

Utilitarian and Hedonic Customer Benefits of e-Insurance: A Look at the Role of Gender Differences

Saïd Aboubaker Ettis, College of Business, University of Jeddah, Jeddah, Saudi Arabia

Mohamed Mabrouk Haddad, ISGG, University of Gabes, Gabès, Tunisia

ABSTRACT

The e-insurance adoption is an important issue that remains poorly investigated in academic research. E-insurance offer customers the possibility to obtain the most of insurance services at home, such as subscribing via the Internet to a contract of insurance, viewing and managing insurance contracts, and performing simulations. This study examined the influence of consumers' perceived benefits on their attitude toward e-insurance and its subsequent impact on behavioral intentions. The moderating effects of gender were also assessed. A survey was used for data collection. The proposed model was tested through the structural equation modeling SEM-PLS approach. Results showed that perceived hedonic and utilitarian benefits were significantly related to attitudes toward e-insurance, which was a prominent predictor of the behavioral intention to use e-insurance. This positive relationship was moderated by gender. The findings might provide insurance companies' decision-makers with information that could be useful in designing e-insurance systems and attracting customers to e-insurance.

KEYWORDS

Attitude, Behavioral Intention, E-insurance, Hedonic Benefits, Utilitarian Benefits,

INTRODUCTION

E-commerce tendencies are having important effects on the financial industry. The distribution of financial services is being changed radically by the Information and Communications Technology. The current Generation Y is "living in the virtual world"; firms will not be able to make money if they cannot reach this generation in the coming few years (Cambrill, 2010). Thus, for the insurance industry, it is no longer a fashion trend of figuring out how to communicate using the Internet, but it is a matter of evolutionary business survival (Cambrill, 2010). Insurance companies all over the world are in progress to move rapidly their services to be electronically delivered.

It is recognized that e-insurance is a missing well-heeled industry. While other industries within the financial services, particularly banking, have taken advantage of the Internet to gain market share and generate revenues, the insurance industry has been slow to use e-commerce to boost e-insurance. The current reality is that several insurance companies do not provide any real online value and that a small sales amount is actually being spent online. In a recent study, while about half of customers use the Internet to request a quote, only 25 percent of them purchase the policy through the insurer

DOI: 10.4018/IJEBR.2019010107

website, 50 percent close their deal by speaking directly to an agent, and 22 percent go through a call center (Murray, 2017). So, though companies are trying to gain online activities, few actually exhibit an e-insurance strategy.

To reduce reluctance to adopt e-insurance, insurers should manage inhibiting factors such as the lack of appropriate infrastructure, customers' awareness, and security solutions. Further essential conditions to enhance the e-insurance use is to improve the usability by making services more clear, informative and user-friendly, and to deliver a customer's compelling, gratifying, and stimulating experience that enhances the company's website ability to retain online customers and building loyalty.

In spite of the increasing number of insurance companies planning to implement e-insurance, little is currently known about the configuration of factors influencing customers to adopt e-insurance. Compared to e-banking, insurers were late to implement e-insurance activities. Therefore, there are a few published e-insurance works. Moreover, these studies are fragmented and context-specific (depending on countries). E-insurance adoption is still an emerging issue of research and results duplication and generalization are further needed. This research attempts to contribute to this area by focusing on the utilitarian and hedonic benefits that consumers might embrace from the online experience.

Therefore, the objective of this research is to analyze the role of utilitarian and hedonic benefits in achieving a positive attitude toward e-insurance and to examine if this attitude enhances the behavioral intention to use e-insurance. This research also assesses the moderating effects of gender. The results of this study will provide a better understanding of the consumer acceptance of e-insurance. Moreover, the results of this research can help e-insurance managers develop tactics that engage users and enhance the total online experience quality. Outcomes might consist of achieving important goals such as getting insurance consumers more engaged to use e-insurance services and finding ways to improve customer marketing relationships and loyalty.

In addition to its managerial implications, this work is an attempt to go beyond the problem of adopting e-insurance by investigating consumer perception and responses to these services. Our conceptual model examines theoretical relationships rarely tested or merely assumed in previous research. This research also provides insight into the moderating role of gender in the e-insurance benefits-attitude-behavior.

In this paper, we begin by describing the e-insurance adoption, utilitarian and hedonic benefits of using e-insurance, attitude to e-insurance, and behavioral intention to use e-insurance. Next, we present our research model and provide supporting literature to specify a range of testable hypotheses involving the relationship of the model constructs. We present the methodology, discuss the results and provide theoretical and managerial implications. Finally, we conclude with a description of the research limitations and suggestions for future research.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

E-insurance Adoption

Technological developments, Internet applications, and related information systems have enabled the production and distribution of insurance services. The latter can be defined as providing insurance coverage under which insurance policy is sought, submitted, negotiated and contracted online. Commonly defined, e-insurance is the use of Information and Communications Technology in producing and distributing insurance services. More specifically, it refers to the provision of an insurance cover whereby an insurance policy is solicited, offered, negotiated and contracted online (Alipour, Dorodi, & Pishgahi, 2011). E-insurance offer customers the possibility to obtain the most of insurance services at home, such as purchase policy, request quote, calculate coverage, performing simulations, obtain a copy of a policy, make payments online, change or update policy, obtain an

16 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/article/utilitarian-and-hedonic-customer-benefits-of-e-insurance/219230

Related Content

Global Airline THY's Advertising and Corporate Communication Activities on YouTube During COVID-19 and After

Ebru Gülbu Eroland Mustafa Gülsün (2022). *Digitalization and the Impacts of COVID-19 on the Aviation Industry* (pp. 17-33).

www.irma-international.org/chapter/global-airline-thys-advertising-and-corporate-communication-activities-on-youtube-during-covid-19-and-after/301105

Business Process Modeling with URN

Michael Weissand Daniel Amyot (2005). *International Journal of E-Business Research* (pp. 63-90).

www.irma-international.org/article/business-process-modeling-urn/1845

Macro-Economic and Social Impacts of Offshore Outsourcing of Information Technology: Practitioner and Academic Perspectives

Karl Knapp, Sushil Sharmaand Kevin King (2007). *International Journal of E-Business Research* (pp. 112-132).

www.irma-international.org/article/macro-economic-social-impacts-offshore/1896

Two Basic Types of Business-to-Business Integration

Frank Goethals, Jacques Vandenbulcke, Wilfried Lemahieu, Monique Snoechand Bjorn Cumps (2005). *International Journal of E-Business Research* (pp. 1-15).

www.irma-international.org/article/two-basic-types-business-business/1833

Customer Inclination on Mobile Wallets With Reference to Google-Pay and PayTM in Bengaluru City

Thirupathi Manickam, Vinayagamoorthi G., Gopalakrishnan S., Sudha M.and Mathiraj S. P. (2022). *International Journal of E-Business Research* (pp. 1-16).

www.irma-international.org/article/customer-inclination-on-mobile-wallets-with-reference-to-google-pay-and-paytm-in-bengaluru-city/293295