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INFLUENCING FACTORS OF CUSTOMER'S DECISION
ON PURCHASING LIFE INSURANCE INDUSTRY IN
YANGON, MYANMAR

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**INFLUENCING FACTORS OF CUSTOMER'S DECISION
ON PURCHASING LIFE INSURANCE INDUSTRY IN
YANGON, MYANMAR**

A thesis submitted as a partial fulfillment towards the requirements
for the degree of Master of Banking and Finance (MBF)

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ABSTRACT

This is study on influencing factors of customer's decision on purchasing life insurance in Myanmar. The objectives of this study are to identify the buying decisions of the consumer behaviors in life insurance policy and to analyze the influencing factors of customer's buying decisions on life insurance policy in Yangon, Myanmar. For this study, the primary data were collected by the structured questionnaires that are delivered to the respondents who are existing policy holders of life insurance and lived in Yangon by using Simple Random Sampling (SRS). The method of research applied in this study is descriptive research method and mean score ranking is used to examine how customer behavior model influence on customer buying decision. To achieve the objectives, primary data were collected by interviewing with 100 respondents of life insured who live in Yangon till 2016-2017 FY by using structured Five-point Likert scale questionnaires. The determinant factors related with personal factor, cultural factor, social factor and psychological factor are identified and assessed with questionnaires. The study focus on the consumer behavior black box model which analyzes the cultural, social, personal and psychological factors effect on customer purchasing decision. The study found that socio-demographic factor and psychological factors mainly effect on customer buying decision. People factors mostly influence on customer buying decision followed by product factors while physical Evidence factors slightly influence on customer buying decision. The cultural and social factors moderately influence on decision making of the policy holders. According to the study, insurers need to emphasis the activities and programs for the awareness of life insurance and at the same time government needs to encourage the citizens to have life insurance coverage for life protection and saving. Moreover, more new products need to be created to need customer needs as the result from the study.

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CHAPTER I

INTRODUCTION

Insurance, the risk-transfer mechanism which is socially valuable, is a vital sector of financial services industry. (Fadun, 2013) Insurance is an economic institution that allows the transfer of financial risk from an individual to a pooled group of risks by means of a two-party contract. (ESRB, Dec 2015) The insured party obtains a specified amount of coverage against an uncertain event for a smaller but certain payment. Insurers may offer fixed, specified coverage or replacement coverage, which takes into account the increased cost of putting the structure back to its original condition. Furthermore, the products and services provided by insurance industry have a lot of obvious benefits for both individuals and the society. Briefly, there are two major divisions in insurance: life insurance and non-life insurance. Life insurance protects policyholders from financial loss due to premature death, sickness or diseases (World Finance, 2010).

The international insurers are increasingly turning their interest to Southeast Asia as Western economies slow and Asian economies become developed and saturated. Among Southeast Asian countries, Myanmar is one of the most potential countries to launch international insurance companies for many reasons. First of all, Myanmar is the political and economic transition country with a young and large population of 53.3 million, the 5th most populous country in ASEAN, so the demand for insurance is also high. On the other hand, by geographical aspect, Myanmar is strategically located and is also blessed with natural resources that it can be the major artery connection on a third of the global population. Moreover, Myanmar has the border trades with China, India, Laos, Thailand and Bangladesh countries (Asia Development Bank, 2012).

As Myanmar opens to the world, insurance sector is also growing pressure to upgrade and expand. Financial sector plays a main role for the economy of a country, insurance becomes one of the major sectors which need to build sound system for the development of the economy in Myanmar. According to the Asia Insurance Review, Myanmar insurance sector had a long and eventful history and furthermore, Myanmar insurance has a potential trend to become one of the huge insurance markets in ASEAN.

Myanmar insurance is one of the obvious economic transition changes under the new government. Myanmar Insurance Industry has seen setbacks on September

2012 following that the government announced that monopoly would be broken and to become a well-functioning market economy, government also invited both local and international private insurance companies to enter insurance industry. Twelve privately run local firms were allowed to open an insurance business starting in June 2013, breaking a 61-year-long monopoly over the market by state-run Myanma Insurance. In January 2019, the Myanmar government launched the process to open up its market to foreign insurers.

As a result of market liberalization in 2019, high level of competition will be faced by insurers and it is very important for them to understand more about the factors which influence existing customers and potential consumers for buying insurance products and their preferences to provide better service. With intensified competition in the industry, it is vital for the insurance companies to explore and evaluate consumer preference and information to identify the appropriate marketing strategies and business development.

With the growing awareness among the people about the insurance, various services provided by the companies and availability of insurance facilities across the globe, the insurance sector is emerging very rapidly and there is a need to identify the main factors that affect customer's choice for insurance companies. The services provided by the insurance companies are almost similar in nature and type and thus the customers are exposed to diversified choices. This means that there are unlimited switching choices and /customers will choose the alternative that gives him maximum satisfaction in references to different factors that differentiate insurance benefit from each other.

Myanmar insurance industries have been undergoing rapid changes, reflecting a number of underlying developments. The competition among the insurance companies is essentially based on the technology and innovative products and services provided by the insurance companies which may help them to attract and retain the customers. The competition and saturation in the insurance industry requires insurance companies to be more customer focused as the customers today are much concerned about the value for money. Insurance institutions need to create a lucrative customer base in order to increase their market share and need to identify factors that influence the choice of insurance companies' selection and work on improving them. The insurance companies have realized the need to adopt a people-oriented approach, rather than only concentrating on the profit-oriented approach, towards improving customer

service. Since customers are becoming more demanding and sophisticated, therefore, it has become important for the insurance sector to determine the factors which are pertinent to the customers for choosing a company. To prevent the migration of clients and attracting the new ones, it is very important for the insurance companies to understand the preferences of the customers to offer the services required by them. With intensified competition in the industry, it is vital for the insurance companies to understand "How customers choose their insurance company? Exploring and evaluating such information will help companies to identify the appropriate marketing strategies that are needed to sustain and survive in the market. Consumer markets can be segmented on several bases. Segmentation of customer markets helps insurance company to discriminate insurance company customers in desired categories, so that their needs and wants may be effectively addressed for the purpose of preparing sound and effective marketing strategies. The consumer market can be segmented on the basis of demographic disparities and thus, the impact of these variables on influence of customer's choice should be evaluated. Thus, improper identification of true determinants of consumers buying decision may result in losing potential customers. (Soe, 2018) This study is attempt towards finding out influencing factors of customers decision on buying life insurance policy.

1.1 Rationale of the Study

Insurance is one of the best known and has most valuable ways of protecting against the risks that associated with daily life. Meanwhile only a small proportion of Myanmar people are aware that the benefits of affecting the insurance cover for protection of loss potentials in their daily business transactions. In Myanmar, there has not been private insurance in for more than 50 years; therefore, most of the people do not have the knowledge of insurance advantages.

In Myanmar, insurance penetration stands at just 0.07 percent of GDP, with the market valued at just US\$70 million in 2016-17. Non-life insurers contributed to more than 70pc of the market. There are 30 categories of insurance products now being offered, with property insurance representing 80pc of total non-life income, according to Myanmar Insurance Association. Most of the people in Myanmar still not consider insurance to be attractive despite its socio-economic responsibility of providing protection against risk faced by individual and corporate organization. Majority of the people in Myanmar do not understand the advantage of insurance protection. According to the Swiss Re Institute, Life insurers contributed to less than 30pc of the insurance

market. There are 30 categories of insurance products now being offered, with property insurance representing 80pc of total non-life income, according to Myanmar Insurance Association.

On 2 January 2019, the Myanmar Ministry of Planning and Finance (MoPF) issued Announcement No.1/2019 (the "Announcement"), paving the way for foreign insurers to enter into the country's largely untapped insurance market as part of an ongoing process to liberalize the sector.

Due to market liberalization, international foreign insurance companies enter into Myanmar insurance industry and the market will become more challenging and competitive. In April, five foreign life insurers, including AIA, Manulife, Chubb Life, Dai-ichi and Prudential, are allowed to enter the market through wholly owned subsidiaries. Moreover, government permitted 6 foreign insurers to establishment of joint ventures with local companies, limiting the foreign ownership to below 35% for Life and General Insurance companies. At the initial state, all private insurance companies are required to use the same premium rates to avoid unhealthy competition resulting in price competition and unprofitability. They will have to compete for the clients' attention through the services they provide. (Soe, 2018)

As market is growing, companies need to identify the factors that determine the basic upon which consumer take into account in buying life insurance products. The decision of consumer influenced the various factors such as personal factor, psychological factors, cultural factors, social factors, functional factors, marketing mix factors, and economic factors.

The personal factors include age, occupation, lifestyle, social and economic status and the gender of the consumer. These factors can individually or collectively affect the buying decisions of the consumers. When it comes to the psychological factors there are 4 important things affecting the consumer buying behavior, i.e. perception, motivation, learning, beliefs and attitudes. Social factors include reference groups, family, and social status. These factors too affect the buying behavior of the consumer. These factors in turn reflect an endless and vigorous inflow through which people learn different values of consumption. Consumer behavior can indicate different things like how individuals or groups choose to buy, use and dispose goods or services, to satisfy their needs and desires. Hence it is important to understand that the consumer behavior is affected by several factors.

The Economic Factor is the main foundation of any purchasing decision. The reason is simple people can't buy what they can't afford. The need of a product also doesn't play a role here, but the most important thing is affordability. The functional factor is totally about needs, backed by a logic that what makes sense and also fits in the best interest of the customer. There are 4 components in the marketing mix, i.e. product, pricing, promotion and place of distribution and each of these components have a direct or indirect impact on the buying process of the consumers. The consumers consider various things like the characteristics of the product, price charged, availability of the product at the required location and much more.

Based on the above discussion and highlights, this study intends to find out the influencing factors of consumer decision in buying life insurance for insurance companies. Having a good knowledge of the factors affecting the consumer behavior can help insurers to set better business strategies and development plan. A suggestion will make to provide useful information for insurers to make decision for better products and service and develop insurance industry.

1.2 Objectives of the Study

The objectives of the study are as follow:

- (i) To identify the buying decisions of the consumer behaviors in life insurance policy
- (ii) To analyze the influencing factors of customer's buying decisions on life insurance policy in Yangon, Myanmar.

1.3 Scope and Method of the Study

This study focuses on the consumer who already have insurance policy in Yangon to analyze the influencing factors on their buying decision. Currently, 12 life insurance companies are providing 15 life insurance products in Myanmar. This study focuses on life insurance policies during the period of 2016-2017. The sample size is 100 out of 3,355,593 policies (0.3%) in Myanmar during the period of 2016-2017 (Financial Regulatory Department, 2018).

Descriptive Statistics method is used by employing both primary and secondary data. The primary data is collected through by interviewing with responsible persons from some life insurance companies in Yangon and customer survey collected by using structured questionnaires which were distributed using simple random sampling (SRS). The survey was created and distributed to the sample respondents with Five-point Likert Scale based on the factors that affect consumer decision. Secondary data is gathered

form respective instructions of Financial Regulatory Department (FRD), research papers from Yangon University of Economics (YUE) library and other relevant papers and materials from various level of sources.

1.4 Organization of the Study

This study included five chapters. Chapter (1) is the introduction that explains rationale of the study, objectives of the study, advantages of the study, scope and method of the study and organization of the study. Chapter (2) shows literature review and theoretical background. Chapter (3) compose with background history of Myanmar Insurance Sector, Chapter (4) describes analysis on Factors Influencing Buying Decisions of the Consumers on Life Insurance, and Chapter (5) concluded with the findings and discussions, suggestions and recommendation, and need for future research to develop life insurance market.

CHAPTER II

THEORETICAL BACKGROUND

In this Chapter includes Consumer Buying Behavior Model, factors which influence customer buying decisions and includes, information from the other researchers that have apply on their research in the same field of study.

2.1 Definition of Consumer Behavior

The concept of consumer buying behavior is not new, it has been discovered ages ago. The current marketing strategies focuses on consumers buying behavior. The marketing aim is to grow and make best use of their market share. Consumer's decision-making process is highly sensitive and is based on their learning and experience. (Essays, Nov 2018)

The black box theory explains the consumer's decision-making process and factors that affect buying decision. In addition, this model also highlights the market stimuli, market environment, buyers' stimuli and the buyers' response. These internal and external factors aim to influence the purchasing pattern of every single consumer. Buyers are highly sensitive while making decisions and marketing stimuli provide necessary information and knowledge about the product or service. Consumers are also influenced by social and psychological elements like society, family, personal, motivation and learning. In practical consumer use personal thinking or experience to response repetitive buying. Financial products and services require more understanding of consumers. It also needs to develop conceptual framework together with service marketing to deal with individual consumer. (Essays, Nov 2018)

Financial services are the most discussed topic in today's economy. By narrowing to financial products like service marketing has introduced many models to understand and deal with the problems. Consumer behavior is one of the biggest issues which differentiate these two markets (product, service). Services are different from goods because of their heterogeneity, inseparability, intangibility, perishability and customization which make it difficult for marketers to identify and practice the service standards. Major Banks and financial institutions have realized the importance of consumer psychology toward financial products which influence the final decision. (McKechnie, Sally, 1992) To make a purchase decision for a financial product the consumers are not completely aware of the utility and consequences, the learning is developed simultaneously with the product use and Therefore it's highly critical for the

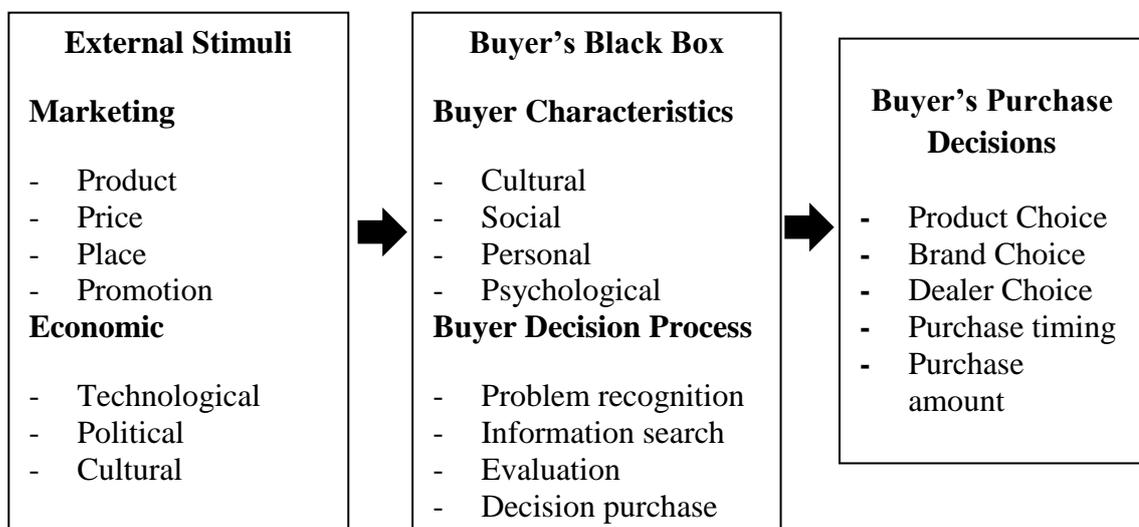
marketers to acquaint with personality, consumer thinking, relationship, service quality etc. which directly affect the buyer preference.

The financial services are not a one- time purchase but there are several two-way transactions for long time. These services need the trust, confidence and mutual rapport of the consumer in the financial institutions. Lunt, Peter, (2005) explains that Marketers invests plenty of time to facilitates and establish a mutual relationship to print positive image in the consumers cognitive learning which they consider assessing the creditability of the institution repeatedly. It also benefits the institution in long term business with individual consumer. Trials are not available for these products and services, most of consumers use their experience to make decision every time. So customer experience, trust and brand image are the main wisdom drivers which influences the buyer to select from available financial facilitators. (Essays, Nov 2018)

2.2 Consumer Buying Behavior Model

Consumer's conduct in communication with the aspects that impacted it can be accredited succinctly with the subsequent diagram:

Figure 2. 1 Model of Buyer Behavior: Stimulus-response Model



Source: Ivan Pavlov (1927)

This is stimulus-response model of the buyer behavior. The Stimulus-Response Model is well-known Pavlovian theory of learning has its origin in the experiments of the Russian psychologist, Ivan Pavlov.

It shows stimuli as input and buyer response as output with the process of decision-making in the middle which depends on the buyer's characteristics. Balabanis, et al (2001) described the 'black box' prototype; The essence of the model is that it

suggests clients will respond in a particular way to different stimulations after they have handled with those stimulations in their opinion. (RAGHAVENDRA.K, 2014)

To be more precise, the model recommends those facets which are external to the client end up being a stimulator for the behavior; however, the personal mannerisms and the decision-making process of the client will interact with the stimulation before a particular behavioral response is generated. This is known as the black box model since very less is known about how the human mind functions. It is not possible to see what occurs in the mind and nobody actually knows what transpires there, hence the comparison to a black box". As far as client behavior is related, it is adequate to be able to identify the main internal influences and the primary stages in the decision-taking process which are used by the clients, but there is no real information related to how clients will process this data, jointly with the stimulation to generate a particular response. (RAGHAVENDRA.K, 2014)

2.3 Factors Influence on Consumer Behavior

Consumer behavior is based on purchaser buying mannerism, in the midst of the consumer taking up the three dissimilar parts such as of a user, payer and buyer. Investigation has revealed that customer behavior is complicated to forecast, still for skilled in the required field (Armstrong, 1991). The factors that influence consumers could be classified into two types as shown in figure below:

External influences: Consumer behavior is influenced by: royalty, ethnicity, family, social class, culture, sub-culture, locality, reference groups, lifestyle, and market mix factors.

Internal influences: Consumer behavior is influenced by: attitudes, beliefs, feelings, personality, motivation, knowledge etc. Consumer behavior concerns with consumer needs in the direction of satisfying the need that leads to behavior of every individual depending upon thinking process.

2.3.1 Cultural Factors in the Buyer Black Box

The thinking going on in the Buyer Black Box is firstly influenced by cultural factors. The socio-cultural factors, which influence a consumer, include social class, groups, family role, status and sociability.

Culture: Buying decisions are highly influenced by social customs, traditions, and beliefs. Social norms influencing individuals are more visible. Caste influences are direct and strong.

Social Class: Society's relatively permanent and ordered divisions, the members of which share similar values, interests and behaviors. Social class can be determined by a combination of occupation, income, education, wealth and other variables.

2.3.2 Social Factors in the Buyer Black Box

The social factors influence the Buyer Black Box as below:

Reference Groups: A person's behavior is influenced by many small groups or reference groups. These groups involve family, religious groups, friends circle, neighbors etc.

Family: As do reference groups, families strongly influence the buyer black box. In fact, the family is often the most powerful influence on consumer buying behavior. For instance, the husband-wife relationship and involvement may greatly affect an individual's buying behavior. But also, children can have a strong influence on family buying behavior.

Roles and Status: The role refers to the activities that the person is expected to perform according to the group members. Also, each role carries a certain status that reflects the general esteem given to it by society. Since people usually choose products based on their roles and status, as the above-mentioned example shows, this factor can greatly influence the buyer black box.

2.3.3 Personal Factors in the Buyer Black Box

The Buyer Black Box is greatly influenced by personal characteristics.

Age and lifecycle stage: People change their purchases over their lifetimes. Marketers define their target markets in terms of family life-cycle stage and develop appropriate plans and products for each stage.

Occupation: A person's occupation affects the goods and services bought.

Economic situation: Even more evidently, the buyer's economic situation affects the buyer black box. It will affect his/her product and store choices. For instance, personal income, savings and other factors influence what a buyer will purchase where, when, and how much. (Claessens, 2015)

Lifestyle: Lifestyle refers to a person's pattern of living. It is important to know that the consumer's buying behavior is strongly linked to the match between his/her own lifestyle and that of a product. Consumers do not buy products, they buy the lifestyles and values those products represent. Therefore, lifestyle is a critical factor steering the buyer black box. (Claessens, 2015)

Personality: The buyer black box is also affected by his or her personality. Personality means nothing else than the unique psychological characteristics distinguishing one person from another. It is often described in terms of traits. These can be self-confidence, dominance, aggressiveness and so further. As is the case with lifestyles, the idea is that brands also have personalities. Consumers will therefore be likely to choose brands which have personalities matching their own. (Claessens, 2015)

2.3.4 Psychological Factors in the Buyer Black Box

The Buyer Black Box is influenced by psychological factors.

Motivation: When a consumer recognizes that they have a need, the inner drive to fulfill the need is called motivation. A motivated person is ready to act. (Claessens, 2015)

Perception: It is the process by which people select, organize and interpret information to form a meaningful picture of the world.

Learning: When people act, they learn. Learning can be described as changes in an individual's behavior arising from experience.

Beliefs and Attitudes: Through all the doing and learning, a person acquires beliefs and attitudes. These factors, in turn, influence the buyer black box. If a buyer has negative beliefs about a product based on learning, it is unlikely that he or she will buy it in the future. Also, the person will have a negative attitude towards the product. Certainly, beliefs attitudes of a person are quite difficult to change. Therefore, marketers should concentrate on trying to fit the products into existing attitudes instead of attempting to change them. (Claessens, 2015)

2.4 Literature Review of Previous Studies

(Ashok S. Banne 2014) studied the awareness of life insurance in India and found that lower penetration of life insurance in India was due to unawareness of the Indian people. This study disclosed that primary source of information of life insurance for the urban samples are individual agents of LIC (75.4%, most of the time”), followed by television (15.5%, most of the time), newspaper (6.8% “sometimes”, 41.2% “usual”) whereas showing pamphlets, hoarding, friends, radio and bankers are not playing important sources for getting information about life insurance. Thus, insurance agents are the major information provider for the policyholders.

Another study (Aurelija UIbinaite 2013) revealed that determinants influence on consumption decision of insurance are the evaluation of consumers over insurance service in monetary terms and lower payable premiums amount. Other influencing

factors are such as demographical and socioeconomic characteristics. The decision making for insurance purchase for the men based on acceptability of insurance conditions while women are based on the competence of insurance service provider such as the conditions of services, the amount of premiums. While (Esau 2015) discovered that promotion, product, pricing, people and process can influence the insurance purchase decision making. The promotion has highly significant influence whereas people (employee, and every person who involve in service and product) have the weakest affect in consumer purchase decision making.

(Kannan 2018) explored the satisfaction level of consumers towards Life Insurance Corporation (LIC) and found that individual insurance provider should understand the requirement of the consumers about the policies they offered. Insurance awareness for the illiterate and rural groups should be done through promotional activities. In order to attract more policyholders, the insurers should do quick repayment and security measurement. (J.Pavithra 2018) also analyzed the satisfaction of customer on Reliance life insurance and figured out that majority of consumer (respondent) are likely to invest in reliance life insurance and there will have many customer due to the excellent brand name in the market.

Mahapatra, P. (2017) investigated the importance of insurance which provides well-being instead of risks and insecurities in the whole life. To explore the awareness level on the concepts and significance of insurance and its investment schemes, by undertaking 453-respondent-survey in Odisha, it was found that level of insurance is highly associated with their demographic factors such as Gender, Living place, Education, Age, Income and Occupation. Similarly, Bhutkar (2006) carried out a market research in Pune to evaluate consumer satisfaction of Kotak Mahindra Life Insurance with other services. It was found that the customers are highly satisfied on life insurance packages and its policy as they think the return on investment is high and safe.

Additionally, Beula & Velmurugan (2017) also analyzed the satisfaction level of customers on life insurance product in Nagercoil City of India. He explained customer satisfaction on this product is changing from time to time based on influencing factors such as services provided, product sales and advertising techniques and their income level as well. The insurance companies should aware of these factors to maintain better relationship with the customers. Likewise, in regards of developed countries like European nations, customers' decision on whether to purchase insurance

or not mainly depends on familiarity, preference and understanding of the complexity and length of insurance schemes. If their knowledge on general insurance is low, they intend not to read terms and conditions of contracts properly and not try to obtain insurance products (EU, 2017).

Hence, Gibbert, Leibold & Probst (2002) proposed five styles of customer management with various case studies. In this study, the first platform “Prosumerism” is “the customer could fill the dual roles of producer and consumer and it enables the customer to learn more about the available resources in financial services, thus creating options and a predisposition within the customer to rapidly tailor-make an offering in the future, also based on creatively suggesting new ideas and benefits.” (p. 8). Addition, in group learning, customer knowledge played a key role for companies in reconfiguring document management and related infrastructure, resources and processes. More, mutual innovation, communities of creativity, and joint intellectual capital focus knowledge sharing through direct conversation or interaction with customers. Applying these approaches to introducing various insurance schemes to customers can lead to partnering with them as equal affiliates in creating organization’s value.

Moreover, concerning with the customers’ perceptions and assessment on insurance plans and programs, Angko (2013) examined whether the insurance products offered in Ghana meet its people’s social protection and needs for their life. The author conducted in depth survey on four insurance companies and their customers. The results revealed that the insurance companies launched their new products while considering some demographic and socio-economic factors of customers such as age, level of risk of business or job of customer, current or past medical record of customers and income level of customer. On the other hand, the customers believe life insurance policy and concept of the products are advantageous to them after their work life, may be during retirement or to their generations after the event of their death or major injury.

Based on the previous studies and findings, the government should promote effective insurance policy and practices in order to make sure insurance products and services meet the social security needs of the public and enhance the level of awareness of people on having insurance for their life. Furthermore, insurance companies should use effective promotional strategies and approaches to boost awareness on their products among people.

2.4.1 Literature review regarding Myanmar's case

This section reviewed literature about the Myanmar researchers and scholar on insurance industry in Myanmar. Myanmar is basically a subsistence economy and very few people can afford insurance. Even fewer can appreciate the importance of insurance because there hasn't been private insurance in Myanmar for more than 50 years, so most of the people have no idea of what its advantages are. Therefore, the interest is still very low, and this has made the sector not a priority in the lives of Myanmar. The effect of this is that most of the Myanmar researchers and scholars have not picked interest in researching about the Myanmar insurance industry.

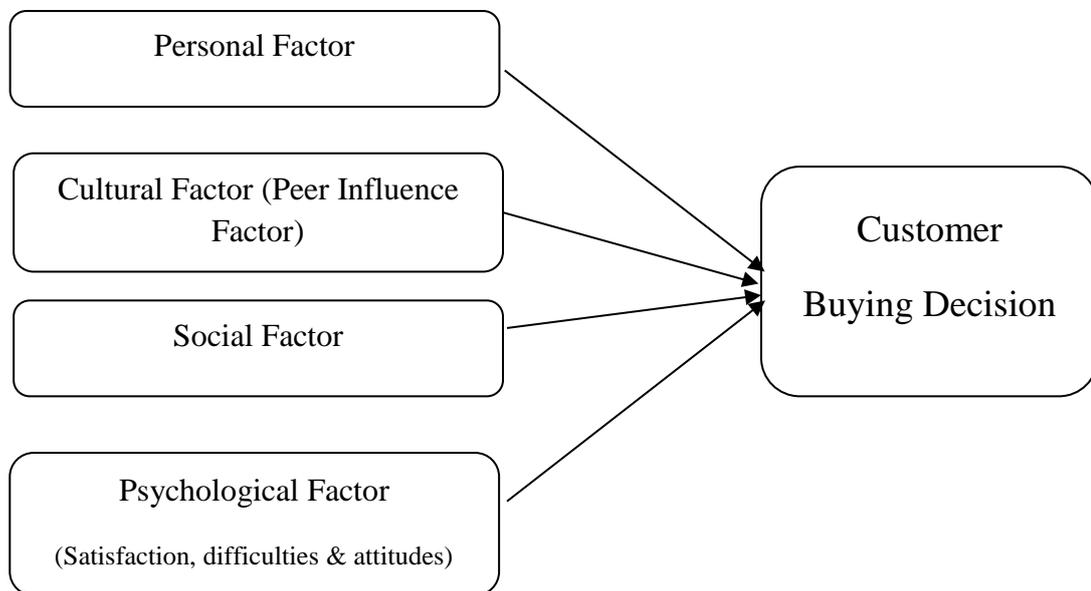
Htein Lin Aung (1998) *Insurance, An Essential Element in the Economy*. This study broadly explained about general benefits of insurance, contribution of insurance to economy, risk management, role of insurance in Myanmar Economy, and the liberalization of Insurance by descriptive statistics. This paper also examined about the Insurance Liberalization in Thailand and Indonesia, and also analyzed the relationship between inflation and insurance premium. He presented that high inflation is a definite obstacle to the development of insurance, and of life insurance in particular. Moreover, the volume of premium revenue in the insurance sector is highly sensitive to the insurance factor. Researcher also presented about consumers' lack of familiarity with insurance products in life insurance and underdeveloped domestic financial market of Myanmar. This research also forecasted about the future competition in the liberalization Insurance Market and also estimated about the future trend of Insurance Industry in Myanmar. (Aung, 1998)

Kyaw Lin Thant (2007) studied *Insurance Market Development in Myanmar*. This paper explored the background of Myanmar Insurance Industry and overviews the risk and insurance and history of global insurance industry. In this study, it analyzed with descriptive statistics method to evaluate the relationship between insurance and economic growth which may attribute the people's consciousness how insurance can cure the losses that they may face in the courses of their daily lives and its trend over the period (1989-2006). Also, the need of life insurance to the public in Myanmar was assessed. This paper divided Myanmar Insurance Market into two periods: before 1988 and after 1988. At the part of Myanmar Insurance Market Development before 1988 is examined into 3 eras: (1) Colonial Period, (2) Parliamentary Democracy Period and (3) Centrally Planned Economy Period, and after, 1988 is presented about the era of Market Economy Period. Secondly, it analyzed the situation of life insurance in

Myanmar Insurance. In this part, this study pointed out about the requirements of life insurance product distribution and technologies. This paper recommended that the requirements of Life Insurance in Myanmar economy can be easily created by the government in the manners of a sound but flexible system of regulation and supervision, incentives to save for the long term rather than consume, encouraging better understanding of personal saving and financial planning through education. (Thant, 2007)

2.5 Conceptual Framework of the Study

This paper tests about the relationship between internal and external influences factors effect on customer buying decision of life insurance policy in Myanmar.



Source: adapted from Ivan Pavolo

This study focus the above conceptual framework considering the theoretical reviews, personal factor, cultural factor, social factor and psychological factors to examine which factors effect on the customer buying decision making.

CHAPTER III

INSURANCE INDUSTRY IN MYANMAR

In this chapter, insurance sector in Myanmar is introduced by expressing the concept of life insurance, brief history of insurance and current situation of Myanmar insurance market. It also includes about type of insurance, type of insurance products in Myanmar, functions and features of life insurance plans and regulatory bodies of Myanmar insurance industry. Moreover, it presents a brief introduction about the concept of life insurance.

3.1 Concept of Life Insurance

The whole idea of insurance has developed on the fact that human life is full of uncertainties and the life of a person itself is very uncertain. Eventualities do cast their shadows, and therefore one has to equip oneself with possible means so as to face the unforeseen. (Durg, 2018)

In simple words, insurance is a means to minimize future uncertainties and losses. It is more effective to be secured from threats. Insurance provides a canopy under which the consequences of such threats are compensated and, hence, eases life. In other words, insurance can refer to a financial institute that safeguards the future economic losses. It creates the hope and provides motivation to any business. From the above definitions, insurance can be seen as a crucial factor to boost up the confidence by providing means to cope with risks faced and taken by people in their daily life. Insurance has emerged as a multidimensional business at present. It benefits directly or indirectly for various sectors of the society. Moreover, insurance institution helps in overall economic growth of country by protecting against loss of property and health. Through prevention of economic losses, insurance protects the society against degradation. It is clearer known about risk and risk management before getting further deep into insurance as these factors are the key elements of insurance. (NEPAL, 2012)

Insurance plays a vital role in the welfare of human well-being by providing insurance to millions of people against life risks such as uncertain death or accident (Shaikh, 2014). Insurance is a co-operative device to spread the loss caused by a particular risk over a number of persons who are exposed to it and who agree to insure themselves against the risk (Mishra, 2010). Life insurance is a husband's privilege, a

wife's right and a child's claim. The scheme of life insurance provides an assurance that if such an event happens, the person or his dependents would get financial assistance to bear the loss. (Sahoo, 2018).

The life insurance in its generic meaning is used to include all forms of insurance designed to protect against loss of income arising from inability to work, whether this be caused by death, accidental injury, sickness or old age. Specific meaning, life insurance implies protection in the event of death only. (Mishra, 2010)

3.2 History and Significant Changes of Insurance Industry in Myanmar

In Myanmar, insurance began formally in the 18th century. Insurance was first introduced to Myanmar after the end of 1st Anglo-Burmese War in 1862. In 1937, the Burma National Insurance Co.,Ltd headed by Sir U Thwin as Chairman conducted Life, Fire and Motor Insurance business. The Burma Insurance Co.,Ltd headed by Dr U Satt as Chairman conducted insurance businesses in 1940. There were around 110 insurance companies including two Myanmar companies operating in Myanmar. In addition to Myanmar insurance companies mentioned above, a third Myanmar insurance company called Peoples' Insurance Co.,Ltd headed by Dr.U Sein Ban as Chairman was formed to conduct life, fire and motor insurance in 1955. (MONEY, 2014)

In 1950, Union Insurance Board Act was enacted by the Parliament. By virtue of the Insurance Companies Nationalization Act enacted in 1951, Burma National Insurance Co.,Ltd was nationalized and Union Insurance Board (UIB) was formed. UBI conducted life insurance business for State employees in 1952. In 1957, life insurance Prohibition Act was promulgated and UIB conducted General Insurance business. Government prohibited the conduct of life insurance business by other companies except by UIB until 1959. UIB changed its name for several times before finally named as Myanma Insurance. Myanma Insurance, the state-owned insurance company, was founded and started as a life insurer but later it underwrites both life and non-life insurance.

From late 1595 to 1976, all insurance business activities were centralized under the Insurance Division of THE People's Bank of the Union Burma (PBUB) and Union Insurance Corporation (UIC). Under the union bank of the law (1975), banking functions were decentralized in 1976 and all insurance business activities were named Myanmar Insurance Corporation (MIC). The Myanmar Insurance Law was enacted in

1993; it empowered MIC to engage in all insurance business activities (reinsurance business, determination of various insurance rates, etc.).

The Myanmar Insurance Law and The Insurance Business Law were established authorizing MIC to conduct 17 types of insurance business (1 life; 16 general) in Myanmar. Rules for Board of Directors and Management of MIC established. Insurance Business Supervisory Board (IBSB) established. IBSB was authorized to grant license to private companies to conduct insurance business and supervise them. However, public were not invited to apply for insurance license.

Myanmar's insurance industry began the transition from a centrally controlled operation to something closer to a free market in late 2013, when Insurance Business Regulatory Board (IBRB) invited insurance license application forms private insurance companies as part of the financial sector reform to diversify the provision of insurance services and to modernize the insurance sector. It was 2013 that proved a landmark year in the history of the country's insurance sector, marking the commencement in operation of 12 domestic insurers. Private citizens were allowed to establish insurance companies and apply for insurance license. 12 local private insurance companies (3 life and 9 composite) were given licenses. (Lwin, 2018)

The insurance businesses in Myanmar was dominated by government and domestic private insurance companies as foreign insurance companies are not allowed to operate direct insurance business in the country. However, the Myanmar Insurance Business Regulatory Board (IBRB) has permitted three Japanese insurance business companies, Tokio Marine & Nichido Fire Insurance Co Ltd, Sompo Japan Insurance Inc and Mitsui Sumitomo Insurance Co Ltd, to operate within the Thilawa Special Economic Zone. Other overseas insurance companies are carrying out indirect insurance business in Myanmar by opening representative offices (ROs). At the end of 2017, there was one state-owned insurance corporation, Myanma Insurance, and 12 privately owned domestic insurance companies operating insurance business in Myanmar. There were also about 25 overseas insurance companies that have opened Representative offices in the country. Very recently in December 2019, five foreign insurance companies are allowed for operation in Myanmar.

3.3 Life Insurance Industry in Myanmar

With the opening of the insurance market to private sector in 2013, a significant growth of insurance business was realized. Further development is expected with the opening of market to foreign insurance companies. Insurance sector is now an uphill battle in Myanmar. Insurance companies are now trying to educate people about insurance and their benefit by advertising on TV, radio and making conferences and trainings. Building trust and educate people is the best way to attract consumer for Myanmar Insurance Industry. (Lwin, 2018)

The insurance sector has now open up; it currently has enormous potential to growth. According to the statistics, only 0.5% of the Myanmar populations (300,000 of the total population of 60 million people) were insured at the time the market opened up. There is a huge potential for growth in insurance sector. Economists forecast that Myanmar's insurance penetration rate would reach 1.4% by 2030. (Lwin, 2018)

There are three main types of life insurance business in Myanmar. They are

- 1) State Owned Myanmar Insurance Corporation
- 2) Local Private Insurance Companies
- 3) Foreign Insurance Companies

1) State Owned Myanmar Insurance Corporation

Myanmar Insurance, the state-owned Myanmar Insurance, the state-owned insurance company, was founded in 1952 and started as a life insurer but later it underwrites both life and no-life insurance. Myanmar Insurance is using agency system extensively and from time to time new agents are recruited and trained. Myanmar Insurance is a state-owned insurer and the law requires that all the foreign investor must buy insurance only from it. Its head office is situated at no.627/635, Merchant Street, Yangon, Myanmar and it has 38 branch offices at cities and town nationwide.

Myanmar Insurance has huge reserve fund (Life Fund Kyats 12183.025 MIO, General Fund Kyats 82858.965 MIO, and General Reserve Fund Kyats 6355.785 MIO) and has a substantial reinsurance cover. It has Marine Excess of Loss Reinsurance Treaty, Fire Excess of Loss Reinsurance Treaty and Motor Facultative Obligatory Treaty and Energy Treaty. These Reinsurance Treaties are placed with top-notch

reinsurers. Furthermore, Myanmar Insurance is backed by the Government, which assumes all the liabilities of it under the Myanmar Insurance Law. So, Myanmar Insurance is the insurer who will never be liquidated. Myanmar Insurance is also reputed as the insurer who will never run away from a legitimate claim and it has paid total of kyats 2981.612 million in claims in the last financial year (2014-2015). Myanmar Insurance, like all other insurers, is using agency system extensively and from time to time new agents are recruited and trained. Since Myanmar Insurance is a state-owned insurer, the laws require that all the foreign investors must buy insurances only from it. (Lwin, 2018)

2) Local Private Insurance Companies

The Insurance Business Regulatory Board has been phasing in the liberalization of insurance market to the private sector; therefore, Insurance Business Regulatory Board announced its selection of the following 12 private companies to be granted the license on 5th September 2012. Five private companies were first issued the license on 25th May, 2013 and the other four private insurance companies were issued the license on 14th June 2013 and 3 private insurance companies on 6th October 2014. (Group & Oxford Business, 2019)

All private general/composite insurers sell identical products, at the same prices, with the same benefits and policy wordings prescribed by the IBSB. Non-life insurance products that can be sold by them are Fire and Allied Perils Insurance, Comprehensive Motor Insurance, Cash in Safe Insurance, Cash in Transit Insurance, Fidelity Insurance, Cargo Insurance and Travel Insurance for Express Ways. (Lwin, 2018)

Like general/composite insurance, all private life insurers also sell identical products, at the same prices, with the same benefits and policy wordings prescribed by the IBSB. The life insurance products that can be sold by the private insurers are Public Life Assurance, Group Life Assurance, Sport Men Life Assurance, Snake Bite Life Assurance and Health Insurance. (Lwin, 2018)

The insurers distribute their products through insurance agents only. This limits the reach of insurance services and increases transaction costs for the consumers. The private insurance companies are required to use agents trained by MIC. However, travel insurance can be distributed through highway express bus line offices, travel agencies and MFIs/NGOs also. This is the only exception to the regulatory restrictions against

an organization acting as a distribution channel. Insurance agents in Myanmar do not collect premium; it is normally paid in cash or by cheque at the offices of the insurance company or at the branches of selected banks. (Lwin, 2018)

Because the insurance sector has now opened, it currently has enormous potential for growth. According to the Ministry of Finance, only 0.5% of the Myanmar population (300,000 of the total population of 60 million people) was insured at the time the market opened up. MIC, which covers the country via its approximately 40 offices and around 1,500 staff members, now faces competition from the private sector. (Lwin, 2018)

3) Foreign Insurance Companies

The world's top insurance firms are setting their sights on Myanmar. The opportunities are many; a large population, economic reforms and natural resources could combine to create rising wealth among Myanmar's people. Its population of nearly 60 million makes it one of the largest in the region. Per capita gross domestic product is also over \$850, near the \$1,000 mark that insurers say is the threshold where individuals begin buying insurance. There is also money to be made by providing cover for the impending boom in construction projects. It is estimated that the country will eventually generate between Kyats 1.3 trillion (US\$1.35 billion) and Kyats 2.4 trillion (US\$2.5 billion) of insurance premium revenue every year. The market is likely to prove lucrative for foreign insurers. (Baldwin, 2012)

The year 2014 saw several multinational insurers establishing their representative offices and making themselves ideally positioned to enter the Myanmar insurance market as soon as it opens to foreign investment. The companies that have representative offices in Myanmar at present are: Sampo Japan Insurance, Mitsui Sumitomo Insurance Co, Tokio Marine & Nichido Fire Insurance Co, Taiyo-life Insurance, Cim Poema Insurance, American International Assurance Co, The Great Eastern Life Assurance Co, Prudential Holdings, ACE INA International Holdings, Pana Harrison (Asia) Pte, Manulife Financial Life Insurance, Maung Thai Life Assurance and consultancy services to both domestic insurers and the country's insurance regulator. This process will allow these multinationals to gain key strategic insights and contacts in the Myanmar insurance industry, and grant them an early mover advantage that could be worth hundreds of millions in dollars once the market opens to foreign insurers. (NITTA, 2019)

In May 2015, the government permitted three Japanese insurance companies, Sampo Japan Nipponkoa, Mitsui Sumi Tomo Insurance Co and Tokio Marine & Nichido Fire Insurance Co to operate within the Thilawa Special Economic Zone. In December 2019, five foreign companies have been granted provisional licenses to issue life insurance policies through subsidiaries following more than two years of delay in opening up the Myanmar market. British Prudential, Japanese Dai-ichi Life, Hong Kong AIA, US Chubb and Canadian Manulife have been authorized to establish wholly-owned life insurance subsidiaries.

3.4 Types of Life Insurance Products in Myanmar

The life Insurance policies that currently operate by Myanma Insurance and private life insurance companies in Myanmar market are as the following;

- 1) Government Personnel Life Assurance
- 2) Government Personnel (Short Term) Life Assurance
- 3) Military Personnel Life Assurance
- 4) Seamen Life Assurance
- 5) Shore Job Life Assurance
- 6) Public Life Assurance
- 7) Group Life Assurance
- 8) Snake Bite Life Assurance
- 9) Sportsmen Life Assurance
- 10) Health Insurance
- 11) Farmers' Life Assurance
- 12) Short Term Endowment Life Assurance

Among all of these insurances, Government Personnel Life Assurance, Government Personnel (Short Term) Life Assurance, Military Personnel Life Assurance, Seamen Life Assurance and Shore Job Life Assurance are only selling by Myanma Insurance.

1) Government Personnel Life Assurance/Government Personnel (Short Term) Life Assurance

Government service Personnel Life Assurance affect compulsory life assurance under Chapter VI, Section-13 of the Myanma Insurance Law 1993. Government servants who age from 18 to 55 can buy this insurance. Government servants who under the age 50 shall affect compulsory life assurance and over the age of 55 are exempt from compulsory life assurance. Premium is calculated based on the term of insurance policy and sum insured.

2) Military Personnel Life Assurance

The military Personnel shall affect compulsory life assurance under Chapter VI, Section-13 of the Myanma Insurance Law 1993. The officers and other ranks

between the age of 18 and 55 shall affect compulsory life assurance. The military life assurance policy can be purchased for 5, 10 or 15 years term.

3) Seamen Life Assurance

Seamen life insurance start selling by Myanmar Insurance since 2013 and seaman who goes abroad for working can buy seaman life insurance. Age limit for seaman life insurance is from 18 to 60 years old but seaman who age over 60 years old also can insured based on limited terms and conditions if seaman is in good health.

4) Shore Job Life Assurance

Shore Job life insurance start selling by Myanmar Insurance in 2014 and workers who goes abroad for working can buy Shore Job life insurance. Age limit for Shore Job life insurance is from 18 to 60 years old. The insurance term will start since the day depart from Myanmar.

5) Public Life Insurance

A citizen who age between 10 to 55 years old can purchase the Public Life Assurance voluntarily. Public life assurance policy can be purchased for 5, 10 or 15 years term. The minimum sum insured is kyats 50,000/- and the maximum sum insured, kyats 30million.

6) Group Life Insurance

All employees from age 18 to 60 years can insure. Group Life needs at least 5 employees. Boss or employees can insure. Term is only 1 year and the insured needs to pay the premium mount 1 time. All employees who are in good health from age 18 years to 45 years do not need to report medical check-up. Age above 45 years or sum assured is above 10 lakhs need medical report by specialist. If insured suicide himself, using narcotic drugs, get injury by involving in criminal case employees cannot get benefit. After the employees quit from job or fired, insurance company does not responsible for his death and injuries and employees also cannot get any benefits.

7) Snake Bite Life Insurance

Snake Bite life insurance start selling in 2015. There is no limit of age and gender for snake bite life insurance. Adult proposer can purchase for infant proposer. If death or injury were occurred, the beneficiary could claim the compensation from Myanmar Insurance within 6 months inceptor date of snake bite.

8) Sportsman Life Insurance

Sportsman's life assurance can be purchased at the school-age level of Myanmar selection and athletes between the age of 18 and 60 who are from quarter, village, township, district and divisional areas. Myanmar Insurance underwrites

Insurance exemption from medical check-up. The proposer can mention the nominate beneficiary in the proposal. The caddie can also purchase this insurance together with the golfer. The selected country representative athletes competing at the foreign country can get the over for death and body injury.

9) Health Insurance

Health insurance is a one-year term insurance plan that can be purchased by individual or by group. It can be purchased by every person between the age of 6 and 65. Parents and guardians can be insured for those who are between 6 to 18 years old. For people at the age of 19 years and older, the insured may claim themselves or in the events in which the insured person died, a person, who has been nominated to receive his/her death benefit may claim the benefit. Together with the Basic Health Insurance cover, one can also purchase Additional Health Insurance cover and Optional (1) and (2) covers. This plan covers for death, hospitalization, surgery, inpatient and outpatient care.

10) Farmer Life Insurance

Farmer life insurance start selling in 2017. It is one-year term life insurance product and can purchase by individual. Farmers, farmers' families, cousins and other who works together in farm who age between 16 to 60 years old can be purchased Farmer life insurance.

11) Short Term Endowment Life Insurance

It is a short term, saving type insurance plan. Anyone who age between 10 to 60 years old person can be purchased Short term endowment life insurance plan. Parents or Guardians may insure on behalf of those who is between 10-18 years old. Insured person can choose five years, seven years or ten years insurance plan.

12) Education Life Insurance

Education Life Insurance is to allow beneficiary or children to pay for higher education until they graduate without having to worry about financial constraints. Parents or Guardians who age between 18 to 56 years old when insured. Policy terms are nine years, eleven years, and fourteen years. Depends on the policy terms, premium paying terms can be either five years, seven years or ten years.

CHAPTER IV

ANALYSIS ON CUSTOMER BUYING DECISION OF LIFE INSURANCE POLICY IN YANGON, MYANMAR

This chapter explores the influencing factors on buying decision towards life insurance policy in Yangon, Myanmar. In accomplish the study, the structured questionnaires were distributed to the simple random sampled 100 customers who bought life insurance policy in Yangon who are working in overall sector such as financial, private, public and NGO/INGO sector. In this chapter, analysis of survey results is presented in three parts. First part describes the respondent's socio- demographic characteristics: gender, occupation, salary and education background and the second part includes the information of the peer influence factor, social influence factor and psychological factors and the final part portrayed the influencing factors on consumer buying decision towards life insurance.

4.1 Socio-Demographic Characteristics

The demographic profile of life insurance policy holders included the age, marital status, level of education, occupation, income level, household family size and number of dependents was analyzed and the results are presented in Table-4.1. These variables intend to the summary demographic structure of the respondents' household that are one of the main factors of purchasing insurance policy.

According to the survey results, 57% (57 out of 100 respondent) are male and 43% (43 out of respondents) are female. For the age of the policy holder, firstly 42% of respondents are age between 25-30 years and secondly 28% out of respondents are age between 31-35 years, and 16% and 14% are age above 40 years and age between 36-40 years. For the marital status structure, 65% are single and 35% are married people.

For the respondents' education background, 71% out of the respondents are graduate and 29% are post graduate. Regarding profession, majority of the respondents are employees in financial sector whose percentage is 35 followed by private sector with 24 percent, and 15 percent who operated by own business, and followed by self-employed (12 percent).

Based on the income level of the respondents', 46 % out of the policy holders are above 15 lakhs per month, and followed by 10-15 lakhs and 5-7.5 lakhs per months with 19%

out of the life insurance policy holders. Another demographic factor which is also one of the main factor to purchase the life insurance are household family size (4-6 persons) with 65 percent and followed by (0-3 persons) with 27 percent, and number of dependent persons (0-3 persons) are 93 percent and 4-6 persons number of dependent persons are only 7 percent which means that the more dependent persons are the more expenditure with their income, so they are less incentive to purchase the life insurance.

As per results, respondents who is the life insurance policy holders who are age between 25-30 years, single people, graduated persons, professional persons working in financial sector, and respondents who are high level income, and less number of dependent persons are main demographic factors of life insurance policy holders.

Table 4. 1 Socio-Demographic Characteristics

| Sex | | | | |
|--|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Male | 57 | 57.0 | 57.0 | 57.0 |
| Female | 43 | 43.0 | 43.0 | 100.0 |
| Age (How old were you at your last birthday?) | | | | |
| 25-30 | 42 | 42.0 | 42.0 | 42.0 |
| 31-35 | 28 | 28.0 | 28.0 | 70.0 |
| 36-40 | 14 | 14.0 | 14.0 | 84.0 |
| >40 | 16 | 16.0 | 16.0 | 100.0 |
| Marital status | | | | |
| Single | 65 | 65.0 | 65.0 | 65.0 |
| Married | 35 | 35.0 | 35.0 | 100.0 |
| What is your Highest level of education? | | | | |
| Graduate | 71 | 71.0 | 71.0 | 71.0 |
| Post Graduate | 29 | 29.0 | 29.0 | 100.0 |

Table 4.1 Socio-Demographic Characteristics (Cont.)

| Occupation | | | | |
|--|-----------|-------------|------|-------|
| Financial Sector | 35 | 35.0 | 35.0 | 35.0 |
| Government Sector | 5 | 5.0 | 5.0 | 40.0 |
| Own Business | 15 | 15.0 | 15.0 | 55.0 |
| Private Sector | 24 | 24.0 | 24.0 | 79.0 |
| NGO/INGO | 7 | 7.0 | 7.0 | 86.0 |
| Self-employed (Freelance) | 12 | 12.0 | 12.0 | 98.0 |
| Others | 2 | 2.0 | 2.0 | 100.0 |
| Income per month in MMK (estimated) | | | | |
| 2.5-5 Lakhs | 5 | 5.0 | 5.0 | 5.0 |
| 5-7.5 Lakhs | 19 | 19.0 | 19.0 | 24.0 |
| 7.5-10 Lakhs | 9 | 9.0 | 9.0 | 33.0 |
| 10-15 Lakhs | 19 | 19.0 | 19.0 | 52.0 |
| > 15 Lakhs | 46 | 46.0 | 46.0 | 98.0 |
| DK/Refuse to answer | 2 | 2.0 | 2.0 | 100.0 |
| Household Family size | | | | |
| 0-3 | 27 | 27.0 | 27.0 | 27.0 |
| 4-6 | 65 | 65.0 | 65.0 | 92.0 |
| >6 | 8 | 8.0 | 8.0 | 100.0 |
| How many dependent persons? | | | | |
| 0-3 | 93 | 93.0 | 93.0 | 93.0 |
| 4-6 | 7 | 7.0 | 7.0 | 100.0 |

Table 4. 2 The main reason to purchase the life insurance based on occupation of life insurance

| | | The main reason to purchase the life insurance? | | | | | Total |
|---|---------------------------|---|-----------------|-----------------------------------|--------------------|--------|-------|
| | | Financial planning | Life protection | Savings | Children Education | Others | |
| Occupation | Financial Sector | 10 | 20 | 5 | 0 | 0 | 35 |
| | Government Sector | 0 | 0 | 3 | 2 | 0 | 5 |
| | Own Business | 1 | 4 | 5 | 5 | 0 | 15 |
| | Private Sector | 0 | 15 | 6 | 3 | 0 | 24 |
| | NGO/INGO | 2 | 2 | 1 | 2 | 0 | 7 |
| | Self-employed (Freelance) | 0 | 0 | 5 | 0 | 7 | 12 |
| | Others | 2 | 0 | 0 | 0 | 0 | 2 |
| Total | | 15 | 41 | 25 | 12 | 7 | 100 |
| | | Value | df | Asymptotic Significance (2-sided) | | | |
| Pearson Chi-Square | | 109.775 ^a | 24 | .000 | | | |
| Likelihood Ratio | | 97.426 | 24 | .000 | | | |
| Linear-by-Linear Association | | 20.190 | 1 | .000 | | | |
| N of Valid Cases | | 100 | | | | | |
| a. 29 cells (82.9%) have expected count less than 5. The minimum expected count is .14. | | | | | | | |

As per the survey results, respondents who are working in financial sectors and private sector purchased the life insurance policy for life protection with 20 respondents and 15 respondents respectively. Life protection is the main reason to purchase the life insurance with 41 respondents out of total. 25 respondents which are 6 respondents in private sector, 5 respondents in each financial sector, and own business, 3 in government sector, and 1 in NGO/INGO acquires the life insurance policy for their saving.

Table 4. 3 The main reason to purchase the life insurance based on income level

| | | The main reason to purchase the life insurance? | | | | | |
|---|------------------------|---|--------------------|---|-----------------------|--------|-----------|
| | | Financial planning | Life protection | Savings | Children Education | Others | Total |
| Income per month in MMK: estimated | 2.5-5 Lakhs | 0 | 0 | 3 | 2 | 0 | 5 |
| | 5-7.5 Lakhs | 0 | 17 | | 2 | 0 | 19 |
| | 7.5-10 Lakhs | 0 | 3 | 5 | 1 | 0 | 9 |
| | 10-15 Lakhs | 4 | 2 | 6 | 0 | 7 | 19 |
| | > 15 Lakhs | 11 | 19 | 9 | 7 | 0 | 46 |
| | DK/Refuse to answer | 0 | 0 | 2 | 0 | 0 | 2 |
| Total | | 15 | 41 | 25 | 12 | 7 | 100 |
| | | Value | df | Asymptotic Significance (2-sided) | | | |
| Pearson Chi-Square | | 78.342 ^a | 20 | .000 | | | |
| Likelihood Ratio | | 80.993 | 20 | .000 | | | |
| Linear-by-Linear Association | | .806 | 1 | .369 | | | |
| N of Valid Cases | | 100 | | | | | |
| a. 24 cells (80.0%) have expected count less than 5. The minimum expected count is .14. | | | | | | | |

As per the survey results, respondents who are the income level above 15 lakhs per month purchased the life insurance policy for life protection, financial planning, savings, and children education with 19 respondents, 11 respondents, 9 respondents and 7 respondents respectively. Life protection is the main reason to purchase the life insurance with 41 respondents out of total. 25 respondents which are 9 respondents above 15 lakhs per month, 6 respondents who are income between 10-15 lakhs per month, 5 respondents between 7.5 to 10 lakhs per month acquires the life insurance policy for their saving.

Table 4. 4 The main reason to purchase the life insurance based on income level

| | | Name your Insurance Service Provider (Multi sector) | | | Total |
|------------|---------------------------|---|-----------------|----------------|-----------|
| | | Public Insurer | Private Insurer | Bancassu rance | |
| Occupation | Financial Sector | 2 | 30 | 3 | 35 |
| | Government Sector | 5 | 0 | 0 | 5 |
| | Own Business | 0 | 15 | 0 | 15 |
| | Private Sector | 4 | 20 | 0 | 24 |
| | NGO/INGO | 0 | 7 | 0 | 7 |
| | Self-employed (Freelance) | 5 | 7 | 0 | 12 |
| | Others | 2 | 0 | 0 | 2 |
| | Total | | 18 | 79 | 3 |

| Chi-Square Tests | | | |
|------------------------------|---------------------|----|-----------------------------------|
| | Value | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 50.037 ^a | 12 | .000 |
| Likelihood Ratio | 46.650 | 12 | .000 |
| Linear-by-Linear Association | 9.423 | 1 | .002 |
| N of Valid Cases | 100 | | |

a. 15 cells (71.4%) have expected count less than 5. The minimum expected count is .06.

As per the survey results, respondents who are working in financial sectors and private sector purchased the life insurance policy in the private sector companies with 30 respondents and 20 respondents respectively. 79 respondents out of total purchased the life insurance companies in the private sector. 18 respondents which are 5 respondents in each financial sector and government sector, 4 respondents in private sector, 2 in each NGO/INGO and others purchased the life insurance in private sector.

4.2 Determinant Factors which effect on Buying Decision

4.2.1 Peer Influence factors

The following table describes about the peer influence factors which are regarding to the better company reputation, effective service quality, customer convenience, customized and timely services, and tangible benefits.

As per the survey results, 81 percent agree with the fact that the company must provide appropriate feedback to its customers. 79 percent out of total respondents are agree with that the company must keep its customers updated with the updated information, 73 percent agreed with that the key factors of the company honesty in its services, 69 percent out of total agreed that the claim procedure settlement must be speedy is one of the key factors, and 63 percent of respondent agree with that the importance of insurance agents need to explain the detail information and benefits of life insurance before the customers buy, and it must focus on the building healthy customers.

According to the surveys, between 50-60 percent of respondents are strongly agree with that the documentation work must be easy, the goodwill of company is important, products being offered must be cost effective, multiple payments system for convenience of customer, and it provides risk coverage to customers.

Table 4. 5 Peer Influence factors

| Insurance agent(s) have explained to me the detail information and benefits of life insurance before I buy. | | | | |
|--|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Strongly disagree | 3 | 3.0 | 3.0 | 3.0 |
| Disagree | 1 | 1.0 | 1.0 | 4.0 |
| Neutral | 22 | 22.0 | 22.0 | 26.0 |
| Agree | 63 | 63.0 | 63.0 | 89.0 |
| Strongly Agree | 11 | 11.0 | 11.0 | 100.0 |
| The company must provide appropriate feedback to its customers | | | | |
| Neutral | 2 | 2.0 | 2.0 | 2.0 |
| Agree | 81 | 81.0 | 81.0 | 83.0 |
| Strongly Agree | 17 | 17.0 | 17.0 | 100.0 |
| Agents/company must show honesty in its services | | | | |
| Neutral | 3 | 3.0 | 3.0 | 3.0 |
| Agree | 73 | 73.0 | 73.0 | 76.0 |
| Strongly Agree | 24 | 24.0 | 24.0 | 100.0 |
| It must keep its customers updated with the updated information | | | | |
| Neutral | 2 | 2.0 | 2.0 | 2.0 |
| Agree | 79 | 79.0 | 79.0 | 81.0 |
| Strongly Agree | 19 | 19.0 | 19.0 | 100.0 |
| Timely alerts must be given in case of policy being lapsed | | | | |
| Neutral | 5 | 5.0 | 5.0 | 5.0 |
| Agree | 49 | 49.0 | 49.0 | 54.0 |
| Strongly Agree | 46 | 46.0 | 46.0 | 100.0 |
| Documentation work must be easy | | | | |
| Neutral | 6 | 6.0 | 6.0 | 6.0 |
| Agree | 39 | 39.0 | 39.0 | 45.0 |
| Strongly Agree | 55 | 55.0 | 55.0 | 100.0 |

Table 4.5. Peer Influence factors (Cont.)

| The goodwill of company is important | | | | |
|--|-----------|------|------|-------|
| Neutral | 4 | 4.0 | 4.0 | 4.0 |
| Agree | 37 | 37.0 | 37.0 | 41.0 |
| Strongly Agree | 59 | 59.0 | 59.0 | 100.0 |
| Products being offered must be cost effective | | | | |
| Neutral | 2 | 2.0 | 2.0 | 2.0 |
| Agree | 44 | 44.0 | 44.0 | 46.0 |
| Strongly Agree | 54 | 54.0 | 54.0 | 100.0 |
| Claim Procedure settlement must be speedy | | | | |
| Neutral | 5 | 5.0 | 5.0 | 5.0 |
| Agree | 26 | 26.0 | 26.0 | 31.0 |
| Strongly Agree | 69 | 69.0 | 69.0 | 100.0 |
| Grievance handling process must be effective | | | | |
| Neutral | 6 | 6.0 | 6.0 | 6.0 |
| Agree | 62 | 62.0 | 62.0 | 68.0 |
| Strongly Agree | 32 | 32.0 | 32.0 | 100.0 |
| The company must use updated technology | | | | |
| Neutral | 32 | 32.0 | 32.0 | 32.0 |
| Agree | 53 | 53.0 | 53.0 | 85.0 |
| Strongly Agree | 15 | 15.0 | 15.0 | 100.0 |
| Quality of the service of agent | | | | |
| Neutral | 3 | 3.0 | 3.0 | 3.0 |
| Agree | 57 | 57.0 | 57.0 | 60.0 |
| Strongly Agree | 40 | 40.0 | 40.0 | 100.0 |
| It provides tax benefit to its customers | | | | |
| Neutral | 16 | 16.0 | 16.0 | 16.0 |
| Agree | 39 | 39.0 | 39.0 | 55.0 |
| Strongly Agree | 45 | 45.0 | 45.0 | 100.0 |

Table 4.5. Peer Influence factors (Cont.)

| Multiple payments system for convenience of customer | | | | |
|---|-----------|-------|-------|-------|
| Neutral | 7 | 7.0 | 7.0 | 7.0 |
| Agree | 40 | 40.0 | 40.0 | 40.0 |
| Strongly Agree | 53 | 53.0 | 53.0 | 53.0 |
| It provides risk coverage to customers | | | | |
| Neutral | 6 | 6.0 | 6.0 | 6.0 |
| Agree | 40 | 40.0 | 40.0 | 46.0 |
| Strongly Agree | 54 | 54.0 | 54.0 | 100.0 |
| It must focus in building healthy customers | | | | |
| Neutral | 11 | 11.0 | 11.0 | 11.0 |
| Agree | 63 | 63.0 | 63.0 | 74.0 |
| Strongly Agree | 26 | 26.0 | 26.0 | 100.0 |
| Several of my friends and relatives think that one should buy life insurance policies. | | | | |
| Neutral | 42 | 42.0 | 42.0 | 42.0 |
| Agree | 35 | 35.0 | 35.0 | 77.0 |
| Strongly Agree | 23 | 23.0 | 23.0 | 100.0 |
| Trust of life insurance | | | | |
| Neutral | 35 | 35.0 | 35.0 | 35.0 |
| Agree | 50 | 50.0 | 50.0 | 85.0 |
| Strongly Agree | 15 | 15.0 | 15.0 | 100.0 |
| My family members think taking a life insurance policy is necessary. | | | | |
| Neutral | 59 | 59.0 | 59.0 | 59.0 |
| Agree | 26 | 26.0 | 26.0 | 85.0 |
| Strongly Agree | 15 | 15.0 | 15.0 | 100.0 |
| Total | 100 | 100.0 | 100.0 | |

Peer Influence factors regarded to the Income Level

Table (4.6) describes about the attitudes of the respondents on the peer influence factors regarded to the income level. Regarding to the survey results, 6 respondents (54.5%) out of 11 respondents who are the high income per month (>15 lakhs) strongly agree on the statement that insurance agent(s) have explained to me the detail information and benefits of life insurance before they buy. 30 respondents (47.6%) out of 63 respondents who are also the high income per month (>15 lakhs) agree on the same statement of the peer influence factors. 39 respondents (48.1%) who are the income level above 15 lakhs out of 81 respondents answered that the agree to the statement that the company must provide appropriate feedback to its customers. 34 respondents (46.6%) who are the income level above 15 lakhs out of 73 respondents answered that the agree to the statement that agents/company must show honesty in its services.

Table 4. 6 The attitudes of the respondents on the peer influence factors

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | Resp. |
|---|-------------------|----------------|----------------|-----------------|----------------|---------------|------------------------|-------|
| Insurance agent(s) have explained to me the detail information and benefits of life insurance before I buy. | Strongly disagree | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | Disagree | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | Neutral | 2 | 8 | 2 | 0 | 10 | 0 | 22 |
| | Agree | 0 | 10 | 2 | 19 | 30 | 2 | 63 |
| | Strongly Agree | 0 | 0 | 5 | 0 | 6 | 0 | 11 |
| The company must provide appropriate feedback to its customers | Neutral | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| | Agree | 3 | 16 | 9 | 12 | 39 | 2 | 81 |
| | Strongly Agree | 2 | 3 | 0 | 7 | 5 | 0 | 17 |
| Agents/company must show honesty in its services | Neutral | 2 | 0 | 0 | 0 | 1 | 0 | 3 |
| | Agree | 0 | 16 | 4 | 19 | 34 | 0 | 73 |
| | Strongly Agree | 3 | 3 | 5 | 0 | 11 | 2 | 24 |

Table (4.7) regarding to the survey results, 26 respondents (56.5%) out of 46 respondents who are the high income per month (>15 lakhs) strongly agree on the statement that timely alerts must be given in case of policy being lapsed. 27 respondents (45.8%) out of 59 respondents who are also the high income per month (>15 lakhs) strongly agree on the goodwill of company is important. 40 respondents (50.6%) who are the income level above 15 lakhs out of 79 respondents answered that the agree to the statement that the company must keep its customers updated with the updated information. In addition, 79 respondents out of total with all range of income level of respondents agree that on the company must keep its customers updated with the updated information.

Table 4. 7 The attitudes of peer influence factors based on income level

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | Resp. |
|---|----------------|----------------|----------------|-----------------|----------------|---------------|------------------------|-------|
| It must keep its customers updated with the updated information | Neutral | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | Agree | 3 | 16 | 4 | 14 | 40 | 2 | 79 |
| | Strongly Agree | 0 | 3 | 5 | 5 | 6 | 0 | 19 |
| Timely alerts must be given in case of policy being lapsed | Neutral | 0 | 3 | 0 | 0 | 0 | 2 | 5 |
| | Agree | 2 | 13 | 1 | 13 | 20 | 0 | 49 |
| | Strongly Agree | 3 | 3 | 8 | 6 | 26 | 0 | 46 |
| Documentation work must be easy | Neutral | 0 | 0 | 0 | 2 | 4 | 0 | 6 |
| | Agree | 2 | 15 | 1 | 6 | 15 | 0 | 39 |
| | Strongly Agree | 3 | 4 | 8 | 11 | 27 | 2 | 55 |
| The goodwill of company is important | Neutral | 0 | 0 | 0 | 2 | 2 | 0 | 4 |
| | Agree | 2 | 14 | 2 | 2 | 17 | 0 | 37 |
| | Strongly Agree | 3 | 5 | 7 | 15 | 27 | 2 | 59 |

Table (4.8) regarding to the survey results, 26 respondents (48.1%) out of 54 respondents and 20 respondents (45.5%) out of 44 who are the high income per month (>15 lakhs) strongly agree and agree on the statement that products being offered must be cost effective. 34 respondents (49.3%) out of 69 respondents who are also the high income per month (>15 lakhs) strongly agree on claim procedure settlement must be speedy. 33 respondents (57.9%) who are the income level above 15 lakhs out of 57 respondents answered that the agree to the statement that quality of the service of agent. In addition, 69 respondents out of total with in all range of income level of respondents strongly agree that on claim procedure settlement must be speedy.

Table 4. 8 The attitudes of peer influence factors based on income level

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | Resp. |
|--|----------------|----------------|----------------|-----------------|----------------|---------------|------------------------|-----------|
| Products being offered must be cost effective | Neutral | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | Agree | 3 | 13 | 1 | 7 | 20 | 0 | 44 |
| | Strongly Agree | 0 | 6 | 8 | 12 | 26 | 2 | 54 |
| Claim Procedure settlement must be speedy | Neutral | 0 | 0 | 0 | 4 | 1 | 0 | 5 |
| | Agree | 5 | 4 | 5 | 1 | 11 | 0 | 26 |
| | Strongly Agree | 0 | 15 | 4 | 14 | 34 | 2 | 69 |
| Quality of the service of agent | Neutral | 0 | 1 | 0 | 0 | 2 | 0 | 3 |
| | Agree | 5 | 13 | 2 | 4 | 33 | 0 | 57 |
| | Strongly Agree | 0 | 5 | 7 | 15 | 11 | 2 | 40 |
| It provides tax benefit to its customers | Neutral | 3 | 8 | 1 | 0 | 4 | 0 | 16 |
| | Agree | 0 | 8 | 6 | 2 | 23 | 0 | 39 |
| | Strongly Agree | 2 | 3 | 2 | 17 | 19 | 2 | 45 |
| Multiple payments system for convenience of customer | Neutral | 2 | 5 | 0 | 0 | 0 | 0 | 7 |
| | Agree | 3 | 11 | 2 | 6 | 18 | 0 | 40 |
| | Strongly Agree | 0 | 3 | 7 | 13 | 28 | 2 | 53 |

Table (4.9) regarding to the survey results, 28 respondents (51.9%) out of 54 respondents who are the high income per month (>15 lakhs) strongly agree and agree on the statement that it provides risk coverage to customers. 24 respondents (38.1%) out of 63 respondents who are also the high income per month (>15 lakhs) strongly agree on the company must focus in building healthy customers. Moreover, 63 respondents out of total with in all range of income level of respondents agree that on the company must focus in building healthy customers. 46 respondents out of total (100 respondents) are high income level (> 15 lakhs) per month, followed by each 19 respondents are in the range between 5 to 7.5 lakhs per month, and between 10 to 15 lakhs per months.

Table 4. 9 The attitudes of the respondents on the peer influence factors

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | |
|--|----------------|-------------|-------------|--------------|-------------|------------|---------------------|-----|
| It provides risk coverage to customers | Neutral | 2 | 0 | 0 | 4 | 0 | 0 | 6 |
| | Agree | 3 | 9 | 6 | 4 | 18 | 0 | 40 |
| | Strongly Agree | 0 | 10 | 3 | 11 | 28 | 2 | 54 |
| | | | | | | | | |
| It must focus in building healthy customers | Neutral | 0 | 4 | 0 | 0 | 7 | 0 | 11 |
| | Agree | 5 | 10 | 9 | 15 | 24 | 0 | 63 |
| | Strongly Agree | 0 | 5 | 0 | 4 | 15 | 2 | 26 |
| | | | | | | | | |
| Several of my friends and relatives think that one should buy life insurance policies. | Neutral | 0 | 13 | 2 | 4 | 21 | 2 | 42 |
| | Agree | 5 | 6 | 2 | 2 | 20 | 0 | 35 |
| | Strongly Agree | 0 | 0 | 5 | 13 | 5 | 0 | 23 |
| | | | | | | | | |
| Trust of life insurance | Neutral | 2 | 13 | 2 | 4 | 14 | 0 | 35 |
| | Agree | 3 | 4 | 2 | 13 | 28 | 0 | 50 |
| | Strongly Agree | 0 | 2 | 5 | 2 | 4 | 2 | 15 |
| | | | | | | | | |
| My family members think taking a life insurance policy is necessary. | Neutral | 5 | 13 | 3 | 6 | 30 | 2 | 59 |
| | Agree | 0 | 4 | 1 | 11 | 10 | 0 | 26 |
| | Strongly Agree | 0 | 2 | 5 | 2 | 6 | 0 | 15 |
| | | | | | | | | |
| Total | | 5 | 19 | 9 | 19 | 46 | 2 | 100 |

4.3 Social Influencing Factors to buy life insurance

The following table describes about the social influencing factors to buy life insurance which are regarding to the financial protection of policy holder and their family, saving plan for the future, financial planning for children education.

As per the survey results, 66 percent of respondent agree with the fact that Life insurance is good for saving for retirement and children's education, 64 percent of respondents agree with the statement that it is very important to have a life insurance policy for the security of one's family and followed 61 percent agree with life insurance is a good tax-saving scheme.

65 percent out of total respondents answer that the statement it helps to secure the future of my family in case of death is important, 63 percent reply that excellent claim settlement is important, and 61 percent out of total respond that importance to get death benefit is important to buy the life insurance policy.

Table 4. 10 Social Influencing Factors to buy life insurance

| I think that in benefit claim process, it is sometimes difficult to get the claim payment from life insurance companies. | | | | |
|--|-----------|-------------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Disagree | 4 | 4.0 | 4.0 | 4.0 |
| Neutral | 39 | 39.0 | 39.0 | 43.0 |
| Agree | 57 | 57.0 | 57.0 | 100.0 |
| I think it is very important to have a Life Insurance policy for the security of one's family | | | | |
| Neutral | 27 | 27.0 | 27.0 | 27.0 |
| Agree | 64 | 64.0 | 64.0 | 91.0 |
| Strongly Agree | 9 | 9.0 | 9.0 | 100.0 |
| Life insurance is good for saving for retirement and children's education | | | | |
| Disagree | 1 | 1.0 | 1.0 | 1.0 |
| Neutral | 26 | 26.0 | 26.0 | 27.0 |
| Agree | 66 | 66.0 | 66.0 | 93.0 |
| Strongly Agree | 7 | 7.0 | 7.0 | 100.0 |
| Life insurance is a good tax-saving scheme | | | | |
| Disagree | 1 | 1.0 | 1.0 | 1.0 |
| Neutral | 28 | 28.0 | 28.0 | 29.0 |
| Agree | 61 | 61.0 | 61.0 | 90.0 |
| Strongly Agree | 10 | 10.0 | 10.0 | 100.0 |

Table 4.10 Social Influencing Factors to buy life insurance (cont.)

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|-----------|-------------|---------------|--------------------|
| I feel life insurance is a good investment option compared to other options | | | | |
| Slightly | 24 | 24.0 | 24.0 | 24.0 |
| Moderately | 34 | 34.0 | 34.0 | 58.0 |
| Important | 37 | 37.0 | 37.0 | 95.0 |
| Very Important | 5 | 5.0 | 5.0 | 100.0 |
| To save for future needs like children's education/my retirement | | | | |
| Moderately | 33 | 33.0 | 33.0 | 33.0 |
| Important | 56 | 56.0 | 56.0 | 89.0 |
| Very Important | 11 | 11.0 | 11.0 | 100.0 |
| To save some amount regularly so that I do not spend it all. | | | | |
| Not Important | 2 | 2.0 | 2.0 | 2.0 |
| Moderately | 33 | 33.0 | 33.0 | 35.0 |
| Important | 50 | 50.0 | 50.0 | 85.0 |
| Very Important | 15 | 15.0 | 15.0 | 100.0 |
| It helps to secure the future of my family in case of death. | | | | |
| Slightly | 2 | 2.0 | 2.0 | 2.0 |
| Moderately | 18 | 18.0 | 18.0 | 20.0 |
| Important | 65 | 65.0 | 65.0 | 85.0 |
| Very Important | 15 | 15.0 | 15.0 | 100.0 |
| The life insurance agents convinced me that I should take a policy | | | | |
| Slightly | 7 | 7.0 | 7.0 | 7.0 |
| Moderately | 59 | 59.0 | 59.0 | 66.0 |
| Important | 29 | 29.0 | 29.0 | 95.0 |
| Very Important | 5 | 5.0 | 5.0 | 100.0 |
| Purchasing of life insurance was intended to get some loans/services from the bank. | | | | |
| Not Important | 7 | 7.0 | 7.0 | 7.0 |
| Slightly | 20 | 20.0 | 20.0 | 27.0 |
| Moderately | 56 | 56.0 | 56.0 | 83.0 |
| Important | 16 | 16.0 | 16.0 | 99.0 |
| Very Important | 1 | 1.0 | 1.0 | 100.0 |
| Knowing the life insurance agent socially, I felt a social obligation to invest in an policy insurance | | | | |
| Slightly | 11 | 11.0 | 11.0 | 11.0 |
| Moderately | 62 | 62.0 | 62.0 | 73.0 |
| Important | 27 | 27.0 | 27.0 | 100.0 |

Table 4.10 Social Influencing Factors to buy life insurance (cont.)

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|-----------|-------------|---------------|--------------------|
| Excellent claim settlement | | | | |
| Moderately | 6 | 6.0 | 6.1 | 6.1 |
| Important | 63 | 63.0 | 64.3 | 70.4 |
| Very Important | 29 | 29.0 | 29.6 | 100.0 |
| Premium Charged & Flexibility In Premium Payment | | | | |
| Moderately | 5 | 5.0 | 5.0 | 5.0 |
| Important | 53 | 53.0 | 53.0 | 58.0 |
| Very Important | 42 | 42.0 | 42.0 | 100.0 |
| Proportion invested in life insurance | | | | |
| Moderately | 39 | 39.0 | 39.0 | 39.0 |
| Important | 46 | 46.0 | 46.0 | 85.0 |
| Very Important | 15 | 15.0 | 15.0 | 100.0 |
| Importance of investment benefit | | | | |
| Moderately | 32 | 32.0 | 32.0 | 32.0 |
| Important | 53 | 53.0 | 53.0 | 85.0 |
| Very Important | 15 | 15.0 | 15.0 | 100.0 |
| Importance of death benefit | | | | |
| Moderately | 11 | 11.0 | 11.0 | 11.0 |
| Important | 61 | 61.0 | 61.0 | 72.0 |
| Very Important | 28 | 28.0 | 28.0 | 100.0 |

Social Influencing Factors to buy life insurance regarded to the Income Level

Table (4.11) describes about the attitudes of the respondents on the social influencing factors to buy life insurance based on the income level. Regarding to the survey results, 39 respondents (59.1%) out of 66 respondents who are the high income per month (>15 lakhs) agree on the statement that life insurance is good for saving for retirement and children's education. 33 respondents (51.6%) out of 64 respondents who are also the high income per month (>15 lakhs) agree on that they think it is very important to have a life insurance policy for the security of one's family. In addition, 66 respondents out of total with in all range of income level of respondents agree that life insurance is good for saving for retirement and children's education.

Table 4.11 Social Influencing Factors to buy Life Insurance Regarded to the Income Level

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | Resp. |
|--|----------------|----------------|----------------|-----------------|----------------|---------------|------------------------|-----------|
| I think that in benefit claim process, it is sometimes difficult to get the claim payment from life insurance companies. | Disagree | 0 | 2 | 0 | 2 | 0 | 0 | 4 |
| | Neutral | 2 | 6 | 6 | 2 | 21 | 2 | 39 |
| | Agree | 3 | 11 | 3 | 15 | 25 | 0 | 57 |
| I think it is very important to have a Life Insurance policy for the security of one's family | Neutral | 3 | 9 | 1 | 3 | 11 | 0 | 27 |
| | Agree | 2 | 8 | 3 | 16 | 33 | 2 | 64 |
| | Strongly Agree | 0 | 2 | 5 | 0 | 2 | 0 | 9 |
| Life insurance is good for saving for retirement and children's education | Disagree | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| | Neutral | 3 | 13 | 1 | 5 | 4 | 0 | 26 |
| | Agree | 2 | 6 | 3 | 14 | 39 | 2 | 66 |
| | Strongly Agree | 0 | 0 | 5 | 0 | 2 | 0 | 7 |
| | Agree | | | | | | | |

Table (4.12) describes about the attitudes of the respondents on the social influencing factors to buy life insurance based on the income level. Regarding to the survey results, 33 respondents (54.1%) out of 61 respondents who are the high income per month (>15 lakhs) agree on the statement that life insurance is a good tax-saving scheme. 33 respondents (50.8%) out of 65 respondents who are also the high income per month (>15 lakhs) agree on that it helps to secure the future of my family in case of death.

Table 4. 12 Social Influencing Factors to buy Life Insurance Regarded to Income Level

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | Resp. |
|---|----------------|----------------|----------------|-----------------|----------------|---------------|------------------------|-------|
| Life insurance is a good tax-saving scheme | Disagree | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| | Neutral | 3 | 13 | 2 | 0 | 10 | 0 | 28 |
| | Agree | 0 | 6 | 2 | 18 | 33 | 2 | 61 |
| | Strongly Agree | 2 | 0 | 5 | 1 | 2 | 0 | 10 |
| | Agree | | | | | | | |
| I feel life insurance is a good investment option compared to other options | Slightly | 0 | 7 | 2 | 1 | 14 | 0 | 24 |
| | Moderately | 5 | 6 | 2 | 5 | 16 | 0 | 34 |
| | Important | 0 | 6 | 0 | 13 | 16 | 2 | 37 |
| | Very Important | 0 | 0 | 5 | 0 | 0 | 0 | 5 |
| | Important | | | | | | | |
| To save some amount regularly so that I do not spend it all. | Not Important | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | Moderately | 3 | 13 | 1 | 7 | 9 | 0 | 33 |
| | Important | 0 | 6 | 7 | 10 | 25 | 2 | 50 |
| | Very Important | 0 | 0 | 1 | 2 | 12 | 0 | 15 |
| | Important | | | | | | | |
| It helps to secure the future of my family in case of death. | Slightly | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | Moderately | 3 | 3 | 1 | 4 | 7 | 0 | 18 |
| | Important | 0 | 14 | 3 | 15 | 33 | 0 | 65 |
| | Very Important | 0 | 2 | 5 | 0 | 6 | 2 | 15 |
| | Important | | | | | | | |

Table (4.13) describes about the attitudes of the respondents on the social influencing factors to buy life insurance based on the income level. Regarding to the survey results, 33 respondents (52.4%) out of 63 respondents who are the high income per month (>15 lakhs) answered that excellent claim settlement is important factor. 22 respondents (52.4%) out of 42 respondents and 24 respondents (45.3%) out of 53 respondents replied that premium charged & flexibility in premium payment is the very important and important factor to purchase the life insurance policy. 35 respondents (57.4%) out of 61 respondents who are also the high income per month (>15 lakhs) answer that importance of death benefit is also the important factor. In addition, 63 respondents out of total with in all range of income level of respondents respond that excellent claim settlement is the important factor.

Table 4.13 Social Influencing Factors to buy Life Insurance Regarded to the Income Level (Lakhs Kyats)

| | | 2.5-5 | 5-7.5 | 7.5-10 | 10-15 | > 15 | DK/ | Resp. |
|--|----------------|----------|-----------|----------|-----------|-----------|----------|------------|
| Knowing the life insurance agent socially, I felt a social obligation to invest in an policy insurance | Slightly | 3 | 3 | 1 | 0 | 4 | 0 | 11 |
| | Moderately | 0 | 10 | 1 | 17 | 32 | 2 | 62 |
| | Important | 2 | 6 | 7 | 2 | 10 | 0 | 27 |
| Excellent claim settlement | Moderately | 2 | 0 | 0 | 4 | 0 | 0 | 6 |
| | Important | 3 | 9 | 6 | 10 | 33 | 2 | 63 |
| | Very Important | 0 | 10 | 3 | 3 | 13 | 0 | 29 |
| Premium Charged & Flexibility In Premium Payment | Moderately | 0 | 1 | 0 | 4 | 0 | 0 | 5 |
| | Important | 5 | 9 | 6 | 9 | 24 | 0 | 53 |
| | Very Important | 0 | 9 | 3 | 6 | 22 | 2 | 42 |
| Importance of investment benefit | Moderately | 3 | 13 | 1 | 5 | 10 | 0 | 32 |
| | Important | 2 | 6 | 3 | 11 | 31 | 0 | 53 |
| | Very Important | 0 | 0 | 5 | 3 | 5 | 2 | 15 |
| Importance of death benefit | Moderately | 3 | 1 | 1 | 5 | 1 | 0 | 11 |
| | Important | 2 | 10 | 2 | 12 | 35 | 0 | 61 |
| | Very Important | 0 | 8 | 6 | 2 | 10 | 2 | 28 |
| Total | | 5 | 19 | 9 | 19 | 46 | 2 | 100 |

The following Table 4.14 describes about the safety factors to buy life insurance which are regarding to the financially strength, company brand image. As per the survey results, between 50-60 percent of respondents answer that the importance of firm's financial strength, life insurance provides support in an emergency such as illness or death, saving and wealth creation of the insurance company are the significant factors to purchase the life insurance policy.

Table 4. 14 Safety Factors to Buy Life Insurance

| Importance of firms' financial strength | | | | |
|--|-----------|-------------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Slightly | 2 | 2.0 | 2.0 | 2.0 |
| Moderately | 3 | 3.0 | 3.0 | 5.0 |
| Important | 39 | 39.0 | 39.0 | 44.0 |
| Very Important | 56 | 56.0 | 56.0 | 100.0 |
| Life insurance provides support in an emergency, such as illness or death | | | | |
| Moderately | 5 | 5.0 | 5.0 | 5.0 |
| Important | 39 | 39.0 | 39.0 | 44.0 |
| Very Important | 56 | 56.0 | 56.0 | 100.0 |
| Knowledge of life insurance | | | | |
| Don't know | 16 | 16.0 | 16.0 | 16.0 |
| A little | 21 | 21.0 | 21.0 | 37.0 |
| Somewhat | 37 | 37.0 | 37.0 | 74.0 |
| Much | 14 | 14.0 | 14.0 | 88.0 |
| Very Much | 12 | 12.0 | 12.0 | 100.0 |
| I know the difference between the different schemes such as "Term Plan" and "Endowment Plan | | | | |
| Don't know | 26 | 26.0 | 26.0 | 26.0 |
| A little | 35 | 35.0 | 35.0 | 61.0 |
| Somewhat | 24 | 24.0 | 24.0 | 85.0 |
| Much | 15 | 15.0 | 15.0 | 100.0 |
| Saving | | | | |
| Moderately | 37 | 37.0 | 37.0 | 37.0 |
| Important | 58 | 58.0 | 58.0 | 95.0 |
| Very Important | 5 | 5.0 | 5.0 | 100.0 |
| Wealth Creation | | | | |
| Moderately | 32 | 32.0 | 32.0 | 32.0 |
| Important | 56 | 56.0 | 56.0 | 88.0 |
| Very Important | 12 | 12.0 | 12.0 | 100.0 |

Safety Factors to buy life insurance regarded to the Income Level

Table (4.15) describes about the attitude of the respondents on the safety factors of the insurance company to buy life insurance based on the income level. Regarding to the survey results, 34 respondents (60.7%) out of 56 respondents who are the high income per month (>15 lakhs) answered that importance of firm's financial strength is the very important factor. 25 respondents (44.6%) out of 56 respondents also answered that life insurance provides support in an emergency, such as illness or death is very important factor. 20 respondents (54.1%) out of 37 respondents replied that they have somewhat knowledge about life insurance. Only 12 respondents out of total (100 respondents) have the strong knowledge about the life insurance.

Table 4. 15 Safety Factors to Buy Life Insurance

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer |
|---|----------------|----------------|----------------|-----------------|----------------|---------------|------------------------|
| Importance of firms' financial strength | Slightly | 2 | 0 | 0 | 0 | 0 | 2 |
| | Moderately | 3 | 0 | 0 | 0 | 0 | 3 |
| | Important | 0 | 13 | 1 | 13 | 12 | 39 |
| | Very Important | 0 | 6 | 8 | 6 | 34 | 2 |
| Life insurance provides support in an emergency, such as illness or death | Moderately | 3 | 0 | 0 | 2 | 0 | 5 |
| | Important | 2 | 5 | 0 | 11 | 21 | 39 |
| | Very Important | 0 | 14 | 9 | 6 | 25 | 2 |
| Knowledge of life insurance | Don't know | 3 | 11 | 0 | 1 | 1 | 0 |
| | A little | 0 | 1 | 3 | 6 | 11 | 0 |
| | Somewhat | 0 | 6 | 1 | 10 | 20 | 0 |
| | Much | 2 | 0 | 5 | 0 | 7 | 0 |
| | Very Much | 0 | 1 | 0 | 2 | 7 | 2 |
| Saving | Moderately | 3 | 12 | 2 | 7 | 13 | 0 |
| | Important | 2 | 7 | 7 | 12 | 30 | 0 |
| | Very Important | 0 | 0 | 0 | 0 | 3 | 2 |
| Total | | 5 | 19 | 9 | 19 | 46 | 2 |

4.4 Psychological factor: Satisfaction and difficulties

The following Table 4.16 describes about the satisfaction of the policy holders, and difficulties why people cannot buy the life insurance. These factors include the knowledge about the life insurance awareness, infrastructure and distribution networks. As per the survey results, 57 percent of respondents answer that they are happy with the policy they purchased. According to the results, 66 percent of respondent, 64 percent of respondent, followed by 63 percent and 55 percent answered that lack of awareness and interest of people, inadequate reach of mass media, poor infrastructure and inadequate insurance products to meet the specific requirements of people respectively. Therefore, lack of infrastructure, and knowledge about the life insurance awareness are the main difficulties to purchase the life insurance.

Table 4. 16 Psychological factor: Satisfaction and difficulties

| I am happy with the policy I have purchased. | | | | |
|--|-----------|-------------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Disagree | 3 | 3.0 | 3.0 | 3.0 |
| Neutral | 57 | 57.0 | 57.6 | 60.6 |
| Agree | 30 | 30.0 | 30.3 | 90.9 |
| Strongly Agree | 9 | 9.0 | 9.1 | 100.0 |
| I would advise my friends and family members to purchase insurance policy from the same company | | | | |
| Disagree | 3 | 3.0 | 3.0 | 3.0 |
| Neutral | 48 | 48.0 | 48.0 | 51.0 |
| Agree | 42 | 42.0 | 42.0 | 93.0 |
| Strongly Agree | 7 | 7.0 | 7.0 | 100.0 |
| I am not happy with my insurance policy and would like to discontinue. | | | | |
| Strongly disagree | 2 | 2.0 | 2.0 | 2.0 |
| Disagree | 42 | 42.0 | 42.4 | 44.4 |
| Neutral | 44 | 44.0 | 44.4 | 88.9 |
| Agree | 11 | 11.0 | 11.1 | 100.0 |
| Low income level | | | | |
| Disagree | 6 | 6.0 | 6.0 | 6.0 |
| Neutral | 8 | 8.0 | 8.0 | 14.0 |
| Agree | 42 | 42.0 | 42.0 | 56.0 |
| Strongly Agree | 44 | 44.0 | 44.0 | 100.0 |
| Lack of awareness and interest of people | | | | |
| Neutral | 5 | 5.0 | 5.0 | 5.0 |
| Agree | 29 | 29.0 | 29.0 | 34.0 |
| Strongly Agree | 66 | 66.0 | 66.0 | 100.0 |

Table 4.16. Psychological factor: Satisfaction and difficulties (cont.)

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|-----------|-------------|---------------|--------------------|
| Inappropriate promotion programs | | | | |
| Neutral | 31 | 31.0 | 31.0 | 31.0 |
| Agree | 46 | 46.0 | 46.0 | 77.0 |
| Strongly Agree | 23 | 23.0 | 23.0 | 100.0 |
| Lack of interest and involvement of agents | | | | |
| Disagree | 1 | 1.0 | 1.0 | 1.0 |
| Neutral | 28 | 28.0 | 28.0 | 29.0 |
| Agree | 50 | 50.0 | 50.0 | 79.0 |
| Strongly Agree | 21 | 21.0 | 21.0 | 100.0 |
| Inadequate insurance products to meet the specific requirements of people | | | | |
| Neutral | 6 | 6.0 | 6.0 | 6.0 |
| Agree | 55 | 55.0 | 55.0 | 61.0 |
| Strongly Agree | 39 | 39.0 | 39.0 | 100.0 |
| Lack of life insurance knowledge | | | | |
| Disagree | 1 | 1.0 | 1.0 | 1.0 |
| Agree | 47 | 47.0 | 47.0 | 48.0 |
| Strongly Agree | 52 | 52.0 | 52.0 | 100.0 |
| Lack of distribution network | | | | |
| Disagree | 1 | 1.0 | 1.0 | 1.0 |
| Neutral | 31 | 31.0 | 31.0 | 32.0 |
| Agree | 50 | 50.0 | 50.0 | 82.0 |
| Strongly Agree | 18 | 18.0 | 18.0 | 100.0 |
| Inadequate data on customers | | | | |
| Disagree | 2 | 2.0 | 2.0 | 2.0 |
| Neutral | 30 | 30.0 | 30.0 | 32.0 |
| Agree | 43 | 43.0 | 43.0 | 75.0 |
| Strongly Agree | 25 | 25.0 | 25.0 | 100.0 |
| Poor infrastructure | | | | |
| Disagree | 6 | 6.0 | 6.0 | 6.0 |
| Neutral | 6 | 6.0 | 6.0 | 12.0 |
| Agree | 63 | 63.0 | 63.0 | 75.0 |
| Strongly Agree | 25 | 25.0 | 25.0 | 100.0 |
| Inadequate reach of mass media | | | | |
| Disagree | 1 | 1.0 | 1.0 | 1.0 |
| Neutral | 25 | 25.0 | 25.0 | 26.0 |
| Agree | 64 | 64.0 | 64.0 | 90.0 |
| Strongly Agree | 10 | 10.0 | 10.0 | 100.0 |
| Total | 100 | 100.0 | 100.0 | |

Satisfaction and difficulties to buy life insurance policy

Table (4.17) describes about the satisfaction and difficulties to buy life insurance based on the income level. Regarding to the survey results, 20 respondents (47.6%) out of 42 respondents and 16 respondents (36.4%) out of 44 respondents who are the high income per month (>15 lakhs) answered that the main difficulty is the low-income level of households. Mostly 86 respondents out of total (100 respondents) with in all range of income level of respondents respond that the low-income level is the main challenge.

Table 4. 17 Satisfaction and difficulties to buy life insurance policy

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | Re sp. |
|---|-------------------|----------------|----------------|-----------------|----------------|---------------|------------------------|-----------|
| I am happy with the policy I have purchased. | Disagree | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | Neutral | 0 | 13 | 3 | 8 | 31 | 2 | 57 |
| | Agree | 2 | 4 | 1 | 11 | 12 | 0 | 30 |
| | Strongly Agree | 0 | 2 | 5 | 0 | 2 | 0 | 9 |
| I would advise my friends and family members to purchase insurance policy from the same company | Disagree | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | Neutral | 0 | 13 | 3 | 6 | 24 | 2 | 48 |
| | Agree | 2 | 4 | 1 | 13 | 22 | 0 | 42 |
| | Strongly Agree | 0 | 2 | 5 | 0 | 0 | 0 | 7 |
| Low income level | Disagree | 0 | 0 | 0 | 0 | 6 | 0 | 6 |
| | Neutral | 0 | 0 | 0 | 2 | 4 | 2 | 8 |
| | Agree | 5 | 4 | 6 | 7 | 20 | 0 | 42 |
| | Strongly Agree | 0 | 15 | 3 | 10 | 16 | 0 | 44 |

Table (4.18) describes 29 respondents (43.9%) out of 66 respondents who are the high income per month (>15 lakhs) strongly agree that lack of awareness and interest of people is one of the key challenges to buy the life insurance. 17 respondents (36.2%) out of 47 respondents and 28 respondents (53.8%) out of 52 respondents replied that lack of life insurance knowledge is the important factor. Mostly 99 respondents out of total (100 respondents) with in all range of income level of respondents respond that lack of life insurance knowledge is the most important challenge to purchase the life insurance policy.

Table 4. 18 Satisfaction and difficulties to buy life insurance policy

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | |
|--|----------------|----------------|----------------|-----------------|----------------|---------------|------------------------|-----------|
| Lack of awareness and interest of people | Neutral | 0 | 0 | 0 | 0 | 5 | 0 | 5 |
| | Agree | 3 | 5 | 0 | 9 | 12 | 0 | 29 |
| | Strongly Agree | 2 | 14 | 9 | 10 | 29 | 2 | 66 |
| | Agree | | | | | | | |
| Inappropriate promotion programs | Neutral | 2 | 2 | 1 | 2 | 24 | 0 | 31 |
| | Agree | 3 | 10 | 2 | 15 | 16 | 0 | 46 |
| | Strongly Agree | 0 | 7 | 6 | 2 | 6 | 2 | 23 |
| | Agree | | | | | | | |
| Lack of interest and involvement of agents | Disagree | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| | Neutral | 0 | 2 | 0 | 1 | 25 | 0 | 28 |
| | Agree | 5 | 9 | 3 | 16 | 15 | 2 | 50 |
| | Strongly Agree | 0 | 8 | 6 | 2 | 5 | 0 | 21 |
| Lack of life insurance knowledge | Disagree | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| | Agree | 5 | 5 | 5 | 15 | 17 | 0 | 47 |
| | Strongly Agree | 0 | 14 | 4 | 4 | 28 | 2 | 52 |
| | Agree | | | | | | | |

Table (4.19) describes 11 respondents (44.0%) out of 25 respondents and 32 respondents (50.8%) out of 63 who are the high income per month (>15 lakhs) strongly agree and agree that poor infrastructure is one of the key challenges to buy the life insurance. 27 respondents (42.2%) out of 64 respondents replied that inadequate reach of mass media is also the significant difficulties to purchase the life insurance. Mostly 88 respondents out of total (100 respondents) with in all range of income level of respondents respond that poor infrastructure is the most important challenge to purchase the life insurance policy.

Table 4. 19 Satisfaction and difficulties to buy life insurance policy

| | | 2.5-5 Lakhs | 5-7.5 Lakhs | 7.5-10 Lakhs | 10-15 Lakhs | > 15 Lakhs | DK/Refuse to answer | |
|--------------------------------------|-------------------|----------------|----------------|-----------------|----------------|---------------|------------------------|-----|
| Lack of distribution network | Disagree | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| | Neutral | 0 | 8 | 3 | 4 | 16 | 0 | 31 |
| | Agree | 3 | 8 | 1 | 14 | 24 | 0 | 50 |
| | Strongly Agree | 2 | 3 | 5 | 1 | 5 | 2 | 18 |
| Poor infrastructure | Disagree | 0 | 0 | 5 | 0 | 1 | 0 | 6 |
| | Neutral | 2 | 0 | 0 | 2 | 2 | 0 | 6 |
| | Agree | 3 | 9 | 4 | 15 | 32 | 0 | 63 |
| | Strongly Agree | 0 | 10 | 0 | 2 | 11 | 2 | 25 |
| Inadequate reach of mass media | Disagree | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| | Neutral | 0 | 4 | 2 | 5 | 14 | 0 | 25 |
| | Agree | 5 | 10 | 7 | 13 | 27 | 2 | 64 |
| | Strongly Agree | 0 | 5 | 0 | 1 | 4 | 0 | 10 |
| Total | | 5 | 19 | 9 | 19 | 46 | 2 | 100 |

CHAPTER V

CONCLUSION

This chapter describes the findings and discussions from the analysis of the influencing factors of customer buying decision on life insurance in Myanmar, suggestions and recommendations. It is also included the limitations of the study and further study for the improvement of life insurance industry in Myanmar.

5.1 Findings and Discussion

This study helps to understand the consumer buying decision process, thereby answering the questionnaires which relates the influence factors on customer buying decision. A total of 100 respondents are being interviewed with structured questionnaires.

According to the socio-demographic characteristics analyzed from the primary data resulted by random assembly on the customer, male insured were more involving than female customers in purchasing life insurance. The largest number of respondents are aged between 31 to 40 assuming this age group bought more life insurance than the other age group. In occupational level, largest number of respondents are financial sector. Thus one could assume that they are more familiar and aware of life insurance than other. It was found that higher income respondents are more interested in life insurance than other income level respondents. Insurers can find out which target of customer should they focus on from this study.

The major challenges which found out from the study is customer's awareness of life insurance. This study found out that most of the customers don not have enough knowledge of life insurance. Also, most of them do not have enough information or explanation from the agent or company.

Among the four factors of consumer characteristics, it was found that the most influencing factor on customer buying decision is personal factor such as age and lifecycle stage, occupation, economic situation, lifestyle and personality. It is found that when you are in certain age, customer started to aware the risk and Other personality shows that they like to have adequate risk coverage.

The second influencing factor on customer buying decision is psychological factor. It is fair to say when you have a successful business and earning a lot of money, you naturally recognize the need and you are motivated in buying life insurance in order to get life protection, financial planning and saving.

The third influencing factor is cultural factors which is a set of basic values, behaviors learned by a member of a society and important institution as well as subcultures like nationalities, racial groups and geographical regions. People of same culture do what the others do in that culture. Geographically, if your business provides, you health (group)insurance, you will get to know a bit of life insurance and its benefits.

Fourth influencing factor on customer buying decision is social factors. In every society, people are expected to perform their role and each role carries a certain status that reflects the general esteem given to it by society. Family is also very important in everybody's life and life insurance protects the family income is a sensibly thing to do for everybody. Sometimes people buy things according to the friend 's recommendation and it is a normal customer's behavior.

This study helped to find out the importance of psychological, social, cultural and personal factors in influencing the customer buying decision of life insurance.

5.2 Recommendation

After the analysis of the data collected and review of the findings, it was found that the study served its purpose by achieving the objectives. The findings provided insight into discovering the factors which influence the customer buying decision of life insurance.

There were slightly percentage of customers know life insurance and benefit of life insurance. So, the insurers should contribute in more life insurance awareness program through social media, event, workshop. Etc. Also, the company should emphasize to in claim processing and service to have good experience for the existing customers in order to influence the psychology of customer by participating more in the socially responsible projects.

5.3 Limitation and Needs for Further Studies

This study only focuses on 100 customers who live in Yangon because of time and other resources. As a result, it is recommended that it should collect data based on extra customers to search more accurate data in further studies. The further studies can be carried out at a different location with a population composed of customers with a different cultural, demographic and social background. The study did not include the comparison between companies and options, so future study can be done on comparing the customer choice for selecting the insurance company in order to see clearer picture of the role of company in competitive market environment.

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APPENDIX

Factors Influencing Policyholders Decision on Purchasing Life Insurance

Basic demographic

Age (How old were you at your last birthday?)

Your answer

Sex

- Female
- Male
- Prefer not to say

Marital status

- Single
- Married
- Divorced
- Widowed



What is your Highest level of education?

- High school
- Undergraduate
- Postgraduate

Occupation

- Financial Sector
- Government Sector
- Own Business
- Private Sector
- NGO/INGO
- Retired
- Self-employed (Freelance)
- Others (specify)
- Specify



Income per month in MMK (estimated)

- 2.5-5 lakhs
- 5-7.5 lakhs
- 7.5-10 lakhs
- 10-15 lakhs
- >15 lakhs
- DK/Refuse to answer

Household Family size

- 0-3
- 4-6
- >6

How many dependent persons?

- 0-3
- 4-6
- >6

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Factors Influencing Policyholders Decision on Purchasing Life Insurance

About Insurance

Please check the one that applies

- I have a life insurance policy currently
- I do not have a life insurance policy now and do not intend to get one
- I do not have a life insurance policy now and intend to get one late
- I had a life insurance policy which has lapsed
- I had a life insurance policy which has matured

Name your Insurance Service Provider (Multi sector)

- Insurance companies in the public sector
- Insurance companies in the private sector
- Bancassurance- Insurance by commerial banks

Reason for continued patronage given to this particular insurance company

- Courteous Service
- Customer proposition
- Agent's Promotion
- Benefits Conveyed
- Any Other (Specify)

The main reason to purchase the life insurance?

- Finacial planning
- Life protection
- Savings
- Children Education
- Others



If you have an insurance policy, do you have (multi select)

- Term plan
- Endowment plan
- Children's Education plan
- Retirement plan
- Don't know

Indicate your preference towards the following products

- Short term endowment
- Education life insurance
- Group life insurance
- Seaman life insurance
- Sportsman life insurance
- Farmers life insurance
- Snake bite life insurance
- Health insurance
- Government service personal life insurance
- Public life insurance
- Shore job life insurance
- Other:

Indicate your preference towards the following forms of returns in the order of preferences by

- I like regular income in the form of interest and dividend
- I like growth of invested money in lumpsum amount on maturity
- I like regular income and growth of investment

If your policy lapsed, how long after you took the policy did it lapse?

- > 2 yrs
- 2-4 years
- 4-6 years
- 6-8 years
- More than 8 years
- Cannot remember
- Never

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Factors Influencing Policyholders Decision on Purchasing Life Insurance

Peer Influence

Insurance agent(s) have explained to me the detail information and benefits of life insura

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

The company must provide appropriate feedback to its customers

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Agents/company must show honesty in its services

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

It must keep its customers updated with the updated information

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Timely alerts must be given in case of policy being lapsed

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Documentation work must be easy

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

The goodwill of company is important

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Products being offered must be cost effective

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree



Claim Procedure settlement must be speedy

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Grievance handling process must be effective

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

The company must use updated technology

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Quality of the service of agent

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

It provides tax benefit to its customers

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree



My family members think taking a life insurance policy is necessary.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

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Multiple payments system for convenience of customer

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

It provides risk coverage to customers

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

It must focus in building healthy customers

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Several of my friends and relatives think that one should buy life insurance policies.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Trust of life insurance

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Factors Influencing Policyholders Decision on Purchasing Life Insurance

Social influencing factors to buy life insurance

I think that in benefit claim process, it is sometimes difficult to get the claim payment from lif

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

I think it is very important to have a Life Insurance policy for the security of one's family

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Life insurance is good for saving for retirement and children's education

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Life insurance is a good tax-saving scheme

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

I feel life insurance is a good investment option compared to other options

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

To save for future needs like children's education/my retirement

- Not Important
- Slightly
- Moderately
- Important
- Very Important

To save some amount regularly so that I do not spend it all.

- Not Important
- Slightly
- Moderately
- Important
- Very Important

It helps to secure the future of my family in case of death.

- Not Important
- Slightly
- Moderately
- Important
- Very Important

Inappropriate promotion programmes

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Lack of interest and involvement of agents

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Inadequate insurance products to meet the specific requirements of people

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Factors Influencing Policyholders Decision on Purchasing Life Insurance

"Safety"

Importance of firms' financial strength

- Not Important
- Slightly
- Moderately
- Important
- Very Important

Life insurance provides support in an emergency, such as illness or death

- Not Important
- Slightly
- Moderately
- Important
- Very Important

Knowledge of life insurance

- Don't know
- A Little
- Somewhat
- Much
- Very Much

I know the difference between the different schemes such as "Term Plan" and "Endo

- Don't know
- A Little
- Somewhat
- Much
- Very Much

Saving

- Not Important
- Slightly
- Moderately
- Important
- Very Important

Wealth Creation

- Not Important
- Slightly
- Moderately
- Important
- Very Important

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If you have an insurance policy, do you have (multi select)

- Term plan
- Endowment plan
- Children's Education plan
- Retirement plan
- Don't know

Indicate your preference towards the following products

- Short term endowment
- Education life insurance
- Group life insurance
- Seaman life insurance
- Sportsman life insurance
- Farmers life insurance
- Snake bite life insurance
- Health insurance
- Government service personal life insurance
- Public life insurance
- Shore job life insurance
- Other:

Indicate your preference towards the following forms of returns in the order of preferences by

- I like regular income in the form of interest and dividend
- I like growth of invested money in lumpsum amount on maturity
- I like regular income and growth of investment

If your policy lapsed, how long after you took the policy did it lapse?

- > 2 yrs
- 2-4 years
- 4-6 years
- 6-8 years
- More than 8 years
- Cannot remember
- Never

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Factors Influencing Policyholders Decision on Purchasing Life Insurance

What is your opinion why people don't have life insurance?

Low income level

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Lack of awareness and interest of people

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Inappropriate promotion programmes

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Lack of interest and involvement of agents

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Inadequate insurance products to meet the specific requirements of people

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Lack of life insurance knowledge

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Lack of distribution network

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Inadequate data on customers

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Poor infrastructure

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Inadequate reach of mass media

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Send me a copy of my responses.

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