INFORMATION TECHNOLOGY IN CONVENIENT TRANSACTION OF THE LICI CUSTOMERS

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ABSTRACT

In modern fast life, customers are becoming highly dependent on the information technology and human interactions are now significantly being replacing by the interactions of human-technology. Customers always want to avail the information technology enabled convenient services in their daily life especially in their transactional activities with their service providers. Like any other sector, in life insurance sector also information technology plays an important role at the transaction procedure of customers with quick and accurate services. In the present context through this paper, researcher tried to observe in life insurance especially in the Life Insurance Corporation of India (LICI) in Burdwan district whether customers' convenience in transaction with their insurer is influenced by the information technology or not.

KEYWORDS

Convenient Transaction, Information Technology, Insurance.

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Introduction

In 21st century information technology (IT) has become the backbone of every industry, especially for the service industries, all over the world. Due to the effect of the several factors of the globalization, customers' socio-economic culture have already been changed and they have not so much of time to spare with the insurer neither to understand the different life insurance policies or schemes nor to perform their different transactional operations rather they are becoming more expecting about the information technology and information technology enabled services in their life. Information technology enables them to get detailed information regarding the various products and services offered by the organizations, compare the prices of the products and perform their transactional operations in a very fast and secure way. Observing the alarming situation, most of the companies are now involved in IT investment in their business in order to survive in the long run in the competitive market through providing better quality of services to their customers and the Life Insurance Corporation of India (LICI) is no exception to this. From the very early age of the business, the largest public life insurance company LICI has not only implemented information technology in their operations and providing various information technology enabled services to their customers but also adopted various strategies to modernize their present IT infrastructure in order to facilitate the customers in their convenient transaction. To understand at present whether information technology has any impact on the customers' convenience in transaction with their insurer or not, the current study has been conducted on the life insurance customers of all the 17 branches of the Life Insurance Corporation of India located in the district of Burdwan, West Bengal.

Review of literature

Pitt et al. (1999) expressed that information technology may be considered as a platform that rides on the Internet, a hypermedia information storage system which connects computer-based resources around the world. Charles (1993) revealed that service industries have been identified as the biggest buyers of new information technology. In life insurance industry, the organizational performance in the office operation of systems technology leaders was linked to the level of information technology investment intensity (Harris and Katz, 1991). The studies of Bitner et al. (2000) and Li et al. (2003) indicated that for many services in service delivery, the human interactions have become redundant due to the rise of information technologies and the

internet. Meuter et al. (2000; 2005) stated that as self-service technologies are increasingly implemented in customer-firm interactions so the trend for self-service technologies will prolong. Johns et al. (2003) asserted that a significant impact on business operations had already been taken place by the e-commerce and various advances in information technology. The use of technology presents operational efficiency with additional functionality as well as the convenience (Arend, 1992). Kolesar and Galbraith (2000), Meuter et al. (2000) observed that consumers are actively participating in searching the web and web page, selecting products or services, and ordering merchandise or services so their level of knowledge about the computers and products, their ability and experience with the computer capabilities affect the way they analyze their online transactions. Bobbitt and Dabholkar (2001) specified that if current and potential customers observe a web page or on-line service as effective, convenient, and enjoyable, they are more likely to go on-line or go on line again. The technology-based services as a homogeneous group of services should not be considered by the individuals and it varies in respect of level of customer-technology interaction (Theotokis et al., 2008).

Methodology

For the purpose of the study, researcher has developed following null and alternative hypothesis:

> ***H_0:*** *Convenience in transaction by the customer is independent of the information technology.*
>
> ***H_a:*** *Convenience in transaction by the customer is dependent of the information technology.*

To collect the data, initial questionnaire was developed as a survey instrument where along with the other items, the importance of having information technology in LIC and the convenience in transaction with the insurer were included. The pilot study was conducted in the district town Burdwan where researcher randomly selected 30 customers. After explaining objectives and purpose of the study, researcher tried to get valuable feedback from these customers. Based on this pilot study, the preliminary analysis established the internal consistency of the items within questionnaire and gave the confirmation of validity and reliability of final survey instrument. The structure of the questionnaire is both open-ended and close-ended and consisted seven point Likert scale ranging from 1-strongly disagree to 7-strongly agree. After successfully completion

of the pilot study, considering different demographic profile of the respondents and using random sampling technique, selecting all the 17 LIC branches located in Burdwan district, total 350 questionnaires were distributed among the customers where 289 customers were agreed to give response and finally obtained 221 usable responses which were considered as the sample size for this study. Here, statistical package SPSS 16 was used to perform the analyses.

Results and Discussions

In order to obtain the data for the purpose of the present study, a cross-sectional survey was conducted in Burdwan district among the customers of the Life Insurance Corporation of India where researcher carefully considered the different demographic profile such as gender, age, income status, occupation, educational qualification, locality of living and modern aids accessed by the customers. From the available data researcher tried to measure the central tendency of the various demographic profile of the customers. The summarized demographic profile of the customers of the study is now given below:

Table 1: Demographic profile of the customers

Demographic Variable	Demographic Characteristics	Frequency	Mean	Median	Mode	Std. Deviation
Gender	Male	192 (86.9)	1.1312	1.0000	1.00	0.33841
	Female	29 (13.1)				
Age	≤ 30 years	51 (23.1)	2.6154	2.0000	2.00	1.26905
	31 - 40 years	66 (29.9)				
	41 - 50 years	38 (17.2)				
	51 - 60 years	49 (22.2)				
	≥ 60 years	17 (7.7)				
Income	≤ Rs.14999.00	30 (13.6)	2.3529	2.0000	2.00	0.82150
	Rs.15000.00 - Rs.24999.00	102 (46.2)				
	Rs.25000.00 - Rs.44999.00	70 (31.7)				
	≥ Rs.45000.00	19 (8.6)				

Occupation	Salaried	174 (78.7)	1.4661	1.0000	1.00	1.00226
	Business	15 (6.8)				
	Professional	11 (5.0)				
	Retired	18 (8.1)				
	Housewife	3 (1.4)				
Educational Qualifications	High school	14 (6.3)	3.1991	4.0000	4.00	1.08970
	Graduate	56 (25.3)				
	Post-graduate	38 (17.2)				
	Professional	98 (44.3)				
	Any other	15 (6.8)				
Locality of Living	Center of the town	144 (65.2)	1.5611	1.0000	1.00	0.82138
	Outskirts of the town	30 (13.6)				
	Rural areas adjoining town	47 (21.3)				
Modern Aids	Mobile Phone	64 (29.0)	1.4208	2.0000	2.00	0.90921
	Combination of mobile & internet	157 (71.0)				

**** Percentage (%) in parenthesis***

To understand the strength of the relationship of convenient transaction of the customers and information technology, the simple regression analysis was performed in order to predict the dependent variable from the independent variable (predictor) where convenient transaction was considered as the dependent variable and information technology was considered as the independent variable for this study. The results of simple regression analysis are given below in the following tables:

Table 2: Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	INFORMATION TECHNOLOGY[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: CONVENIENT TRANSACTION

Table 3: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.166[a]	.028	.023	.98320

a. Predictors: (Constant), INFORMATION TECHNOLOGY
b. Dependent Variable: CONVENIENT TRANSACTION

Table 4: Result of ANOVA

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.989	1	5.989	6.196	.014[a]
	Residual	211.703	219	.967		
	Total	217.692	220			

a. Predictors: (Constant), INFORMATION TECHNOLOGY
b. Dependent Variable: CONVENIENT TRANSACTION

Table 5: Regression Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.306	.168		19.734	.000
	INFORMATION TECHNOLOGY	.284	.114	.166	2.489	.014

a. Dependent Variable: CONVENIENT TRANSACTION

The result of simple regression analysis shows that dependent variable convenient transaction has a strong relationship with the independent variable information technology. In ANOVA result of Table 4, the value of $F = 6.196$, $p \leq 0.001$ established the significance of the relationship between convenience of the customer in transaction and the information technology. The result of regression coefficients in Table 5 indicates that the standardized coefficient β and corresponding t-value of information technology are $\beta = 0.166$, $t = 2.489$, $p < 0.001$ which also proved that there exists positive and strong relationship between dependent variable convenience of the customer in transaction and the independent variable information technology in the present study. So, here the null hypothesis is rejected and alternative hypothesis "*Convenience in transaction by the customer is dependent of the information technology*" is accepted.

Conclusions

The basic objective of the current study was to examine whether information technology has any impact on the customers' convenience in transaction with their insurer or not and to do this, initially null and alternative hypothesis were formulated and regression analysis was performed which revealed the rejection of null hypothesis and acceptance of the alternative hypothesis. The acceptance of alternative hypothesis not only describes the perfect positive linear relationship of dependent and independent variables of the study but also established that convenient transaction of the LICI customers is very much depends on the modern technology namely information technology in Burdwan district in the present context. The study specified that due to entry of private players, stiff competition among the offerings of insurance services, increasing number of knowledgeable & technology savvy customers will force the LICI to reorient its service offerings and will compel the LICI to adopt new and convenient technology for the benefit of the customers so that the customers will be able to continue their transaction with Life Insurance Corporation of India without depending much on the employees. Customers are also very much delightful that in their fast life their convenience in the transaction with their insurer will only be successfully completed through proper implementation and use of information technology. So, it is expected that realizing the practical situation Life Insurance Corporation of India should continue their IT investment in their business in order to offer the customers to perform their convenient transaction with the help of information technology in a better and user friendly way than before in the present life insurance market.

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