

Title: **Indian Insurers To Spend Rs 4.2 bn On Mobile Devices In 2015: Gartner**

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Indian Insurers To Spend Rs 4.2 bn On Mobile Devices In 2015: Gartner

by CXOtoday News Desk Oct 14, 2014



As mobile technology continues to dominate the IT arena, the insurance sector is leveraging it in various aspects of business. The forces driving the IT spending in insurance companies are the rapidly evolving mobile technology and growing popularity of social networking sites.

What reflects the trend is a Gartner survey, which says that Indian insurance companies are expected to spend Rs 4.2 bn on mobile devices in 2015, with spending on tablets to increase by 64 percent over 2014. This growth is occurring even as spending on PCs are forecast to decline year-over-year in 2014 and 2015.

A majority of insurance companies are increasingly focusing on applications that deliver business value.

"Most Indian insurance CIOs now view mobile enablement of applications and services as a very important component of their strategies to improve sales and channel effectiveness," said Derry Finkeldey, principal analyst at Gartner.

He adds that while internal spending is also increasing, Indian insurers have been quick to turn to the competitive technology provider sector in India for guidance and delivery.

They are looking at how they can extend access to corporate applications via mobile devices. "This not only leads to spending on the devices, but also on mobile data management (MDM) platforms and other application development," he said.

The Indian insurance market is forecast to be the third fastest growth market for ICT after retail and banking in 2015, according to Gartner. With a projected growth rate of 9.4 percent, insurance companies are on pace to spend Rs 118.9 bn on IT products and services in 2014, and spending will increase to Rs 130 bn in 2015.

This forecast includes spending by insurers on internal IT (including personnel), hardware, software, external IT services and telecommunications.

"Till now, the **ICT** adoption in insurance industry has occurred in a phased manner, wherein it has exhibited a steady but impressive growth rate over the years," said Kalyan Banga, former Product Manager at Netscribes.

Ernst and Young lists the core reasons for insurers to embrace mobile technology solutions as: Extend business services to the mobile channel; Attract new customers who need more self-service options; Modernize customer service tools to increase agent and policyholder satisfaction.