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Enhancing Insurance distribution in a virtual world

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The digital disruption owing to the pandemic is changing the business landscape across sectors. In simple terms, the critical link that connects customers with products is distribution. The pandemic brought in a steady rise in demand for life insurance products with a paradigm shift in the way they are sold. This has paved way for a sharper distribution strategy.

Insurance in India has primarily been a people-led business where sales personnel or advisors meet customers in person, take them through the company's product portfolio, and suggest the best plans according to their needs and financial goals at various stages of life. Over the years, this has reshaped customers' perception towards life insurance and spelt out its importance further. This has encouraged insurers to transform their traditional channels of distribution to a robust digital system, thereby strengthening the overall mechanism. Furthermore, the increasing digital penetration in the country is boosting the distribution game.

In recent times, we have witnessed a clear transition in insurance distribution, which spans from selling products using the distribution partner's relationship skills to expertise-based financial advisory skills; for example, an agent today is equipped with digital tools to understand and recognise the customer's financial needs, to evaluate their current financial situation and accordingly provide personalised solutions and results. This brings in a good mix of both customer-centric and product-centric approach. As the digital and virtual tools are playing catalyst in helping sales teams connect with customers to meet their insurance needs, safety and convenience have taken centre-stage. The current focus is towards building a multi-channel route by creating strategic partnerships with banks and brokers. However, in the medium to long-run, insurers may look at converging all their partners onto a single platform to increase efficiency and bridge the demand-supply gap. Companies are now transforming their IT infrastructure with a technology and data-led approach to ensure a smooth insurance-selling journey.

At Exide Life, our focus has largely been on enhancing the digital ecosystem by adopting best-in-class technology and using a mobile first approach. We are investing in tools such as e-Sales which has helped us with 95% new proposal logins. We have witnessed an improvement in end-to-end customer on-boarding journey with transparency and efficiency all throughout.

Despite the growth in technology and digitalization, the traditional means of doing business will not become obsolete. Our agents are the backbone of the life insurance industry and cater to a large customer segment who still prefer in-person meetings. They play a key role in winning customers' confidence and in pitching suitable products basis the relationship that they have built over time. It is, therefore, advisable that the traditional model of business evolves in lines with evolving customer preferences and expectations. (Author is Chief Distribution Officer, Exide Life Insurance)