumer Perception, Digital Marketing Innovation, Privacy Concerns, Health Insurance, and Data Analytics

Introduction

In the rapidly evolving digital world, consumer expectations have changed significantly. Although traditional advertising and marketing strategies are still relevant, they are no longer sufficient to meet the demands of modern consumers. Consumers now anticipate personalised, timely, and relevant interactions that connect with their preferences and needs. This change underscores the necessity for businesses to adapt their marketing approaches to stay competitive and foster meaningful customer relationships. Personalised marketing is a marketing approach that enables marketers to customise messages and experiences for individual customers based on their preferences. Personalised marketing has emerged as an important strategy in the health insurance sector, which changes the approach of insurers towards consumers. This approach supports data analytics and digital communication to modify offerings and enhance customer satisfaction and loyalty. Advancements in technology have enabled insurers to collect and analyse large amounts of consumer data, facilitating the creation of personalised marketing strategies. These strategies aim to provide relevant content, offers,

and communications related to individual consumers, thereby improving their engagement and retention rates. Consumers are aware of the amount of personal data collected and are concerned about its potential misuse. Transparency, control, and trust are essential factors for mitigating these concerns and promoting the acceptance of personalised marketing strategies. Understanding consumers perceptions of personalised marketing is crucial for health insurers aiming to implement effective and ethical marketing strategies. This study seeks to explore these perceptions, focusing on the balance between personalisation and privacy and how these perceptions influence consumer behaviour and decision-making in the health insurance sector. The research gap highlighted in this study is that many studies have focused on personalised marketing but do not concentrate on the depth of personalisation, particularly in sensitive domains such as health insurance. Trust and data sensitivity are significant in health insurance. Personalisation can enhance relevance and engagement; however, excessive personalisation can lead to discomfort, privacy concerns, and mistrust. The present study fills this gap by investigating consumer perceptions of different levels of personalisation in health insurance marketing. It also focuses on the optimal level of personalisation that helps insurers design refined, ethical, and consumer-friendly personalisation strategies.

The Objectives of this Study are as follows
- To explore consumer awareness of personalised marketing in the health insurance sector.
- To identify the factors influencing consumers trust in personalised health insurance marketing strategies.
- To analyse consumers' perceptions of personalised marketing.

Review of Literature

Shubhrit Awasthi and Dr Prakash Mishra (2024) 18 studied "Consumer perception of digital marketing strategies in the health insurance industry" and found that age, occupation, monthly income, and education level are crucial demographic variables influencing consumer attitudes towards digital marketing strategies in the health insurance industry. The study also explored that personalised customer service experiences and strategic engagement are key to enhancing the consumer experience and conversion.

Arthana. P and Dr. Jisha Vijay (2023) 22 conducted research on "Consumer Perception of Personalized Marketing and how it Affects the Consumer Purchase Decision-Making Process". The study found that privacy concerns and past experiences affect the consumer purchase decision-making process. Transparency plays an important role in fostering trust among consumers in personalised marketing strategies. The study also explored that consumers have a positive perception of personalised marketing, and it saves time and effort by providing tailored messages and offers to match their interests and needs.

Manu Sharma and Dr. Mohan Lal Dhaka (2022) 14 studied "Impact of personalized marketing on consumer buying behaviour" and found that the consumers respond more positively to relevant and individualized content, leading to significantly higher consumer engagement and conversion rates. This study also explored the challenges associated with implementing personalised marketing, such as privacy concerns and data management issues.

Lee, S.H., and Kim, H.S (2019) 10 in the study "Personalized marketing and consumer purchase intention: The mediating role of perceived usefulness and perceived ease of use" revealed that personalized marketing positively influences purchase intention, with perceived usefulness and perceived ease of use acting as intermediaries in this relationship.

Li, H., and Huang, L (2017) 12 conducted research on "Personalized advertising and its influence on consumer buying behaviour". The study found that personalised advertising, tailored to individual preferences, significantly increased purchase likelihood and conversion rates.

Dawn Suman Kumar (2014) 3, in the study "Personalized Marketing: Concepts and Framework" stated the concept of personalised marketing and its development for the enhancement of competitive advantage. The study also mapped out a model to show the importance of information technology in the development of personalised marketing to provide better services to customers.

Significance of the Study

Understanding consumers' perceptions of personalised marketing is important for health

insurers aiming to implement effective and ethical marketing strategies. This study seeks to explore these perceptions, focusing on the balance between personalization and privacy, and how these perceptions influence consumer behaviour and decision-making in the health insurance sector.

Hypotheses

H_1: There is no significant association between educational qualifications and awareness of personalised marketing in health insurance.

H_2: There is no significant association between educational qualifications and the factors influencing the level of trust in health insurance providers.

H_3: There is no significant association between gender and agreement towards sharing personal data.

Research Methodology

This study adopts an analytical research method to analyse consumers' perceptions of personalised marketing in health insurance. The sampling method adopted in this study was a convenient sampling method. The primary data required for the study were collected using a structured questionnaire. The questionnaire was distributed to 180 respondents, but only 130 were received. After studying the data, 32 incomplete questionnaires were removed from the study. Finally, 98 respondents were included in the study. The geographical focus of this study is Udumalpet Taluk in Tirupur District. Percentage analysis, Garrett ranking, and chi-square test were the statistical tools used to analyse the data.

Data Analysis and Interpretation

Table 1 Socio - Demographic Profile of the Respondents

Variables	Classification	Percentage
Age	Less than 20 Years	2
	21 - 40 years	70.41
	41 - 60 years	19.39
	Above 60 years	8.2
Gender	Male	30.61
	Female	69.39
Educational qualification	Up to school	10.20
	Undergraduate	46.94
	Postgraduate	42.86
Occupation	Business	16.3
	Salaried	37.8
	Professional	13.3
	Retired	4
	Agriculturist	13.3
	Home maker	15.3
Monthly income	Less than Rs.10000	40.8
	Rs.10001 - Rs.20000	20.4
	Rs.20001 - Rs.30000	15.3
	Above Rs.30000	23.5
Place of residence	Rural	75.51
	Urban	24.49

Source: Primary Data

It is interpreted that 70.41 percent of the respondents were in the age group of 21–40 years, 69.39 percent of the respondents were female, 46.94 percent of the respondents were undergraduates, 37.76 percent of the respondents were salaried, 40.82 percent of the respondents monthly income was less than Rs.10000 and 75.51 percent of respondents dwell in rural areas.

Table 2 Awareness about personalized marketing in Health Insurance

Level of awareness	No of Respondents	Percentage of Respondents
Highly aware	14	14.29
Aware	72	73.47
Neutral	12	12.24
Unaware	0	0
Highly unaware	0	0
Total	**98**	**100**

Source: Primary Data

It is inferred that 73.47 percent of the respondents were aware of personalised marketing in health insurance and 14.29 percent of the respondents were highly aware of personalised marketing in health insurance.

Awareness about personalized marketing in Health Insurance

Table 3 Personalized Messages and Offers from Health Insurance Companies

Opinion	No of Respondents	Percentage of Respondents
Yes	63	64.3
No	35	35.7
Total	**98**	**100**

Source: Primary Data

Most respondents (64.29 percent) received personalised messages and offers from health insurance companies.

Table 4 Agreement towards sharing personal data

Extent of agreement	No of Respondents	Percentage of Respondents
Strongly agree	10	10.20
Agree	69	70.41
Neutral	18	18.37
Disagree	1	1.02
Strongly disagree	0	0
Total	**98**	**100**

Source: Primary Data

It is inferred that 70.41 percent of the respondents agreed to share personal data, 10.20 percent of the respondents strongly agreed to share personal data, and 1.02 percent of the respondents disagreed to share personal data.
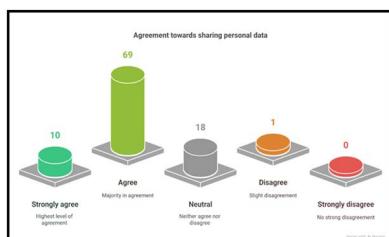

Table 5 Nature of Personal Data Shared with the Insurer

Nature of data	Number of Responses	Percentage of Responses
Age and gender	92	93.88
Income	49	50
Location	85	86.73
Fitness tracker or wearable data	69	70.41
Medical history	58	59.18
Lifestyle habits	67	68.37

Source: Primary Data

The above analysis reveals the respondents' willingness to share personal data with insurers for personalised marketing. It was found that 93.88 percent of respondents were willing to share data related to age and gender, 86.73 percent of respondents were willing to share location, 70.41 percent of respondents were willing to share their fitness tracker, 68.37 percent of respondents were willing to share lifestyle habits, 59.18 percent of respondents were willing to share medical history, and 50 percent of respondents were willing to share data related to income with the insurer.

Table 6 Level of Trust with the Health Insurance Providers

Level of trust	No of Respondents	Percentage of Respondents
Completely Trust	31	31.63
Somewhat Trust	59	60.20
Neutral	7	7.14
Somewhat distrust	1	1.02
Do not trust at all	0	0
Total	**98**	**100**

Source: Primary Data

It was found that 60.20 percent of the respondents somewhat trusted the health insurance provider and 31.63 percent of the respondents completely trusted the health insurance provider to share their personal data.
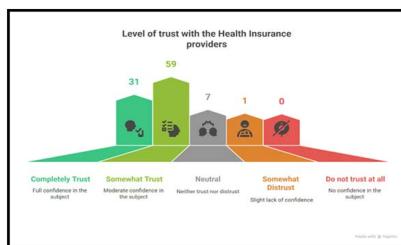
The above analysis reveals that 95.92 percent of the respondents trust health insurance providers due to clear privacy policies and transparency about data usage.

Table 7 Factors Influencing Level of Trust with the Health Insurance Providers

Factors	Number of Responses	Percentage of Responses
Clear privacy policies	94	95.92
Freedom to choose	82	83.67
Transparency about data use	88	89.80
Authenticity of medium of approach	47	47.96
Reputable brand	66	67.35
Positive past experiences	79	80.61

Source: Primary data

Table 8 Channels preferred for personalized marketing

Garrett Ranking							
Channels	1*75	2*60	3*50	4*40	5*24	Total	Mean score	Garrett ranking
Email	3825	720	500	760	144	5949	60.70	2
SMS	1950	3660	150	280	24	6064	61.88	1
Mobile app notifications	675	720	2650	960	0	5005	51.07	4
Social media	1125	600	350	720	1152	3947	40.28	5
Phone call	1875	1080	950	720	432	5057	51.60	3

Source: Primary Data

The Garrett ranking analysis revealed that majority of the respondents preferred SMS for personalized marketing (mean score: 61.88) followed by email (mean score: 60.70.).

More than half of the respondents (53.06) opined that personalised marketing influenced the selection and retention of health insurance providers.

Table 9 Influence of Personalized Marketing on Selection and Retention of Health Insurance Provider

Opinion	No of Respondents	% of Respondents
Yes	52	53.06
No	16	16.33
Not Sure	30	30.61
Total	98	100

Source: Primary Data

Table 10 Consumers Perception Towards Personalized Marketing in Health Insurance

Statements	Extent of Agreement					Total Score	Rank
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree		
	5	4	3	2	1		
Relevant insurance options tailored to an individual needs	70	25	3	0	0	459	1
Enhanced customer engagement	43	50	5	0	0	430	2
Leads to increased satisfaction	49	32	17	0	0	424	5
Trust building and loyalty	44	43	11	0	0	425	4
Better value perception	31	56	11	0	0	412	6
Improved risk management	23	63	12	0	0	403	7
Efficient customer service	47	39	12	0	0	427	3
Concerned about the privacy issues	17	70	11	0	0	398	8
Concerns about manipulating minds	16	71	11	0	0	397	9
Risk of over-personalisation	13	75	10	0	0	395	10
Total	353	524	103	0	0	4170	

Source: Primary Data

Majority of the respondents felt that service providers offer "Relevant insurance options tailored to an individual needs" and there is a "Risk of over-personalisation" in personalised marketing in the health insurance sector.

Table 11 Results of Hypotheses Testing

Hypotheses	Chi-square test		Degrees of freedom	Result
	Calculated value	Table Value		
H_{01}: Educational qualification and awareness about personalised marketing in health insurance	15.826	9.49	4	Rejected
H_{02}: Educational qualification and the factors influencing level of trust with the health insurance providers	23.726	33.92	22	Accepted
H_{03}: Gender and agreement towards sharing personal data	10.989	7.81	3	Rejected

From the results of the hypotheses testing, it is clear that there is significant association between educational qualification and awareness about personalised marketing in health insurance, gender and agreement towards sharing personal data. It is also clear that there is no significant association between educational qualification and the factors influencing level of trust with the health insurance providers.

Findings

The findings of this study are as follows:

- More than three-fourths of the respondents (73.47 percent) were aware of personalised marketing in health insurance.
- Most of the respondents (64.29 percent) received personalized messages and offers from health insurance companies.
- The majority of respondents (93.88 percent) were willing to share their personal data, such as age and gender, and only a small percentage were willing to share income details with the insurer for personalised marketing.
- Most (60.20 percent) of the respondents somewhat trusted health insurance providers to share personal data.
- Most respondents (95.92 percent) trusted

- personalised health insurance marketing because of clear privacy policies.
- The majority of respondents preferred SMS for personalised marketing.
- More than half of the respondents (53.06) opined that personalized marketing influenced the selection and retention of health insurance provider.
- Majority of the respondents felt that service providers offer "Relevant insurance options tailored to an individual needs" and there is a "Risk of over-personalisation" in personalised marketing in the health insurance sector.

Suggestions

Service providers must devise clear privacy policies to ensure consumer trust in personalised marketing in the health insurance sector. Future studies should focus on how transparency and consent impact consumer trust in personalised health insurance marketing.

Over-personalisation could be averted with personalised messages which are relevant, timely, and offer meaningful value to the consumer. Further studies can explore the impact of over-personalisation on consumer trust and perception.

Address potential concerns regarding psychological manipulation by ensuring that personalised marketing remains ethical and transparent. This includes communicating the collection and usage of data, offering choices, avoiding manipulative messages, and providing information to consumers to make decisions about their health insurance options.

Future studies could compare rural and urban consumer perceptions understand how these factors influence the acceptance of personalised marketing in health insurance.

Further research can explore how insurance providers and agents perceive and implement personalisation in the health insurance industry.

Conclusion

Personalised marketing has emerged as a transformative innovation in the health insurance sector, propelled by advancements in data analytics and digital communication technologies. By harnessing these tools, insurers can tailor their offerings to meet the unique needs of individual clients, thereby enhancing customer engagement and satisfaction. The study concludes that personalised marketing in health insurance can significantly enhance client engagement and satisfaction. The limitations of this study are that the geographical area is confined to Udumalpet Taluk of Tirupur District, which limits the generalisability of the findings. The sample size and sampling technique used in this study may affect the representativeness of the sample. The future scope is that the research can be extended to other geographical locations, and it can also employ probability sampling techniques to enhance the sample representativeness. There is also scope for further research to assess how AI tools and big data analytics used in personalised marketing messages affect consumer behaviour and satisfaction. Future research can explore how consumer perceptions vary across different demographic segments, such as age, gender, educational qualification, income, and health status. The study should also examine how these factors influence acceptance, trust, and engagement with personalised marketing in health insurance.

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