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Factors Influencing Customer Acquisition and Sales Conversion in the Health Insurance Industry: A Study of Aditya Birla Health Insurance

An On-the-Job Training (OJT) Study at Aditya Birla Capital

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***Abstract*—Health insurance is bought before an illness happens, so customers must trust the insurer and the advisor before they trust the product. This paper studies the factors that influence customer acquisition and sales conversion in health insurance, with reference to Aditya Birla Health Insurance, a part of Aditya Birla Capital. The study is based on the author's On-the-Job Training (OJT) internship at Aditya Birla Capital in Pune, supported by secondary data from company disclosures, the Insurance Regulatory and Development Authority of India (IRDAI) and standard marketing theory. A descriptive and exploratory case approach is used. The paper maps the customer acquisition journey from lead generation to policy issuance, and it identifies eight factors that influence conversion: lead quality, need analysis, trust, affordability, product understanding, channel preference, follow-up discipline and advisor capability. It also proposes a simple set of sales performance measures and practical recommendations for lead scoring, digital-to-advisor journeys, plain-language communication and customer relationship management. No primary survey or confidential sales results are reported. The factors are therefore presented as a framework for testing in future empirical research.**

***Index Terms*—Health insurance, customer acquisition, sales conversion, sales funnel, customer trust, Aditya Birla Health Insurance, on-the-job training.**

I. INTRODUCTION

Health care costs in India are rising, and a single hospital stay can strain a family's savings. Health insurance, also called mediclaim, transfers part of this financial risk from the customer to the insurer, subject to the terms, conditions, exclusions and limits of the policy [2]. Unlike a product that can be tried before buying, health insurance is a promise about the future. The customer pays a premium today and may only see the real value when a claim is made years later. For this reason, customer acquisition in health insurance depends heavily on trust, clear explanation and good advice.

Customer acquisition means finding potential customers, understanding their needs, offering a suitable plan and completing the purchase. Sales conversion means the share of those potential customers who finally buy a policy. A company may generate many leads, but if few of them convert, the cost of selling rises and advisors lose time. Studying where and why prospects drop out is therefore important for both marketing and sales management.

This paper studies the factors that influence customer acquisition and sales conversion in the health insurance industry, with reference to Aditya Birla Health Insurance (ABHI). ABHI is the health insurance business associated with Aditya Birla Capital Limited (ABCL), the financial services arm of the Aditya Birla Group. The paper is based on the author's On-the-Job Training (OJT) internship at Aditya Birla Capital, which formed part of the Master of Business Administration (MBA) programme.

The rest of the paper is organised as follows. Section II explains key terms. Section III reviews theory and presents the conceptual framework. Sections IV and V give the objectives and the research method. Section VI describes the industry and the company. Section VII discusses the factors that influence conversion. Sections VIII and IX cover performance measurement and recommendations. Sections X and XI give the limitations, conclusion and future scope.

II. KEY TERMS USED IN THE PAPER

Table 1 lists the main terms in simple language so that readers from any management background can follow the discussion.

TABLE 1 KEY TERMS AND THEIR MEANING

Term	Meaning in this paper
Health insurance / mediclaim	A contract in which the insurer pays covered medical expenses according to the policy terms.
Premium	The amount the customer pays to the insurer for the cover.
Sum insured	The maximum amount the insurer will pay in a policy year.

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Term	Meaning in this paper
Waiting period	The time after policy start during which certain illnesses are not covered.
Exclusions	Conditions or treatments that the policy does not cover.
Cashless hospital	A network hospital where the insurer settles the bill directly, so the customer need not pay upfront.
Claim settlement ratio	The share of claims that an insurer has settled, as reported by the insurer.
Lead	A potential customer whose contact details or enquiry are available for follow-up.
Prospect	A lead that has a genuine need, ability or interest to consider the product.
Customer acquisition	The full process of finding, approaching, advising and converting a prospect into a customer.
Sales conversion	The movement of a prospect to a successful policy purchase and issuance.
Sales funnel	The step-by-step journey from lead to policy issuance, in which some prospects drop out at each step.
Persistency	The continuation of a policy through renewal.
CRM	Customer Relationship Management: the system used to record customer details, concerns and follow-ups.
KPI	Key Performance Indicator: a number used to track performance.
IRDAI	Insurance Regulatory and Development Authority of India, the insurance regulator.
OJT	On-the-Job Training: a supervised internship that forms part of the MBA programme.

III. Literature Review and Conceptual Framework

Several well-known marketing ideas help to explain how customers move from first awareness to purchase. They are summarised below.

Acquisition Funnel and AIDA

The acquisition funnel shows the journey from lead to contact, qualification, meeting, quotation, proposal and policy issuance. Prospects drop out at each stage, so the funnel shows where sales are lost. The AIDA model (Attention, Interest, Desire, Action) describes how communication moves a person from noticing a product to acting on it [4]. In health insurance, AIDA is useful but not enough, because customers also need trust and a clear understanding of the policy.

Segmentation, Targeting and Positioning

Segmentation, Targeting and Positioning (STP) means dividing the market into groups, choosing the groups to serve and positioning the offer for them [4]. A young single customer may care about price and digital convenience, while a family may care more about hospital network and sum insured.

Services Marketing and the 7Ps

Health insurance is an intangible service. The 7Ps (Product, Price, Place, Promotion, People, Process and Physical evidence) show that the customer experience depends not only on the plan but also on the people and processes behind it [5]. Service quality is often judged on reliability, responsiveness, assurance and empathy [8].

Trust and Relationship Marketing

Relationship marketing focuses on long-term customer value rather than a single sale. Research on commitment and trust shows that trust is a key ingredient of lasting customer relationships [9]. In health insurance, trust is built through transparent communication, claim support and responsible handling of personal data.

Customer Behaviour Theories

The Theory of Planned Behaviour states that a person's intention to act depends on attitude, social influence and perceived control [6]. For insurance, this means that family opinion and perceived affordability can matter as much as product features. The Technology Acceptance Model adds that people use digital tools when they find them useful and easy to use [7]. This supports a mixed model in which digital tools and human advisors work together.

Customer Lifetime Value

Customer Lifetime Value (CLV) is the total value a customer brings over the whole relationship, including renewals and referrals [4]. A customer who buys quickly but cancels early may be worth less than one who takes longer to decide but renews for many years.

Research Gap and Conceptual Framework

Earlier discussions often look at awareness, service quality, digital marketing or purchase intention separately. This paper brings customer-side factors and seller-side factors together in one simple framework, shown in Table 2. The framework is proposed by the author from the OJT experience and the theories above. It has not yet been statistically tested.

TABLE 2 CONCEPTUAL FRAMEWORK

Input factors (customer side)	Process factors (seller side)	Outcomes
Awareness	Lead qualification	Meeting rate
Trust	Need analysis	Proposal rate
Affordability	Product presentation	Conversion rate
Channel preference	Follow-up	Average premium
Brand and service perception	Documentation support	Persistency and referrals

IV. OBJECTIVES AND SCOPE

The objectives of the study are as follows.

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To study the customer acquisition process for health insurance (mediclaim) products at Aditya Birla Capital.

To analyse the main factors that influence customer conversion and sales performance.

To understand customer awareness, preferences, trust factors and preferred acquisition channels.

To suggest practical measures for improving lead quality, conversion, sales productivity and customer relationship management.

The scope covers retail health insurance selling, from lead generation to post-sale service. The study does not examine actuarial pricing, underwriting profit, confidential claims data or the investment performance of the company.

V. RESEARCH METHODOLOGY

Research Design

The study follows a descriptive and exploratory design with a single-company case approach. The descriptive part explains the acquisition process and sales measures. The exploratory part looks for reasons why prospects may drop out of the funnel.

Sources of Data

Two types of information are used. The first is the author's own observation during the OJT, which ran from 15 May to 8 August in Pune. During this period the author took part in customer interaction, lead generation, follow-ups, product discussions and sales-support activities under the guidance of the company supervisor. The second is secondary information from the official ABCL and ABHI websites, IRDAI publications and standard marketing textbooks [1]-[5].

Method of Analysis

The observations are organised using the acquisition funnel and the framework in Table 2. Each factor is discussed using what was observed in the field and what theory suggests. Because the paper is a qualitative case study, it does not use statistical tests and does not claim that the factors are proven.

Ethical Considerations

No confidential company sales records or customer personal information are used. Company figures quoted in this paper come from public sources and are shown as company-reported figures, not as results generated by the author.

VI. INDUSTRY AND COMPANY BACKGROUND

The Indian Health Insurance Market

Health insurance is sold by standalone health insurers and by general insurers, through advisors, brokers, banks, direct sales teams and digital platforms. The market is competitive, and customers can easily compare premiums, benefits and reviews online. IRDAI flash figures for April to December 2024 show that standalone private health insurers together earned gross direct premium of 26,719.44 crore rupees, which was 18.74 percent higher than in the same period of the previous year [3]. In the same table, Aditya Birla Health Insurance reported 3,218.56 crore rupees, an increase of 34.14 percent [3]. These figures show a growing market in which distribution and customer trust are important.

Aditya Birla Capital and Aditya Birla Health Insurance

Aditya Birla Capital Limited is a listed financial services company with businesses in loans, investments, insurance and payments. Aditya Birla Health Insurance Company Limited began operations in October 2016 and offers plans such as Activ Yuva, Activ One MAX, Activ One NXT and Super Health Plus Top Up, along with wellness features such as HealthReturns [1], [2]. Table 3 gives selected company-reported indicators. These are public figures and are not results of the author's internship.

TABLE 3 SELECTED COMPANY-REPORTED INDICATORS OF ABHI

Indicator	Reported figure	Why it matters for acquisition
Lives insured	More than 2.3 crore	A large base can build confidence.
Cashless hospitals	More than 16,500	A wide network reduces fear of paying upfront.
Claims settled, FY2025-26	About 29 lakh	Shows claims service at scale.
Claim settlement ratio, FY2025-26	97 percent	A key trust message, subject to the company method.
Share among standalone health insurers	10.4 percent in FY2023 to 12.6 percent in FY2025	Shows improving market position.

Source: company websites and disclosures [1], [2]. Figures should be rechecked against the latest company disclosures before publication.

VII. FACTORS INFLUENCING CUSTOMER ACQUISITION AND SALES CONVERSION

Based on the OJT experience and the theories reviewed, eight factors appear to influence whether a lead becomes a policyholder. They are described below in simple terms. They are working propositions for future testing and not proven findings.

Lead Quality and Response Speed

A lead with a real need and a reasonable ability to pay is far more likely to convert than a random contact. Quick first contact also matters, because customers often send enquiries to several insurers. Many calls to poor-quality leads raise effort but lower results.

Need Analysis and Product Fit

Customers differ in age, family size, existing cover and health concerns. Starting the conversation with the customer's health-care needs, rather than with product names, helps the advisor recommend a suitable plan. A plan that fits the customer builds trust and reduces later disappointment.

Trust and Claim Confidence

Customers want to know whether claims will be paid fairly and quickly. Brand reputation, hospital network, claim

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support and honest answers about exclusions all increase trust. Pressure tactics reduce it.

Affordability and Price Perception

Many customers compare premium first. If they do not understand what the extra cost buys, they may choose the cheapest plan or delay the decision. Advisors should explain value, such as cover, network and wellness benefits, along with the price.

Product Understanding

Terms such as co-payment, waiting period, room-rent limit and pre-existing disease are difficult for many customers. Low understanding leads to hesitation before purchase and complaints after purchase. Plain language, simple examples and approved documents help.

Channel Preference

Customers may discover a plan online, compare it on a website and then want to speak to an advisor before paying. A joined-up journey, in which a digital enquiry quickly reaches a human advisor, serves both needs.

Follow-up Discipline and CRM

Health insurance is rarely bought on the first call. Customers compare plans and take time to decide. Recording the next action, the customer's concern and the follow-up date in the CRM prevents good prospects from being forgotten.

Advisor Capability and Ethics

Advisors need product knowledge, communication skill, patience with objections and awareness of rules. Honest explanation of benefits and limits protects the customer and the company, and supports long-term persistency.

VIII. MEASURING SALES PERFORMANCE

Sales performance should not be judged by policy count alone. Table 4 shows simple funnel measures and quality measures that a sales manager can track. These formulas are standard management measures. The paper does not report actual values for them.

TABLE 4 SALES PERFORMANCE MEASURES

Measure	Formula	What it shows
Contact rate	Contacted leads / total leads x 100	Lead reachability
Meeting rate	Meetings / contacted leads x 100	Interest after contact
Proposal rate	Proposals / meetings x 100	Product fit and affordability
Conversion rate	Issued policies / qualified leads x 100	Overall selling success
Lead-to-issue rate	Issued policies / total leads x 100	End-to-end efficiency
Average premium	Total premium / issued policies	Ticket size
Follow-up productivity	Meaningful follow-ups / assigned prospects	Discipline
Persistency	Renewed policies / policies due x 100	Long-term quality

IX. RECOMMENDATIONS

The following actions are suggested for health insurance sales teams such as those at Aditya Birla Capital. Table 5 links each action to its expected benefit.

TABLE 5 RECOMMENDATIONS AND EXPECTED BENEFITS

Recommendation	How to implement	Expected benefit
Lead scoring	Score leads by source, need, life stage, existing cover and response.	Better use of advisor time
Need-based selling	Begin with health needs and risk gaps before features.	Higher trust and fit
Digital-to-advisor journey	Connect online enquiries to a human advisor quickly.	Faster response, more conversion
Plain-language communication	Use approved simple comparisons of cover, exclusions and waiting periods.	Better understanding
CRM discipline	Record stage, concern, next action and date for every lead.	Less funnel leakage
Advisor training	Train on product, rules, objections and digital tools.	Higher quality interactions
Responsible referrals	Ask satisfied customers for referrals with consent.	Low-cost quality leads

X. LIMITATIONS

The paper is a qualitative case study based on one internship and one company, so results cannot be generalised.

No primary survey data or confidential company sales records are used, and the factors have not been statistically tested.

The OJT period was too short to observe renewals or customer lifetime value.

Product features and company figures change over time and should be rechecked before use.

The paper covers marketing and sales only. It does not cover pricing, underwriting or claims economics.

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XI. CONCLUSION AND FUTURE SCOPE

Customer acquisition and sales conversion in health insurance are closely linked. A prospect is more likely to buy when the product is made understandable, relevant and trustworthy. The most effective approach is need-based advice supported by quick response, careful follow-up and honest communication. Aditya Birla Health Insurance has useful strengths, such as its wellness focus, hospital network and digital tools, but these must be turned into customer value through clear communication and reliable service. Sales performance is best seen as a funnel and a relationship system, not just a policy-count target.

Future research can test the eight factors using a questionnaire survey and statistical methods such as cross-tabulation, chi-square tests and regression. Possible propositions for testing are given below.

Lead quality and fast response are positively related to conversion rate.

Trust and claim confidence are positively related to purchase intention.

Product understanding is positively related to conversion and to renewal.

Disciplined follow-up is positively related to proposal and issuance rates.

Studies using verified company records, source-wise conversion data and renewal behaviour would give stronger evidence.

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