Technology and business model behind the successful growth of policybazar.com

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Abstract: Digitalization of world economy has transformed the financial sector to adopt information technology for performing transactions transparently. Technology has transformed the world into a global village creating a lot of change that impacts society and business. The business and companies now a day are trying to provide services by means of internet based technology. Policybazar.com is one of the India's fastest growing FinTech Company that is working as an insurance aggregator and global financial company. The present research work tries to present the business model of the FinTech Company and the technology adopted by the company that pushed its hundred percent years on year's growth. Data that are described and explored for the present research paper are purely secondary in nature. After completion of the study the researcher suggested, that the technologies such as, Amazon Polly's Text to speech service, PBee connect service can be adopted by service industries for quick and transparent customer service.

Keywords- Business Model, Technology

I.   INTRODUCTION

Technology has changed the world into a global village creating a lot of change that impacts society and business. A rapid change in technology has both advantages and disadvantages. The earlier generation sometimes feels shocked as they are unable to handle change, although it makes their lives easy. But the fact is that evolution of technology has forced the business sector to adopt it. The introduction of technology has brought a revolution in the field of business concepts and business models. Sustainable growth in business is possible with the advancement of technology in it. If we take away technology from major industries it will lead to catastrophic break down in business. Technology brings a periodic change in business concepts and models. Technology-driven new and better approaches to business models help in the tremendous growth of business in the market. The more they are familiar with new technology, the more is the chance to survive in the market. Nowadays, technology-driven e-

commerce such as mobile commerce, end to end software solution, electronic data interchange (EDI), automated data collection system has been tremendously helping the e-business model in their successful growth.

E-business has transformed the offline business into virtual reality. The exponential growth in the use of internet and online infrastructure in India has given a boost to the e-commerce market.

Innovation of technology remains inactive if it is not used properly. On the other hand, business would be facing acute problem, if those lack in adopting new technologies. Technologies play an important role in handling customers, employees and society. Technology is essential to automate a business where it has disruptive business models, increased competition and faster development cycle. Thus, success of today's business depends considerably on use of technology.

Policybazar.com is an India based insurance aggregator and global financial technology company holding license from IRDA to serve customer as insurance aggregator. It had started its infant business as a policy comparison website where customers used to compare policies and then bought it from the market (available offline). The company is a complete e-business firm that depends on technology. It is the India's largest insurance service provider company which gives its customers a digital platform (website and mobile application) where customers can compare insurance policies from major insurance companies. The insurance comparison website had brought transparency in the field of insurance sector by listing the details of multiple insurance policies in their website for customers to choose from. The company has been using technology as a weapon to expand their business. The website was expanded to a market place for insurance policies. Following that, the company turned their website into an insurance selling operator.

This global FinTech player has achieved hundred percent years on year growth and operational growth. Yearly, the company hosts more than hundred million queries on insurance. By the financial year 2019, the company had achieved the target of ten million customers that was targeted to reach by 2020. All these are possible because proper utilization of technology and business strategy adopted by the company.

II.   LITERATURE REVIEW

(Attaran, 2004) mentioned that world is interested in business process reengineering. According to them it is now very simple to communicate with customer due to internet based service.IT has enabled easy process and design to communicate with customer. This can predict as the reason of more success of IT based companies. The firms can achieve benchmark if approaches to manage processes are looking after by experts.

According to(Gambardella & McGahan, 2010) in the rising "markets for technology" important innovations of business models occur, where firms sell rights to their intellectual property. The technology market has been facing issues to convince to buy technology licenses. Their paper focuses on issues of general purpose technologies and business model innovation in entrepreneurship, involving general purpose technology market. The Market for technology is itself a business model innovation. Its development and success depends upon sustainable competitive advantage in the long run.

(Baden-Fuller & Haefliger, 2013) in their research stated that, the choice of business model is depends upon how the technology is financed for relevant firms. They also mentioned that adoption of technology is influenced by the thinking capability of stakeholders (managers, entrepreneurs and developers) of a business. Choice of business model and technology is a two way process where technology influence choice of a business model. There is a link between adoption of technology and performance of the firm.

III. OBJECTIVES

1. To study the technology used by Policybazar.com for expanding their business.
2. To study the business model used by Policybazar.com
3. To check whether these technology and business models can be adopted by another class of business.

IV. RESEARCH GAP

Technology and business model are interdependent. Technology becomes latent if it not used in a proper way. Similarly, the present world demands use of IT in forming a business model for flexible communication with the customers and stakeholders. Policybazar.com is an online platform to compare insurance policies by its customers. The company has also get license from IRDA as insurance aggregator. The IT based company has been playing a leading role in insurance market. The present research paper is fully attentive in understanding the technologies that has been helping the internet based company in keeping

their place in insurance market. The previous researchers studied the relationship of technology and business model, importance of general technologies, the importance and role of technology market etc. But limited studies have conducted upon success of technology based business.

V. SIGNIFICANCE OF THE STUDY

This study is an observation into the technology and business model behind the success of policybazar.com in the IT based business sector. Its intention is to bring to light the new technologies adopted by the internet based insurance comparison company and their business model. Policybazar.com has remarkably achieved success after working as an internet based insurance aggregator. This paper is an attempt to study whether this technologies and business model can be applicable in successful growth of an IT based business.

VI. METHODOLOGY

Secondary data are explored for the purpose of the present study. Data are gathered from various journals and websites for study purpose. The analysis of the present research paper is descriptive and exploratory in nature.

VII. DATA ANALYSIS

Business model of Policybazar.com

Policybazar has started providing service to customers where the sells agents fail. It is noticeable that agents hide policy related crucial information from customer and many times it happens that agents sell policies for their benefit and commission. Customers do not trust agents as many times saver's fund goes into fattening the agent's pocket. Here, the company policybazar.com tried to solve the problems of customers.

At the beginning, policybazar started as a FinTech startup. It was a (FinTech) website where customers themselves compare prices, quality and related features of insurance policy and can make buying decision. The FinTech website now provides assistance to customers in buying policies, cancellation renewal of policies, claim settlement etc. The company introduced new features to make the customers more flexible with the website. "My Account" feature gives the customers facilities to download policy, raise a ticket, and upgrade policy.

The company is an aggregator website that is licensed by IRDA. Customers can research and compare insurance policies within a category. They can have an informed choice. Most importantly it does not charge service fees from customers.

The startup company has its business partnership with car insurance, health insurance, life insurance, corporate insurance and travel insurance.

Apart from service as a web aggregator FinTech company, policybazar.com also serves as a call center for its customers. It is a better service provider than the insurance companies. Thus it is the core business of the company that is run at present. Policybazar pitched the insurance companies to run the call center for the later. Majority of the revenue from call center are for the company. The insurance companies buy leads and take the call center cost.

The company wants to save the customer's money from the prey (agents) that is charged as commission. Policybazar started its operation with the idea of largely show casing basic insurance plans and providing details of investment cum insurance plans. But this includes cost and commission from companies. Thus the companies did not want to partner the FinTech company. As a result Policybazar decided to un-code the products in the market and put up on their websites. That was the traffic period for the FinTech company. Now, the insurance companies are partners of policybazar.com. The website helps the honest buyers to get data online. The company also works in the loans and credit cards segments. Policy bazar has been earning as a lead generator, advertising, e-commerce (policy sales) etc.

Technology used by policybazar.com

Policybazar is a FinTech company (website) that is an Indian insurance aggregator. The company started its E-business with the help of a website. This is a digital platform to compare insurance policies of different insurance companies. The company gives an information portal for customers about insurance and insurance programs.

During 2017, policybazar.com started a new project called PBee Connect that is an assisted chatbot. Its car insurance are done through this bot with a whopping million dollars of premium every month after using the chatbot technology. It is found during the study that this chatbot has improved the productivity of agents from 1.5 to 2 sales transactions a day to 7 to 8 transactions a day. Another remarkable observation is that this project does its work own 80 percent times but the agent's steps 15 percent of the time a day when a complex question is

asked. This has increased agents productivity four times than before and this has increased the growth for aggregators of motor insurance business.

The chatbot is a software technology that is use to chat online through text or text-to-speech. This chatbot software is mainly used for the purposes like customer service, request routing and information gathering. These applications are used for natural language processor, sophisticated artificial intelligence (AI), generate response using database. Chatbot is now a very common software application that is used by e-commerce websites.

Policybazar has been using technology as analytic to provide information with less human effort and with greater customer experience. The company unlocked its analytic through voice before three years. The company tracks thirty five millions of talk time every month that provides plentiful of data about its customers. These data are used to know more about its customers, their investment pattern, number of family members etc. that helps the company to sell more customized product.

The voice technology converts all the recorded calls into text and run as a natural language processing (NLP) engine. According to Ashish Gupta, CTO and Co-Founder of the company, *"analytics and automation have helped the company to answer more queries and make the product more robust; that makes it a self-serve product, reducing its reliance on human agents to assist the customer."* The voice analytic technique also helps the company to get more accurate information on claims settlement ratio that is critical for insurance companies. The researcher found during the study that this technique of voice analytic collects all customer data in detail that is not possible through offline world.

The core of the FinTech company is to solve consumer problem in a quick and efficient manner. The website manages consumer queries over phone. With the traditional way of consumer handling, it is not possible to manage a large portion of consumer and hence, the company adopts new cutting edge innovations. The company has been using the cloud technology of Amazon Web Service (AWS). It is a cost saving technology and the company's cost cut by 20 to 25 percent after using AWS technology (offline).[1] AWS offers a programmatic process that lets the unused servers automatically shut down after 9pm. The company also pays only for the resources it consumes. AWS also helped policybazar.com on voice to text and converting it into analytic. The company invested in GPUs to upgrade its

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[1] *How Automation, Intelligence and Analytics helped PolicyBazaar.com grow 100%.* (2018). Retrieved 2020, from DIGITALCREED: https://www.digitalcreed.in/policybazaar/

infrastructure for audio processing. The company has also been using Amazon SageMaker to build, train and deploy machine learning models at scale. AWS is superior in controlling servers programmatically and very efficiently. This helps policybazar.com to improve processes and handling customers comfortably.

Amazon Polly, is a text to speech (TTS) solution, to meet consumer queries. Amazon Polly is an Amazon web services that converts text into spoken audio. It allows developers to create speech-enabled application and products. Policybazar has been using Amazon Polly in three ways-
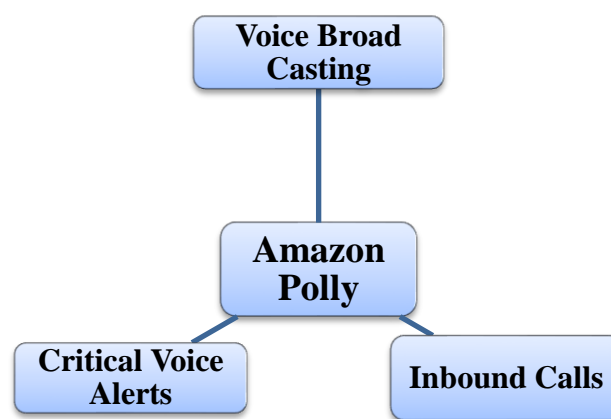
Amazon Polly helps the FinTech website to manage their processes and efficiency by enabling the company to shift from sharing one-size-fit-all, pre -defined responses to customer queries. With Amazon Polly, Policybazar website system identifies the customers and generates a voice call that resolves customer queries on a personal basis. Thus, the company can now able to send messages of relevant and specific problem related.

Combination of Amazon Polly with Policybazar's IVR (Interactive Voice Response) calling service, PBee Connect, the company witnessed substantial improvement in customer engagement.

"The number of average transactions grew to 300000 from 120,000 a month. As a result, customer calls grew significantly. To advance our growth, we integrated Amazon Polly with our in-house IVR calling service, PBee Connect for voice broadcasting, critical voice alerts, and inbound calls. We have processed over 300000 calls leveraging this system, and 80 percent of the calls made were answered, 63 percent responded positively, and 41 percent of sales were closed without the interference of agents."- Ashish Gupta.

Applicability of these technologies and business models in other business sectors

Amazon Polly's standard TTS service can be adopted by the online business hubs to handle consumer queries easily. Amazon Polly provides dozens of languages that is a plus point for starting global business. This technique can be adopted by global companies where understanding language is a priority sector.

Policybazar.com facilitates its customers to compare insurance products online and to buy the most suitable one. This technique can also be adopted in marketing of other products where there is necessity of niche market. Now a day, online marketing are very popular and customer would prefer it more if they will have the option to compare two or more products.

Policybazar has achieved its milestone as an insurance aggregator and it is a global FinTech company. Other financial service companies can also adopt Amazon Polly test-to-speech service. Now a day, ordering food online is a popular service industry. These service industries can use cloud technology to manage more customers within a short span of time. Retail online shopping service providers can use the cloud technology to experience more customers.

VIII.   SUGGESTION AND CONCLUSION

The entire study reveals that Policybazar.com has overcome the challenges of previous problems after adopting technology as a booster for its business. From the company's journey, from offline customer service to online customer service of AWS it is found that it's selling has increased at a rapid speed after adopting PBee connect and Amazon Polly's text-to-speech service. The researcher wants to suggest that the service industries can start business online and can include suitable modern technology in their business model for surviving in the market. In depth research should done for choosing the suitable technologies for a particular category of online business.

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