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Factors Determining Performance in E-Insurance: Theoretical Reinforcements

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Description

Technology is making inroads into people's lives in this ever-changing competitive environment by allowing them to execute activities with the click of a mouse. The financial services sector is no exception. E-banking has already been recognised and used by the younger generation and those who have access to the internet. Another application of E-Commerce in the Insurance sector is E-insurance, which comprises policyholders storing all or any insurance policies in electronic mode, where everything, including the request, proposal, contract, and negotiation, is performed on-line. Despite its promised benefits, this service is used by very few people. The current study seeks to ascertain customers' sentiments towards E-insurance as well as their comprehension of the concept. In India, the insurance sector landscape has altered considerably. The process of selling insurance has been substantially changed by new distribution channels as bank assurance, corporate agents, brokers, MFIs, Post offices, SHGs, and direct marketing *via* the Internet. Competition among insurance carriers in the country is severe as a result of new entrants into the industry. As a result, policyholder satisfaction is a vital issue for insurance company executives to address in order to retain and attract new

customers. There are several theoretical frameworks that can be used to explain the factors determining performance in e-insurance. Here are some of them;

Technology Acceptance Model (TAM)

The TAM proposes that users intention to perceived usefulness and perceived ease of use. According to this model, if users perceive e-insurance as useful and easy to use, they are more likely to use it and perform well.

Unified Theory of Acceptance and use of Technology (UTAUT)

The UTAUT model extends the TAM by adding three additional factors: Social influence, facilitating conditions, and user experience. Social influence refers to the impact of other people's opinions and attitudes on users' intention to use technology. Facilitating conditions refer to the availability of resources and support that users need to use technology. User experience refers to the subjective satisfaction or dissatisfaction that users feel when using technology. According to the UTAUT model, these factors can also influence users' performance in e-insurance.

Expectancy theory

Expectancy theory proposes that individuals are motivated to perform a task when they expect that their effort will lead to a desired outcome, and that the outcome is valuable to them. In the context of e-insurance, if users expect that their efforts (such as learning to use the system, providing accurate information, etc.) will lead to a desirable outcome (such as lower premiums, faster claims processing, etc.), they are more likely to perform well.

Social cognitive theory

Social cognitive theory proposes that individuals learn by observing others and imitating their behaviour. In the context of e-insurance, if users see others successfully using the system and benefiting from it, they are more likely to use it themselves and perform well.

Self-determination theory

Self-determination theory proposes that individuals are more motivated and perform better when they feel a sense of autonomy, competence, and relatedness. In the context of e-insurance, if users feel that they have some control over the system, have the skills to use it effectively, and feel a connection to others who use it, they are more likely to perform well.