

STUDY ON BUYING BEHAVIOUR OF CONSUMERS TOWARDS LIFE INSURANCE PRODUCTS AT DELHI-NCR

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ABSTRACT

Life Insurance(LI) products are developed to cover the financial burden of the family members at the time of bereavement of the earning member of the family. The range of LI-product has been widened to provide variety, opportunities, benefits and lucracy for the customers. But the earning member do not want to buy insurance product(s) for the basic reason that he/she do not accept his life risk or not interested in any benefit which is not directly meant for him but for others or do not foresee his future. Hence it was modified as a bundled pack of risk & return type investment product. But still LI-industry could not attract more than 30% Indians under its coverage. Several studies have been done by different researchers of India & abroad and got different factors which lead to the decision-making process of these customers/ investors. Some of these factors are psychographic (behavioural) and some are demographic. This particular study has established an unique model where several psychographic factors like perception, awareness or preference are associated and each psychographic factors are related with different demographic factors. The relationship of all these psychographic and demographic factors has been established statistically. This model can be a leading indicator for LI-industry to bring more Indians under its ambit.

Keywords: Awareness, Life Insurance (LI) Industry, Perception, Preference, Psychographic. Variable.

INTRODUCTION

Life is full of uncertainties and misfortunes, mostly come unannounced. Certain events can have an irreversible impact on one's life and leave his loved ones bereaved. To lessen the financial burden on those loved ones in his absence, taking a suitable life insurance policy is highly recommended. At the same time, life insurance is crucial forms of investment that will help the family to meet their essential needs even when the main earner of the family is not around. At the time of claim dispersal of a Life insurance policy, the sum assured is passed on to the beneficiary or nominee on the death of the policy-holder. In addition, some life insurance policies also offer investment benefits on maturity of the policy tenure and hence we may say that the benefits are two-fold.

In the Indian market, there is limited awareness about life insurance products. This is mainly because people are not entirely conscious of the purpose for which this policy is purchased. The most basic need for buying a life insurance policy is to provide financial support to the immediate family in the event of demise of the life insured. For instance, if a person passes away during his earning years, then his family will have to bear the brunt of economic losses caused by the loss of his steady income. His family will still have to continue with payment of regular bills, EMIs of outstanding loans, mortgages, and other financial goals, such as savings for children's education and retirement. To avoid this burden on the family, leading insurance companies have launched attractive life insurance plans in the market. These plans offer sufficient

amount of reimbursement to the beneficiaries of the insured in case he passes away.

Apart from the aforementioned basic need of income replacement, some other benefits that come with buying life insurance plans are Steady Investment Option, Assured Income through Annuities, Tax Benefits etc. Though there are quite a lot of benefits, people do not want to buy life insurance policies due to different reasons. Some of them are lack of knowledge, not mandatory to buy, lack of trust on insurance companies or on agents, no immediate benefit or it seems to be too expensive. Though there are several essential need to purchase life insurance policies, only 30% Indians are under the insurance coverage till date (IRDAI). In this research paper, it has been tried to understand the basic reason behind the apathy of buying life insurance products by the Indians and to generate a model of guiding factors those lead to the decision of the buyer/ investors.

LITERATURE REVIEW

The behaviour of the customer / investors were studied from different directions by different researcher to understand why they used to avoid purchasing life insurance policies in general and some specific polices in particular. Let we unearth some recent and important studies collected and consulted for formulation of the research questions.

Bath (2016) studied the impact of demographic variables on behaviour of the insurance buyers of Moga district, Punjab and got a result that there is no impact of age, sex, income

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level or education over buying behaviour . It has also been found that most of the respondents are unaware about life insurance or of policy details. On the other hand, Chaudhury (2016) observed that most of the life insurance investors are fully aware of their plans. Their satisfaction varies due to perceived high level of premium. It was also found that investors satisfaction level varies significantly from public to private companies. Similarly, Reddy and Jahangir (2015) observed a great impact of different demographic factors like age, gender, marital status, household income and educational qualification over customers' perception of the subjects of Nalgonda District, AP. This research also suggested the method of improvement of market share by the insurance companies through customer loyalty.

Joshi and Shah (2015) found an association between gender of policy holder and health insurance coverage plans for the respondents of Ahmedabad. But they did not receive any association between gender of Health Insurance policy holder and Term of policy; Occupation of Health Insurance policy holder and Health insurance coverage plan; occupation of Health Insurance policy holder and Term of policy; income of Health Insurance policy holder and Health insurance coverage plan; income of Health Insurance policy holder and Term of policy. In a similar type of study at Kohlapur, Maharashtra, Gaikwad and Vibhute (2013) observed that marital status has a significant impact on the buying behaviour of the customers. Middle level income group is more inclined towards purchase of life insurance products in comparison to both higher and lower level income groups. Further respondents choose life insurance mostly as an option of pure protection, and a very few as an option of savings. The buying behaviour of the customers are grossly influenced by advisors, who are either their friends or relatives.

Mahajan (2013) studied the purchase decision behaviour of the customer from the concept of marketing and came to the conclusion that the decision process of purchasing life insurance policies are as good as other consumer durables. While Yadav and Tiwari (2012) found out the highest preference of money back plans over the other plans as it yields multiple benefits. Customers believe most on LICI in comparison to other private companies.

During purchase or repurchase of life insurance products, are the customers compare products features or company profile or both? With this research question, Lenin (2012) identified that majority of the investors are aware of both the profile before repurchase decision. But the same is not available when they purchase first Life insurance products. He also received a high impact of gender and marital status over the purchase decision of these products.

Dash (2012) worked on the behavioural dimensions of both the customers and executives of life insurance companies of India. His study threw light on an important fact that the pricing policy or product's features are not according to customers' expectation. Hidden cost involved with a policy is the major

impediment for the customers to purchase a policy. The executive's knowledge about the products or customers' perception is highly varied from rural to urban. Impact of product's pricing policy has been found very high on buyers purchase decision. Both the sellers and the buyers are positive in the correlation issues between consumer perception and customer buying behaviour.

There are also studies where it has been found that customers are satisfied with the services of life insurance companies and are purchasing regularly the products from the same company. But the mode of payment varies from customer to customer depending on age, income range and service profile. Even impact of agents has also been found important towards generating customer satisfaction (Kumar &Patil, 2012). In contradiction, the study of Pushpender (2011) indicated that customer satisfaction is too low in comparison to their expectation. This dissatisfaction stemmed from the services provided by the agents in specific and the companies in general.

Singh and Lalli (2011) surveyed on the customers of Uttar Pradesh to see correlation between demographic variables and customer's awareness. They also identified that middle age group people, service holders and mediocre income range has more awareness about LI products. But the prime reason came out from the study is tax saving and family safety. Sahu, Jaiswal and Pandey (2011) studied the buying behaviour of the consumers of life insurance policies and acknowledged that the major factors playing the role in developing consumer's perception towards Life Insurance Policies are Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship. But they could not differentiate the buying behaviour of male and female.

Jani (2015) investigated on the factors affecting consumer satisfaction at Bhavnagar, Gujarat. His study was confined to health insurance only. This research identified key areas of success to generate customers satisfaction by the public-sector health insurance companies are- better branch office location; good reputation in market; sound financial strength; regular correspondence with agents by meetings; accurate presentation of product line. Whereas strength of the Private sector health Insurance companies is better physical layout for business purposes; error free information; quick service; availability of employees on time; settlement of claims on time; individual attention to customers; effective investment advice and guidance.

Shukla (2011) studied the perception of the customers of LICI of Delhi and identified that the company is not focusing on those aspects which are important to customers. On the other, they are focusing on those issues which are not important for the customers. Hence, they concluded that this perception gap between the company and its customers should be minimized.

From these literature, it is evident that perception about any life insurance product has dependency on the product's

awareness as well the benefits available from the product. Different researchers tried to correlate these variables independently with demographic variables but there is no such paper available where relationship between these three important variables has been studied. In this paper, this research gap has been tried to minimize by establishing relationship between Perception, Awareness and Benefits. This paper also tries to develop a research model for the guideline of the future researchers.

OBJECTIVE OF THE STUDY

From the literature it is clear that buying behaviour of the investors are propelled by their perception about the product or product line. But the perception may only develop when the investors do have wide awareness about the competitive product range available before them. Further the repurchase decision is only being taken by an investor when he/she will receive benefits from the product where the previous investment has been taken place. In this research, the main objective is to study the relationship between all these buying behaviour determinants and the impact of the other secondary / intervening variables on the prime variable i.e., perception. During the study, it has also been checked whether there is any impact of demographic variables over these buying behaviour determinants or not, as observed in other researches.

HYPOTHESES

On the basis of the above objective, following hypotheses have been developed and all these hypotheses have been tested through different statistical techniques.

- H₁: There is significant relationship between awareness and different demographic variables like age, gender, salary education, ownership, marital status.
- H₂: There is significant impact of demographic variables on awareness.
- H₃: There is significant relationship between perception and different demographic variables like age, gender, salary education, ownership, marital status.
- H₄: There is significant impact of demographic variables on perception.
- H₅: There is significant relationship between preference/benefits and different demographic variables like age, gender, salary education, ownership, marital status.
- H₆: There is significant impact of demographic variables on preference/benefits.
- H₇: There is significant relationship between awareness, perception and preference/benefits.
- H₈: There is significant impact of awareness and preference/benefits on perception.

RESEARCH METHODOLOGY

Sampling

For this study, purposive sampling technique has been adopted. All together 100 subjects were chosen on the criterion that they have steady income. To make the sample heterogeneous, subjects were taken from different age-group, gender, occupation, income level, marital status, education level and ownership of life insurance. The age of the subjects is distributed like 16% in the age range 18-25 years, 16% in the range 26-35 years, 10% in the range 36-45 years, 43% in the range 46 to 55 years and 15 % in the age range above 55 years. Further 69% are male and rest 31% are female. 78% subjects are married while 22% are unmarried. In the occupation distribution, 35% belongs to business owner, 43% from service, 17% self-employed and 5% belongs to professional. The demographic data also reveals that 8% subjects are 12th standard education, 45% are graduate, 35% are post graduate and 12% are professionals. The Income distribution of the subjects are as follows: 8% having monthly income upto Rs 15000/-, 18% are in the income range 15000 to 30000/-, 41% are in the range of 30000 to 50000/-, 24% are in the range of 50000 to 100000/- and rest 9% are in the monthly income level of above 100000/- . Out of these 100 subjects, 72% have purchased life insurance products while rest 28% have not. These data reveal that the sample has a blend of different demographic parameters and the sample has the ability to reflect the whole Indian population towards their behavioural approach to purchase life insurance policies. Though this study is limited to Delhi NCR region, but the residents of both urban and rural places were chosen from this region to understand the difference of mindset of different locality.

Questionnaire

To collect the primary data, a questionnaire has been developed. Through literature review different standard questionnaires have been gathered but the background of the questionnaires was different. Hence the questions have been modified according to the requirement of this study. Finally, the questionnaire developed has four sections: the first part contains demographic profile, comprised of 8 close ended questions with multiple options. The second part of the questionnaire is awareness related statements with likert type five-point options ranging from strongly disagree to strongly agree. There are altogether 11 statements in this part two. Similarly, in part three, there is 11 perception related statements in the same five-point likert scale. The fourth part contains 18 statements pertaining to preference / benefits that one investor used to receive from a company in his /her process of purchase.

All the subjects were interviewed through this questionnaire after making preliminary rapport. Primarily reliability of the questionnaire has been verified through a pilot study and later on the reliability of the whole dataset has been verified. The result of the reliability test of the last three sections is depicted below.

Table 1: Reliability Statistics of Awareness Related Statements

Cronbach's Alpha	of Items
0.810	11

Table 2: Item Total Statistics of Awareness Related Questions

Statement No	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q9	34.83	34.264	0.441	0.808
Q10	35.13	33.670	0.493	0.803
Q11	35.30	31.848	0.600	0.793
Q12	36.17	33.072	0.422	0.809
Q13	35.71	32.026	0.548	0.797
Q14	35.69	32.822	0.414	0.810
Q15	35.53	33.484	0.334	0.819
Q16	35.97	31.928	0.516	0.800
Q17	36.20	31.899	0.449	0.807
Q18	35.85	32.412	0.482	0.803
Q19	36.02	30.141	0.673	0.784

The reliability of any questionnaire usually been verified by calculating Cronbach's Alpha. If the value of Cronbach's Alpha is more than 0.7, the questionnaire seems to be highly reliable to use. Here, Table 1 indicates that reliability of the 11 questions used in the second part of the questionnaire seems to be high enough (Cronbach's Alpha= 0.81) to accept. Further Table 2 indicates that if any statement be deleted from the questionnaire the value of Cronbach's Alpha will go down only except Q 15. As the change in Cronbach's Alpha is not so high i.e., from 0.81 to 0.819, we have used this statement Q15 too.

Table 3: Reliability Statistics of Perception Related Statements

Cronbach's Alpha	of Items
0.697	11

Table 4: Item Total Statistics of Perception Related Questions

Statement No	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q20	32.52	23.424	0.228	0.682
Q21	32.68	23.553	0.148	0.681
Q22	33.01	22.576	0.311	0.670

Q23	33.34	21.217	0.512	0.637
Q24	33.21	21.501	0.425	0.650
Q25	33.18	22.008	0.426	0.651
Q26	33.03	22.959	0.317	0.669
Q27	33.25	21.583	0.435	0.649
Q28	32.08	22.519	0.295	0.672
Q29	33.11	21.452	0.503	0.639
Q30	33.29	23.602	0.160	0.69

Table 3 indicates that reliability of the 11 questions used in the third part(perception related) of the questionnaire seems to be high enough (Cronbach's Alpha= 0.697) to accept. The Table 4 confirms that out of these 11 questions if any statement be deleted from the questionnaire the value of Cronbach's Alpha will not be improved. Hence all the statement used in this questionnaire seems to be reliable.

Table 5: Reliability Statistics of Preference/Benefits Related Statements

Cronbach's Alpha	of Items
0.746	18

Table 6: Item Total Statistics of Preference/Benefits Related Questions

Statement No	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q31	59.60	49.925	0.378	0.711
Q32	59.85	50.853	0.406	0.710
Q33	60.30	50.350	0.365	0.713
Q34	60.24	54.137	0.144	0.732
Q35	59.84	49.770	0.523	0.701
Q36	60.40	49.562	0.433	0.706
Q37	59.87	52.754	0.261	0.722
Q38	60.07	51.041	0.432	0.709
Q39	59.73	53.654	0.224	0.725
Q40	60.26	51.239	0.423	0.710
Q41	60.27	50.540	0.427	0.708
Q42	59.64	48.369	0.581	0.693
Q43	59.81	51.974	0.267	0.722
Q45	60.75	54.893	0.063	0.742
Q46	60.58	51.518	0.211	0.731
Q47	59.90	55.728	0.024	0.743
Q48	60.12	52.519	0.222	0.727
Q49	60.08	51.482	0.297	0.719

Table 5 indicates that reliability of the 18 questions used in the third part (preference/benefits related) of the questionnaire seems to be high enough (Cronbach's Alpha= 0.746) to accept. The Table 6 once again confirms that out of these 18 questions if any statement be deleted from the questionnaire the value of Cronbach's Alpha will not be improved. Hence all the statement used in this questionnaire seems to be reliable.

With this questionnaire the data has been collected from 100 subjects residing at different parts of Delhi-NCR. The data, so obtained, have been analysed to test the hypotheses and is discussed in the next.

DATA ANALYSIS

From the literature review we have observed that the behavioural dimension of the investment decision is grossly acknowledged by three variables like Perception about a product, preference / benefits associated with the product and awareness about the product. And all these variables are impacted by different demographic variables. To verify whether this observation is effective in this present study or not we have developed 6 hypotheses namely H1 to H6. To test those hypotheses, correlation and regression techniques have been used through IBM SPSS 20 software and the output, so received, has been depicted below.

(a) Relationship of Awareness with Different Demographic Variables

To test the hypothesis 1, correlation techniques has been applied between the variables like awareness, gender, marital status, occupation, age, location, education, salary and ownership of insurance with the help of IBM-SPSS 20 software. The output of the correlation is shown in Table 7. According to this test, the direction of relationship between two variables are signified through the positivity or negativity of the correlation coefficient

The figures of Table-7 indicate that no correlation has been established between awareness and occupation, location & education and their significance level is greater than 0.05.

Table 7: Correlation between Awareness and Demographic Variables

Awar ness	Gend er	Marit al statu s	occu patio n	ag e	loc ati on	educ ation	sal ar y	LI own ership
Pears on Corr elatio n	- 0.30 9	- 0.38 8	- 0.15 1	0.3 93	- 0.1 26	- 0.08 1	0.4 32	0.40 6
Sig. (2- tailed)	0.00 2	0.00 0	0.13 4	0.0 00	0.2 13	0.42 5	0.0 00	0.00 0
(N=100)								

awareness is negatively correlated with gender and marital status because the Pearson correlation coefficients are negative, and their strength of correlation is moderate as the significant levels are less than 0.01 but higher than 0. On the other hand, age, salary and LI-ownership is positively correlated with awareness as the Pearson correlation coefficients are 0.393, 0.432 and 0.406 respectively and their strength of correlation is moderate as their significance levels are less than 0.01 but higher than 0.

(b) Impact of Different Demographic Variables on Awareness

To verify the impact of these correlated independent variables i.e., gender, marital status, LI-ownership, age and salary on the dependent variable 'awareness', regression technique has been applied. Here the hypothesis H₂: 'There is significant impact of demographic variables on awareness' has been tested and the output tables of the regression analysis for the same is as under.

Table 8 : Regression model summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.563	0.317	0.280	5.272

The Table no 8 is showing the regression model summary for awareness and other correlated demographic variables. The value of R square i.e., 0.317 explains the degree of variance of the dependent variable (awareness) by this regression model. As there is more than one independent variable used in this model, we are to consider the value of Adjusted R Square i.e., 0.280. In fine, we can interpret that 28% variation of the dependent variable (awareness) has been explained by the variance of all these independent variables, under study i.e., gender, marital status, age, salary and LI-ownership, jointly through this model.

Table 9: Regression Model ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1211.608	5	242.322	8.719	0.000
Residual	2612.632	94	27.794		
Total	3824.240	99			

Table 9 interprets the statistical fitness of this regression model through ANOVA. For this ANOVA, the intervening hypothesis (alternate) has been considered as 'The model is fit for regression'. Here the F-value is equal to 8.719 and is significant at a level of less than 0.05 (p=0.000). As the value of p is less than 0.05, we have accepted the alternate hypothesis that this model is statistically fit for regression. And we can interpret that all these independent variables- gender, marital status, age, salary and LI-ownership are jointly useful for predicting awareness.

Table 10 : Showing Regression Coefficient

Variable	Un-standardized Coefficients		Standardized Coefficients	t	Significance
	B	Std. Error	Beta		
(Constant)	36.596	4.840		7.560	0.000
Gender	-0.887	1.330	-0.066	-0.667	0.506
marital_status	0.813	2.000	0.054	0.407	0.685
Age	0.575	0.511	0.133	1.125	0.264
Salary	1.990	0.608	0.336	3.272	0.001
LI-ownership	4.075	1.532	0.296	2.660	0.038

In this regression model, we have used more than one independent variables. Table no 8 & 9 explained the variance and statistical fitness of the model considering all these independent variables together. But to identify the impact of these independent variables separately on the dependant variable, we are to go for the results shown in Table no 10. From this Table no 10, we have received the t-value for gender equals to -0.667, for marital status equals to 0.407, for age equals to 1.125, for salary equals to 3.272 and for LI-ownership equals to 2.660. These values are significant at a level of 0.506, 0.685, 0.264, 0.001 and 0.038 respectively. As the first three values are significant at a level greater than 0.05, we are to conclude that individually these three independent variables (gender, marital status and age) have insignificant impact on dependent variable awareness. On the other, both the independent variable salary and LI-ownership are significant at a level less than 0.05 and we may accept the Hypothesis 2 that ‘Salary and LI-ownership have significant impact on awareness’.

Now we have developed a regression model ‘ $Y=a+b_1X_1+b_2X_2$ ’ where Y is the dependant variable (awareness), X_1 & X_2 are the independent variables (Salary and LI-ownership) and a, b_1 , b_2 are the regression coefficients. From Table no 10 we have received the value of ‘a’ equals to 36.596, ‘ b_1 ’ equals to 1.990 and ‘ b_2 ’ equals to 4.075. Putting all these values into the model, finally the model becomes

$$\text{Awareness} = 36.596 + 1.99(\text{Salary}) + 4.075(\text{LI-ownership}).$$

Let us denote this model as Model 1 and this model informs us that the level of awareness of an individual will increase with the increase of salary level and LI-ownership. But there are other factors too for which the regression equation starts at 36.596 even if the value of salary and LI-ownership is zero.

(c) Relationship of Perception with Different Demographic Variables

After observing the relationship and impact of different demographic variables over awareness, the same process has been carried out to verify relationship between perception of a LI product and different demographic variables. To test the hypothesis 3, correlation technique has been applied between the variables like perception, gender, marital status, occupation, age, location, education, salary and ownership of insurance with the help of same IBM-SPSS 20 software. The output of the correlation is shown in Table 11.

Table 11: Correlation between Perception and demographic variables

	Gender	marital_status	occupation	age	location	education	salary	LI_ownership
Pearson Correlation Coefficient	-0.014	0.374	0.266	0.181	0.037	0.021	0.203	0.089
Significance (2-tailed)	0.888	0.000	0.008	0.072	0.714	0.833	0.043	0.377
(N=100)								

The figures of Table-11 indicate that perception is negatively correlated with salary because the Pearson correlation coefficient is negative and their strength of correlation is high as the significance level is less than 0.05 but higher than 0.01. On the other hand, marital-status and occupation is positively correlated with perception. Pearson correlation coefficients for these two variables are 0.374 and 0.266 respectively and their strength of correlation is moderate as their significance levels are less than 0.01 but higher than 0. There is no correlation between gender, age, location, education and LI-ownership with perception as their significance level is greater than 0.05.

(d) Impact of Different Demographic Variables on Perception

To verify the impact of these correlated independent variables i.e., salary, marital-status and occupation on the dependent variable ‘perception’, regression technique has been applied. Here the hypothesis H_4 : ‘There is significant impact of demographic variables on perception’ has been tested and the output tables of the regression analysis for the same have been depicted below.

Table 12: Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.392	0.154	0.127	4.789

This Table no 12 is showing the regression model summary for perception and other correlated demographic variables. The value of R square i.e., 0.154 explains the degree of variance of the dependent variable (perception) by this regression model. As there is more than one independent variable used in this model, we are to consider the value of Adjusted R Square i.e., 0.127. We can interpret that only 12.7% variation of this dependent variable (perception) has been explained by the variance of all these independent variables, under study i.e., salary, marital-status and occupation, jointly through this model.

Table 13: Regression Model ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	400.446	3	133.482	5.821	0.001
Residual	2201.264	96	22.930		
Total	2601.710	99			

Table no 13 interprets the statistical fitness of this regression model through ANOVA. For this ANOVA, the intervening hypothesis has been considered as ‘The model is fit for regression’. Here the F-value is equal to 5.821 and is significant at a level of less than 0.05 (p=0.001). As the value of p is less than 0.05, we have accepted the alternate hypothesis that this model is statistically fit for regression. And we can interpret that all these independent variables- salary, marital-status and occupation are jointly useful for predicting awareness.

Table 14 : Showing Regression Coefficient

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	30.288	2.940		10.301	0.000
marital_status	3.876	1.424	0.315	2.723	0.008
occupation	0.750	0.604	0.129	1.243	0.217
salary	-0.041	0.531	-0.008	-0.078	0.0938

In this regression model, we have used more than one independent variable. Table no 12 & 13 explain the variance and statistical fitness of the model considering all these independent variables together. But to identify the impact of these independent variables separately on the dependant

variable, we are to go for the results shown in Table no 14. From this Table no 14, we receive the t-value for marital status equals to 2.723, for occupation equals to 1.243 and for salary equals to -0.078. These values are significant at a level of 0.008, 0.217 and 0.0938 respectively. As the last two values are significant at a level greater than 0.05, we are to conclude that individually these two independent variables (occupation and salary) have insignificant impact on perception. Only the variable ‘marital-Status’ is significant at a level less than 0.05 and we may accept the Hypothesis 2 that ‘marital-status has significant impact on perception’.

Now we may develop the second regression model ‘Y=a+bX’ where Y is the dependant variable (perception), X is the independent variable (marital-status) and a & b are the regression coefficients. From Table no 14 we got the value of ‘a’ equals to 30.288 and ‘b’ equals to 3.876. After putting all these values into the model, finally the model becomes **Perception = 30.288 + 3.876(marital-status)**.

Let us denote this model as Model 2 and this model informs us that the level of perception of an individual will increase with the increase of marital-status.

Still there is another behavioural factor- preference / benefits, as we observed from different literature, which guides an investor / customer towards purchase of LI products. In the next, we will verify its relationship with demographic variables.

(e) Relationship of Preference / Benefits with Different Demographic Variables

To test the hypothesis 5, correlation technique has been applied between the variables like preference/benefits, gender, marital status, occupation, age, location, education, salary and ownership of insurance with the help of same IBM-SPSS 20 software. The output of the correlation is shown in Table 11.

Table 15: Correlation Between Preference and Demographic Variables

	Gender	marital_status	occupation	age	location	education	salary	LI ownership
Pearson Correlation Coefficient	0.103	0.334	0.434	-0.244	0.034	0.029	0.055	0.302
Significance (2-tailed)	0.309	0.001	0.000	0.014	0.734	0.777	0.590	0.002
(N=100)								

The figures of Table-15 indicate that preference/benefits is negatively correlated with age because the Pearson correlation

coefficient is negative and the strength of correlation is high as the significance level ($p=0.014$) is less than 0.05 but higher than 0.01. On the other hand, marital-status, occupation and LI-ownership are positively correlated with preference/benefits. Pearson correlation coefficients for these three variables are 0.334, 0.434 and 0.302 respectively and their strength of correlation is moderate as their significance levels are less than 0.01 but higher than 0. There is no correlation between gender, location, education and salary with preference/benefits as their significance level is greater than 0.05.

(f) Impact of Different Demographic Variables on Preference / Benefits

To verify the impact of these correlated independent variables i.e., age, marital-status, occupation and LI-ownership on the dependent variable ‘preference/benefits’, regression technique has been applied. Here the hypothesis H_0 : ‘There is significant impact of demographic variables on preference/benefits’ has been tested and the output tables of the regression analysis for the same have been shown below.

Table 16: Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.482	0.233	0.201	6.725

This Table no 16 is showing the regression model summary for preference/benefits and other correlated demographic variables. The value of R square i.e., 0.233 explains the degree of variance of the dependent variable (preference/benefits) by this regression model. As there is more than one independent variable used in this model, we are to consider the value of Adjusted R Square i.e., 0.201. We can interpret that only 20.1% variation of this dependent variable (preference/benefits) has been explained by the variance of all these independent variables, under study i.e., age, marital-status, occupation and LI-ownership, jointly through this model.

Table 17 : Regression Model ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1303.802	4	325.950	7.207	0.000
Residual	4296.638	95	45.228		
Total	5600.440	99			

Table no 17 interprets the statistical fitness of this regression model through ANOVA. For this ANOVA, the intervening hypothesis has been considered as ‘The model is fit for regression’. Here the F-value is equal to 7.207 and is significant at a level of less than 0.05 ($p=0.000$). As the value of p is less than 0.05, we have accepted the alternate hypothesis that this model is statistically fit for regression. And we can interpret that all these independent variables- age, marital-status, occupation and LI-ownership are jointly useful for predicting awareness.

In this regression model, we have used more than one independent variables. Table no 16 & 17 explain the variance and statistical fitness of the model considering all these independent variables together. But to identify the impact of these independent variables separately on the dependant variable, we are to go for the results shown in Table no 18.

Table 18: Showing Regression Coefficient

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	49.842	4.719		10.562	0.000
Marital_status	2.613	2.335	0.145	1.119	0.266
Occupation	3.164	0.886	0.372	3.572	0.001
Age	0.481	0.637	0.092	0.755	0.452
LI-ownership	2.513	1.860	0.151	1.351	0.180

From this Table no 18, we receive the t-value for marital status equals to 1.119, for occupation equals to 3.572, age equals to 0.755 and for LI-ownership equals to 1.351. These values are significant at a level of 0.266, 0.001, 0.452 and 0.180 respectively. As all these values, except one, are significant at a level greater than 0.05, we are to conclude that individually these three independent variables (marital-Status, age and LI-ownership) have insignificant impact on preference/benefits. Only the variable ‘occupation’ is significant at a level less than 0.05 and we may accept the Hypothesis 6 that ‘occupation has significant impact on preference/benefits’.

Now we may develop the third regression model ‘ $Y=a+bX$ ’ where Y is the dependant variable (preference/benefits), X is the independent variable (occupation) and a & b are the regression coefficients. From Table no 18 we got the value of ‘a’ equals to 49.842 and ‘b’ equals to 3.164. After putting all these values into the model, finally the model becomes

$$\text{Preference / Benefits} = 49.842 + 3.164(\text{Occupation}).$$

Let us denote this model as Model 3 and this model informs us that the level of preference/benefits of an individual will increase with the increase of occupation level.

Till now, we have verified the relationship between different demographic variables with different behavioural / psychographic variables. This relationship corroborates with the previous studies as we mentioned in literature review. But the untouched part is the relationship of all these psychographic variables. To verify these, we may go for further analysis.

(g) Relationship Between Awareness, Perception and Preference/Benefits

To test the hypothesis 7, correlation technique has been applied between the variables like awareness, perception and preference/benefits with the help of same IBM-SPSS 20 software. The output of the correlation is shown in Table 19.

Table 19: Correlation Between Perception and Other Psychographic Variables

Co Relation with respect to Perception	Awareness_S core	Preferences/ Benefits_Score
Pearson Correlation Coefficient	0.233*	0.348**
Significance (2-tailed)	0.020	0.000
(N=100)		

The figures of Table-19 indicate that perception is positively correlated with awareness and preference/benefits because their Pearson correlation coefficients are positive. The strength of correlation is high with awareness as the significance level ($p=0.02$) is less than 0.05 but higher than 0.01. On the other hand, Pearson correlation coefficients for preference/benefits is 0.348 and its strength of correlation is moderate as the significance level is less than 0.01 but higher than 0. Hence we can accept the hypothesis 7 that Perception score is correlated with awareness score and preference / benefits score.

(h) Impact of Awareness and Preference / Benefits on Perception

To verify the impact of independent variables ‘awareness’ and ‘preference/benefits’ on dependent variable ‘perception’, regression technique has been applied. Here the hypothesis H_8 : ‘There is significant impact of awareness and preference/benefits on perception’ has been tested and the output tables of the regression analysis for the same have been shown below.

Table 20: Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.436	0.190	0.174	4.660

This Table no 20 is showing the regression model summary for perception and other correlated psychographic variables. The value of R square i.e., 0.190 explains the degree of variance of the dependent variable (perception) by this regression model. As there is more than one independent variable used in this model, we are to consider the value of Adjusted R Square i.e., 0.174. We can interpret that only 17.4% variation of this dependent variable (perception) has been explained by the variance of these two independent variables, under study i.e., awareness and preference/benefits, jointly through this model.

Table 21 interprets the statistical fitness of this regression model through ANOVA. For this ANOVA, the intervening hypothesis

has been considered as ‘The model is fit for regression’. Here the F-value is equal to 11.39 and is significant at a level of less than 0.05 ($p=0.00$).

Table 21 : Regression Model ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	495.097	2	247.549	11.39	0.00
Residual	2106.613	97	21.718		
Total	2601.710	99			

As the value of p is less than 0.05, we have accepted the alternate hypothesis that this model is statistically fit for regression. And we can interpret that all these independent variables- awareness and preference/benefits are jointly useful for predicting perception.

Table 22 : Showing Regression Coefficient

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	11.651	5.183		2.248	0.027
Awareness	0.218	0.076	0.264	2.880	0.005
Preferences/ Benefits	0.252	0.062	0.370	4.040	0.000

In this regression model, we have used more than one independent variables. Table 20 & 21 explain the variance and statistical fitness of the model considering all these independent variables together. But to identify the impact of these independent variables separately on the dependant variable, we are to go for the results shown in Table 22. From this Table 22, we receive the t-value for awareness equals to 2.880 and for preference / benefits equals to 4.040. These values are significant at a level of 0.005 and 0.000 respectively. As both these values are significant at a level less than 0.05 we may accept the Hypothesis 8 that ‘Awareness and preference/benefits have significant impact on perception’.

Now we may develop the fourth and final regression model ‘ $Y=a+b_1X_1+b_2X_2$ ’ where Y is the dependant variable (Perception), X_1 & X_2 are the independent variables (Awareness and Preference/ Benefits) and a, b_1 , b_2 are the regression coefficients. From Table no 22 we got the value of ‘a’ equals to 11.651, ‘ b_1 ’ equals to 0.218 and ‘ b_2 ’ equals to 0.252. After putting all these values into the model, finally the model becomes

$$\text{Perception} = 11.651 + 0.218 \times (\text{Awareness}) + 0.252 \times (\text{Preference / Benefits})$$

Let us denote this model as Model 4 and this model informs us that the level of perception of an individual will increase with the increase of level of awareness and level of preference / benefits. This model also indicates that development of

perception about investment in a LI product is not only guided by these two variables, but there are other variables which are out of the coverage of this study. Due to the influence of those variables, the value of perception will take a shape even when the value of awareness and preference/benefits remain zero.

FINDINGS OF THE STUDY

From the data analysis, we have received a variety of findings which are as follows:

- The purchase decision of a LI-product is dependent upon different psychographic variables of the customer / investors like awareness, perception and preference/benefits.
- These psychographic variables further dependent upon different demographic variables, like Awareness relates to salary range and LI-ownership. And their relation may be explained through the model equation: Awareness = $36.596 + 1.99(\text{Salary}) + 4.075(\text{LI-ownership})$.
- Similarly, Perception is dependent upon marital status and their relationship can be explained through the model equation: Perception = $30.288 + 3.876(\text{marital-status})$.
- Further Preference/benefits is dependent upon occupation and their relation can be established through the model equation: Preference / Benefits = $49.842 + 3.164(\text{occupation})$.
- Finally, the relationship of all these psychographic variables has been explained through the final model equation: Perception = $11.651 + 0.218 \times (\text{Awareness}) + 0.252 \times (\text{Preference / Benefits})$.

CONCLUSION

This study gives us a unique relation that the purchase decision of an investor / customer towards purchase of any life insurance product is governed by different psychographic factors. The ultimate guiding factor is his/ her perception about the product based on which the customer/investor took the decision to purchase the product or not. But to develop perception about a LI-product, the role of other psychographic factors like awareness and preference/benefits are important. The model summary indicates that these psychographic variables are further dependant of different demographic variables. Hence an investors decision towards purchase of a life insurance product starts with his / her demographic profile, which generate an awareness about different product range and their requirement. After this basic awareness, the investor makes a comparison of the benefits given by different products sets his/her preference about the products. Now both these awareness and preference further develop the perception about purchase or not to purchase a LI-product. This study, therefore, identified the important psychographic as well demographic variables which lead to the decision of purchase of a LI-product from the bucket of several investment opportunities.

During this study, it has been observed that there are other variables too which have impact on this final decision-making process. Further this study is confined to a very small segment. Hence, the same study may be used in a bigger scale and in other sectors of the whole country to get a holistic picture of this model. The model can be enriched by using other statistical tools. Moreover, collection of opinion from larger sample may provide robust framework of the model.

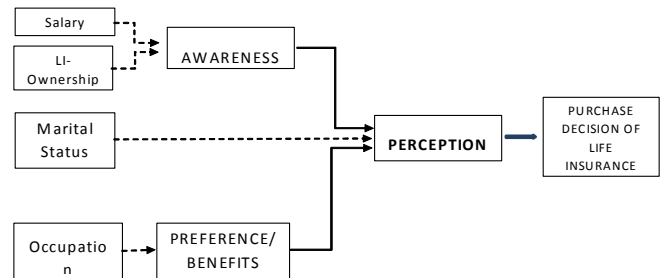


Figure 1 : Showing Model Developed From the Study

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