Original Article

Customer behavior toward online insurance services in India

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ABSTRACT The use of web-based technologies as a service delivery medium has added new elements to service dissemination. Escalation in self-service technologies has provided customers with multiple choice for using services offered by an organization. The online service attributes of 'convenience' and 'ease of use' are being given priority by companies for designing web-based services. In India, online shopping in general and online insurance services in particular, are yet to gain momentum. A large population still remains skeptical about its relative advantage over the traditional delivery channels. Limited Internet accessibility coupled with low technology literacy makes customers suspicious about online insurance services. The current research was directed toward understanding Indian customers' behavior toward using online insurance services. Correlation, ANOVA and multiple regression tests were run to understand customer behavior. The results suggest that improvement in technological attributes of online insurance Web sites can enhance customers' service usage.

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INTRODUCTION

Technology is said to have revolutionized the service sector and widened the reach across different customer segments. Customers have the flexibility to take advantage of the service according to their convenience and without interacting with service staff. In India, financial sector has invested in developing technological infrastructure for providing efficient services to customers and competing with the multinational insurance companies.

Meuter *et al*¹ posit that technological innovations and advancements would continue to be a critical component of customer–firm interface. Internet as a service delivery channel has revolutionized the traditional marketplace interaction² by providing greater accessibility to customers. The virtual marketplaces have changed the nature of customer–company interaction and their relationships. The online business models can be improved by comprehending customers' needs.^{3,4}

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Assessment of customers' attitude can be of immense help in planning self-service technologies (SSTs) and improving service.⁵ The SST is an independent service delivery system, which permits customers to avail the service at their convenience without the interference of the service staff.⁶

This research adapted the questionnaire developed by Akinici *et al*⁷ in their research on Internet banking in developing countries. The constructs of the questionnaire were modified to study the customers' behavior toward online insurance service. Factor Analysis results revealed two factors: technology and service. Further analysis was done to understand their influence on customers' use of online insurance services.

Grant *et al*⁸ state that an important determinant of customer dependency for a media is the exposure of the individual to the media. Exposure to a media would ensure customers of its capability in addressing their needs.⁸ Research posits that familiarity with online Web sites affects customers' behavior toward it.^{4,9,10}

Online insurance services are new in India, and customers are not accustomed with its technical features and transactional intricacies. They are accustomed to the traditional interpersonal channels like insurance agents, and online insurance Web sites create uncertainty in customers' minds. The profitability of the insurance companies depends on their ability to retain customers^{11,12} and provide superior service, which translates into loyalty.¹³ The application of Internet in commercial and marketing activities reduces operating costs and allows the producer to contact customers directly.¹⁴ Technology facilitates easier customer interaction with improved service.¹⁵ These options help companies differentiate their market offering.^{16,17}

Indian insurance sector is poised to grow at 13 per cent in the next 6 years¹⁸ and will touch the mark of

US\$25 billion in 2010.¹⁹ Improving service features can improve profits of online insurance companies. The first section of the research paper focuses on the theoretical background of the research, followed by research methodology. The third section presents the findings and discussion and the fourth section discusses the managerial implications. The fifth section encompasses the conclusions.

LITERATURE REVIEW

Research states that online shoppers differ in their perceptions and attributes they assign to evaluate the service.^{4,20} Service providers encounter tremendous pressure in designing service attributes that address needs of the customers.²¹ Understanding customer's behavior toward service features and technological innovations becomes pertinent. Service quality strategies have to be customer-centric that focus on behavioral intentions of the customer. Internet decreases transaction and operating costs^{22,23} and facilitates efficient transactions. Services are heterogeneous in nature as they are produced and consumed during service encounters. It is important that online service experience should prompt customer satisfaction.²⁴ Evanschitzky *et al*²⁵ posit that online environment provides convenience to shoppers, increases interactivity, customer support and fosters relationships.²⁶ Various Web sites attributes affect customer satisfaction and motivate them to use online services. Szymanski and Hise²⁷ suggest the importance of four Web dimensions; namely, convenience, merchandizing, site design and financial security as qualifications to customer satisfaction. Taylor and Brown²⁸ state that humans select, interpret and process stimuli or information based on their existing attitudes. The interpretation of information is based on how well it fits into their lifestyle. Zeithaml²⁹ posit that customers' assess the service based on what they

believe they should receive in return for the resources they are expending. The outcome is dependent on the value customers derive from the interaction and exchange. Online Web sites are evaluated according to accessibility, interactivity, information availability and their ability to deliver the service.³⁰

Technological attributes

Davis³¹ in his Technology Acceptance Model states that the individuals' acceptance of technology depends on their attitude toward using the technology. The ease of use and usefulness play a pivotal role in adoption of the technology. Further research added a new attribute to the above-mentioned attributes. Davis *et al*³² state that use of technology is amplified if the customers feel a sense of enjoyment in using it. The online service experience is enhanced with the interactivity and enjoyment features of the Web site. Lin and Wu³³ postulate that customer satisfaction and adoption of technology is related to attributes such as information content, customization and reliability. The customers' responses have a significant effect on their perceived ease of use and usefulness of the Web sites. The implications of any innovation can be measured by the volume of use and how far it fits into the customers' requirement.^{34–36}

Technology use in services has made it possible for service providers to offer personalized services to customers.³⁷ The acceptability of technology in insurance sector is of interest to the Insurance companies. It is inevitable that receptivity of the customers has to be grasped for making the necessary customizations in the Web sites. Balasubramanian *et al*³⁸ posit that trust plays a significant role in driving customer satisfaction in financial services, especially in online insurance services. Technology can tackle trust related expectation of customers as it is closely linked with security and system integrity.³⁹

Technical software issues may create technical glitches and affect customer satisfaction. The broken links on the Web sites demotivate the customer from visiting the Web site.⁴⁰ The service companies can reduce these technical problems by eliminating links that do not open or work.⁴¹ Luna *et al*⁴² postulates that content and structure of information on Web sites are prerequisites for making customer comfortable in using it. If the technical features are simple and instructions easy to follow, the customer would feel comfortable in navigating the Web site. The customers' inhibitions are attributed to their lack of experience about online insurance services. Researchers have voiced concern about selling insurance online, as they feel that Internet will remain secondary to traditional direct interactive channels.⁴³ Montoya-Weiss *et al*⁴⁴ recommend understanding customers' behavior toward Web site design and technical features for online services. The ease-of-navigation and user-friendly attributes are important determinants of online retailing.^{45–47}

Customers prefer direct channels for seeking information about the insurance products. Buchner⁴⁸ states that many customers prefer to speak to an insurance agent for purchasing a policy and are not comfortable shopping for insurance online. Customers place high priority to security attributes, and 'technical safety of the network against fraud or hackers'⁴⁹ is a high concern. Customers' concerns can be categorized as financial and non-financial,⁵⁰ which affect their evaluations. The customer satisfaction in online financial service depends on easy navigation, availability of information, graphics and security in transaction.⁴⁴

We, therefore, formulate the following hypothesis to be tested.

Hypothesis 1: There will be a relationship between the technological attributes

of the insurance company's Web site and customers' behavior toward online insurance services.

Service attributes

Hitt and Frei⁵¹ in their research on Internet banking suggest that customers engage in online banking because of its convenience, thus online service models must reiterate the convenience. Even though people may be comfortable browsing Internet, when it comes to shopping on the Web, they expect promptness in service delivery.⁵² Easy Web accessibility is one of the factors affecting customers' interaction and perception toward online service Web sites.⁵³ Joseph and Stone⁵⁴ speculate that online users expect access to online service even from remote places, and accessibility can improve their attitude toward online systems. The time spent in waiting for the service to be delivered can be exponentially reduced in online systems. Tan *et al*⁵⁵ state that Web site's accessibility relates to easy contact possible through the Web site at customers' convenience. Ranganathan and Ganapathy⁵⁶ suggest that convenience and time-saving features are important factors influencing consumer online shopping behavior. Online service models enable access to information and facilitate comparisons between products of different service providers. Customers can seek appropriate information on the Web site, which fulfills their needs and knowledge about the products.⁵⁷ While using e-commerce services, customers give importance to transaction costs, and service quality.⁵⁸

Customers are willing to adopt e-commerce if they are assured that their problems will be tackled and confidentiality will be ensured during transactions⁵⁹; similar behavior may be expected in case of online insurance. During the past decade, the ubiquity of Internet has made it possible for customers to access insurance services online for gathering information about

products, financial consultancy and indemnity planning.⁶⁰

An important attribute of online insurance service satisfaction is the trust customer envisages while using the service. Research states that online trust is important in online environments^{61,62} and customers' satisfaction and loyalty is governed by Web sites' security features.⁶³ Online service models are faceless and customers prefer direct face-to-face interaction where their problems and queries would be handled.⁶⁴ Most customers lack information about the Web site and are uninformed about the procedures of transaction and outcome.⁶⁵

This leads us to our second hypothesis:

Hypothesis 2: There will be a relationship between the service/relationship attributes of the insurance company's Web site and customers' behavior toward online insurance services.

In India, Internet penetration is on the increase but it is hindered by connectivity problems. This restricts customers from accessing company Web sites due to broken links and server problems. Being accustomed to insurance agents for paying their annual premiums and renewing a policy, Internet is considered unsuitable for regular transactions. Government or semi-government insurance companies are preferred over private companies. Insurance companies find it difficult to comprehend the expectations of customers regarding service quality attributes.^{21,66} Considering the intangible nature of services, customers' evaluations and expectations would vary according to their Internet usage pattern and across age groups. Dholakia and Uusitalo⁶⁷ state that online shopping behavior of youth differs from that of the older customer age group. The youth seeks more variety and explores Web sites for hedonic attributes.⁶⁸ The older customers do not feel comfortable

with online insurance services and may have to be motivated to try out online services.⁶⁹

This result in two more hypotheses that we intend to test:

Hypothesis 3: The customer online insurance shopping behavior would differ according to the age of the customers.

Hypothesis 4: The customers' online insurance shopping behavior would be dependent on technological, service attributes and age of online insurance firms' Web sites.

RESEARCH METHODOLOGY

Instrument design

The questionnaire designed to measure customers' perceptions about online insurance services was adapted and modified from the research conducted by Akinci *et al*⁷ on customers' attitudes toward internet banking (see Appendix). The original questionnaire was modified according to the insurance services provided by Insurance companies in India. The purpose of the research was to understand the Indian customers' behavior toward online insurance with respect to technological and service attributes. This is in line with the growing adoption of technology by insurance companies in India in enabling transaction and improving accessibility. The total items were 23: 2 items in the scale related to awareness and use of online insurance services and the rest of the 21 items were related to various dimensions of online insurance services. The questionnaires were administered in English, as most Indians are fluent with English language. The responses of the customers were taken on a five-point Likert scale with responses varying on the scale of 1 for strongly agree and 5 for strongly disagree.

Sample

Random convenience sampling was done. Data were collected by contacting customers of insurance companies. The customers visiting four insurance companies (Birla Sunlife, ICICI Prudential, Life Insurance Corporation of India and Aviva) were contacted during office working hours. Initially, the insurance companies were requested to provide the list of their customers. Random sampling was used to contact the respondents from the list provided. A preliminary question about Internet literacy and accessibility was asked to the customers before enlisting their cooperation in the research. The questionnaires were filled by personally contacting the respondents and explaining to them the purpose of the research. The fieldwork was handled by postgraduate management students. The items of the questionnaire had to be explained and their responses were recorded. The sample consisted of both online insurance service users and non-users, so that we could get a fair idea about customers' perceptions regarding online insurance shopping behavior. The sample size was 200, and we could use 192 complete questionnaires for our analysis. The total sample comprised of 135 female respondents and 57 male respondents. One of the limitations of the current sample is that respondents contacted for survey comprised of people who were conversant with Internet and were using it for financial services. It eliminated older population groups as it was found that older people were comfortable using insurance agents for renewing or applying for a new policy. They were not conversant with Internet and consequently rejected for the survey. The large representation of females in the sample is because the researchers were able to get the help of female respondents easily for filling the questionnaire. Many of the male respondents refused to cooperate because of paucity of time.

Table 1: Factor loadings and reliability

<i>Factors</i>	<i>Online insurance items</i>	<i>Factor loading</i>
Factor 1: Technology attributes	Web sites of Insurance companies do not provide accurate information and are inappropriate	0.740
	I feel all information I get through company I will also get through insurance company's Web sites	0.718
	I think transactions through insurance company Web sites will be correct and reliable	0.764
	I can access online insurance services where there are no company branches	0.813
	I will be able to learn of new services through company Web sites	0.813
	I think insurance transactions through Web sites are not as safe as compared with regular transactions with the company people	0.792
	Insurance companies' Web site services are easy to operate	0.626
	Chronbach's α	0.788
Factor 2: Service attributes	I prefer direct communication with company staff	0.759
	I do not like change from my usual ways, as I am comfortable with traditional insurance service model	0.755
	I will use online insurance services when I have no option	0.770
	I prefer dealing directly with insurance company staff as they provide information about new policies	0.687
	I do not prefer insurance Web sites due to unfamiliarity of Internet	0.824
	I think online insurance is convenient and a big help	0.642
	I feel I will not be able to make all insurance related transactions through Internet	0.715
	Chronbach's α	0.747

Extraction method: Principal Component Analysis.

FINDINGS AND DISCUSSION

It is important to understand if the instrument used for the research is valid and reliable when it has been modified for the research, and wordings of the original scale items have been changed. Exploratory Factor Analysis was run on the 21 items to examine the dimensionality of online insurance scale and to construct a measurement model. Table 1 represents the results of the Exploratory Factor Analysis with Varimax rotation and reliability scores. The analysis revealed two factors, and seven items were excluded as the factor loadings were <0.5 and failed to meet Nunnally's⁷⁰ recommended level of internal consistency for a scale development. These were considered unsuitable for further analysis. The items eliminated were: 'I am satisfied with technological convenience of insurance companies' Web sites, I am aware of various options for accessing and using the online insurance services, Making insurance online will complicate transactions, I feel online services involve additional charges,

Table 2: Age break-up of respondents

<i>Age categories</i>	<i>Frequency of respondents</i>	<i>Percentage of respondents</i>
18–25 years	55	28.6
26–34 years	51	26.6
35–45 years	33	17.2
46–55 years	35	18.2
56 years and above	18	9.4

I feel security measures of big companies are better, It is safe to use online services from anywhere, and Online insurance will finish the human touch'.

The first factor was termed 'technology-related' and it taps technology and Web site related issues of online insurance. The second factor named 'service/relationship' taps items related to use of online insurance services.

The total items for the Technology Factor and Service/Relationship Factor (after Factor Analysis) were seven each. 78.8 per cent people were aware of the benefits of online insurance services.

Table 3: Correlation between using online insurance services, technological and service attributes

<i>Customer online insurance shopping behavior</i>	<i>Technological attributes</i>	<i>Service attributes</i>
<i>I will be happy to use online insurance services</i>		
Pearson Correlation	0.639**	-0.029
Significance (2-tailed)	0.000	0.692
N	198	198

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

Table 2 shows the different age groups of the respondents.

Table 3 shows the results of Pearson correlations between customers' preference for using online insurance with the online insurance attributes of technology and service. A strong positive correlation ($r=0.639$, $P=0.000$) exists between the customers' preference for using online insurance with Web site's technological attributes. There is no correlation between service attributes and preference to use online insurance services.

For the technological attributes of online insurance Web site, the P value is significant at 0.01 levels, which show that customers look for technological convenience for using insurance company Web sites. The reasons are related ease of accessibility and flexibility in operating it. While using online services, the Web site design, layout, features and navigability affect the customers' satisfaction. In insurance sector, customers are more accustomed to discussing the insurance plans with their insurance agents and contacting them for renewal and payments. The risk and lack of knowledge about insurance services make customers dependent on the service staff. Online insurance would transform service distribution and enable customers to use online medium for examining various product options, comparing schemes and payment modes. The results are in line with earlier researches, which posit that customers' use and satisfaction with technology is related to attributes such as information content, customization, reliability, perceived ease of use and usefulness of the Web sites.^{33,71-73}

The Web site features should facilitate convenient transactions²⁵ and provide information that is easy to understand.⁷⁴ The technical aspects of the online insurance services should be appropriately addressed as it would affect the service satisfaction and encourage customers to use it. Jahng *et al*⁷⁵ state that e-commerce sites are primarily considered as information disseminating systems and if the information provided is complete, and addresses all the customer queries, customers' use of the service would increase. Thus, Hypothesis 1 gets accepted but Hypothesis 2 gets rejected. The Indian customers' behavior toward insurance company Web sites is more governed by its technical features. The technical features and instructions of the Web site should be easy to follow. Customers feel afraid to use the Web sites because the Web pages do not upload easily, hyperlinks do not work and there is no assurance that the financial transaction has been completed.

To understand whether the customers' use of online insurance services was dependent upon age, ANOVA test was run. The results show (Table 4) that age of the customer does not affect customers' attitude toward online insurance with respect to the technological attributes of the Web site. There is no significant difference between the age groups ($F=0.926$; 190 and $P=0.450$). However, for the service attributes, there was significant difference between the five age groups ($F=5.495$; $P=0.000$; significant at 0.01 level). The customers' online insurance service expectations differed across the different age categories.

Table 4: ANOVA: Age wise comparison between technological and service attributes of online insurance

Online customer behavior attributes	Sum of squares	DF	Mean square	F	Significance
<i>Technological attributes</i>					
Between groups	58.993	4	14.748	0.926	0.450
Within groups	2961.802	186	15.924	—	—
Total	3020.796	190	—	—	—
<i>Service attributes</i>					
Between groups	430.292	4	107.573	5.495	0.000*
Within groups	3660.687	187	19.576	—	—
Total	4090.979	191	—	—	—

*Significant at 0.01 level.

Table 5: ANOVA for service attributes – Age wise comparison (post-hoc analysis)

Dependent variable	(I) Age of respondents	(J) Age of respondents	Mean difference (I-J)	Standard error	Significance	95% confidence interval	
						Lower bound	Upper bound
Service attributes	18–25	26–34	1.248	0.860	0.596	–1.12	3.62
		35–45	3.091*	0.974	0.015	0.41	5.77
		46–55	3.948*	0.957	0.001	1.31	6.58
		56 and above	2.869	1.201	0.123	–0.44	6.18
	26–34	18–25	–1.248	0.860	0.596	–3.62	1.12
		35–45	1.843	0.988	0.340	–0.88	4.57
		46–55	2.700*	0.971	0.047	0.03	5.38
		56 and above	1.621	1.213	0.669	–1.72	4.96
	35–45	18–25	–3.091*	0.974	0.015	–5.77	–0.41
		26–34	–1.843	0.988	0.340	–4.57	0.88
		46–55	0.857	1.074	0.931	–2.10	3.81
		56 and above	–0.222	1.296	1.000	–3.79	3.35
	46–55	18–25	–3.948*	0.957	0.001	–6.58	–1.31
		26–34	–2.700*	0.971	0.047	–5.38	–0.03
		35–45	–0.857	1.074	0.931	–3.81	2.10
		56 and above	–1.079	1.283	0.917	–4.61	2.46
	56 and above	18–25	–2.869	1.201	0.123	–6.18	0.44
		26–34	–1.621	1.213	0.669	–4.96	1.72
		35–45	0.222	1.296	1.000	–3.35	3.79
		46–55	1.079	1.283	0.917	–2.46	4.61

*The mean difference is significant at the 0.05 level.

Online service attributes are important component of online customer shopping behavior. Our research findings support earlier researches on online shopping that service convenience,^{76–78} information about product and services^{27,76,79,80} and easy transaction^{27,72,79} can improve customers' attitude toward online insurance services. Customer evaluates the online service based on the timeliness⁸¹ and promptness⁸² with which customers' queries and needs are handled. The insurance policies are related to investment plans and older customers

prefer to understand insurance policies before taking a decision. Hypothesis 3 gets accepted as customers' attitude toward service attributes of online insurance varied significantly across age categories. The Post-hoc test was administered on the service attributes to decipher the affect of age variable on the online insurance customer shopping behavior (Table 5).

The differences are primarily between the age groups 35–45 years and 46–55 years with 18–25 year old customers. The younger generation is likely to be

comfortable with online insurance Web sites. They are more familiar with Internet and find it easy to explore the various services through Internet. Bucklin and Sismeiro⁹ posit that customers' search behavior varies with their use, experience and familiarity. The older generation is not comfortable with Internet, thus they avoid online insurance Web sites. Our research supports the research of Sorce *et al*,⁶⁹ which states that older customers have to be enticed to use Internet. They do not know what to expect from the online Web sites, thus for them the alternatives are few and may find the physical presence of the insurance agents more assuring than the 'virtual entity' of insurance firm.

The personal interaction with the insurance staff helps older customers in understanding the features of the policies, interest rates, lock-in period and benefits. This behavior is more apparent among older people as they are more attuned to the traditional systems. The technology-based service model does not interest them. They are afraid that they would be unable to understand it. This is aggravated as online medium is faceless system. The service attributes combine relationship aspect, which makes customers assured about the transaction. In online insurance, the assurance of face-to-face transaction is missing. The customers' queries and problems may not be appropriately tackled through online insurance services. The results are in tandem with the research of Meuter *et al*¹

wherein they state that customers who have a direct experience with the Web site are comfortable using it. The opinion and behavior of users and non-users differs significantly.^{4,20} The younger generation is Internet savvy, thus browsing and exploring the online service is easier for them.

Multiple regression analysis was conducted to investigate the best predictors of attitude toward online insurance (Table 6). Regression Analysis shows that customers would be affected by technological attributes of online insurance Web sites. The $P=0.000$ (significant at 0.01 levels) for technology attribute significantly predicts the dependent variable, that is customers' use of the online insurance services. This shows that improvement in technical attributes of the Web site would have a positive impact on customers' online insurance service behavior.

The technical aspects relate to easy navigability,⁴⁵⁻⁴⁷ less loading time of Web pages,^{83,84} proper instructions on the Web sites and hyper links that work. Inadequate technology infrastructure leads to lost sales.⁸⁵ The online Web site features should assist in financial transactions.^{25,74} If the technical features are difficult to operate and use, the customer would feel unsure of the service. The research supports earlier researches where Web sites usability were related and evaluated by the dimensions of content, layout and ease of use.^{44,72,86} The Web sites features should convey reliability, assurance, tangibility, responsiveness and

Table 6: Multiple regression analysis: Predictors to online insurance shopping behavior

	Unstandardized coefficients		Standardized coefficients β	T	Significance
	B	Standard error			
(Constant)	-0.629	0.411	—	-1.529	0.128
Technology attributes	0.172	0.015	0.640	11.382	0.000*
Service attributes	-0.004	0.014	-0.019	-0.323	0.747

*Significant at the 0.01 level.

Dependent variable: Will be happy to use online insurance services.

credibility. These are the service quality dimensions that were discussed and researched by Parasuraman *et al*⁸⁷ We feel that for motivating customers to use online insurance services the technical aspects of the Web site should be addressed. The Indian customers still feel a sense of inhibition in trying out innovative services. However, if they are assured about its benefits and usability; their acceptance would increase.

The use of online insurance varies among customers according to their perceptions about its features and benefits. Parasuraman⁸⁸ states that experienced online shoppers are less anxious about computers usage and are technology-savvy, and innovative. Communication plays a pivotal role in informing the customer about the varied service features of the Web sites. Doll *et al*⁸¹ posit that customers give priority to Web sites that are responsive, display accurate information and are easy to understand. For people not conversant with Internet-based models, online retailing poses a major challenge. Easy operational features would bestow confidence to the customers and they would be willing to use it. The online insurance service Web sites should not overload customers with too much information. Information should be customized according to customer requirements. Too much instructions and information on Web site may make the customers wary about trying the Web site for transactions.

MANAGERIAL IMPLICATIONS

Most people prefer service providers with a physical presence and therefore are not very comfortable with online services. The typical client of online insurance services is young and is accustomed to Internet-based service models. These customers are willing to try out online services as they perceive them to be easy to use, flexible and convenient. They feel that it saves time and provides efficient service. In India, very few people can still afford Internet at

their homes. Most Indian customers are not very comfortable browsing the Internet for shopping purposes. The use of online services is primarily restricted to examining the various product/service options. Indian customers are not aware about the convenience and accessibility benefits online insurance provides. They are taciturn about its advantages and 24 hour accessibility features of the Web sites. The online system saves time and provides hassle-free service, but customers still prefer to visit the Insurance Company for their policy renewals and payments. They feel assured in the physical presence of the insurance agent. As trust is a critical element in financial transactions, the companies should provide similar attributes in the Web sites. If the services of the agent can be coupled with Web site transactions, the change in customers' online insurance behavior is possible. The agents may advise the customers to use the Web site for paying their premiums, and examining new insurance policies India ranks high in corruption. Online services are helpful in reducing the instances of bribes as human element is taken out of the equation. We feel there is tremendous opportunity in online insurance and if customers are guided appropriately, the use of online insurance would increase.

CONCLUSIONS

The research was conducted only in the city of Allahabad, which may not be considered to be an adequate description of the total Indian customers' online insurance purchase behavior. The reason for selecting a non-metropolitan city was to understand a non-metropolitan customers' behavior toward online services. In metropolitan cities, the Internet connectivity and communication networks are better; therefore people may be more willing to use online services. In smaller cities, there are frequent communication network disruptions, which make customers skeptical

about online services. One of the limitations of the study is over representation of female population in the sample. The findings may differ if there were more number of males in the sample.

The data were collected through convenience sampling, by asking people if they were conversant with Internet usage and familiar with online insurance services and its benefits. The findings may differ from the customers' behavior in metropolitan cities. As the customers in bigger cities are exposed to advanced systems and technologies, the expectation and behavioral patterns may differ from customers of smaller cities.

The perceptions are of people who were aware of online insurance services (users and non-users). The research provides an idea about the customers' online purchase behavior for financial services, which may be used to modify and customize the Web site features. In small cities of India, people are adopting latest technologies for services, and online insurance service has a potential for growth.

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APPENDIX

Questionnaire

1. I have used online insurance facility.
2. Web sites of Insurance companies do not provide accurate information and are inappropriate.
3. I am satisfied with technological convenience of insurance companies' Web sites.
4. I am aware of various options for accessing and using the online insurance services.
5. I prefer direct communication with company staff.
6. I do not like change from my usual ways, as I am comfortable with traditional insurance service model.
7. I will use online insurance services when I have no option.
8. I prefer dealing directly with insurance company staff as they provide information about new policies.
9. Making insurance online will complicate transactions.
10. I do not prefer insurance Web sites due to unfamiliarity of Internet.
11. I feel all information I get through company I will also get through insurance company's Web sites.
12. I feel online services involve additional charges.
13. I think transactions through insurance company Web sites will be correct and reliable.
14. I feel security measures of big companies are better
15. It is safe to use online services from anywhere.
16. I can access online insurance services where there are no company branches.
17. I will be able to learn of new services through company Web sites.
18. I think online insurance is convenient and a big help.
19. I think insurance transactions through Web sites are not as safe as compared with regular transactions with the company people.
20. Insurance companies' Web site services are easy to operate.
21. I feel I will not be able to make all insurance related transactions through Internet.
22. Online insurance will finish the human touch.
23. I am happy to use online insurance services.