

**Consumer Buying Behavior of College and University Teachers Regarding Life Insurance Products
– An Analytical Study of Rajkot City**

Vasani Sureshbhai Vithalbhai,
Research Scholar, Saurashtra University Rajkot, Gujrat

Abstract

Consumer Buying Behaviour is divided into three parts which are pre-purchase buying behaviour, purchase buying behaviour, post-purchase buying behaviour for the study. The researcher has the main objective set in three different parts, first to analyze/Examined the consumer behaviour during the pre-purchase stage, second to analyze/Examined the consumer behaviour during the purchase stage and post-purchase stage. The researcher has collected data from the 140 structure questionnaire for the study. The researcher asks more than 40 questions to the respondents in which 10 demographic and other study variables or (questions) for the study. The researcher has used tools for the study or testing hypothesis used the Statistical Package for Social Science (SPSS 13 Version) has been used to process and facilitates the analysis of the collected field data. The researcher used Reliability tests, Cross Tabulation, Computing Mean, weighted Average Mean, Chi-Square tests, Mann Whitney-U test, and Kruskal Wallis-test. Researcher has found in the study like most important need perceived during the pre-purchase stage by majority of the consumers is the Purpose/need for purchasing life insurance product has been identified as 'protection against risk of death' because 85.71% consumers agree with this statement, advertisement are highly effective in creating need awareness for life insurance products since majority(67.9%) of the consumers agree to the statement, perception of the consumers is to perceive that it only tool for risk coverage and family protection, the most important source of information to know about life insurance products are family, friends, Colleagues and well-wishers, 54.3% of the consumers have purchased life insurance products from Public/LIC, preferred types of type of policy is health/medical policy, out of most important 7 P's is product, price and 87.9% consumers said "yes", they recommend to others for purchasing life insurance products and gender, age group, marital status, number of earner/s in the family, dependent family member/s and monthly income is the most important factor affecting the perceived knowledge level with respect to six out of the eight identified variables. Most of the demographic factors are affect the overall service satisfaction level of the consumers. It means demographic factors are significantly affected by consumers' satisfaction level.

Key words: Consumer Behaviour, SPSS, Cross Tabulation, Pre-Purchase, Post-Purchase, Reliability tests, Cross Tabulation, Computing Mean, Weighted Average Mean, Chi Square tests, Mann Whitney-U test and Kruskal Wallis-test.

1. INTRODUCTION:

The function of insurance sector is to protect one against losses he cannot afford. This is done by transferring risks of a person, business, or organization known as, the "insured" to an insurance company, known as the "insurer". The insurer then reimburses the insured for covered losses i.e., those losses it pays for under the terms of the policy. Every family depends on their leader every day for financial support, food, shelter, transportation, education, and much more. Spouses have plans for their future and dreams for their family: another child, a bigger home, a new business, college education, travel, retirement. Insurance is all about ensuring that one's family has adequate financial resources to make those plans and children (as beneficiaries) count on him, he count on his spouse. That is why coverage for his spouse is also important. This is especially true today, with so many "double income families" in this area. As the insurance consumer, the insured pays an amount of money, called a premium, to the insurer to transfer the risk. The insurer pools its entire premium in to large fund, and when a policyholder has met with a loss, the insurer draws funds from the pool to pay for the loss. Life is full of unexpected events that can create large financial losses. For example whenever the insured driver, it is possible that he may have a costly accident. Risk affects him by causing worries about potential loss and how to deal with the consequences. Insurance reduces anxiety over a possible loss and absorbed the financial brunt of its conspectuses.

The study of consumer behaviour (CB) is helpful to the marketers to understanding and it enables them to know and predict buying behaviour of consumers within the marketplace; it's concerned not only with what consumers buy, but also with why they pip out, when and where and the way they pip out, and the way often they pip out, and also how they consume it & dispose it. According to Professor Theodore Levitt of the Harvard graduate school, the study of Consumer Behaviour is one among the foremost important in business education, because the purpose of a business is to make and keep customers.

2. REVIEW OF LITERATURE

Anil Chandhok (2019) has conducted an analytical study of consumers buying behaviour towards life insurance products. The researcher selected 150 respondents from Ambala city and Ambala district as sample and data is collected in the form of questionnaire. The main objective of this study was to understand the consumer buying behaviour. Researcher found that most of the people using insurance belong to the age of below 30 years and 31-40 years. The respondents were showing positive attitude towards life insurance products. He also suggested if private insurance companies try to provide and serve the consumers with service quality, India could become a biggest market for any company. (Anil, 2019)

Anilkumar, U. K. (2017) has evaluated the impact of internet advertisement on consumer buying behaviour. The study was exploratory in nature. The study was based on primary data. Researchers selected 335 respondents from Ahmadabad district for the purpose of the study and data collection is done through questionnaire. The objective of this study was to find the impact of advertisement on buying behaviour of life insurance products. The researchers found that there is an impact of

advertisement on the life insurance. He also found that in next few years, the place of agent will be taken over by internet advertisement and this will have positive impact on insurance companies as it will lead to decrease in the cost. (Anilkumar U. K., 2017)

Antony, B., & Howeroft, P. H. (2000) have studied an exploitation of consumer behaviour in the financial services. The researchers have found that new technology has created highly competitive market condition which has huge impact on consumer behaviour in financial services. In researcher's opinion, insurance companies need to understand buying behaviour of the customers. The researcher used modal and study about consumer buying behaviour and found understood about behaviour of the customers. The research has used models of consumer behaviour to understand the concept of consumer buying behaviour. Researchers have also findings, demonstrated that consumers' purchasing behaviour is greatly influenced by the type of financial product being purchased, and this is in keeping with the research of Bateson (1977), Shostack (1977), McKechnie (1992) and Betts (1994). (Antony & Howeroft, 2000)

Athma, P., & R, K. (2007) have conducted an explorative study of life insurance purchased decision: influence of product and non-product factors. The researchers have collected data from 200 respondents. By conducting survey analysis, the researchers found that urban market is more influenced by product based factors like tax benefits, risk coverage, return, premium, etc. and in rural areas; the people are more influenced by non-product related factors such as creditability of agent and trust services, etc. (Athma & R, 2007)

Babita, Y., & Anshuja, T. (2012) have Analysed Factors affecting customer's investment towards life insurance policies. The main aims of the study were to explore the various factors influencing customer investment decision in life insurance and to analyse the impact of various demographic factors on customers' life insurance investment option. The study was exploratory as well as descriptive and the data is primary in nature. The 150 policyholders from the Jabalpur district during July 2009 to July 2010 were selected as sample by the researchers. They found that the customers' decision may differ via demographic factors like age, gender and income level. The majority of policy holders adopted LIC as preferred option. The researchers also found that the policy holders mostly prefer company's reputation, money back guarantee and risk coverage as deciding factors for purchase of policy. (Babita & Anshuja, 2012)

Babu, S. (2016) has conducted a study on consumer behaviour and perception towards life insurance products in Kerala. The objectives were to the study performance of life insurance sector in India in the post liberalized economic scenario; examine the perceptions of the consumer with respect to life insurance products and services of different companies. The study was empirical in nature and researcher used both secondary and primary data in the research. The secondary data collected through official publications, magazines and journals. The researcher has collected primary data from the 600 sample in the study through selecting multi stage random sampling method. Researcher has used different tests like ANOVA, F-test, Chi-square, Kruskal Wallis test, Mann-Whitney and Friedman's test for analytical purposes. The researcher has concluded that insurance industry in India has been through a cycle involving high growth in the sector. (Babu S. , 2016)

Karabi, G. (2018) has conducted Study on consumer behaviour towards life insurance products. The researcher has collected data of 500 respondents from the 28 branches of 21 companies operating in Kamrup metropolitan district. The main objectives of the study were divided in to three parts namely pre purchase behaviour, purchase behaviour and post purchase behaviour of the consumers. Researcher has found that most important need perceived during the pre-purchase stage by majority of the consumer is the need for protection against risk of death and the least recognised need for life insurance as identified by the consumers is the provision for extra money at the time of retirement. Researcher has also found age, marital status, income and occupation have relatively more influence on the opinion regarding the various needs for which life insurance products may be purchased or is purchased and majority of the consumers agree that advertisement create need awareness the role of advertisement with respect to life insurance awareness cannot be ignore. Majority consumers are also agreeing that company representative always conducts a need analysis of the consumers. This also positive feedback in terms of the process of executing a sales deal other found also find by the researcher but not included here. (Karabi, 2018)

4. OBJECTIVES, HYPOTHESIS AND TOOLS AND TECHNIQUE

Table: 1.1 Objectives, Hypothesis and tools and technique

Number	Objectives/Hypothesis	Analysis Tools Used
PART-1	LIFE INSURANCE	
Objective-1	To analyse/examined the consumer behaviour during the pre-purchase stage of life insurance buying decision	
	Purpose of Buying Life Insurance	Counts, Percentage, Weighted Average Mean
Hypothesis-1	H₀: There is no significant difference between the means of the consumer purpose of buying life insurance products with respect to demographic factors of the consumers at 95% confidence level.	

	H₁ : There is a significant difference between the means of the consumer purpose of buying life insurance products with respect to demographic factors of the consumers at 95% confidence level.	
	Gender, Nature of family	Mann Whitney-U test
	Age groups, Education Qualification, Marital Status, Number of Earner/s in the Family, Dependent family Member/s and Monthly Income of Consumer	Kruskal Wallis-test
	Perceptions of Buying Life Insurance	Counts, Percentage, Weighted Average Mean
Hypothesis-2	H₀ : There is no significant difference between the means of the perceptions towards life insurance products with respect to demographic factors of the consumers at 95% confidence level.	
	H₁ : There is a significant difference between the means of the perceptions towards life insurance products with respect to demographic factors of the consumers at 95% confidence level.	
	Gender, Nature of family	Mann Whitney-U test
	Age groups, Education Qualification, Marital Status, Number of Earner/s in the Family, Dependent family Member/s and Monthly Income of Consumer	Kruskal Wallis-test
	Sources of Information	Counts, Percentage, Weighted Average Mean
Hypothesis-3	H₀ : There is no significant difference between the means of various sources of information to know about life insurance products with respect to demographic factors of the consumers at 95% confidence level.	
	H₁ : There is a significant difference between the means of various sources of information to know about life insurance products with respect to demographic factors of the consumers at 95% confidence level.	
	Gender, Nature of family	Mann Whitney-U test
	Age groups, Education Qualification, Marital Status, Number of Earner/s in the Family, Dependent family Member/s and Monthly Income of Consumer	Kruskal Wallis-test
Objective-2	To analyse/examined the consumer behaviour during the purchase stage of life insurance buying decision	
	Types of the company	Chi-square test
Hypothesis-4	H₀ : There is no significant association between the types of Life Insurance Company selected with respect to demographic factors of the consumer at 95% confidence level.	
	H₁ : There is a significant association between the types of Life Insurance Company selected with respect to demographic factors of the consumer at 95% confidence level.	

	Age groups, Education Qualification, Marital Status, Number of Earner/s in the Family, Dependent family Member/s and Monthly Income of Consumer	
	Types of Policy/Product	Chi-square test
Hypothesis-5	H₀: There is no significant association between the types of Life Insurance Company selected with the selection of different types of policy (product) by the respondent at 95% confidence level.	
	H₁: There is a significant association between the types of Life Insurance Company selected with the selection of different types of policy (product) by the respondent at 95% confidence level.	
	Term policy, ULIP, Pension policy, Money back policy, Health medical, Whole life insurance, children policy	
	Policy purchase for whom?-Self	Frequency, Percentage, Chi-square test
Hypothesis-6	H₀: There is no significant relationship between the policies purchased for self with the type of policy purchased (Term, ULIP, Pension, Money Back, whole life Health/Medical, Children,) at 95% confidence level.	
	H₁: There is a significant relationship between the policy purchased for self with the type of policy purchased (Term, ULIP, Pension, Money Back, whole life Health/Medical, Children,) at 95% confidence level.	
	7 “P” of Service marketing	frequency, Percentage Analysis
Hypothesis-7	H₀: There is no significant difference in the importance assigned to 7 P’s of marketing with respect to demographic factors of the consumers at 95% confidence level.	
	H₁: There is a significant difference in the importance assigned to 7 P’s of marketing with respect to demographic factors of the consumers at 95% confidence level.	
	Product, Price, Place, Promotion, Process, People and Physical Environment	
	Gender, Nature of family	Mann Whitney-U test
	Age groups, Education Qualification, Marital Status, Number of Earner/s in the Family, Dependent family Member/s and Monthly Income of Consumer	Kruskal Wallis-test
Objective-3	To analyse/examined the consumer behaviour during the Post-purchase stage of life insurance buying decision	
Overall Service Satisfaction		
Hypothesis-8	H₀: There is no significant difference in the perceived consumer satisfaction regarding overall service with respect to demographic factors of the consumer, at 95%	

	confidence level.	
	H₁ : There is a significant difference in the perceived consumer satisfaction regarding overall service with respect to demographic factors of the consumer, at 95% confidence level.	
	Gender, Nature of family	Mann Whitney-U test
	Age groups, Education Qualification, Marital Status, Number of Earner/s in the Family, Dependent family Member/s and Monthly Income of Consumer	Kruskal Wallis-test

(Sources: self constructed)

5. SAMPLE PROFILE AND DATA ANALYSIS

DEMOGRAPHIC INFORMATION OF THE CONSUMERS

The marketing process begins with identification of consumers' wants and needs and end with fulfillment of that needs and wants. The dynamic or continuous scenario in which businesses operate these days is making purchase decision increasingly complicated and difficult because of so many products are available in the market. Since policyholders also vary significantly in terms of Gender, Age Group, Education Qualifications, Marital Status, Nature of Family, Number of Earner/s in the Family, Dependents Family Members and income level of the Consumers. Task of market segmentation is also becoming very challenging for marketers because of so many demographic factors are also affected at the time of purchasing life and health insurance products.

TABLE 1.2: DEMOGRAPHIC PROFILE OF CONSUMERS

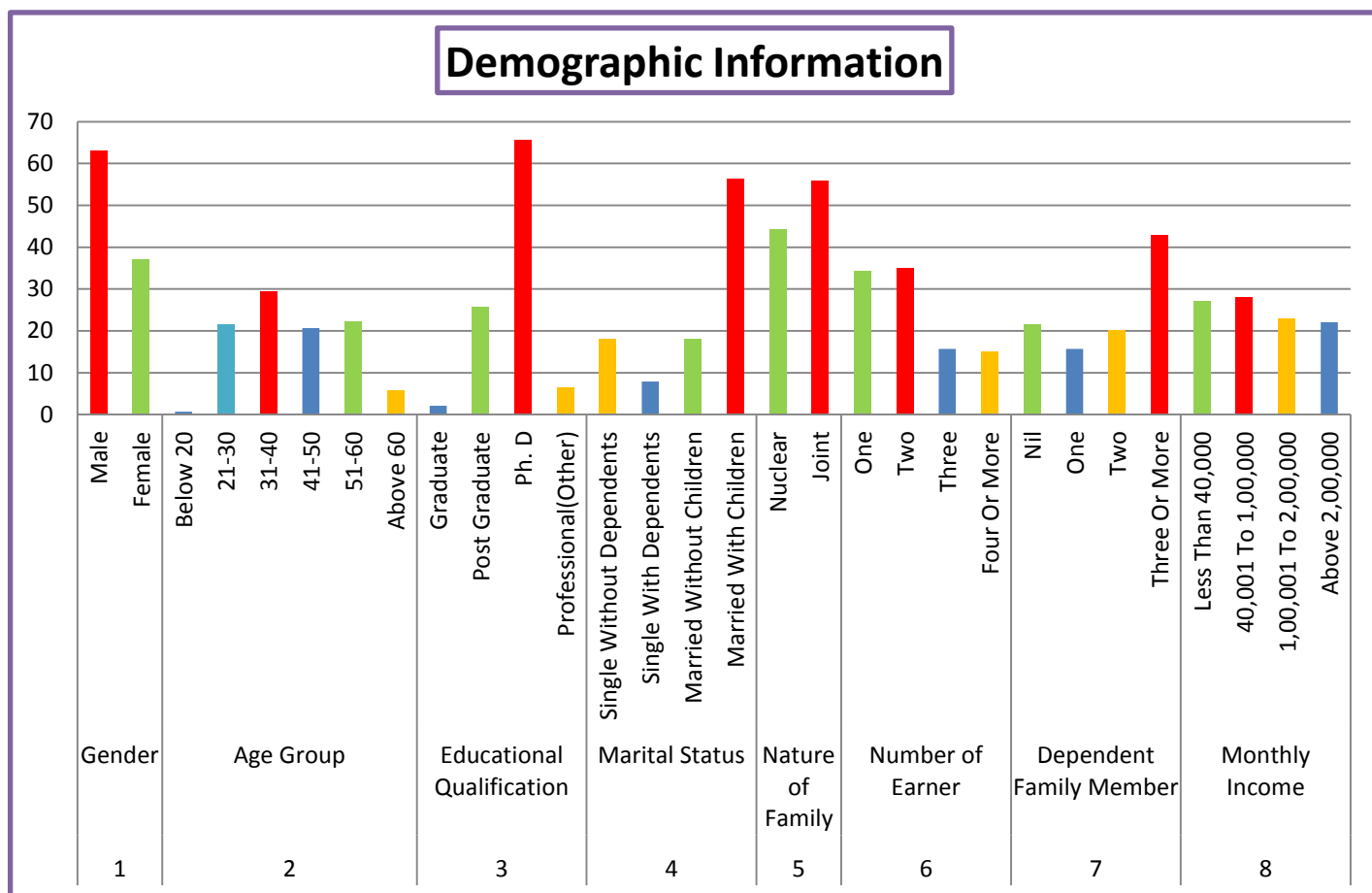
Sr.No	Demographic Factor (Variables)	Factors/ Sub-Groups	Frequency	Percent
1	Gender	Male	88	62.9
		Female	52	37.1
		Total	140	100.0
2	Age Group	Below 20	1	0.7
		21-30	30	21.4
		31-40	41	29.3
		41-50	29	20.7
		51-60	31	22.1
		Above 60	8	5.7
		Total	140	100.0
3	Educational Qualification	Graduate	3	2.1
		Post Graduate	36	25.7
		Ph. D	92	65.7
		Professional(Other)	9	6.4
		Total	140	100.0
4	Marital Status	Single Without Dependents	25	17.9
		Single With Dependents	11	7.9
		Married Without Children	25	17.9
		Married With Children	79	56.4
		Total	140	100.0
5	Nature of Family	Nuclear	62	44.3
		Joint	78	55.7
		Total	140	100.0
6	Number of Earner/s	One	48	34.3
		Two	49	35.0
		Three	22	15.7
		Four Or More	21	15.0

		Total	140	100.0
7	Dependent Family Member/s	Nil	30	21.4
		One	22	15.7
		Two	28	20.0
		Three Or More	60	42.9
		Total	140	100.0
8	Monthly Income	Less Than 40,000	38	27.1
		40,001 To 1,00,000	39	27.9
		1,00,001 To 2,00,000	32	22.9
		Above 2,00,000	31	22.1
		Total	140	100.0

[Source: Field Survey (Jan-Mar, 2020) in Rajkot City]

FIGURE 1.1: DEMOGRAPHIC PROFILE OF CONSUMERS

The demographic profile/information of the consumers considered for this study has been presented in Table 5.1. From Table 5.1 it is observed that out of the total consumers, 62.9% were male and the remaining 37.1 % were female consumers of life and health insurance. The age group of the consumers had a representation ranging from 31 to 40 age group is more in comparison of other five age group among the six age groups identified. It is around 29.3% who have covered under the age group of 31 to 40. In Education Qualification, most of the consumers are Ph.D. degree it means around 65.7% consumers have Ph.D. degree. Marital status was categorized in to four categories as seen in the Table 5.1 and the representation in each category ranged most of the consumers they covered under the married with (having) children. It can be seen in percentage also around 56.4% is married and they have children.



Nature of family of the consumers is also covered under the joint family

[Source: Field Survey (Jan-Mar, 2020) in Rajkot City]

around 55.7%. In number of earner/s in the family, two earner groups are more as they around 35% who have family member earning. Independents family member/s on the consumers around 42.9% consumers has three or more dependent family member. In case Monthly income of the most of the consumers are falling in the categories of 40,001 to 1,00,000 with 27.9%.

6. SUMMARY, FINDINGS AND SUGGESTIONS

1. The most important purpose/need for purchasing life insurance products has been identified as “protection against risk of death” (30% “agree”, 55.71% “strongly agree”, it means 85.71% agree with this statement and Weighted Arithmetic Mean (W.A.M) = 39.47.
2. Advertisements are highly effective in creating need awareness for Life Insurance products since majority (67.9%) of the consumers agree to the statement and 20% consumers are neutral with this statement.
3. Most of the consumers perceive that it is only tool for risk coverage and family protection (W.A.M=33).
4. Secondly the consumers have opined that Life Insurance products provide better returns than investment in bank deposits, NSC, Share/Mutual fund(W.A.M=30.67).
5. The most important source of information to know about Life Insurance products are family, friends, colleagues and well-wishers (W.A.M =36.53). The second important source of information is company representative (Agent, Managers and other) (W.A.M=34.93). The preferred sources of information on the basis of the opinion of the consumers have been arranged in the order of rank and the significant effect of the various demographic variables has been summarized in Table 6.3. The ranking is given on the basis of the W.A.M.
6. Consumers have opinioned that they always read the feature and terms and conditions of the policy (W.A.M =35.93). They also agree that they compare the policy with similar products offered by other insurers (W.A.M=35.53).The process of evaluation of alternatives on the basis of the opinion of the consumers have been arranged in the order of rank and the significant effect of the various demographic variables have been summarized in Table 6.5. The ranking have been done on the basis of theW.A.M.
7. 54.3% of the consumers have purchased Life Insurance products from Public/LIC, 34.3% people preferred both Public/LIC and private companies. 11.4% have purchased Life Insurance products from private company.
8. Health/Medical policies are the most popular products selling in the market. 75% of the consumers have purchased thispolicy.
9. Most of the consumers buying life insurance policy through agent (83.6%).
10. The following observations were noted with regard to the importance assigned to the 7 P’s service marketing (Product, Price, Place, Promotion, Process, People and Physical environment) in the buying of life insurance decision making process:
11. The two most important P’s in a Life Insurance product purchase decision has been observed to be “Product” and“Price”
12. Product and price are most important factors because weighted average mean is more in that case that why more important assigned to this two P’s of service marketing.
13. The effect of demographic factors on the perceived knowledge levels on certain features and processes with respect to Life Insurance products is summarized in Table 6.8 above. It is observed from the Table 6.8 that gender, age group, marital status, number of earner/s in the family, dependent family member/s and monthly income is the most important factor affecting the perceived knowledge level with respect to six out of the eight identified variables.

7. SUGGESTIONS:

7.1 TO PRE-PURCHASE STAGE:

- It is observed that though majority of the consumers have opined that life insurance products are needed to protect family members against the risk of death the popularity of term insurance cover is not reflected when it comes to purchase of insurance products.
- Life Insurance Company has to focus on advertisement, because most of the consumers got information from the advertisement.
- Most of the consumers’ perception is consideration of insurance as only tool for risk coverage/family protection, so that company has to focus in this area.
- Most important source of information is family member, friends, colleagues and well wishers and companies representative (agent, managers and others), so that company has to focus on for the segmentation and marketing area of the selling more product in the market.

7.2 PURCHASE STAGE

- Health/medical and Money back policies seem to be more popular in terms of purchase of life insurance products. This may be because consumers are more interested in the returns from the policy than the risk coverage component when it comes to buying of an insurance product and cover of more medical expenses. Therefore the researcher recommends that the basic purpose of an insurance product being risk coverage, the marketers need to generate more awareness about the concept of risk coverage than investments in the minds of the consumer.
- Most of the consumers bought life insurance policy for self, so company should offer joint policy to the consumers.

7.3 POST- PURCHASE STAGE

- 10 consumers out of 140 are dissatisfied with life insurance policy, so still company may focus on life insurance product, why consumers are not satisfied with life insurance.

- Otherwise overall satisfaction of the consumers is good with life insurance products.
- It was also observed that the post purchase knowledge level of the existing customers on key insurance terminologies were not very satisfactory. This could be the reasons for cognitive dissonance during post purchase stage of buying life insurance policy.
- Massive awareness and financial literacy programs is felt to be absolutely necessary by the researcher. It is felt by the researcher that financial literacy and awareness is the most appropriate solution towards improving the satisfaction level of the consumers, generation of positive word of mouth and thereby improving life insurance penetration and density at the macro level.

REFERENCES:

1. K., R. (2008). *Merchant Banking and Financial services*. Ahmedabad: Himalaya Publication House.
2. Periasamy, P. (2012). *Principles & practice of Insurance*. Mumbai: Himalaya Publishing House.
3. Kardes, F. C. (2011). *Consumer Behaviour*. Mason south western: Cengage.
4. Leon, C. S. (1997). *Consumer Behaviour*. New Delhi: Prentice Hall of India Private Ltd.
5. Sheth, j. D. (1985). *Theory of marketing*. New york: Wiley & Sons.
6. Suja, R. N. (2010). *Consumer behaviour in Indian perspective*. Mumbai: Himalaya Publication House.
7. Bhojanna, U. (2012). *Research Methodology*. In U. Bhojanna, & U.Bhojanna (Ed.), *Research Methodology* (p. 8). New Delhi, India: Excel Books Private Ltd.
8. C.R.Kothari. (2004). *Research Methodology*. New Delhi, India: New Age International (P) Ltd, Pubulishers .
9. Priti, R., & Praful, K. (2017). *Research Methodology*. Mumbai, Maharashtra, India: Himalaya Publishing House Pvt. Ltd.
10. Deepak C., & Neena S. (2011): “*Research methodology concepts and cases*” (Vikas publication house private ltd) 1st edition, 2011
11. Anilkumar, U. K. (2017). Impact of internet advertisement on consumer buying behaviour: an exploratory research for life insurance ahmednagar district(unpublished doctoral dissertation). *Paravara institute of research & education in natural & social sciences* , 1-195.
12. Anil, C. (2019). An analytical study of cutomers buying behaviour towards life insurance products. *International journal of research in commerce, IT & management* , 5-9.
13. Antony, B., & Howeroft, P. H. (2000). An exploitation of consumer behaviour in financil services industry. *International journal of bank marketing* , 15-26.
14. Athma, P., & R, K. (2007). A study on an explorative study of life insurance purchase decision; influence of product and non product factor. *Journal risk and insurance* , 19-21.
15. Babita, Y., & Anshuja, T. (2012, July 7). A study on factors affecting customers investment towards life insurance pilicies. *International Journal of marketing, finance service management research* , 106-121.
16. Babu, S. (2016). *Consumer behaviour and perception towards life insiurance products(Unpublished doctrate dissertation)*. Research and Post Graduate Department of Commerce St. Dominic's College, Kanjirappilly Kerala, Research and Post Graduate Department of Commerce. Kerala: Unpublished.
17. Karabi, G. (2018). *A Study on Consumer Behaviour towards life insurance products*. Gauhati University, Department of Commerce. Asam: Sodhganga.