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THE DIGITAL SHIFT: EVOLVING INSURANCE LANDSCAPE AND CONSUMER-CENTRIC DIGITALIZATION IN KUALA LUMPUR, MALAYSIA

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Abstract:
This research aims to analyse the transformative impact of digital technologies on consumer behaviour in insurance shopping at XYZ Insurance. For confidentiality, the name of the insurance company is withheld. This study assesses the relationships between three independent variables (mobile application utilisation, digitalisation preferences, and digitalisation adaptation) and their influence on consumer behaviour. The Technology Acceptance Model (TAM) was used as a theoretical framework to investigate how individuals participate in digital consumerism for insurance purposes. This quantitative study was undertaken using the stratified random sampling method. A total of 400 responses provided the data for this research. This study has uncovered the complex patterns behind consumers' behaviour when purchasing insurance through digital technology. This study reveals strong positive relationships between the independent variables and consumer behaviour. This highlights the fact that significant technical shifts are influencing the way consumers experience and feel satisfied with the insurance they buy. However, the research also identifies challenges like privacy concerns and the potential for option overload, which could limit the full potential of digitalization. Furthermore, this study provides empirical information that sparks academic debate and proposes ways to enhance digitalisation in the insurance industry. This gives novel insights for both scholars and practitioners. Moreover, this study addresses the current gaps in the literature and provides guidance to XYZ Insurance and similar companies on how to optimise their digital strategies to align with customer preferences. This is crucial for enhancing overall customer satisfaction and fostering loyalty among clients who use digital channels for insurance purchases.

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Keywords: mobile applications utilisation, digitalisation preferences, digitalisation adaptation, consumer behaviour, insurance industry

1. Introduction

The perceived customer utilization of digital platforms in the insurance sector involves customers' subjective evaluations of their proficiency in utilizing technologies like websites, mobile applications, and online platforms for insurance-related activities (Dwivedi *et al.*, 2021). Understanding consumer preferences within the context of digitalization is crucial for customizing successful initiatives and enhancing the overall customer experience (Adam *et al.*, 2020). Analysing XYZ Insurance's current digital endeavours and gathering customer feedback from online sources can provide valuable insights into user experiences (Kiely, 2024). By comprehensively understanding the impact of digitalization on customer behaviour at XYZ Insurance in Kuala Lumpur, this research aims to inform effective digitalization strategies and improve the overall customer experience.

1.2 Research Problem Statements

The insurance industry has experienced significant digital transformation in recent years, largely due to the widespread adoption of mobile applications and an increasing preference for digitalized services. However, despite these advancements, there is still a limited understanding of how these digital technologies influence consumer behaviour, particularly within the context of insurance companies such as XYZ Insurance in Kuala Lumpur. The current body of literature presents conflicting perspectives on the impact of mobile application utilization, digitalization preferences, and digitalization adaptation on consumer behaviour, underscoring the need for further investigation to clarify the underlying mechanisms that drive consumer engagement in a digitalized insurance environment.

Existing studies reveal differing findings regarding the relationship between mobile application usage and customer satisfaction in the insurance sector. Some research suggests a positive correlation between the use of mobile applications and customer satisfaction (Zolkepli *et al.*, 2020; Lei, 2019; Leon, 2018; Dinsmore *et al.*, 2017; Lee *et al.*, 2015), while other studies indicate unfavourable outcomes related to application ratings, pricing, and advertising (Hammami, 2023). Similarly, the impact of digitalization preferences on consumer behaviour remains unclear. While some studies argue that digitalization enhances customer experience and influences purchasing decisions (Schiffmann *et al.*, 2023; Chiguvi *et al.*, 2023; Kanapathipillai & Kumaran, 2022), others highlight the potential for choice overload and complications in decision-making (Vijayanand *et al.*, 2022; Rejikumar *et al.*, 2019). Additionally, although digitalization has been recognized as a transformative force within the insurance industry, concerns related to data privacy and consumer resistance persist, raising questions about its overall impact (Blakesley & Yallop, 2019; Talonen *et al.*, 2021).

The Technology Acceptance Model (TAM), introduced by Davis in 1989, serves as the theoretical foundation for this study. TAM has been widely used to understand how digital technology influences consumer behaviour across various sectors, including business, healthcare, and education (Marikyan & Papagiannidis, 2023; Al-Bashayreh *et al.*, 2022). In the context of this study, TAM is particularly relevant as it provides a framework for understanding how consumers perceive the usefulness and ease of use of digital platforms offered by insurance companies like XYZ. By applying TAM, this study aims to explore the factors that either facilitate or hinder customer adoption of digital channels within the insurance sector, thereby contributing to the broader understanding of consumer behaviour in the digital age.

This study is of considerable significance to both scholars and the insurance industry. For the academic community, it addresses existing gaps in the literature by providing empirical evidence on the relationships between mobile application utilization, digitalization preferences, digitalization adaptation, and consumer behaviour. The findings from this study will contribute to the theoretical discourse on digital consumer behaviour and offer a more nuanced understanding of how digital strategies can be tailored to enhance consumer engagement and satisfaction in the insurance sector.

For the insurance industry, particularly for companies like XYZ Insurance in Kuala Lumpur, the insights from this study will be instrumental in shaping digital strategies that align with consumer expectations. By understanding the factors that drive consumer behaviour in a digitalized environment, insurance companies can design more effective digital tools and services that cater to the diverse needs of their customer base. Furthermore, the findings may inform policy decisions related to data privacy and consumer protection, thus enhancing consumer trust and loyalty in the digital age.

It is also crucial to consider broader socio-economic factors that may influence the impact of digitalization on consumer behaviour. As highlighted in the literature, consumer behaviour is shaped not only by the functionality of digital tools but also by demographic factors such as age, cultural background, and social class (Solomon, 2019; Kotler *et al.*, 2020). These factors must be taken into account when designing digital strategies to ensure inclusivity and responsiveness to a diverse customer base. Additionally, the study should explore potential drawbacks of digitalization, such as choice overload and privacy concerns, which could impede consumer adoption of digital channels.

Moreover, there will be adverse implications if this study is not undertaken. The insurance industry may face significant challenges in effectively navigating the digital transformation. Theoretical advancements in understanding digital consumer behaviour could stagnate, and practical efforts to align digital strategies with consumer expectations may falter, leading to broader implications for industry competitiveness, customer satisfaction, and regulatory frameworks. Therefore, the study is not only necessary but also urgent to ensure that the insurance industry can successfully adapt to and thrive in the digital age.

Thus, this study seeks to bridge gaps in the literature by providing a comprehensive analysis of the relationship between the independent variables (utilisation of mobile application, digitalisation preference, and adaptation) and the dependent variable (consumer behaviour) in the insurance sector. By leveraging the Technology Acceptance Model (TAM) and considering the broader socio-economic context, the study aims to contribute valuable insights to both scholars and industry practitioners.

1.3 Research Question

RQ1: Is there a significant relationship between utilisation of mobile application and consumer behaviour in XYZ Insurance, Kuala Lumpur?
RQ2: Is there a significant relationship between digitalisation preferences and consumer behaviour in XYZ Insurance, Kuala Lumpur?
RQ3: Is there a significant relationship between digitalization adaptation and consumer behaviour in XYZ Insurance, Kuala Lumpur?

1.4 Research Objectives

RO1: To scrutinize if there is a statistically significant relationship between utilisation of mobile applications and consumer behaviour in XYZ Insurance, Kuala Lumpur.
RO2: To examine if there is a statistically significant relationship between digitalisation preferences and consumer behaviour in XYZ Insurance, Kuala Lumpur.
RO3: To study if there is a statistically significant relationship between digitalization adaptation and consumer behaviour in XYZ Insurance, Kuala Lumpur.

2. Literature Review and Hypothesis Development

The section will cover the theories and models utilized in the research, primarily focusing on the Technology Acceptance Model (TAM). It will reference literature from prior studies, journals, and reports to define the three independent variables and the dependent variable in the research. Additionally, a conceptual framework will be developed to visually depict the relationships between these variables.

2.1 Underpinning Theory

The following theories are put forward as they underpin this study.

2.1.1 Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a theoretical framework initially proposed by Davis in 1989. It provides a strong framework that can be used to learn how digital technology influences consumer behaviour (Marikyan & Papagiannidis, 2023). TAM's universality makes it applicable in fields other than technical acceptance, such as business, healthcare, engineering and education (Al-Bashayreh *et al.*, 2022).

Recent studies emphasize the need to integrate models related to consumer decision-making, information systems theories, and behavioural economics to comprehend contemporary insurance value chains and digital decision-making processes (Baranauskas & Raišienė, 2021). TAM's versatility allows it to evaluate user acceptance of digital technologies, considering factors like perceived usefulness and ease of use (Nguyen, 2023).

In the context of XYZ Insurance in Kuala Lumpur, TAM offers insights into customers' attitudes and intentions towards using digital channels and platforms (Peng, 2019). By analyzing variables such as perceived usefulness, ease of use, and attitude towards using, XYZ can tailor its digital offerings to meet the needs and preferences of its digitally savvy customer base (Allen, 2023). Moreover, the TAM significantly helps in understanding the shift from intention to actual usage of a technology. Therefore, it is used to understand the facilitators or inhibitors of the customers' adoption of the digital channels (Nguyen, 2023).

Thus, the review of the relevant references demonstrates that the TAM is important in understanding customers in the digital era. It can also be applied in the customization of XYZ Insurance's digitalization. TAM will also be instrumental in this study as it will help XYZ in making sure that its digital strategies and products are tailored to the customers' digital needs.

2.2 Consumer Behaviour

Consumer behaviour comprises a complex process as it dictates how individuals or groups act when they interact with products, services or experiences, likes and dislikes according to their various needs and wants (Solomon, 2019). In the digital media marketing field, getting to know consumer behaviour is an essential skill that requires studying current trends and directions of consumer preferences from various dimensions (Chao, 2019; Lim *et al.*, 2022). Those directions include consumer information processing, community engagement, sustainability in consumption lifestyle choices, intergenerational behaviour, brand dynamics, questions of morality.

Internal factors including personality traits and motivation help to shape consumer behaviour (Solomon, 2019). Personality traits can lead to preferences for brands, whereas motivation might affect the nature of key purchasing decisions. External factors, such as cultural background, social class memberships and reference groups, also exert a strong influence on consumer decisions (Kotler *et al.*, 2020). The consumer decision-making process, as detailed in (Schiffman & Kanuk, 2019), advances through several stages ranging from problem recognition to post-purchase conduct. This structured framework is useful for understanding how consumers go deciding what and when to buy. But, current changes, such as the rise of e-commerce and digital platforms, have revolutionised consumers' purchase decisions (Smith & Brynjarsdóttir, 2020).

More profoundly, (Sun *et al.*, 2023) point out that consumers feel e-commerce transactions are much riskier than traditional purchases. Complaints were less frequent when products met quality standards, but increased as expectations failed to be realized.

Therefore, consumer behaviour is a dynamic field influenced by a variety of internal and external factors, and understanding it is essential for a successful marketing strategy in digital media.

2.3 The Relationship Between Utilisation of Mobile Application and Consumer Behaviour

Driven by technological changes that began in the late 1990s with increased digitalization, mobile apps have become essential items that are changing various aspects of consumer behaviour, particularly within the insurance sector.

The widespread popularity of mobile phones has fundamentally transformed consumer insurance services, bringing about easy access to information on policies, claims and all other inquiries. The spread of smartphones has accelerated the development of mobile applications with research showing a large percentage of insurance-related activities now being carried out on them (MCMC, 2022; Saik, 2020). With this trend, insurance companies must surely know that the development of their mobile app is an increasingly important factor if they are to keep customers coming back. In the context of mobile application utilisation it is very possible that a number of factors could have an impact on consumer behaviour. According to (Zolkepli, *et al.*, 2020), the higher the preference towards a mobile application, the higher its price, and vice versa. In addition, perceived utility also affects consumer attitudes to mobile applications. Positive user experiences and perceived usefulness are conducive to favourable evaluations of mobile applications (Lei, 2019; Leon, 2018). Moreover, studies reveal that decision-making style and engagement metrics play a decisive role in shaping consumer adoption and satisfaction (Sarkar, 2020; Fan *et al.*, 2022).

The relationship between consumer attitudes toward mobile applications and their satisfaction with insurance services is further explored by (Lee *et al.*, 2015), who found that a positive attitude toward using mobile app services correlates with higher customer satisfaction levels. This suggests that when consumers feel confident and satisfied with the mobile tools provided by their insurers, they are more likely to engage in additional transactions and maintain loyalty to the insurance brand.

Additionally, (Dinsmore *et al.*, 2017) highlight that the integration of mobile applications into the insurance sector can enhance consumer engagement by providing personalized experiences. According to their study, the utilisation of mobile applications to facilitate self-service and personalized interactions can lead to increased consumer satisfaction and loyalty. When consumers feel that their individual needs are being addressed through tailored services offered via mobile apps, they are more likely to develop a positive relationship with their insurers.

However, contradictory findings exist regarding the effects of mobile application utilisation on consumer behaviour. While some studies suggest a positive correlation between mobile application usage and customer satisfaction, (Hammami, 2023) report unfavourable outcomes associated with application rating, price, and advertising. These

discrepancies underscore the complexity of consumer behaviour in the digital realm and highlight the need for further research to elucidate the underlying mechanisms.

The current consumer landscape shows that many consumers already utilise websites and mobile applications for communication with insurance providers, suggesting a shift in how consumers engage with insurance services (Nakayama & Leon, 2022). This indicates that while mobile applications are popular, their mere existence does not necessarily translate into a change in consumer behaviour towards insurance products.

Moreover, (Maina *et al.*, 2022) argue that while mobile applications can enhance information dissemination and improve service quality, their impact on consumer behaviour is contingent upon the existing business processes and consumer expectations. This indicates that mobile applications may not be the primary drivers of behavioural change but rather tools that can enhance existing consumer interactions with insurance providers. Furthermore, (Akinlo, 2021) supports this notion by suggesting that while the utilisation of mobile application is crucial, the actual impact on insurance development is influenced by broader socio-economic factors.

Addressing challenges related to security, user experience, and excessive mobile reliance is crucial for insurers seeking to leverage mobile applications effectively. Studies identify security concerns as a critical challenge in mobile application adoption, emphasizing the importance of targeted features to enhance customer relationships and mitigate risks (Saik, 2020; Sharma *et al.*, 2021). Moreover, understanding the preferences and behaviours of consumers is essential for insurers to design tailored mobile application experiences that resonate with diverse customer segments.

According to (Ghazali, *et al.*, 2018), the influence of mobile applications on consumer behaviour requires both perceived usefulness and ease of use. They found that perceived usefulness has a positive effect on behavioural intention. But how strong this influence is varies on the demographic factors. Moreover, (Vahdat, *et al.*, 2020) pointed out that younger users value high convenience and time saving, but old users consider more of the effort that they need to put in when using mobile applications. This shows that mobile application utilisation in driving consumer behaviour depends not just on its functions or ease of use but also on user age group and personal preferences.

Additionally, (Wohllebe *et al.*, 2020) stress the importance of mobile application atmospherics, such as entertainment gratification and mobile irritation, which may dramatically affect users' intentions to continue utilising an application. This indicates that if an application is relatively strong in function but produces a multitude of bad user experiences, then it will ultimately suffer resentment from consumers. Therefore, the relationship between mobile application utilisation and consumer behaviour is not merely a matter of application features but also involves the emotional and psychological responses of users to the application environment.

While, in general, the utilisation of mobile applications provides insurance companies with unprecedented opportunities to interact with customers and optimize processes, the complexity of consumer's demands and the intricacies of a context should

also be taken into account. While some studies have highlighted the significant impact of mobile application utilisation on consumer behaviour (Zolkepli, *et al.*, 2020; Lei, 2019; Leon, 2018; Ghazali, *et al.*, 2018; Dinsmore *et al.*, 2017; Lee *et al.*, 2015), others have presented opposing results, suggesting a negative relationship (Maina *et al.*, 2022; Nakayama & Leon, 2022; Akinlo, 2021). Therefore, there are conflicting views on the relationship between utilisation of mobile applications and consumer behaviour. Thus, hypothesis H1 was proposed to address the gap that exists in the literature.

H1: There is a statistically significant relationship between utilisation of mobile applications and consumer behaviour in XYZ Insurance, Kuala Lumpur.

2.4 The Relationship between Digitalisation Preferences and Consumer Behaviour

Consumer preferences play a pivotal role in shaping consumer behaviour, particularly in the insurance sector, where individuals make complex decisions regarding coverage, premiums, and policy management. Understanding the intricate dynamics between consumer preferences and behaviour is essential for insurers to tailor their offerings and enhance customer satisfaction (Kanapathipillai & Kumaran, 2022).

Research in the automotive industry in Malaysia by (Kanapathipillai & Kumaran, 2022), highlights the interplay between digitalisation and consumer purchase decisions. Their research underscores the idea that digitalization preferences can significantly influence consumer behaviour, particularly when considering how brands engage with consumers through digital channels. In line with this, (Schiffmann *et al.*, 2023) mention that the integration of digital technologies can enhance customer experiences, thereby affecting consumer behaviour. This relationship highlights that digitalization preferences can lead to improved service quality and product offerings, which in turn influence purchasing decisions.

Additionally, age emerges as a critical demographic characteristic influencing consumer preferences and behaviour in the insurance domain. Studies indicate distinct preferences and usage patterns across different age groups, with younger demographics exhibiting a preference for digital channels and real-time communication features (Slaba, 2019; Tong *et al.*, 2022). Millennials demonstrate a proclivity towards online shopping experiences and mobile application preference, reflecting their comfort with digital technologies (Segel, 2020). Conversely, older consumers prioritize simplicity and clarity in user interfaces, preferring traditional communication channels for policy management (Pham *et al.*, 2022; Saura *et al.*, 2020).

A study on the Indian insurance industry illustrates that consumer behaviour is increasingly leaning towards digital transactions due to factors such as cost-effectiveness and ease of access to information (Desikan & Devi, 2021). This shift indicates that digitalization preferences are indeed influencing consumer behaviour, as customers are drawn to online platforms for insurance policy comparisons. The operational efficiencies and enhanced customer experience resulting from digital transformation further emphasize this relationship as insurers adapt to meet the evolving preferences of their

clients (Desikan & Devi, 2021). Therefore, the evidence suggests that digitalization preferences are not only relevant but also pivotal in shaping consumer behaviour in the insurance sector. Likewise, research in the Zimbabwean life insurance industry indicates that market trends and consumer preferences are driving organizations to adopt digital models (Chiguvi *et al.*, 2023). This suggests that digitalization is not merely a technological shift but a strategic response to changing consumer behaviours.

Consumer preferences across age groups intersect with decision-making processes, wherein mobile application utilisation influences consumer choices. Millennials, characterized by their affinity for technology, rely heavily on mobile app features to inform their decisions and enhance their overall experience (Baranauskas, 2022). Organizations leveraging technology to improve customer experiences can significantly impact client retention and operational efficiency (Breuer *et al.*, 2020). However, age-related differences in digital literacy and technological adoption present challenges for insurers in catering to diverse preferences and needs (Gansser & Schultz, 2020).

Psychological and emotional factors also influence consumer preferences and behaviour, with nostalgia and emotional connections shaping brand preferences among older consumers (Heinberg *et al.*, 2019). However, studies present conflicting findings regarding the impact of age on digital services interests and consumer behaviour (Maria, 2020; Ahmad & Hadi, 2020). While age may not be the sole determinant of consumer behaviour, it remains a significant factor in understanding diverse preferences and purchasing habits.

Digitalisation is deeply connected with consumer information and it shapes the behaviour of consumers within the insurance industry. This indicates that when consumers are well-informed, their preferences and behaviours can change according to (Wang & Ven, 2012). But there is also a negative consequence. Unintended information dissemination, such as negative attitudes and selection behaviour, underscore the complexity of this relationship (Wang & Ven, 2012). So, while digitalization does mean that information is available to everyone, the ensuing consumer behaviour is not always aligned with insurers' expectations.

However, it is also important to acknowledge the potential drawbacks of digitalization, which are prevalent. According to (Vijayanand *et al.*, 2022), consumer decision-making in the insurance sector is influenced by factors such as the behaviour of insurance agents and the complexity of choices available. Their study suggests that digitalization, while providing more options, can also lead to choice overload, making consumer decision-making more complicated. The relationship between digitalization preferences and consumer behaviour is mediated by factors like choice architecture and cognitive load.

Furthermore, the concept of inertia in consumer behaviour, often exhibits a reluctance to switch insurance plans despite the availability of better options (Rejikumar *et al.*, 2019). This inertia can be exacerbated by the complexities introduced by digitalisation, where consumers may feel overwhelmed by the plethora of choices

available. The interplay between digitalization and consumer behaviour is thus marked by a paradox where increased access to information does not necessarily lead to better consumer decisions.

Moreover, the phenomenon of digital failures and resistance to technology adoption highlights that not all consumers embrace digitalization equally (Fuentes, 2019). This resistance can stem from various factors, including concerns about privacy, usability, and the perceived value of digital interactions. Such complexities suggest that while digitalization preferences can influence consumer behaviour (Schiffmann *et al.*, 2023; Chiguvi *et al.*, 2023; Kanapathipillai & Kumaran, 2022; Vijayanand *et al.*, 2022; Tong *et al.*, 2022; Desikan & Devi, 2021; Segel, 2020), others indicate conflicting views about digitalisation preference across consumer segments (Pham *et al.*, 2022; Saura *et al.*, 2020; Maria, 2020; Ahmad & Hadi, 2020; Rejikumar *et al.*, 2019). Therefore, there are differing outcomes on the relationship between digitalisation preferences and consumer behaviour. Thus, hypothesis H2 was proposed to address the gap that exists in the literature.

H2: There is a statistically significant relationship between digitalisation preference and consumer behaviour in XYZ Insurance, Kuala Lumpur.

2.5 The Relationship between Digitalization Adaptation and Consumer Behaviour

In the rapidly evolving landscape of the insurance sector, digitalization has emerged as a transformative force, reshaping consumer behaviour and industry dynamics.

Digitalization encompasses the conversion of analogue processes into digital formats, revolutionizing how insurers interact with consumers and deliver services (Lyskawa *et al.*, 2019). Investments in information and communication technologies have surged, correlating with improvements in insurer effectiveness and performance (Widyatmoko, 2022; Lyskawa *et al.*, 2019; Bohnert *et al.*, 2019). Globalization and digitalization have fundamentally altered consumer habits, prompting organizations to adapt their strategies to meet evolving preferences (Anna, 2020; Saura *et al.*, 2020). Smartphone applications have emerged as essential marketing channels, catering to consumers' preferences for digital interactions, thus influencing consumers to change their behaviour (Kanapathipillai *et al.*, 2023; Saura *et al.*, 2020).

The integration of advanced digitalisation technologies, such as artificial intelligence and data analytics, has enabled insurers to streamline operations, enhance consumer connections, and drive productivity (Eckert & Osterrieder, 2020). Personalization and customization of digital services have become paramount, with tailored policy recommendations and personalized communication positively influencing consumer engagement and satisfaction (Ahmed, 2023). Digital marketing techniques, including targeted campaigns and social media engagement, play a pivotal role in shaping consumer perceptions and preferences (Lawal & Binuyo, 2022; Kamath *et al.*, 2021; Adunchezor, 2021).

Digitalization trialability is a part of digitalization adaptation. Trialability is one of the factors that can influence how easily and effectively a consumer can adapt to digitalization (Pobee, 2021). By allowing consumers to test digital tools in a controlled or limited manner, trialability reduces the perceived risk and uncertainty associated with the adoption of new technologies. This, in turn, can accelerate the adaptation process as users gain confidence and understanding of how digital tools can be integrated into their existing workflows. However, a study conducted by (Kanapathipillai *et al.*, 2023) discovered that digitalization trialability does not influence digitalization adaptation. Consequently, its significance to consumer behaviour is also considered negative.

According to (Gowanit *et al.*, 2016), mobile claim management applications have been noted as a significant trend, particularly in emerging markets, where consumers are increasingly adopting digital solutions for convenience and efficiency. However, the adoption of such technologies is not uniform across demographics, as certain consumer segments exhibit reluctance to share personal data due to privacy concerns (Blakesley & Yallop, 2019). This dichotomy highlights a critical contradiction. This indicates that even though digitalization offers enhanced services, it simultaneously raises apprehensions about data privacy, which can deter consumers from fully engaging with digital platforms.

Moreover, the concept of automated personalization, facilitated by big data analytics, has been explored extensively. This form of digitalisation allows insurers to tailor products and services to individual consumer needs, potentially increasing customer satisfaction and loyalty (Infantino, 2022). However, the reliance on granular data can lead to a sense of being monitored, which may evoke anxiety among consumers. (Talonen *et al.*, 2021) emphasize that the perception of value sacrifice, where consumers feel they are giving up privacy for the sake of personalized services, can result in negative attitudes towards health tracking technologies in insurance. This suggests that while digitalization aims to enhance consumer experience, it can inadvertently alienate consumers who prioritize their privacy.

While several studies have highlighted the significant impact of digitalization on consumer behaviour (Ahmed, 2023; Lawal & Binuyo, 2022; Infantino, 2022; Kamath *et al.*, 2021; Adunchezor, 2021; Eckert & Osterrieder, 2020), others have presented contrasting results, suggesting a negative relationship across all contexts (Kanapathipillai *et al.*, 2023; Talonen *et al.*, 2021; Blakesley & Yallop, 2019). This divergence underscores the need for further research to explore the dynamics of digitalization adaptation and its effects on consumer behaviour. Thus, hypothesis H3 was formulated to address the gap that exists in the literature.

H3: There is a statistically significant relationship between digitalization adaptation and consumer behaviour in XYZ Insurance, Kuala Lumpur.

2.6 Proposed Conceptual Framework

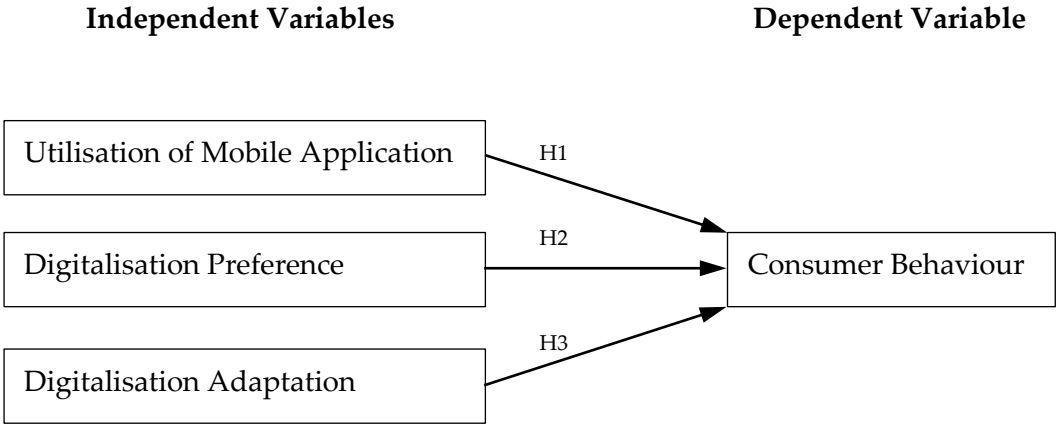

Figure 1: Proposed Conceptual Framework

Figure 1 The proposed conceptual model uses the Technology Acceptance Model (TAM) as a means to relate the independent variables (utilisation of mobile application, digitalisation preference and adaptation) with the dependent variable (customer behaviour) in the context of XYZ Insurance. TAM assumes that consumers' utilization of mobile applications, their attitude towards digitalization and adaptation affects how they engage with the digital network provided by Etiqua Insurance.

The conceptual framework suggests that when consumers perceive the mobile applications and digital services as useful and easy to use, their attitudes toward these technologies become more favourable. This positive attitude, in turn, enhances their overall satisfaction and likelihood of continued use, ultimately shaping their behaviour. Therefore, TAM not only explains how these independent variables shown in Figure 1 relate to consumer behaviour but also provides a robust basis for understanding how digital strategies can be tailored to enhance consumer engagement and satisfaction in the insurance sector.

3. Methodology

This section will describe the data collection methodology used to answer the research question and prove the hypotheses. This chapter describes the population of the study, sampling, and measurements.

3.1 Population, Sampling and Measurements

The quantitative research method was chosen for this study because it will yield projectable data to a larger population and enable researchers to interpret the data. Data analysis will involve statistical techniques such as descriptive statistics, correlation analysis, and regression analysis to explore the relationship between digitalization and consumer behaviour.

The target population for this study comprises XYZ Insurance customers in Kuala Lumpur, Malaysia. There are about 2 million consumers. (DOSM, 2023). To ensure comprehensive representation, a stratified random sampling method is utilized. This approach allows for the inclusion of diverse age groups, policy types, and levels of digital engagement within the sample. Therefore, from the 2 million population, 384 is a sufficient sample size according to the (Krejcie & Morgan, 1970) tabulation. A total of 550 questionnaires were distributed and 400 responses were collected, where the response rate was 72.7%.

Measurement of variables, key variables such as consumer behaviour, utilisation of mobile applications, consumer preferences, and adaptation to digitalization are measured using a structured questionnaire. The questionnaire includes both demographic information and Likert-scale items to capture respondents' perceptions and experiences accurately. Statistical Package for Social Science version 29 was utilized for data analysis.

The data collection method is conducted through electronic surveys distributed via email, Telegram, and WhatsApp. Google Forms is employed as the platform for survey administration, offering convenience and accessibility to respondents. The questionnaire is designed with clarity, brevity, and ease of response in mind, facilitating a high response rate and ensuring the quality of data collected.

Theoretical assertions concerning construct measurement relationships are carefully considered to ensure the accuracy and scientific rigor of the study. The research methodology aligns with established principles of empirical research, aiming to provide valid and reliable insights into the impact of digitalization on consumer behaviour in the insurance sector.

4. Findings and Interpretation

This section provides the findings of this study, including the respondents' demographic profiles, descriptive analysis, correlation matrix and regression analysis.

4.1 Demographic Profile of Respondents

The profile of the respondents studied is displayed in Table 4.1.

Table 4.1: Demographic Analysis of the respondents (N=400)

Demographics	Category	Frequency	Percentage (%)
Gender	Male	217	54.3
	Female	183	45.8
Age	18 – 24 years old	165	41.3
	25 – 34 years old	116	29.0
	35 – 44 years old	34	8.5
	45 – 54 years old	65	16.3
	55 years old and above	20	5.0
Marital status	Single	215	53.8
	Married	157	39.3
	Others	28	7.0
Educational level	SPM	77	19.3
	Diploma/Certificate	46	11.5
	Bachelor's Degree	253	63.2
	Master's Degree	18	4.5
	PhD	6	1.5
XYZ insurance insured	Automotive	115	28.7
	Residence	59	14.8
	Health	98	24.5
	Life/pension/investment plan	128	32.0
XYZ insurance using digital services	Automotive	149	37.3
	Residence	46	11.5
	Health	101	25.3
	Life/pension/investment plan	104	26.0
Gadget use for digital service	Mobile	226	56.5
	Tablet	21	5.3
	Laptop	153	38.3

Table 4.1 Demographic Analysis of 400 respondents shows that the majority were male (54.3%) and aged 18 to 24 years (41.3%). Most were single (53.8%) and held a Bachelor's degree (63.2%). Life/pension/investment plans were the most common type of insurance (32.0%), and the majority used digital services for car insurance (37.3%). Mobile phones were the most frequently used gadget for accessing digital services (56.5%). This data reflects a young, educated demographic with significant engagement in digital insurance services.

4.2 Reliability Analysis

Table 4.2: Reliability Analysis (N = 400)

Variables	Cronbach's Alpha	N of Items
Utilisation of Mobile Application	0.859	7
Digitalization Preferences	0.778	5
Digitalization Adaptation	0.826	5
Consumer Behaviour	0.883	5

Based on Table 4.2, Reliability Analysis, the value of Cronbach's Alpha for utilisation of mobile application is 0.859 with 7 items. The Cronbach's alpha values of Consumer's preferences and Adaptation digitalization of the insurance are 0.778 (5 items) and 0.826 (5 items), respectively. Finally, the Cronbach's alpha value of the dependent variable (consumer's behaviour) is 0.883 with 5 items. Except for consumer's preferences, which is a good reliability, all other reliability values have shown values of more than 0.8, which means the construct is excellent for this research.

4.3 Normality Test Using Q-Q Plot

Figure 4.3.1 – 4.3.4 Q-Q plots indicate that all variables, both independent (utilisation of mobile applications, digitalisation preference, and digitalisation adaptation) and the dependent variable (consumer behaviour) are approximately normally distributed. This normal distribution is important as it supports the validity of further statistical analyses, such as Pearson's Correlation and regression, that assume normality. The plots show minimal deviations from the normal line, suggesting that the data is well-suited for these analyses.

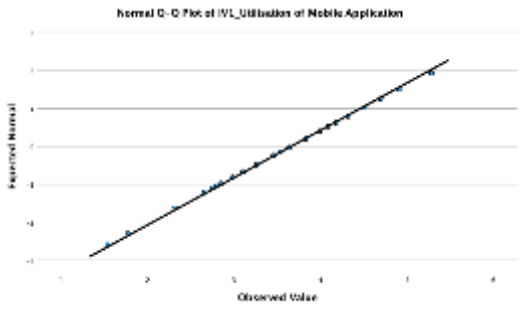

Fig 4.3.1: Utilisation of Mobile Application

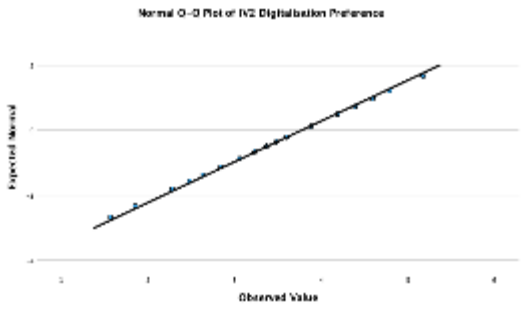

Fig 4.3.2: Digitalisation Preference

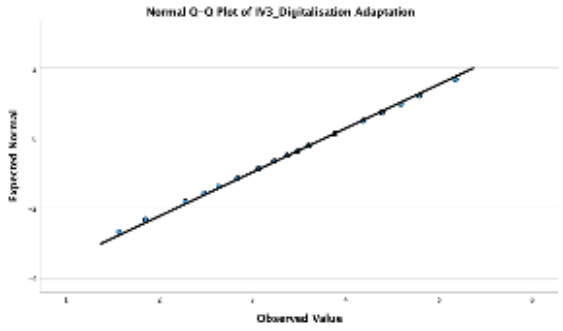

Fig 4.3.3: Digitalisation Adaptation

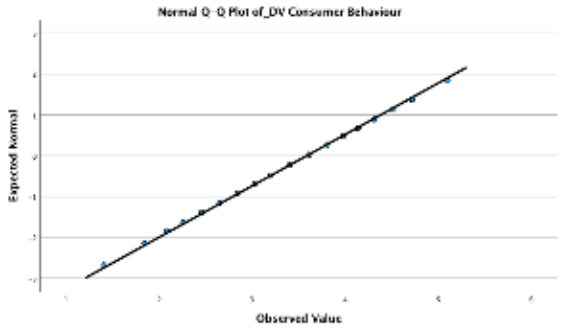

Fig 4.3.4: Consumer Behaviour

4.4 Mean and Standard Deviation Analysis

Descriptive Statistics displays the mean, standard deviation (SD), skewness and kurtosis values of this research.

Table 4.3: Descriptive Statistics (N =400)

Factors	Mean	SD	Skew	Kurtosis	Min	Max
Utilisation of Mobile Application	3.656	0.800	-0.007	0.376	1	5
Digitalisation Preferences	3.774	0.796	-0.106	0.430	1	5
Digitalization Adaptation	3.773	0.795	-0.106	0.430	1	5
Consumer Behaviou**r**	3.587	0.793	-0.067	0.371	1	5

Table 4.3, Descriptive Statistics reveals that the respondents' ratings across all factors are generally consistent, with moderate means and standard deviations. The slight negative skewness indicates a tendency for respondents to rate slightly higher on the scales. The positive kurtosis values suggest that the distributions are slightly peaked. But the data distributions across all factors are fairly normal, with minimal skewness and kurtosis, indicating that the responses are reasonably symmetrical and concentrated around the mean values. Additionally, the skewness and kurtosis values in Table 4.3 indicates that the values have a threshold of ±2; therefore, the data are distributed normally, as cited by (Chinna & Yuen, 2015; Gravetter & Wallnau, 2014).

4.5 Correlation Analysis

To study how the variables are associated in terms of strength and direction, the correlation analysis is shown in Table 4.4: Correlation Matrix.

Table 4.4: Pearson's Correlation Matrix (N = 400)

Factors	CB	UM	DP	DA
Consumer behaviour (CB)	1			
Utilisation of mobile application (UM)	0.731**	1		
Digitalisation Preference (DP)	0.767**	0.801**	1	
Digitalization Adaptation (DA)	0.750**	0.734**	0.883**	1
** Correlation is significant at the 0.01 level (2-tailed).				

Table 4.4 Pearson's Correlation Matrix evaluates the association between the independent variables (Utilization of Mobile Applications (UM), Digitalization Preference (DP), and Digitalization Adaptation (DA) with the dependent variable, (Consumer Behaviour (CB).

Firstly, Digitalization Preference (DP) has the highest correlation with Consumer Behaviour ($r = 0.767$; $p < 0.001$), signifying a very strong positive relationship. This suggests that consumers who prefer digital solutions are more likely to exhibit favourable consumer behaviours.

Secondly, Utilization of Mobile Applications (UM) also shows a strong positive correlation with Consumer Behaviour ($r = 0.731$; $p < 0.001$). This implies that higher usage of mobile applications is associated with more positive consumer behaviour.

Thirdly, Digitalization Adaptation (DA) correlates strongly with Consumer Behaviour as well($r = 0.750$; $p < 0.001$). This indicates that consumers who adapt well to digitalization tend to exhibit more positive consumer behaviours.

Fourthly, The correlation between Utilization of Mobile Applications (UM) and Digitalization Preference (DP) ($r = 0.801$; $p < 0.001$). This strong positive correlation suggests that individuals who frequently utilize mobile applications are likely to have a strong preference for digital solutions. This association indicates that mobile application usage could be a significant factor in shaping or reflecting an individual's preference for digitalized services and environments.

Fifthly, The correlation between Utilization of Mobile Applications (UM) and Digitalization Adaptation (DA) ($r = 0.734$; $p < 0.001$). This strong positive correlation implies that those who frequently use mobile applications also tend to adapt well to digital environments. It suggests that the behaviours associated with mobile application usage may contribute to a smoother or more efficient adaptation to broader digitalization efforts.

Finally, Digitalization Preference (DP) and Digitalization Adaptation (DA) are highly correlated with each other ($r = 0.883$; $p < 0.001$). This suggests that individuals who prefer digital solutions are also likely to adapt well to digitalization, highlighting the interrelatedness of these factors.

Given that all correlations are significant at the 0.01 level (2-tailed), these results emphasize the importance of digital preferences, adaptation, and mobile application utilization in influencing consumer behaviour. The high correlations underscore the interconnectedness of these digital factors in shaping how consumers behave, particularly in contexts where digitalization is prominent.

4.6 Multiple Regression Analysis

Regression analysis is the statistical method used in this research to estimate the relationships between the 3 independent variables and a dependent variable.

Table 4.5: Model Summary

R	R Square	Adjusted R Square	Std. Error Est.
0.803[a]	0.645	0.643	0.487
a. Predictors: (Constant), Utilisation of Mobile Application, Digitalisation Preference, Digitalization Adaptation b. Dependent Variable: Consumer Behaviour			

Table 4.5 Model Summary provides key insights into the regression analysis conducted to explore the relationship between the predictors (Utilisation of Mobile Application, Digitalisation Preference, and Digitalization Adaptation) and the dependent variable, (Consumer Behaviour). The correlation coefficient ($R = 0.803$) indicates a strong positive linear relationship between these variables, suggesting that as the predictors increase, Consumer Behaviour is likely to increase as well. Furthermore, the ($R^2 = 0.645$) reveals that approximately (64.5%) of the variability in Consumer Behaviour can be explained by the predictor variables, highlighting its effectiveness in capturing the influence of the selected predictors.

The (Adjusted $R^2 = 0.643$), slightly lower at, accounts for the number of predictors relative to the sample size and suggests that the model is well-specified with relevant variables, as it adjusts for any potential overfitting. Additionally, the (Standard Error of the Estimate = 0.487), indicates that the average deviation of the observed values from the predicted values is approximately 0.487 units. This relatively low value further supports the accuracy and reliability of the model in explaining Consumer Behaviour.

Overall, the summary model demonstrates that the predictor variables have a significant and meaningful relationship with the dependent variable, explaining a substantial portion of its variance with a commendable level of precision.

Table 4.6: ANOVA

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	170.680	3	56.893	240.185	<0.001[b]
	Residual	93.802	396	0.237		
	Total	264.482	399			

a. Dependent Variable: Consumer behaviour
b. Predictors: (Constant), Utilisation of Mobile Application, Digitalization preference, Digitalization Adaptation

Table 4.6 ANOVA offers a statistical summary of the variance analysis conducted to assess the significance of the regression model that examines the relationship between the predictors (Utilisation of Mobile Application, Digitalization Preference, and Digitalization Adaptation) and the dependent variable (Consumer Behaviour).

The (Sum of Squares = 170.680), which represents the amount of variance in Consumer Behaviour that is explained by the model. The (Residual Sum of Squares = 93.802), reflects the variance that remains unexplained by the model. The (Total Sum of Squares = 264.482), represents the total variance in Consumer Behaviour across the entire dataset.

The (Mean Square for the regression = 56.893) represents the average variance explained by each predictor in the model. The (Mean Square for the residuals = 0.237), indicating the average variance that remains unexplained by the model per observation. The (F-statistic = 240.185) which is high, typically indicating that the model explains a significant portion of the variance in the dependent variable. The corresponding (p-value < 0.001), indicating that the probability of the observed F-statistic occurring by chance is extremely low. This low p-value suggests that the regression model is statistically significant and that the predictors used in the model have a significant effect on the dependent variable.

Therefore, the ANOVA results strongly indicate that the model significantly explains the variance in Consumer Behaviour, with a highly significant F-statistic and a minimal p-value, confirming that the predictors are important in understanding and predicting Consumer Behaviour.

Table 4.7: Regression Coefficients

Model 1	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Err	Beta		
(Constant)	0.312	0.127		2.453	0.015
Utilisation of Mobile Application	0.302	0.050	0.305	6.088	<0.001
Digitalisation Preference	0.317	0.069	0.261	3.599	<0.001
Digitalisation Adaptation	0.258	0.072	0.296	4.618	<0.001

a. Dependent Variable: Consumer behaviour

Based on the regression coefficients presented in Table 4.7, the following equation can be derived for predicting consumer behaviour:

CB = 0.312 + 0.302 (UM) + 0.317 (DP) + 0.258 (DA)

Where:
CB = Consumer Behaviour
UM = Utilisation of mobile application
DP = Digitalisation Preference
DA = Digitalisation Adaptation
Constant or the CB-intercept = 0.312.

Table 4.7 Regression Coefficients and the regression equation offer insights into the relationship between the independent variables (Utilisation of Mobile Application, Digitalisation Preference, and Digitalisation Adaptation) and the dependent variable (Consumer Behaviour).

The Constant term, with a coefficient (B = 0.312; t-value = 2.453, suggests that when all the predictors are held constant, the baseline level of Consumer Behaviour is positive and statistically significant (p = 0.015). This indicates that even in the absence of the independent variables, Consumer Behaviour is influenced by factors not included in this model.

For the Utilisation of Mobile Application, the unstandardized coefficient (B= 0.302), indicating that for each unit increase in the utilization of mobile applications, Consumer Behaviour is expected to increase by 0.302 units, assuming all other variables remain constant. The (t = 6.088; p < 0.001), strongly indicates that this relationship is statistically significant. The Standardized Coefficient (Beta = 0.305) suggests that Utilisation of Mobile Application has a considerable impact on Consumer Behaviour relative to the other predictors in the model.

The coefficient for Digitalisation Preference (B = 0.317), which implies that a unit increase in digitalisation preference corresponds to a 0.317 unit increase in Consumer Behaviour, holding other variables constant. The (t-value = 3.599; p < 0.001), this relationship is also statistically significant. The Standardized Coefficient (Beta = 0.261) indicates that while Digitalisation Preference is an important predictor, its impact is slightly less pronounced compared to Utilisation of Mobile Application.

Lastly, the coefficient for Digitalisation Adaptation (B = 0.258), meaning that for each unit increase in adaptation to digitalization, Consumer Behaviour is predicted to rise by 0.258 units, assuming other factors remain constant. The ($t = 4.618$; $p < 0.001$) confirms the statistical significance of this predictor. The Standardized Coefficient (Beta = 0.296) highlights that Digitalisation Adaptation has a substantial influence on Consumer Behaviour, comparable to the impact of the other variables.

The coefficient analysis shows that all three independent variables (Utilisation of Mobile Application, Digitalisation Preference, and Digitalisation Adaptation) are positively associated with the dependent variable (Consumer Behaviour) and are statistically significant at the 0.001 level. Among them, Utilisation of Mobile Application and Digitalisation Adaptation have the most substantial effects on Consumer Behaviour, followed by Digitalisation Preference. These results underscore the importance of these technological factors in shaping consumer behaviour in the evolving insurance landscape at XYZ Insurance.

4.7 Summary of Hypothesis Test

Table 4.8: Summary of Hypothesis Test

Hypothesis	P-value	Result
H1: There is a statistically significant relationship between utilisation of mobile applications and consumer behaviour in XYZ Insurance, Kuala Lumpur.	< 0.001	Accepted
H2: There is a statistically significant relationship between digitalisation preference and consumer behaviour in XYZ Insurance, Kuala Lumpur.	< 0.001	Accepted
H3: There is a statistically significant relationship between digitalization adaptation and consumer behaviour in XYZ Insurance, Kuala Lumpur.	< 0.001	Accepted

Table 4.8: Summary of Hypothesis Test provides an overview of the hypothesis testing results related to the study of the relationship between various technological factors and consumer behaviour at XYZ Insurance, Kuala Lumpur.

Firstly, hypothesis H1 emphasizes that there is a statistically significant relationship between the utilisation of mobile applications and consumer behaviour at XYZ Insurance. The table shows ($p < 0.001$) for this hypothesis, leading to its acceptance. This result indicates that the utilisation of mobile applications has a significant impact on consumer behaviour, and the likelihood of this result occurring by chance is extremely low.

Secondly, hypothesis H2 asserts that there is a statistically significant relationship between digitalisation preference and consumer behaviour at XYZ Insurance. The ($p < 0.001$), which leads to the acceptance of this hypothesis. This suggests that consumers' preference for digitalisation is significantly related to their behaviour, affirming the importance of this factor within the context of the study.

Thirdly, hypothesis H3 states that there is a statistically significant relationship between digitalization adaptation and consumer behaviour at XYZ Insurance. the ($p < 0.001$), resulting in the acceptance of this hypothesis. This indicates that the degree to which consumers adapt to digitalization is significantly related to their behaviour.

Therefore, the hypothesis tests consistently show that all three independent variables (utilisation of mobile applications, digitalisation preference, and digitalization adaptation) are significantly related to the dependent variable (consumer behaviour) at XYZ Insurance. The extremely low p-values for each hypothesis confirm that these relationships are statistically significant, reinforcing the critical role of digitalization in shaping consumer behaviour in the insurance sector.

5. Discussion

Firstly, this study attempted to answer the research question RQ1: Is there a significant relationship between the utilisation of mobile applications and consumer behaviour in XYZ Insurance, Kuala Lumpur?

This study confirms a significant positive relationship between the utilisation of mobile applications and consumer behaviour at XYZ Insurance, with ($p < 0.001$). This suggests that increased use of mobile applications is associated with enhanced consumer engagement and interaction with XYZ Insurance's services. This finding aligns with previous research that emphasizes the positive impact of mobile technology on consumer satisfaction. Studies by (Zolkepli *et al.*, 2020; Dinsmore *et al.*, 2017) highlight how mobile applications can improve consumer satisfaction through ease of access and personalized services, fostering stronger consumer relationships. However, it is important to acknowledge contradictory findings in the literature. Hammami (2023) reports unfavourable outcomes associated with mobile applications, including concerns about application ratings, pricing, and intrusive advertising. These discrepancies highlight the complexity of consumer behaviour in the digital space and suggest that while mobile applications can enhance consumer behaviour, their impact is not universally positive and may depend on specific factors such as user experience and the design of the application.

Secondly, this study strived to answer the research question RQ2: Is there a significant relationship between digitalisation preferences and consumer behaviour in XYZ Insurance, Kuala Lumpur?

The research also finds a significant positive relationship between digitalisation preferences and consumer behaviour, supported by ($p < 0.001$). This indicates that consumers who prefer digital solutions are more likely to engage positively with XYZ Insurance's services. This finding is consistent with research by (Kanapathipillai & Kumaran, 2022; Schiffmann *et al.*, 2023), which emphasize how digitalization can enhance customer experience and influence decision-making, leading to increased consumer satisfaction and loyalty. However, the literature also presents conflicting views. Previous studies by (Vijayanand *et al.*, 2022; Rejikumar *et al.*, 2019) highlight potential downsides

of digitalization, such as choice overload and increased complexity in decision-making, which can negatively impact consumer behaviour. These studies suggest that while digitalization preferences can lead to positive outcomes, they can also create challenges for consumers, particularly when the digital environment is perceived as overwhelming or overly complex.

Thirdly, this study endeavored to answer the research question RQ3: Is there a significant relationship between digitalization adaptation and consumer behaviour in XYZ Insurance, Kuala Lumpur?

The study identifies a significant positive relationship between digitalization adaptation and consumer behaviour, ($p < 0.001$), indicating that consumers who adapt well to digitalization tend to exhibit more positive behaviour towards XYZ Insurance. This is in line with the literature that underscores the importance of digital adaptation in shaping consumer behavior, especially in technologically dynamic industries. Studies by (Eckert & Osterrieder; 2020; Lawal & Binuyo, 2022) suggest that effective adaptation to digital tools can enhance consumer satisfaction by offering personalized and efficient services. Nevertheless, contradictory evidence exists in the literature. Previous researchers (Talonen *et al.*, 2021; Blakesley & Yallop, 2019) point out that concerns about data privacy and the perceived intrusion of digital technologies can lead to consumer resistance. These studies highlight the paradoxical nature of digital adaptation. According to them while it can improve consumer experience, it can also provoke anxiety and reluctance among consumers who are concerned about privacy and the pervasive nature of digital monitoring.

Thus, this study confirms significant positive relationships between the utilisation of mobile applications, digitalisation preferences, digitalization adaptation, and consumer behaviour at XYZ Insurance. While digitalization undoubtedly offers opportunities to enhance consumer engagement and satisfaction, it also presents challenges that must be carefully managed to avoid negative consumer experiences. This understanding is crucial for XYZ Insurance as it continues to develop and refine its digital strategies in an increasingly complex and digitalized insurance landscape.

6. Conclusion

Firstly, this study effectively achieves its first research objective RO1: To scrutinize if there is a statistically significant relationship between the utilisation of mobile applications and consumer behaviour in XYZ Insurance, Kuala Lumpur. This study corroborates previous findings by (Zolkepli *et al.*, 2020), who highlighted the positive impact of mobile applications on customer engagement, and by (Dinsmore *et al.*, 2017), who emphasized the role of mobile apps in enhancing customer satisfaction through personalized services. Additionally, the study aligns with the work of (Ghazali *et al.*, 2018), who found that perceived usefulness and ease of use are critical in driving consumer adoption of mobile applications. However, the research also acknowledges conflicting perspectives from studies such as those by (Hammami, 2023; Akinlo, 2021),

which discuss the potential negative impacts of mobile applications, such as concerns over pricing and user experience, particularly among different demographic groups. This research narrows the gap by suggesting that while mobile application utilisation generally promotes positive consumer behaviour, these benefits are contingent upon the design and user-friendliness of the application, as posited by the Technology Acceptance Model (TAM). TAM's principles are validated here, showing that when mobile applications are perceived as both useful and easy to use, they significantly enhance consumer behaviour in the context of XYZ Insurance.

Secondly, this study remarkably realizes its second research objective RO2: To examine if there is a statistically significant relationship between digitalisation preferences and consumer behaviour in XYZ Insurance, Kuala Lumpur. This study supports the findings of (Schiffmann *et al.*, 2023; Kanapathipillai & Kumaran, 2022), who argued that digitalisation significantly enhances customer experience and influences purchasing decisions. The study also echoes the findings of (Slaba, 2019; Tong *et al.*, 2022), who demonstrated that younger consumers, particularly millennials, show a strong preference for digital channels, which in turn affects their consumer behaviour. However, this research also considers the potential downsides highlighted by (Vijayanand *et al.*, 2022; Rejikumar *et al.*, 2019), such as the risk of choice overload and decision-making complexities, which can negatively impact consumer behaviour. By addressing both the supporting and contradicting aspects of digitalisation preferences, this study narrows the gap in the literature and supports TAM by illustrating that perceived ease of use and usefulness are pivotal in determining how digital preferences shape consumer behaviour. The findings suggest that digital solutions must be carefully designed to avoid overwhelming consumers, thereby ensuring that digitalisation preferences lead to enhanced consumer satisfaction and engagement.

Thirdly, this study stupendously attains its third research objective RO3: To study if there is a statistically significant relationship between digitalization adaptation and consumer behaviour in XYZ Insurance, Kuala Lumpur. This study's findings align with the positive outcomes reported by (Eckert & Osterrieder, 2020; Lawal & Binuyo, 2022), who found that adapting to digital technologies improves consumer engagement and satisfaction through enhanced service delivery and personalized interactions. The study also supports the work of (Pobee, 2021), who highlighted the role of trialability in reducing consumer resistance to new technologies, thereby facilitating smoother adaptation to digitalization. However, it is important to consider the concerns raised by (Talonen *et al.*, 2021; Blakesley & Yallop, 2019), who pointed out that issues related to data privacy and the perception of digital intrusiveness can hinder consumer adaptation to digital tools. This research narrows the gap in the literature by confirming that while digital adaptation generally leads to positive consumer behaviour, these benefits are closely tied to how well privacy concerns and the perception of intrusiveness are managed. TAM is further validated in this context, as the study demonstrates that when consumers perceive digital tools as useful and non-intrusive, their adaptation to these tools is more likely to lead to positive consumer behaviour.

Hence, this study astonishingly bridges the gaps in the literature by providing empirical evidence that supports and refines the understanding of how digitalisation influences consumer behaviour. By leveraging the Technology Acceptance Model (TAM), the study explains that the perceived usefulness and ease of use of digital tools are critical in driving consumer engagement at XYZ Insurance. While the findings confirm that technological shifts significantly influence consumer behaviour, they also underscore the need to address the challenges identified in the literature, such as privacy concerns and the risk of choice overload, to fully realise the potential of digitalisation in the insurance industry. This comprehensive approach not only validates TAM but also extends its application to the complexities of digitalisation and contemporary consumer behaviour.

7. Limitations and Further Research

The study on digitalization's impact on consumer behaviour in XYZ Insurance in Kuala Lumpur, Malaysia, has limitations. The low response rates may not fully represent XYZ's customer base, especially among underrepresented demographic groups. The study's applicability to other insurance companies or regions is limited.

Future research should explore how artificial intelligence and machine learning can personalize digital insurance customer interactions, compare digitization efforts across insurance firms and regions, and consider the ethical and social effects of digitalization on consumer privacy, data security, and digital literacy. The study may benefit from mixed methods. A mixed-methods approach and collaboration with industry partners to collect real-time customer data on digital platforms and services will provide a more comprehensive knowledge in this area. These strategies can help researchers understand digitalization's impact on insurance customer behaviour and create effective digitalization initiatives.

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Conflict of Interest Statement

The authors of this study affirm that there are no conflicts of interest and no sponsorship that could have influenced the outcomes of the study, authorship, or publication. As the researchers of this study, the authors assert that it is original and has not been published or submitted for publication elsewhere.

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