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FACTORS AFFECTING THE TRUSTWORTHINESS OF DIGITAL LIFE INSURANCE SERVICES: A SURVEY OF CUSTOMERS IN AHMEDABAD

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ABSTRACT

The purpose of this research is to measure the credibility of digital life insurance services provided to customers in the city of Ahmedabad. However, as the life insurance industry gradually shifts towards the digital world, it is vital that both the personal insurance providers and customers understand the trust relationship between customers and digital insurance services in order to enable growth and retention. The research explores factors like Security of the website, Transparency of Information, Accessibility of Navigation, Customer Support, and Strategies of Digital Communication. We have an methodological approach, where we collect the information from the varied segment of customers in Ahmedabad and analyse their perception and experience of digital life insurance platforms. The insights generated from the findings are likely to be critical for insurance companies to fine-tune their digital products around drivers that are critical in establishing trust, thereby enabling better relationships with their customer base. The present study adds to the literature on digital insurance services and provides managerial implications to enhance the perceived trustworthiness of digital insurance services in the Indian context.

Keywords: Digital Life Insurance, Trustworthiness, Customer Perception, Website Security, Transparency, Customer Support, Digital Platforms, Ahmedabad, Insurance Services, Survey-Based Study.

I. INTRODUCTION

Digital technology has changed a number of industries and life insurance is one where this has been felt strongly. As more consumers look to purchase and manage their life insurance online, gaining insight into the reasons behind their trust (or distrust) of digital services is important. With any financial transaction, trust is a critical component; however, in regards to life insurance, individuals are making long-lasting financial investments in products that may not yield a return for decades to come.

There are various benefits of digital life insurance services such as they provide hassle-free access, are easily accessible and take lesser time. Nonetheless, this has not made people to rush to making transaction online, as customers still have their reservation about this form of transaction, regarding security and data privacy issues, as well as authenticity of the information provided. For insurers, earning and keeping the trust of consumers is essential to accelerate the adoption of digital channels and keeping customers happy.

This research aims to examine the perception of customers in Ahmedabad about digital life insurance services and factors responsible for making them trustworthy. It explores major factors including the transparency of the information provided, the security of online transactions, customer care system, the convenience of the digital interfaces, and the user experience per se. These factors are among the most important in driving customer perception and willingness for adoption of digital insurance services.

The study aims to find out what factors are perceived to be the most important in building trust through a survey made among customers, specifically conducted in the Ahmedabad. Findings of this research will help life insurance providers to better tailor their digital platforms, improve customer interaction, as well as deliver and maintain higher trust relationships with their consumers. This research will ultimately not only add to the literature on the interaction between trust and digital insurance services but also provide operational guidelines for actors in the digital insurance space to build trust in their service.

II. LITERATURE REVIEW

Various aspects of the literature on customer satisfaction and service quality in different sectors, particularly in the insurance types of industries, mention a selection of important behavioral as well as psychological determinants of consumer behavior and perceptions.

Scholars have increasingly highlighted the roles of demographic variables — specifically age and gender, and some studies specifically digital skills — as determinants of consumer satisfaction (e.g. Age and Gender were found to be significant in the life insurance investments of the customer (Rao, 2024), and (Goet, 2022) found that Product Features, Service Quality and Security were key determinants of life insurance in Nepal. Likewise, research on health insurance (Grundstrom et al., 2020; Le et al., 2023) emphasizes trust, security, and the perceived value of the digital tool as requirements for enhanced customer experience and data-sharing behavior.

In the insurance industry, customer satisfaction is usually associated with the response, quality of service provided by an insurance company, and reliability. For example, similarities between Cheng and Lam (2008), Asikhia (2010), Nwankwo and Durowoju (2011) and Tung et al. According to (2024) that effective service and friendly agents impact customer satisfaction in Vietnam, and that prompt payment of claims impact customer satisfaction in Nigeria. Javadi et al. reinforce similar findings. Particularly, sport insurance services needs high dependability according to Hoang, Duy & Phong (2024), while in life insurance services those factors which cannot be controlled are empathy and tangibility by Loan (2023) in Vietnam.

Digital services are becoming core to industries such as insurance, health services, and banking but they bring new challenges and new opportunities. Researches by Rahman and Miah (2024) and Nikou Goftar, et al. The role of technology in setting customer expectation and experience (2024) Performance expectancy and user ease of use are the prime factors driving customers to use digital banking and insurance services, they say. The study by Sormunen et al. However, the report (2024) further illustrates higher use of digital service by HR professionals, who use it more, find it easier to use, and consider it more useful than entrepreneurs.

Service personalization, efficiency, and trust are other areas that continue to dominate industries. Kazemi et al. Leadership and digital infrastructure are identified as critical enablers of digital transformation in insurance and telecommunication services Shrestha and Dongol, (2024) Furthermore, Murthy et al. (2017) and Sormunen et al. Yorke et al (2024) emphasize that trust in digital platforms particularly internet banking and occupational health services can be built by security, competency and clarity leading to Enhancing customer experience.

Customer satisfaction is now driven not only by the tried and the true measures of classical service quality like responsiveness, reliability and empathy but also by newer digital engagement measures such as trust in technology and personalization of services. Given that digitalization is ever-evolving, these studies offer substantive insights into the forces shaping the customer perception of services across the sectors.

Research gap

Although the trust in digital services has been studied extensively, not much attention has been given today to how trustworthy digital life insurance platforms are in India, so the existing literature is kind of sparse, especially in a city such as Ahmedabad. Existing literature has mainly focused on either e-commerce or financial services at an institutional level, rather than investigating how specific aspects of a digital life insurance service product offering—such as web security, web transparency, and customer relation supportive tools—affect the development of trust. Moreover, much of the research in this area does not take into account the challenges and perceptions of Indian customers, especially with regards to the growing digital platforms in the insurance industry. Therefore this study is focused on filling those gaps.

Objective

1. To identify the key factors that influences the trustworthiness of digital life insurance services among customers in Ahmedabad.
2. To examine the impact of website security, transparency of information and customer support on customers' trust in digital life insurance services.
3. To analyse the relationship between customer satisfaction with digital platforms and their willingness to adopt digital life insurance services.

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III. RESEARCH METHODOLOGY

Research Design:

This descriptive research was undertaken to analyse the factors that determine the credibility of digital life insurance services in Ahmedabad customers.

Sampling Method:

Respondents of the survey were selected using a convenience sampling method. The participants were customers familiar with digital life insurance services.

Population and Sample Size:

The survey was specifically targeting customers from digital life insurance in Ahmedabad. Seventy people responded to the survey.

Data Collection:

A structured questionnaire was used to collect socio-demographic and clinical data. Our questionnaire consisted of open-ended and close-ended questions to collect both qualitative and quantitative data about customers' perception of the digital life insurance services.

Instrument Used:

Data was collected through a self-administered survey questionnaire. The questionnaire focused on website security, transparency of information, customer support, and digital communication strategies.

Data Analysis:

Statistical tools to analyse data: Pearson correlation; independent samples t-test: relationship between variables - website security; customer trust; perceived efficiency of customer support.

Ethical Considerations:

The study takes into account ethical considerations. Prior to administering the survey respondents provided consent. They were told that their responses would remain confidential and be used only for research purposes.

Limitations:

Limitations of this study included a small sample size and convenience sampling, as such the findings may not be generalizable. Furthermore, study focused on consumers in Ahmedabad and the results cannot be generalized to other regions.

IV. DATA ANALYSIS AND INTERPRETATION

H_0 (Null Hypothesis): There is no significant correlation between the perception of digital life insurance platform security and trust in digital life insurance platforms to offer reliable and honest services.

H_1 (Alternative Hypothesis): There is a significant correlation between the perception of digital life insurance platform security and trust in digital life insurance platforms to offer reliable and honest services.

Correlations		
		I trust digital life insurance platforms to offer reliable and honest services.
The digital life insurance platform I use is secure and protects my data.	Pearson Correlation	-.096
	Sig. (2-tailed)	.431
	N	70

Data Interpretation:

The Pearson correlation coefficient is -0.096, indicating a very weak negative correlation between the two variables. The significance value (Sig. (2-tailed) = 0.431) is much greater than the standard threshold of 0.05, indicating that the observed correlation is not statistically significant.

We fail to reject the null hypothesis (H_0). There is no significant correlation between the perception of digital life insurance platform security and trust in these platforms to offer reliable and honest services. This suggests

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that perceived security does not have a significant impact on trust in digital life insurance platforms within this sample.

H_0 (Null Hypothesis): There is no significant difference in the perception of the website providing clear and accurate information between those who trust and do not trust digital life insurance platforms to offer reliable and honest services.

H_1 (Alternative Hypothesis): There is a significant difference in the perception of the website providing clear and accurate information between those who trust and do not trust digital life insurance platforms to offer reliable and honest services.

Group Statistics					
	I trust digital life insurance platforms to offer reliable and honest services.	N	Mean	Std. Deviation	Std. Error Mean
The website of digital life insurance services provides clear and accurate information.	>= 3.00	35	2.8857	1.30094	.21990
	< 3.00	35	2.7714	1.51630	.25630

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
The website of digital life insurance services provides clear and accurate information.	Equal variances assumed	2.628	.110	.338	68	.736	.11429	.33771	-.55960	.78817
	Equal variances not assumed			.338	66.464	.736	.11429	.33771	-.55988	.78845

Data Interpretation:

The independent samples t-test was conducted to examine whether trust in digital life insurance platforms to offer reliable and honest services influences perceptions of the website providing clear and accurate information. The group with trust levels >= 3.00 had a mean score of 2.8857, while the group with trust levels < 3.00 had a mean score of 2.7714, indicating a negligible difference. Levene's test confirmed the assumption of equal variances (F = 2.628, Sig. = 0.110). The t-test results (t = 0.338, Sig. = 0.736) indicate no statistically significant difference between the two groups. The mean difference of 0.11429, with a 95% confidence interval ranging from -0.55960 to 0.78817, further supports this finding. Thus, it can be concluded that trust in digital life insurance platforms does not significantly influence perceptions of the clarity and accuracy of the website's information.

H_0 (Null Hypothesis): There is no significant correlation between the efficiency of customer support provided by digital life insurance platforms and comfort levels in using these platforms.

H_1 (Alternative Hypothesis): There is a significant correlation between the efficiency of customer support provided by digital life insurance platforms and comfort levels in using these platforms.

		I feel more comfortable using digital life insurance platforms than before.
The customer support provided by digital life insurance platforms is efficient.	Pearson Correlation	.201
	Sig. (2-tailed)	.095
	N	70

Data Interpretation:

The Pearson correlation coefficient is 0.201, indicating a weak positive correlation between the two variables. However, the significance value (Sig. (2-tailed) = 0.095) is greater than the standard threshold of 0.05. This suggests that the observed correlation is not statistically significant.

We fail to reject the null hypothesis (H_0). There is no significant correlation between the efficiency of customer support provided by digital life insurance platforms and comfort levels in using these platforms. This indicates that perceived efficiency in customer support does not significantly influence users' comfort with digital life insurance platforms within this sample.

V. CONCLUSION

The following conclusions can be drawn after analysing the three hypotheses concerning digital life insurance platforms:

Hypothesis: Offering digital life insurance platforms at a perceptual level with high security and trustworthiness makes customers believe that the digital life insurance platform can offer reliable and honest services. The Pearson correlation coefficient reflects a very weak negative correlation between variables ($r = -0.096$). In addition to the coefficient, the p value (Sig. The significance level ($p = 0.431$) is higher than the established correlation level (0.05) Hence, H_0 cannot be rejected, indicating the absence of significant relationship between those who perceive digital life insurance platforms to be secure and those who belief they will receive a reliable and honest service from such platforms. This finding suggests that security perception from the user side is not an important factor in impacting their trust for these platforms.

Perception of Website Clarity and Trust in Digital Life Insurance Platforms The second hypothesis focused on the perception of the clarity and accuracy of the respective websites that the digital life insurance platforms have in comparison to the grouping of users who trust versus do not club the digital life insurance platforms. Independent samples t-test revealed a mean difference of 0.11429 between the two groups which is so minimal. The t-test result (Sig. = 0.162, p ($\eta 2 = 0.004$) which signifies no statistically significant disparity by both groups in the quality of the website perception as accurate and clear. Therefore, we are unable to reject the null hypothesis (H_0) and state that we do not have strong evidence that trust in digital life insurance platforms is a statistically significant factor in users' perception of Website clarity and accuracy.

Efficiency of Customer Support and Comfort Levels in Using Digital Life Insurance Platforms: The third hypothesis assessed the relationship between the efficiency of customer support and comfort levels in using digital life insurance platforms. Pearson's R (0.201) indicates a weak positive relationship between Variable 1 and Variable 2 The significance value (Sig. Since $p = 0.095 > 0.05$, we conclude that correlation is not statistically significant. Thus we are not rejecting the null hypothesis (H_0) which indicates that the perceived efficiency of customer support does not have a statistically significant impact on individuals' comfort level in using digital life insurance platforms.

To sum it up, we do not believe that security perception/barrier, trust perception/barrier, site clarity/barrier and customer support barrier have the impact on what the users perceive with trust and comfort with the digital life insurance sites. The results imply that other factors might have an impact on these end points that this study did not record.

Recommendations:

Strengthen Security Features: While the perceived security factor did not show a strong correlation with trust in digital life insurance platforms, implementing strong security features can help build customer confidence in these platforms.

Optimize customer support: Although customer support was not an important comfort factor at the latter stage, investing in more responsive and helpful support would only increase the rate of user satisfaction and engagement.

The usability of website: Digital life insurance platforms can cultivate clear, accurate and easy to access website which will indirectly affect on insurance trust and user satisfaction.

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