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FACTORS AFFECTING CONSUMER PURCHASE DECISION

ON LIFE INSURANCE PRODUCT

M ZAW NAW

EMBF II – 32

EMBF 7th Batch

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YANGON UNIVERSITY OF ECONOMICS

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**FACTORS AFFECTING CONSUMER PURCHASE DECISION
ON LIFE INSURANCE PRODUCT**

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

Supervised by   **Submitted by**

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ACCEPTANCE

This paper is accepted by the Board of Examiners of MBF program, Yangon University of Economics, in partial fulfillment of the requirements for the degree of Executive Master of Banking and Finance.

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Prof. Dr. Tin Tin Htwe

(Rector)

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ABSTRACT

The purpose of the study is to analyze the influencing factors on consumer purchase decision of life insurance product. The descriptive research method was used in order to meet the objective of the study. The primary data was collected in Yangon City from 400 life insurance policyholders out of 617,524 life insurance policies by using Taro Yamane method. The study found that social factor, insurance awareness, and consumer attitude have significant influence on life insurance purchase decision. However, financial literacy has not significant influence on consumer purchase decision. The finding of moderating effect revealed that income level one (below three hundred thousand kyats) and level two (between three hundred thousand kyats and one million kyats) have significantly moderated the relationship between social factor, and consumer attitude and consumer purchase decision. There is no moderating effect of income on the relationship between insurance awareness, financial literacy and life insurance purchase decision. According to the findings, consumers do not have adequate financial wellness for knowledge and skills in life insurance. It is suggested that financial education with respect to life insurance should be provided by the life insurance companies. The results of the study provide insurers, marketers, and management of the insurance companies in understanding how consumers make buying decision on life insurance product.

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LIST OF ABBREVIATIONS

ADB	Accidental Death Benefit
ASEAN	The Association of Southeast Asian Nations
CI	Critical Illness
FY	Financial Year
GDP	Gross Domestic Product
GIO	Guaranteed Issued Offering
GWP	Gross Written Premium
IBSB	Insurance Business Supervisory Board
INGO	International Non-Governmental Organization
KMO	Kaiser-Meyer-Olkin
MHI	Micro Health Insurance
MIE	Myanma Insurance Enterprise
MIO	Million
MMK	Myanmar Kyat
MOPF	Ministry of Planning and Finance
NGO	Non-Governmental Organization
PBUB	People's Bank of the Union of Burma
RO	Representative Office
SA	Sum Assured
SPSS	Statistical Package for the Social Sciences
TPA	Third Party Administrators
UIB	Union Insurance Board
USD	US Dollar
VIF	Variance Inflation Factor

CHAPTER I

INTRODUCTION

Human life is regarded as the most precious asset on the earth. Life insurance is to be considered as one kind of measure to provide financial protection to human life at the period of uncertain dangers or any disaster such as uncertain death or accident (Chaudhary, 2016). Everyone needs life insurance because life is very precious. Consequently, life insurance companies cover the risk of loss due to death even though death is certain, but the timing of death is uncertain.

Uncertainty is an unavoidable part of human life. Insurance can help manage this uncertainty and potential loss by providing vital financial protection. People can meet with death due to some unfortunate or unexpected event at any point of time (Balachandran et al, 2011).

Insurance is one of the financial products which protect against large losses that may be suffered in the event of sudden unforeseen events. In the case of a human being, death is certain, but the time of death is uncertain. Insurance is one of the risk transfer techniques and provides a mechanism for pooling and absorbing the financial consequences of risk. It allows individuals and businesses to engage in activities that otherwise could expose them to undesired loss. The insurance industry plays an important role in stimulating economic development.

Life insurance allows individuals to secure the financial future of their families in the event of their own premature death. Individuals have to evaluate their financial needs in order to choose different type of life insurances plan. Showers and Shotick (1994) discussed the complexities in purchasing insurance. The study argues issues such as evaluating financial needs and choosing an insurance package is confusing to consumers. Ulbinaite, Kucinskiene, and Moullec (2011) stated that insurance purchase decision is an important process. The life insurance is difficult to sell for the insurance provider as well as insurance is difficult to purchase for the consumers.

Research by Marco (2008) found that both life and non-life insurance have a positive and significant causal effect on economic growth. Life insurance is important, also understanding consumer preferences for buying life insurance and how to approach them so that to provide insurance proceeds and insurance market activity is towards the economic growth of the country.

Insurance sector development is an important determinant of economic growth. Moreover, insurance has grown in quantitative importance as part of the general development of financial institutions. Life insurance plays a vital role in sustaining families regarding financial losses and for social security. Life insurance contributes to an individual's financial planning in many ways like debt repayment, wealth replacement, savings creation and income replacement (Skipper & Black, 2000).

The consumer behavior for a purchase decision is valuable for a business to understand the action taken by the consumer before buying a product or service. Marketers are always interested to predict how customers will respond to marketing strategies. The consumer purchase decision is a broadly studied field. It lets the companies understand how the consumer decides about buying their product or acquiring services (Radu, 2022).

The consumer purchase decision is related to the behavior of the ultimate end-user customer. Consumer makes purchase decision every day. It may be determined by economic and psychological factors and is influenced by environmental factors like social and cultural values. Customers are the main pillar of the life insurance business. Every company tries to attract and retain existing customers to keep their profits high. The proper understanding of customers, their needs, and expectations help insurance providers to bring improvement in the product as well as services offered. When compared with the developed the Association of Southeast Asian Nations (ASEAN) countries, Myanmar life insurance industry has achieved only a little because of low consumer awareness, poor affordability, delayed customer services, lack of suitable products. The life insurance companies must fully understand the factors that can influence the purchasing decisions of consumers.

In order to make the expected significant growth of insurance business, it is highly desirable for the insurance industry in Myanmar to gain in-depth knowledge about the behavioral characteristics of the citizens when it comes to evaluate insurance alternatives and to purchase insurance products. According to Myanmar Insurance Industry (2021), the life insurance premium volume (USD 39.4 million) was only 17% of general insurance premium volume (USD 232.32 million) in year 2019-2020.

Therefore, this study is an attempt to identify the influencing factors of life insurance consumption in Yangon and examine individual decisions to purchase life insurance products. The results are aimed to provide the significant advantages for life insurers in Myanmar to better understand the consumer purchase decision of life

insurance. The study also investigates to provide the moderating effect of income on relational influencing factors and consumer purchase decision in Myanmar life insurance sector.

1.1 Rationale of the Study

Myanmar insurance market is a young and new market. The modern system of insurance arrived nearly 200 years ago and it was a flourished market. The market was disrupted in the 1960s due to the changing political system. Since then, Myanmar insurance market was a one-company-market. Myanmar insurance market was monopolized by state-owned insurance enterprise called Myanma Insurance Enterprise (MIE) until 2013. Then, starting from 2013, Myanmar government has reformed the financial sector and insurance sector as well. As a result of reforming insurance sector, 12 insurance licenses were issued to the private sector and and foreign players granted the right to establish a representative office (RO) in the country. That was the beginning of the change for the insurance market (Maung Maung Thein, 2020).

Asia Insurance Review (n.d.) expressed that the "smaller" nations of Southeast Asia have grown rapidly and taken substantial developmental strides, with several becoming attractive markets for life and health insurance. International insurers focus on Southeast Asia's developing life insurance markets. Myanmar is one of Southeast Asia's fastest-growing economies as well as ASEAN member countries. Its population is estimated at 54 million people (Worldometers, 2020). Myanmar becomes a prospective life insurance market and has significant potential for expansion. According to the annoucement of Ministry of Planning and Finance (MOPF), in 2019 foreign life insurance companies were allowed for operation through fully owned subsidiaries, and both the life and non-life segments through joint ventures with domestic firms were granted license to transact insurance business in Myanmar.

The insurance penetration rate in the region is still low with only two million of its 54.41 million population having any sort of insurance coverage (Thiha Ko Ko, 2019). Low penetration rates imply a strong market potential, as well as a need for product education in the country to successfully increase awareness and demand (SMPP , 2020). During the financial year (FY) 2019 – 2020, life insurance gross written premium (GWP) was MMK 53.24 billion in which 59 percent contribution are army personal life assurance among life insurance products wise (Myanmar Insurance Industry, 2020).

The purchase of insurance is based on the likelihood of tragedy, and not on the expectation of immediate pleasure. Because of this, the customer's perception is that customers need to forego a current need to meet a need that may arise in the distant future. Since 2013, the government has started allowing the private sector to provide insurance services in Myanmar for the development of the insurance sector. Myanmar's insurance sector takes significant steps forwards, with liberalization giving rise to several foreign insurance companies entering the market.

However, life insurance is still fairly undeveloped in Myanmar, as in all ASEAN's emerging markets. According to financial year 2016 – 2017, GDP was USD 70.8 billion and life premium value was USD 14.72 million, in order that the penetration of life insurance (direct gross premiums / GDP) was not more than 0.10% (Htay Paing, 2021). Moreover, the life insurance penetration in Myanmar was 0.05% (life premium USD 37.39 million as percent of GDP USD 70.17 billion) in year 2018-2019. Hence, the insurance sector is in the ongoing development of the insurance market, current market penetration is still low to the region, and few consumers purchase life insurance policies. Challenges potentially arise from cultural and religious norms, which do not primarily encourage the purchase of insurances in Myanmar (SMPP , 2020).

In order to be growth life insurance business, companies try to get insurance awareness and better understand factors influencing buying decision of life insurance product (Access to Insurance Initiative, 2019). Many different factors can influence the outcomes of purchasing decisions. Factors influencing consumer decision can be grouped into four sets such as situational factors, personal factors, psychological factors, and social factors (Kotler & Armstrong, 2012). Situational factors pertain to the consumer's level of involvement in a buying task and the market offerings that are available. Personal factors are individual characteristics and traits such as age, life stage, economic situation, and personality. Psychological factors relate to the consumer's motivation, learning, socialization, attitudes, and beliefs. Social factors pertain to the influence of culture, social class, family, and reference groups.

Peter and Olson (2010) defined that consumer attitude is one of the psychological factors and it affects the consumer purchase decision. A life insurance policy is a long-term, complicated financial contract with terms and features that many consumers find difficult to evaluate, covering an event that most do not want to contemplate. Financial literacy is associated with being in higher decision states, as is financial experience (Bateman, Gerrans, Thorp, & Zeng, 2020). According to Kotler, Wong, Saunders, and

Armstong (2005), the domographic factor of income is a very important factor that affects the buying decisions. Income has the ability to influence purchase decision of a person.

Depend on the above discussion and highlights, this study intends to investigate the factors affecting consumer purchase decision on life insurance product. Having a better understanding of the factors affecting the consumer purchase decision can help insurers to develop business strategies and planning. This thesis results can be used in creating and innovating products and services and the development of the insurance sector.

1.2 Objectives of the Study

The main objective is factors affecting consumer purchase decisions on life insurance products. The specific objectives of the study are:

  i. To analyze the influencing factors on consumer purchase decision of life insurance product in Yangon.
  ii. To examine the moderating effect of personal income on the relationship between factors influencing and consumer purchase decision of life insurance product.

1.3 Scope and Method of the Study

This study focused on influencing factors such as social factor, insurance awareness, consumer attitude and financial literacy toward the purchase decision for life insurance. The data collection area is Yangon city, as it is the capital city of Myanmar. This study focuses on life insurance policies during the period of 2021-2022. There are 617,524 life insurance policies (excluded army life assurance and travel policies 1,887,401) in Myanmar during the period of FY 2021-2022 and one-third of all policyholders are from Yangon city (Myanmar Insurance Industry, 2022). The sample size is based on Taro Yamane (Yamane, 1973) formula, basically quantitative method was used in this study.

Descriptive statistics is conducted to 400 respondents who are life insurance policyholders. Both the primary and secondary sources of data have been used for the study purpose. The Primary data were collected through questionnaire by using simple random sampling method. A 5-point Likert type scale (1= strongly disagree, 2= disagree, 3= neither disagree nor agree, 4= agree, 5= strongly agree) has been used to measure items of the questionnaire. Secondary data was collected from published sources such as

past journals, published reports, magazines, newspapers, several books, and also from the help of the website. Collected data were primarily analyzed by descriptive statistics and exploratory factor analysis using Statistical Package for the Social Sciences (SPSS).

1.4 Organization of the Study

      The study is organized into five chapters. Chapter one is the introductory chapter that covers rationale of the study, objectives of the study, and structure of the thesis. Chapter two is a review of relevant literature, theoretical background, previous research studies, and conceptual framework of the study. Chapter three is life insurance market and life insurance products in Myanmar. Chapter four is the methodology section and presentation of data and analysis of results. Chapter five is the summary and conclusion in which include findings and discussion, suggestions and recommendations and needs for further studies.

CHAPTER II

THEORETICAL BACKGROUND

This chapter introduces the theoretical framework and the relevant theories in used, which support to analyze the empirical findings in chapter four. It also includes consumer purchase decision, factors influencing and moderating effects of income on consumer purchase decision, previous research studies, and conceptual framework. The main objectives of this chapter were identifying the main concept of this study.

2.1 Consumer Purchase Decision

Consumers constantly make decisions regarding the choice, purchase and use of products and services. These decisions are of great importance not only for the consumers themselves, but also for the policy makers and marketers. These are often difficult decisions. Consumers are often faced with a large number of alternatives that are constantly changing due to new technologies and competitive pressures (IPL, n.d.).

Consumers are different, products that they buy are different, and the situations in which consumers make purchase decision are different (Essays, 2018). Purchase decision involves a sequence of choices formed by a consumer before making a purchase which starts once, consumer has a willingness to fulfil a need. The consumer should reach a decision with regard to the place of purchasing, the desired brand, model, purchase quantity, time to buy, amount of money to be spent and the method of payment. These decisions can be influenced by marketers by providing information about their products or services that may inform consumer's assessment process (Hanaysha, 2018).

A purchase decision is the thought process that drives consumers to define their needs, generate options, and select specific products and brands. Many product and service purchase decisions are the result of a long and detailed process that can lead to extensive information research, brand comparisons, and evaluations. Marketers success in influencing purchase behavior depends on their understanding of consumer behavior (Susanto, Lapian, & Tumbuan, 2016).

Marketers need to understand the specific needs that customers need to meet and how to translate those into purchasing attributes. They need to understand how consumers gather information about different alternatives and use this information to select among competing brands. Some of purchase decisions are minor, as purchasing toothpaste, while other purchases are major, as purchasing an insurance policy. When consumers intend to

buy certain products, they pass through numerous phases which would influence their purchase decision. The more importance of purchase decision, the more effort is typically put into the process (Kotler & Armstrong, 2012).

2.2 Background Theory and Model of the Study

Consumer purchases are strongly influenced by various factors; namely, marketing, culture, social, personal and psychological and situational factors. For the most part, marketers cannot control such factors, however they must be taken into account. In order to understand what drives consumers Kotler's Black Box Model presents good illustration as it emphasizes the process as well as the factors that impact the decision (Figure 2.1).

Figure (2. 1) Philip Kolter's Black Box Model
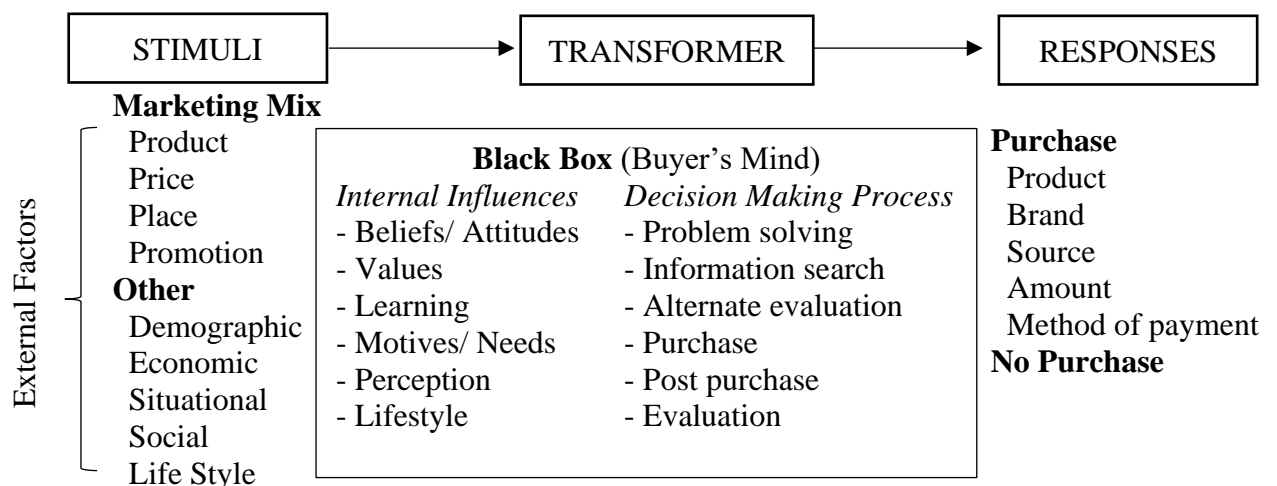
Source: Kotler, Wong, Saunders, and Armstong, (2005)

According to Kotler's Black Box Model, this model consists of external and internal factors. The marketing stimuli may be influenced by companies in order to achieve the desired response. Demographics, economic, situational, social, lifestyle factors are dictated by the environment and are largely out of control of the companies and consumers. The marketing and environmental stimuli enter the buyer's black box and produce certain choice or purchase responses. Marketers must figure out what is inside of the buyer's black box and how stimuli are changed to response (Ludviga, Ozolina, & Afonina, 2012).

Human capital theory can be defined as the practical experience, learning and individuals' education and attitude by Becker (1964). These learning experiences of a person are constructed by family, education and experiences. All of these human capital

variables draw attention of an individual towards new venture creation. The beliefs, values, and perceptions that made the intentions are affected by several factors which include personal, background, personality and ability of the individuals and also other social, political and cultural factors. Several factors may influence the decision-making process, some explained type of work might influence the attitude towards the behavior. All of these human capital variables may stimulate behavior of individuals. Human capital theory indicates that both knowledge and experience affect the cognitive decision-making process of individuals (Becker, 1964).

2.3 Factors Influencing Purchase Decision

Purchase decision is the buying behavior of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what the consumer is and the consumer in buying decision-making process, shopping habits, purchasing behavior, buying the brands or going the retailers. A purchase decision is the result of each and every one of these factors. In the era of mass media, consumers have numerous ways of accessing information about products, and their ways of thinking in regard to emotions, wants, needs and demands have changed; therefore, researchers have attempted to identify what factors that influence purchase decisions (Mirabi, 2015).

An individual and a consumer is led by own culture and subculture, social class, membership groups, family, personality, psychological factors, etc. and is influenced by cultural trends as well as social and societal environment (Rani, 2014). Therefore, this study mainly investigates social factors to purchase decision of life insurance policyholders.

Consumers can choose from among many different varieties of life insurance to help find the right policy, they should consult with experienced financial professionals, who are well qualified to guide them through one of the most important purchasing decisions. Regarding the right life insurance products to meet individual needs, insurance awareness is a main key factor to be explored. According to Mueller (1957), the effects of consumer attitude may also influence to buy life insurance. According to Lusardi and Mitchell (2014), financial literacy encompasses the knowledge and cognitive skills with a set of desirable attitudes, behaviors, and external enabling factors.

(a) Social Factor

Social factors such as the reference tool, the family and the role and social status (Kotler & Keller, 2006). One's reference group consists of all the groups that have a direct or indirect influence on the attitudes or behavior of the person. Groups that have a direct influence on a person called membership group. Some membership groups are the primary groups, such as family, friends, neighbors, co-workers, which interacts with a person continuously and informal. People also become members of the secondary group such as religious groups, professional and trade associations, which tend to be more formal and require fewer routine interactions (Bearden & Etzel, 1982).

Religion is a product of society and is not based upon interactions with God. Socio-cultural theory views religion as a socially constructed phenomenon, it does not take into account interactions between an individual and an actual higher power. In fact, the basic law of historical and social human development proclaims that human beings are created by the society in which they live and that it represents the determining factor in the formation of the personalities remains in force (Panofsky, 2003).

(b) Insurance Awareness

A new frame of reference will be provided by awareness for value creation as also an opportunity for innovation and also have emphasized on campaigns to educate rural and semi urban masses on the need for security that protects their livelihood, security for produce and belongings and create feel-good feeling (Rajni, 2008).

Consumers normally pass through on their way to purchase, including awareness, knowledge, liking, preference, conviction and purchase. Integrated marketing communications involve identifying the target audience and shaping a well-coordinated promotional programme to elicit the desired audience response. Too often, marketing communications focus on overcoming immediate awareness, image or preference problems in the target market (Kotler, Wong, Saunders, & Armstong, 2005).

According to American Council of Life Insurers (2022), choosing a life insurance product is an important decision. Insurance awareness is one of the most important purchasing decisions while consumers choose from among many different varieties of life insurance. Consumers can have knowledge about different types of product attributes. Insurance awareness is the ability of having the knowledge and understanding of what is insurance and how it works (Access to Insurance Initiative, 2019). Marketers need to know which product attributes are relevant to consumers, what those attributes mean to

consumers, and how consumers use this knowledge in cognitive processes such as comprehension and decision making.

(c) Consumer Attitude

An attitude is a comparatively enduring organization of beliefs, feelings, and behavioral inclination towards socially notable objects, groups, events or symbols (Hogg & Vaughan, 2005). It is also known as a psychological tendency that is demonstrated by assessing a certain entity with some degree of favor or disfavor (Eagly & Chaiken, 1993).

Consumer attitude consists of thoughts or beliefs, feelings, and habits towards a good or service. Attitude is studying the tendency to respond to an object, either liked or disliked, consistently. Krech, Crutchfield, and Ballachey (1962) defined consumer attitude is a positive or negative evaluation system that is durable, emotional feelings, and tendency of pros or cons action of a social object.

According to Peter and Olson (2010), attitude is defined the overall evaluation of a person in a concept. Thus, it could be said that attitude is an evaluative response. Response will appear if the individual is faced with certain stimulation that expects individual reaction. Consumers can have attitudes toward various physical and social objects. Consumers also can have attitudes toward their own behaviors or actions. Attitude is a psychological variable that is known to affect the purchase decision process of consumers.

(d) Financial Literacy

Financial literacy (also called financial wellness, financial fitness or FinLit), Zakaria, et al., (2016) defined as the knowledge of effectively making any form of decisions that may have influence on an individual's finance, such as real estate, investing and saving, insurance, and retirement, etc. It also involves an individual's knowledge or awareness of financial concepts, financial planning and so more. Life insurance policy is regarded as one of the crucial components of an individual's financial plan.

A life insurance policy is a long-term, complicated financial contract with terms and features that many consumers find difficult to evaluate, covering an event that most do not want to contemplate. The personal values and personal characteristics including financial literacy as predictors of consumer decision states. There are certain risks to which individuals re exposed that can keep them from attaining their personal financial

goals. Insurance planning involves constructing a plan of action to provide adequate insurance against such risks (Bateman, Gerrans, Thorp, & Zeng, 2020).

Financial literacy encompasses the knowledge and cognitive skills with a set of desirable attitudes, behaviors, and certain external enabling factors. A well-developed program of information and advice that educates consumers about alternative risk management tools, the value of insurance, their obligations in the process, and highlights cases of successful policy outcomes could lead to improve consumers' insurance literacy (Sampath, Hongbing Ouyang, Yao Gao, & Yaqing Liu, 2019). Understanding consumers' financial decision making under risk and uncertainty is a much complex and challenging task. Decision making in insurance is not rational, and behavioral biases are usually involved (Sum & Nordin, 2018). Therefore, financial literacy is a key of affecting factors on purchase decision of life insurance product.

2.4 Moderating Variable of Income

Moderators are variables that affect the strength or direction of relationships between exogenous and endogenous variables; they divide "a focal independent variable into subgroups that establish its domains of maximal effectiveness in regard to a given dependent variable" (Baron & Kenny, 1986). According to Baron and Kenny (1986) the term moderator is "a quantitative or qualitative variable that affects the direction and/or strength of the relation between an independent variable or predictor and the dependent variable.

Despite various moderators exist, demographic moderator such as only income was considered for this study. It is one of the objectives of the study, exploring the relationship between influencing factors and consumer purchase decision of life insurance product in Yangon by using demographic factor income as a moderator.

Income is the important personal characteristic within the category of the demographic variables. From economic and marketing viewpoints, income is one of the major determinants of product and service demand, and is used for forming market segments with varying purchasing powers. Mahdzan and Victorian (2013) in their study found that income is positively related to the life insurance demand. As income of an individual steps forward to higher levels, substitutes for individual life insurance become available (Hammond, Houston, & Melander, 1967) and as income increases, life insurance becomes reasonably more affordable (Browne & Kim, 1993).

Income is one of the main factors that influence purchasing decisions. A person's income is one of the powerful considerations for each individual in buying a product. Rationally, consumers will estimate their financial ability before making a purchase activity to balance expenses and income. people who have high income tend to increase their purchase decisions. Loke and Goh (2013) found that income affects the decision to purchase a life insurance policy and the number of life insurance policy. The decline in earnings significantly affects consumer purchasing decisions, which will change the demand for a product. The level of individual income can indicate the product's size they will consume.

Masud, Ismail and Rahman (2020) examined the moderaing activity of income on purchase decision of life insurance. The results suggested that the income variable significnatly moderates the relationship between infuencing factors and life insurance purcahse decision. Therefore, this study examined the effect of moderating variable income on life insurance purchase decision.

2.5 Previous Research Studies

The previous research studies are analyzed the consumer purchase decision of life insurance. The several studies have investigated the relationship of influencing factors and purchase decision of life insurance policyholder. In this study, there are three segments included independent variables such as social, awareness, attitude and financial literacy, income demographic factor as moderating variable and consumer purchase decision independent variable. Therefore, the previous research studies discuss three phases.

The first phase is independent variables on consumer purchase decision as shown in Figure (2.2) and (2.3). The second phase is the relationship of influencing factors and consumer purchase decision as shown in Figure (2.4). Finally, the moderating factor effect on relationship of influencing factors and consumer purchase decision of life insurance was presented and it is shown in Figure (2.5).

According to Lamb, Hair, and McDaniel (2011), cultural, social, individual, and psychological factors strongly influence the decision process. These are as shown in below Figure (2.2).

Figure (2. 2) Factors Influencing on Consumer Buying Decisions

Cultural Factors
▪ Culture and Value
▪ Subculture
▪ Social Class

Social Factors
▪ Reference Group
▪ Opinion Leader
▪ Family

Individual Factors
▪ Gender
▪ Age and family life cycle stage
▪ Personality self-concept and life style

Psychological Factors
▪ Perception
▪ Motivation
▪ Learning
▪ Benefit and attitude

Customer Decision Making Process → Buy or Not Buy
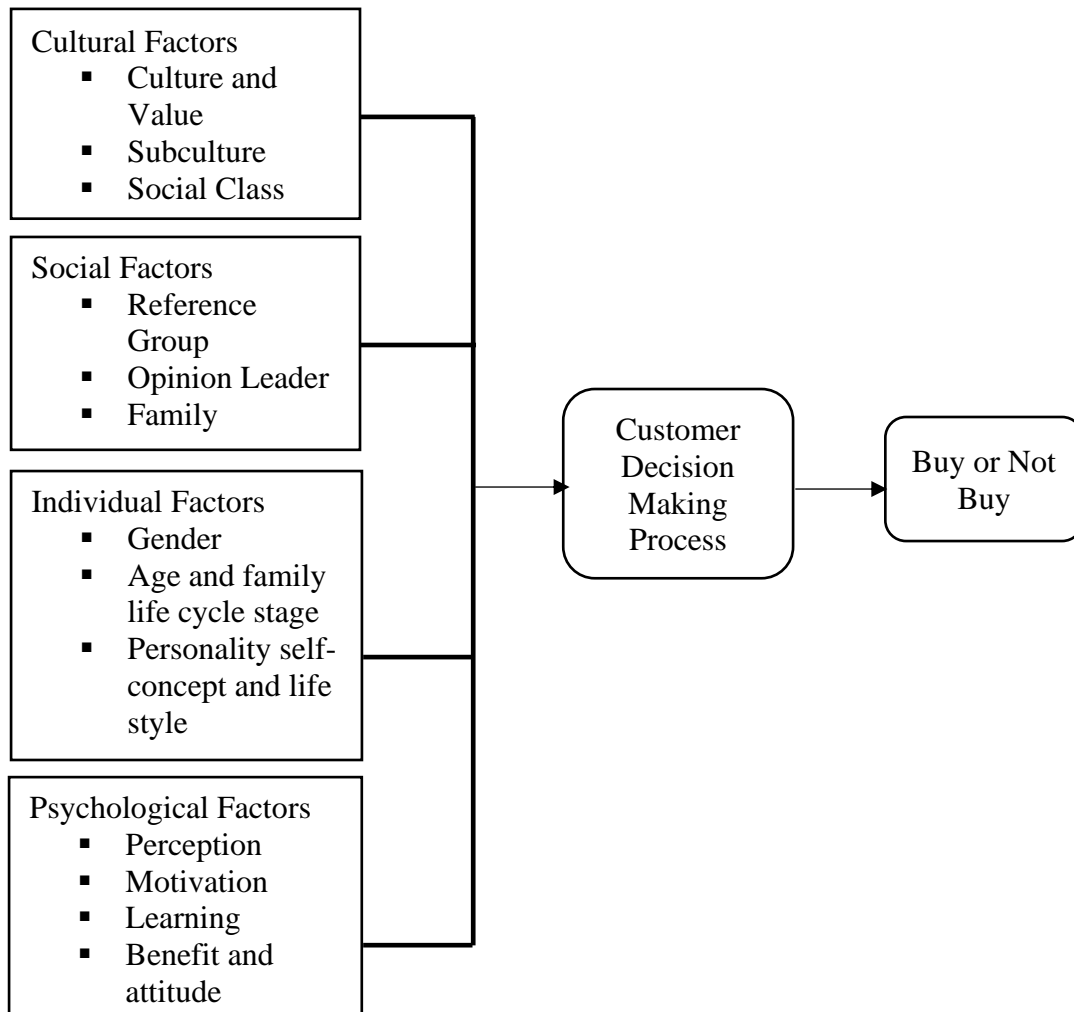
Source: Lamb, Hair, and McDaniel (2011)

Cultural, social, individual, and psychological factors have an effect from the time a consumer perceives a stimulus through post purchase behavior. Cultural factors, which include culture and values, subculture, and social class, exert a broad influence over consumer decision making. Social factors sum up the social interactions between a consumer and influential groups of people, such as reference groups, opinion leaders, and family members. Individual factors, which include gender, age, family life-cycle stage, personality, self-concept, and lifestyle, are unique to each individual and play a major role in the type of products and services consumers want. Psychological factors determine how consumers perceive and interact with their environments and influence the ultimate decisions consumers make, included perception, motivation, learning, beliefs, and attitudes.

Susanto, Lapian, and Tumbuan (2016) explored in their research that the connection between one dependent variable; namely, consumer purchase decision, with four influencing variables (independent variables); namely culture, social, personal, and psychology. The conceptual framework in this study as shown in Figure (2.3).

Figure (2. 3) The Influence of Cultural, Social, Personal, and Psychology on Consumer Purchase Decision
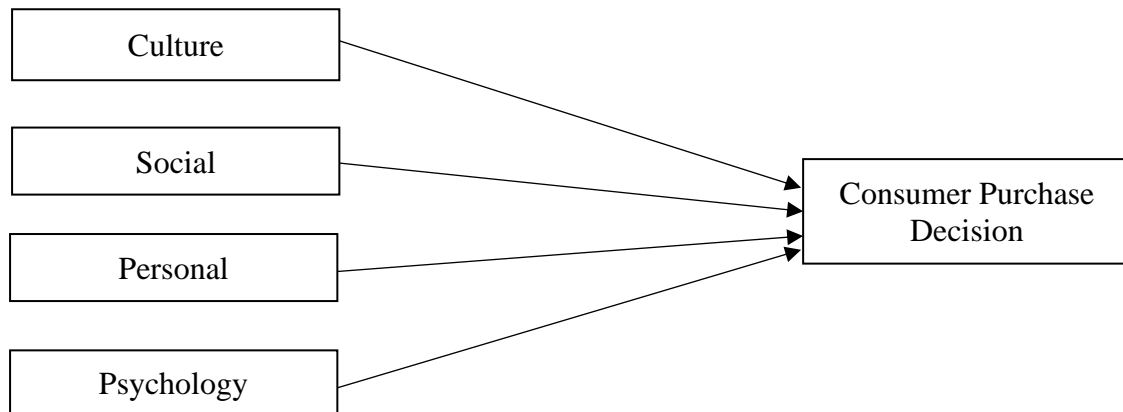
Source: Susanto, Lapian, and Tumbuan (2016)

According to the above study, Susanto, Lapian, and Tumbuan (2016) found that cultural, social, personal and psychological simultaneously have significant influence on consumer purchase decisions of product. And this study recommended that marketers and business stregic planner should pay attention on cultural, social, personal and psychological since this several factors are the key of consumers purchase decisions of product.

In Figure (2.4), the key factors affecting consumer purchase decision are investigated. Hei and Dastane (2017) built conceptual framework to show the relationship between five independent variables one dependent variable. The independent variables are location factor, feature factor, living space factor, finance factor, neighborhood factor and demographical factor while the dependent variable is consumer decision making of residential property.

Figure (2. 4) The Key Factors Affecting for Consumer Purchase Decision
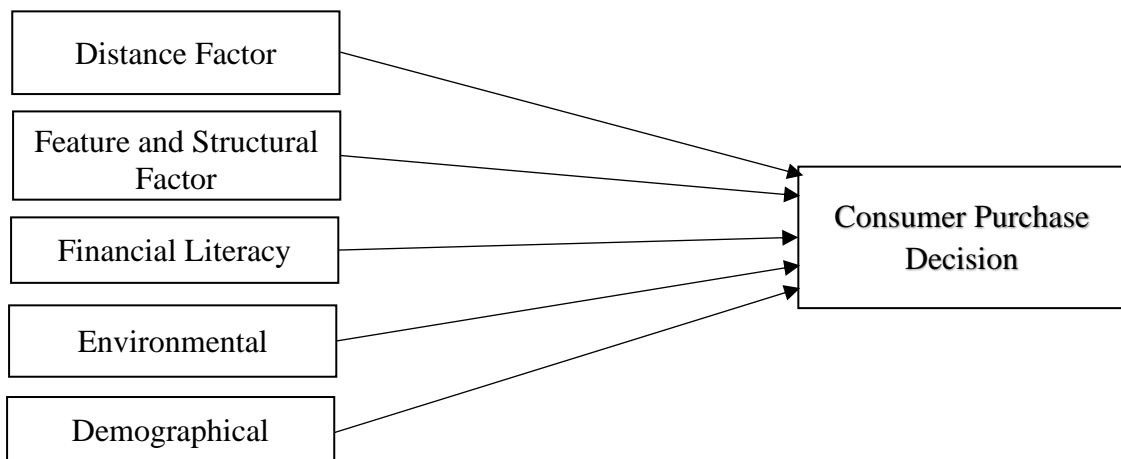
Source: Hei and Dastane (2017)

Hei and Dastane (2017) concluded that there is a positive and significant influence of location factor, feature factor, financial factor, and neighborhood factor on consumer purchase decision. This study also found that the demographical factor including the income status, age, number of family member in household has certain extent of influence on the purchase decision.

Masud, Ismail, and Rahman (2020) defined the moderating effect of religiosity, race, age, and income on the relation between perceptual variables, attitudes, awareness and households' purchasing of life insurance (Figure 2.6). This paper also argues that attitudinal variables have a direct effect on the outcome in purchase intention. Masud et al. (2020) discussed that the effect of attitudinal factors to purchasing life insurance and the moderating effects of the socio-demographic factors between attitudinal factors (awareness, attitudes, subjective norm, perceived behavioral control, perceived financial benefits and risk perception) and purchasing for life insurance.

**Figure (2. 5) Moderating Factor Effecting on Influencing Factors and
Purchasing Life Insurance**
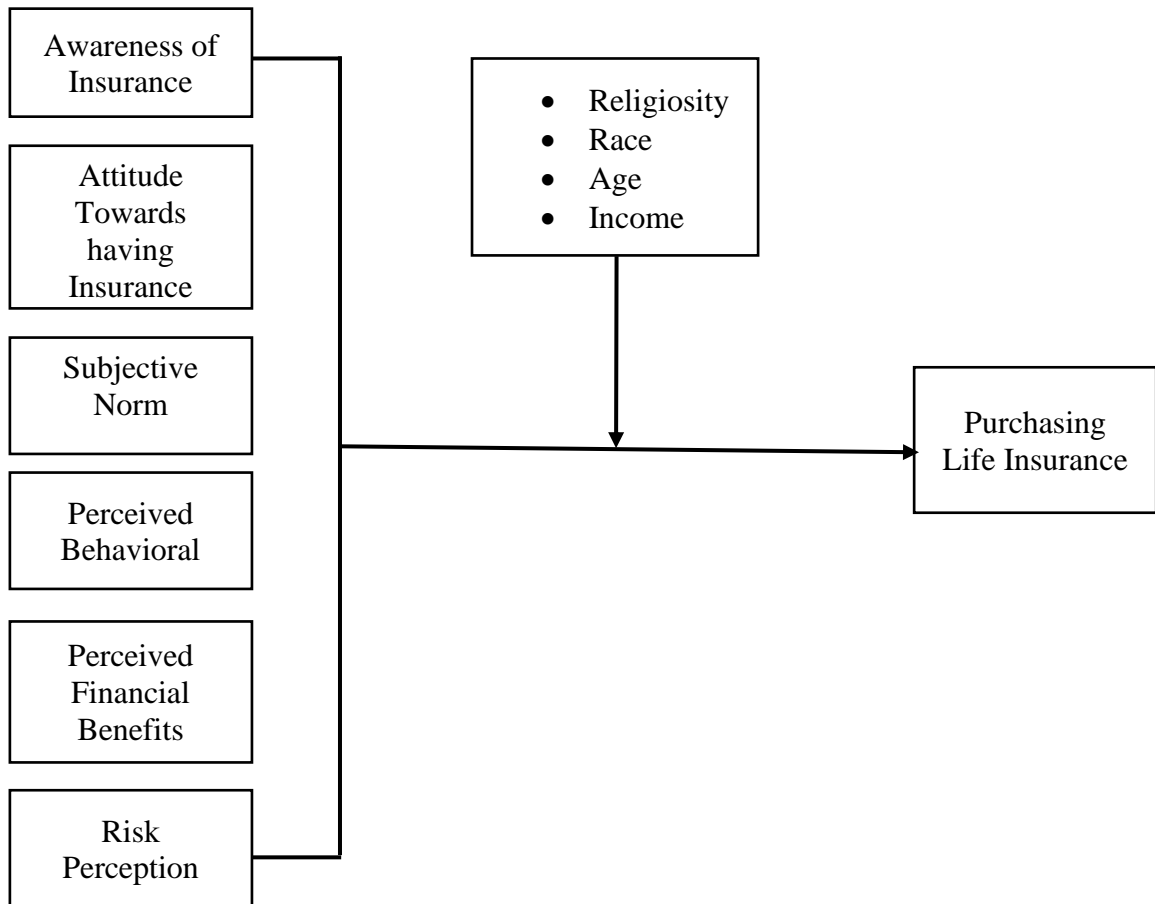
Source: Masud, Ismail, and Rahman (2020)

Masud et al. (2020) stated that the majority of Malaysians do not feel that having a life insurance policy or a family takaful insurance plan is important, despite this huge benefit offered by insurance. It is necessary to increase the individual's awareness of life insurance benefits to create a favorable attitude among the public, which can influence their purchase behavior.

According to previous studies above, explored the cultural factors, social, personal, psychology, financial, marketing mix, attitude, awareness affecting on consumers' purchase decision of products or services. To reach the purpose of the study, the following conceptual framework is derived from the previous studies and influencing factors were revealed in this study.

2.6 Conceptual Framework of the Study

The influencing factors on purchase life insurance decision are presented by Susanto, Lapian, and Tumbuan (2016) and Hei and Dastane (2017). Furthermore, the

income as a moderation factor was based on Masud, Ismail, and Rahman (2020) as shown in Figure (2.5).

In accordance with the main purpose, this study contains one dependent variable; namely, purchase decision of life insurance, connection with four influencing variables (independent variable); namely, social factor, insurance awareness, consumer attitude, and financial literacy. That is shown in conceptual framework which can be seen in the diagram (Figure 2.6).

Figure (2. 6) Conceptual Framework of the Study

Independent Variables   Dependent Variable
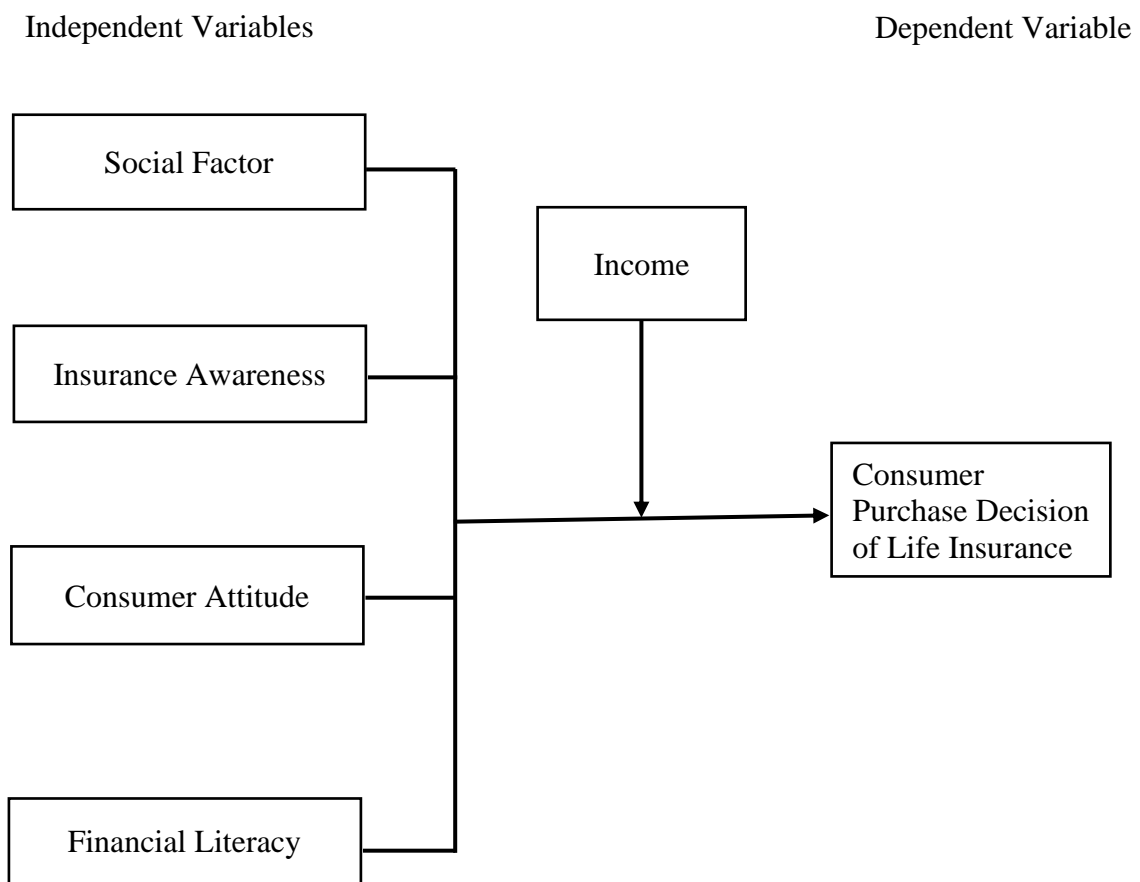
Source: Own Compilation, 2022

The conceptual framework uses Kotler's Black Box Model and human capital theory as a background theory and model of the study. According to Kotler's Black Box Model, buyer's mind is transformed purchase responses by internal influences which are attitudes, values, learning, motives, perception and lifestyle. And, based on Lamp's consumer buying decision model, consumer buying decision response is influenced by cultural factors, social factors, individual factors and psychological factors. This

framework used consumer attitude, social factors from black box model and Lamp's consumer buying decision and Sucanto (2016). Insurance awareness factor and moderating variable income are adapted from Masud (2020). Financial literacy is adapted from Hei and Dastance (2017) and Zakaria (2016).

In this study social factor is an independent factor that it was used to examine the effects of society on buying decision such as the influences of family, friends, colleagues and insurance agents. The variable of insurance awareness was used in the framework to investigate the understanding and knowledge about life insurance. Consumer feeling and beliefs in benefits of life insurance were analyzed as attitude variable. Besides the financial literacy effects on life insurance purchase decision were constructed in this study. These factors are related to consumer purchase decision and important for factors influencing consumer purchase decision of life insurance in Yangon as well. Therefore, the conceptual framework presents the relationship between the above-mentioned independent variables and the dependent variable for consumer purchase decision of life insurance in Yangon.

Working Definition:

Social: The influences of family, friends, colleagues, and insurance agents on purchase decision of life insurance were analyzed by the social factor in this study.

Awareness: The awareness was found out the knowledge of features, plan, benefits related to life insurance product.

Attitude: Attitude is studying the perception of life insurance coverages and the financial strength of life insurers.

Financial Literacy: Financial wellness was examined by the knowledge of financial planning associated with life insurance product.

Income: Personal income contains three income levels like below three hundred thousand kyats, between three hundred thousand and one million kyats, and above one million kyats.

CHAPTER III

MYANMA INSURANCE MARKET

This chapter introduces importance of insurance and insurance market in Myanmar. It contains life insurance market in which about stated-owned Myanma insurance, local life insurers, foreign life insurance companies and joint venture life insurance companies are described. The products offered by life insurers in Myanmar are categorized into types of insurance and the features of life insurance products are described in this chapter.

3.1 Importance of Insurance

The development economy depends upon the financial system. Insurance sector is one of the major players in this system. Insurance supports economic activities by generating huge cash flows required to promote economy growth and development (Hancock, Huber, & Koch-Medina, 2002).

Insurance is a means of protection from financial loss. It is a form of risk management, primarily used to hedge against the risk of a contingent or uncertain loss. Pooling of losses, payment of fortuitous losses, risk transfer and indemnification are basic characteristics of insurance (Balachandran, Nalkur, Thomas, Choubal, & Sharma, 2011). In addition, insurance works on the basis of the law of large numbers. Law of large numbers advocates that as the number of participants gets very large, the average outcome approaches (Banks, 2004). The amount of money paid by an individual or organization for insurance cover to an insurance company is called the premium. The choice of a specific type of insurance policy is made based on individual needs and life goals. An insurance policy is a written contract between the policyholder and the insurance company. Purchasing insurance is a risk transfer from an individual or entity to an insurance company.

According to Rejda and McNamara (2017), pooling is a system in which a large number of people purchase insurance as a group in order to lessen the cost of coverage. Pooling is the spreading of losses incurred by the few over the entire group, so that in the process, average loss is substituted for actual loss. Essentially, the members of the pool who are deemed low-risk compensate for the elevated cost of insuring those who are

high-risk. The law of large numbers can operate to provide a substantially accurate prediction of future losses.

3.2 Insurance Market in Myanmar

Insurance companies entered in to Burmese insurance business to underwrite life insurance for European after the first Anglo-Burmese war. The first insurance company doing business in Burma in 1845 were the Alliance Assurance Co.,Ltd and the Imperial Insurance Co.,Ltd. The Burma National Insurance Co.,Ltd, headed by Sir U Thwin as chairman conducted, life, fire, and motor insurance business.

Before second world war, about the year 1940, there were 110 insurance companies including two companies owned by Burmese national, doing business in Burma. In 1955, the third Myanmar company, called People Insurance Co.,Ltd headed by Dr. U Sein Ban as chairman was formed to conduct life, fire, and motor insurance.

With independence in 1948, the role of foreign firms started to decline quickly. In 1950, the Government involved in the insurance businesses by enacting Union of Insurance Board Law. After Burma National Insurance had been nationalized in accordance with the Insurance Company Nationalization Act, Union of Insurance Board was founded on March 1, 1952. Union of Insurance Board started to underwrite compulsory Government Service Personal Life Insurance and Military Personal Life Insurance on March 1, 1953. From the 1st July 1957, it directly underwrote the general insurance. Life Assurance (Prohibition) Act was enacted and other insurance companies were prohibited from underwriting life assurance except by Union Insurance Board (UIB) in 1959. It is proclaimed that the only Union of Insurance Board had to underwrite General Insurance.

In established People's Bank of the Union of Burma (PBUB) as the sole Bank after merging the banks in November 1969, the Union of Insurance Board was incorporated as an insurance department. After enacting Insurance Business Law of 1975 (Pyithu Hluttaw LawNo.10) Myanma Insurance Corporation stood as a separate corporation on April 1, 1976, and underwrote insurance business widely. 'Myanma Insurance Corporation' was named as 'Myanma Insurance' on April 1, 1989. The 1989 State-Owned Economic Enterprises Law made insurance officially a state monopoly.

Today insurance laws and regulations are getting lighter. In 1988, there was a chance to change in terms of political, economic, and social issues. The Insurance

Business law and the Insurance Business Rules were codified in 1996 and in 1997. Moreover, the Insurance Business Supervisory Board (IBSB), a body under the Ministry of Finance and Revenue was established under the 1996 law. However private insurance companies were not able to start for some reasons. Since 1952, the market was operated as the Uni-Polar Market by Myanma Insurance, then the government allowed 12 private insurance companies in 2012, and made them operational within six months and significant changes began. There was a strategy called "Changing Myanmar Insurance Market" behind changing from the 60-year-old Uni-Polar Market to the Multi-Polar Market (Aye Chan, 2019).

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 (Myanmar Insurance Associaton, 2020).

3.3 Life Insurers in Myanmar

The life insurance industry of Myanmar has 17 life insurance companies. Among the life insurance companies, Myanma Insurance is the only state-owned insurance company. There are 8 local life insurers, 3 joint ventured life insurance companies. In addition to this, there are 5 foreign life insurance companies in the life insurance segment. The following are the existing life insurance companies that are currently operating in Myanmar:

3.3.1 Myanma Insurance Enterprise (MIE)

Myanma insurance, the state-owned insurance company, was founded in 1952 and started as a life insurer but later it underwrites both life and non-life insurance. Currently it underwrites life assurance and general insurance. Its head office is situated at No. 627/635, Merchant Street, Yangon, Myanmar and it has 39 branch offices at cities and towns nationwide. MIE has huge reserve funds (Life Fund Kyats 26,130.91 MIO, General Fund Kyats 164,694.67 MIO, General Reserve Fund Kyats 15,388.48 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, Myanma Insurance is backed by the Government, which assumes all the liabilities of it under the Myanma Insurance Law. Therefore, Myanma Insurance is the insurer who will

never be liquidated. Myanma Insurance is also reputed as the insurer who will never run away from a legitimate claim and it has paid total of Kyats 4,788.25 million in claims in the last financial year (2018-2019). Myanma Insurance is using agency system extensively and from time-to-time new agents are recruited and trained. Since Myanma Insurance is a state-owned insurer, the laws require that all the foreign investors must buy insurances only from it (Myanma Insurance, 2022).

3.3.2 Local Private Life Insurance Companies

Market transition started with first round of licensing to private local companies in 2012. Minimum capital requirements have been set for private companies. Life insurers must have MMK 6 billion ($ 5.4 million) of paid-up capital, non-life MMK 40 billion ($ 36 million) and composite insurers MMK 46 billion ($ 41.4 million). Of that, 10% must be deposited at Myanmar Economic Bank and 30% must be used to buy government securities.

3.3.3 Wholly Foreign-Owned Life Insurance Companies

On April 5, 2019, in terms of 100% wholly-owned subsidiary of foreign life insurers, five foreign insurance companies are allowed to operate in Myanmar: AIA Myanamr Life Insurance, Chubb Life Insurance Myanmar, Dai-ichi Life Insurance Myanmar, Manulife Myanmar Life Insurance, and Prudential Myanmar Life Insurance. Entry of foreign insurance companies is likely to lead to a higher competition and accelerated development of the local market.

3.3.4 Life Insurance Joint Ventures

Life insurance business licenses have been awarded to three foreign-Myanmar joint ventures on July 31, 2019, between Capital Life Insurance and Taiyo Life Insurance Company, between Citizen Business Insurance and Thai Life Insurance, and between Grand Guardian Life Insurance Company and Nippon Life Insurance. For either life or non-life insurance joint ventures, it may be possible to have further joint ventures, with the foreign equity being limited to 35%.

3.4 Products Offered by Life Insurance Companies

Life insurance company in Myanmar protects families financially and facilitates life insurance. There are five categories of insurance products offered by life insurers: term life insurance coverage, saving plans, credit life insurance, health insurance, and

travel insurance. The insurance products are available in the life insurance market in Myanmar. These products are as follows:

3.4.1 Term Life Insurance Plan

With term life the benefit is payable only if the insured dies during a specified period. It is also called protecting plan. No benefit is payable if the insured is alive at the end of that period. Term life is relatively simple to price and manage the risk. Although term life is less expensive than other types of life insurance, low-income households may feel they have wasted limited resources by paying premiums if they do not receive any benefits.

Group Life Insurance

Group life insurance is a type of life insurance in which a single contract covers an entire group of people. There must be at least 5 members/employees in one group, age must be between 18 and 65. This insurance is to provide financial protection to employees for death and body injury due to accident. The minimum sum insured is Ks 10,000 and the maximum sum insured is Kyat 50 million. The policy term is 1 year. Premium rate is 1% of the sum insured that is paid in one single payment.

Personal Accident Insurance

Personal accident insurance is designated to provide financial supports for injury, disablement and death resulting from accidental bodily injury caused by external visible means. Every healthy person, aged from16 to 65 years are eligible for this kind of insurance policy for three, six and 12-month term. The sum insured is from 500,000 Kyats to Kyat 20 million. Premium rate is calculated as 0.7% of the sum insured for one year or 1% of the sum insured is for risky occupations.

Snake Bite Insurance

Snake bit life insurance provides compensation for injury and death due to snake bite. Every person can be insured. The sum insured is 500,000 Kyats per unit and it costs 500 Kyats for one-year insurance period. Maximum 10 units can be purchased. The sum insured amount will be paid to their beneficiary if the insured dies due to snake bite. This insurance plan covers for death, injury, and hospital cash caused by snake bite.

Farmers Life Insurance

Farmers insurance policy is designated to reduce financial losses of farmers in the event of an unexpected and accidental death. The policy is available to people between the ages of 16 and 60 with healthy. It offers coverage between MMK 100,000 and 5

million kyats, over one year. The premium rate is 1% of sum insured. Farmer's life policy has a death benefit and covers for total permanent disability, injury, and hospitalization.

Sportsman Life Insurance

Sportsman personal accident insurance intends to compensate for injury and death sustained by sportsman while being engaged in training and sports competition. It is also called athletes life insurance. This plan is eligible for sportsman life insurance at age 10 to 60 years. The maximum insurance benefit is one million kyats per unit and it costs 5,000 Kyats. Up to 5 units can be purchased.

Public Term Life Insurance

Public term life insurance has the purpose to provide coverage for remaining family members when breadwinner dies becomes permanently disabled or gets injured. Public term life insurance policy offers coverage starting from 100,000 Kyats to 20 million Kyats, over one-year period. Applicants need to be between the ages of 18 and 75 can qualify for coverage. Its premium rate depends on age and sum insured. This policy also has coverage for a death benefit, total permanent disability, and injury, and applicants are required to take a medical checkup, depending on the insured's age and amount of sum insured.

3.4.2 Saving Plan

Savings plans are life insurance plans, which offer a different opportunity to the individual to save and accumulate a fund for the future. not only cover the individual's life in case of an unfortunate event, but also offer a maturity benefit at the end of the term. After a specific period of time- called 'maturity'- the sum assured along with bonuses that the life insurance provider pays when the life insured survives the policy tenure. Thus, maturity benefits turn regular life insurance products into saving instruments. The insurance company will pay this sum assured to the life insurance policy holder's nominees in case of holder's death or to the holder himself on a fixed date in the future.

Short Term Endowment Life Insurance

The purpose is to get life insurance cover and habits of saving money and to get financial supporting when unexpected cases. Age limitation is from 10 to 60 years old. Wife to husband as vice versa and parents to their children can be insured. Parents can be insured on behalf of their children who are not getting 18 years old. The insurance is offered in 5 years, 7 years, and 10 years term depends on the insured's age. The sum insured is minimum Ks 1,000,000 to maximum Ks 50,000,000. Premium rate can be

calculated according to insurance term, the insured's age and sum insured. Premium can be paid in monthly, quarterly, biannually or annual installment. Need to have a medical check-up as sum insured or insured's age.

Student Life Insurance

Student life insurance provides financial support to the children's education. Parents can plan for their child's future with student life insurance to accomplish the educational goals. It is also a type of an endowment policy which protects children in the event of the parent's (policyholder) death or total permanent disability. Parents can buy student life policy for their child when parents are between the age of 18 and 55 years. The age of the children between 1 year and 12 years old can take this policy, over the policy term 8 years to maximum 19 years. The sum insured is minimum MMK 1 million to maximum 100 million kyats. The premium amount is based on child's age, sum insured amount and policy term. Education benefits will be received the full value of the sum insured over four equal installments (25% of sum insured per each) beginning from the child's 17th birthday. This student life insurance plan offers education benefits, death benefits, total permanent disability, premium waiver, paid up value, surrender value, and loan.

Education Life Insurance

Educational plan is designed to take care of the children's educational needs. This policy is one of the saving types and there are two kinds of product features such basic benefit plan and double benefit plan. The life insured's age requirements are available between ages 18 to 56. The length of coverage is 9 years, 11 years, and 14 years with premiums payable for 5 years, 7 years, and 10 years, respectively. In the basic education life plan, the beneficiary will receive 20% of the sum insured each year starting at the end of premium payment period for 5 years. In the double benefit, the beneficiary will also receive 100% of the sum insured if the life insured becomes permanent disabled or pass away.

Single Premium Endowment Life Insurance

Single premium endowment insurance plan intends to save money for a period of time and provides financial assistance in the unfortunate event where premature death occurs. This policy is one-time payment of premium for the entire term. There are 3 types of policy term with three, four or five years to fit savings timeline and goals. The premium is paid from as low as 71% of sum insured for the five-year term option. A maturity benefit of 100% of sum insured will be paid at the end of the policy term. A

death benefit of 100% of sum insured will be paid to beneficiaries in the unfortunate event where premature death occurs Any Myanmar citizen or foreigner with legally valid residency status in Myanmar, age 18 to 60 years old, are eligible to purchase this product.

Smart Saving 5/2 Life Insurance

Smart savings 5/2 Life Insurance aims to provide financial security and better saving habits. The policy term is 5 years with premium payables for 2 years (from policy commencement date). The policy can be bought between the age of 5 years and 65 years. Sum insured is minimum 3,000,000 Kyats to maximum US$ 15,000 (equivalent to Myanmar Currency). This insurance plan has a guaranteed issued offering (GIO) benefit and accidental death benefit (ADB) rider.

Army Life Insurance

Army personal life insurance provides to all military members. Insurable age is between the age of 18 years and 55 years. The amount of insurance coverage is from minimum 100,000 kyats to maximum 30 million kyats. The policy period is 5 years, 10 years, and 15 years. Death and Total Permanent Disability benefits are covered within the insurance period and the insured can get the total sum insured amount. Other benefits are maturity, loan, surrender value, paid-up value and discount value.

3.4.3 Credit Life Insurance

Credit life insurance is life insurance linked to a loan. In its most basic form, the benefit or sum insured is the outstanding balance of the loan and the beneficiary is the lender. Many credit life programs require life insurance from borrowers. For the most part, credit life does not offer much benefit to clients; rather, it really protects the lender.

Short Term Single Premium Credit Life Insurance

Short term single premium credit life insurance provides to pay off borrower's debt if that borrower dies before the loan is fully paid back to the banks, financial institutions. Age limit for insured is between the age of 18 years old and 64 years old. The insurance term is only 1 year to 2 years. The sum assured of credit life policy is from 100,000 kyats to 100 million kyats. Decreasing term life insurance and fixed term life insurance are offered by this insurance policy. Payment of premium must be made lump sum. The single payment premium for this insurance is calculated based on sum insurance amount, insurance term and insured's age. The benefits of short-term credit life policy are death and total permanent disability.

Single Premium Credit Life Insurance

Single premium credit life insurance is a type of life insurance policy designed to provide insurance coverage for loan takers who are at the risk of loan default due to death or total permanent disability. The insured person must be a minimum of 18 years old, and no more than 60 years old. The sum insured of this plan is from 1 million to 300 million kyats through policy term of 1 year to 15 years. The credit life insurance beneficiary is a bank or microfinance or lending institutions.

3.4.4 Health

Health insurance is in big demand because health risks occur frequently and costs can be catastrophic. Health problems cause expenses for treatment but also result in the loss of income due to reduced productivity. The benefit of having health insurance is that people do not have to delay care because they cannot pay, which in turn can reduce the loss of income and lead to better health outcomes. If subsidies are not available, to make the coverage affordable to the poor, benefits are often rationed to a limited range of treatments. The effectiveness of health insurance is highly dependent on the health care system and the availability of quality services, whether public or private (Ledgerwood, Earne, & Nelson, 2013).

Micro Health Insurance

Micro health insurance (MHI) provides financial risk protection to low-income household for health coverage in case of sickness or accident. It is similar to health insurance. The limit for insured age is from 6 years to 75 years old. This is a type of term insurance policy, over 1 year. This simple policy covers hospitalization due to disease or accident as well as death due to accident. MHI plans offers payouts of 5,000 MMK per day for hospitalization (maximum 60 days) and 500,000 MMK for death due to accident. It usually has a range of premium amount between 5,000 kyats and 13,000 kyats based on an applicant's age.

Health Insurance

The purpose of health insurance is to save the cost of hospitalization by buying health insurance up to a certain level and intend to the installment system for the payment of premium rate and loss of premium before. Health insurance covers every person between the age of 6 and 75 years who is in good health. The basic unit can be purchased separately for hospital cash and the optional insurance coverages (surgical operation/ miscarriage/ outpatient treatment) can be purchased as minimum 1 unit to maximum 25 units. The policy term is 1 year and premium can be paid in monthly, quarterly,

biannually and lump sum for group and biannually and lump sum for individual. The maximum death benefit is 25 million kyats.

Critical Illness Insurance

Critical illness (CI) coverage, is essentially a life insurance policy that pays benefits early, that is, before the person dies, if the policyholder is diagnosed with a specified critical or terminal illness. CI insurance covers 10 major critical illnesses including cancer, heart attack, stroke, renal failure, severe burns, coma and major organ transplants. The policy can be bought between the age of 6 years and 60 years. The sum insured is 1 million kyats for one unit, up to 10 units can be purchased. This plan is valid for 1 year. CI plan at a young age (6-30) offers 8,800 kyats per unit with lower premiums.

3.4.5 Travel

Travel insurance is an insurance product for covering unforeseen losses incurred while travelling, either internationally or domestically. Basic policies generally only cover emergency medical expenses while overseas, while comprehensive policies typically include coverage for trip cancellation, lost luggage, flight delays, public liability, and other expenses.

Special Travel Insurance

Special travel insurance is a kind of traveler insurance in Myanmar for passengers who travel on highway road by private cars, express or hired vehicle. Travelers who buy travel insurance from the beginning to the end can be protected from death, permanent disability and getting injuries by vehicle accident. Anyone can buy travel insurance ticket up to 2 units and it costs 300 kyats per unit. The amount of the death benefit is a single payment of MMK 3 million for a unit. The insurance company collaborates with the highway bus express lines to sell special travel insurance.

Domestic/ International Travel Insurance

Travel insurance is coverage designed to protect against risks and financial losses due to accident while travelling abroad or domestic and single trip for vehicle routes transportation (under 100 miles & above 100 Miles). The policy term is from minimum 1-day-trip to maximum 3 months for inbound/ outbound tour. The sum insured is MMK 500,000 for 1 unit, up to 20 units can be bought. Travel insurance plan is available to travelers likely range in one-unit price from MMK 100 to MMK 500, depending on journey.

CHAPTER IV

ANALYSIS OF FACTORS AFFECTING CONSUMER PURCHASE DECISION ON LIFE INSURANCE PRODUCT

This chapter of the study is dedicated to the interpretation of results that were gathered from the questionnaire. It contains research design, respondents' profile in this research, analytical methods and tools used in this research, and multiple linear regressions. Moreover, 400 respondents who bought life insurance plan are selected and given structured questionnaires.

4.1 Research Design

There are three main types of designs in this research: variables in the research study, the simple random sampling method, and descriptive statistics for data analysis. A proper research design provides success in accomplishing and insights that are accurate and unbiased (QuestionPro, 2022).

This study analyzes the affecting factors on purchase decision of life insurance. Five-point Likert scale is used in the survey questionnaire for measuring the strength of a respondent's opinion. In structured questionnaire contains three parts; Part A is respondent's profile; part B is life insurance experience of respondents in purchase decision and part C is influencing factors on purchase decision measured with five Likert scale survey question, which are given numerical values ranging from strongly disagree to strongly agree (raring are on 5-pont scale; strongly disagree $= 1$, disagree $= 2$, neutral $= 3$, agree $= 4$, and strongly agree $= 5$).

Based on samples of the life insurance policies in FY 2021-2022, the population size was 617524 (Myanmar Insurance Industry, 2022). The sample size was calculated by using the Taro Yamane Formula as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = the sample size

N = the population size

e = the acceptable sampling error/ level of precision (95% confidence level

and p = 0.5 are assumed)

Substitute number in formula:

$$n = \frac{617524}{1 + 617524 * (0.5)^2}$$

$$n = 400$$

After calculated the sample size by substituting the numbers into the Yamane formula, the numbers of sample are 399.997409 persons. The sample size has increased to 400 persons in order to obtain reliable of data.

In a sampling technique, each member of a population has an equal chance of being chosen, through the use of an unbiased selection method (Simkus, 2022). As a sampling technique, the random sampling method was used in this study to minimize any biased representation. This study analyzed 400 respondents who are life insurance policyholders. In collecting data process, respondents were given by using google survey questionnaire to get primary data.

The descriptive statistics was applied by using SPSS Version 25 to determine measures of culture factor, insurance awareness, customer attitude, financial literacy and purchase decision. And the multiple regression model is utilized to explore the role of demographic factor as moderator between factors affecting and purchase decision of life insurance product.

4.2 Demographic Profile of Respondents

The initial phase of analysis is to determine the characteristics of the respondents involved in the study. A demographic characteristic of the respondents is developed in terms of background information of the personal characteristics relating to consumer purchase decision. Firstly, 400 respondents' profile including general information of the life insurance policyholders such as gender, age, income, education, occupation, marital status, religion, and household size are identified. Each characteristic has been analyzed in terms of absolute value and percentage, and the summary table of demographic characteristics is used to display these data more clearly. Table (4.1) indicates the summary table of demographic characteristics of respondents.

For gender, out of the 400 respondents, 46.75% are male and 53.25 are female. In the age group, most of the respondents were aged between 26 and 50 years. In addition, 305 (76%) respondents have monthly income around 300,000 – 1,000,000 Kyat, 78 (20%) respondents earn above 1,000,000 Kyat, while only 17 (4%) out of 400 respondents earn less than 300,000 Kyat.

Table (4.1) Demographic Characteristics of Respondents

Items	Number of Respondents	Percentage
Total	**400**	**100**
Gender		
Male	187	46.75
Female	213	53.25
Age (Years)		
18 – 25	41	10.25
26 – 35	211	52.75
36 – 50	132	33.00
> 50	16	4.00
Income (in Kyat)		
< 300,000	17	4.25
300,000 – 1,000,000	305	76.25
> 1,000,000	78	19.50
Education		
Master	78	19.50
Graduated	263	65.75
Diploma	21	5.25
Undergraduate	38	9.5
Occupation		
Business Owner	51	12.75
Company Staff	316	79.00
NGO/ INGO	7	1.75
Freelance	21	5.25
Government Staff	5	1.25
Marital Status		
Married	154	38.50
Single	227	56.75
Separated	7	1.75
Widowed	8	2.00
Prefer not to says	4	1.00

Religion		
Christianity	4	1.00
Buddhism	390	97.50
Islam	3	0.75
Atheism	3	0.75
Household Size		
1 – 3 People	7	1.75
3 - 5 People	80	20.00
Above 5 People	313	78.25

Source: Survey Data, 2022

Data from the above table, the education level is categorized into three groups; master, graduate, and other. Majority of respondents are graduated person (65.75%). Among the total respondents, 79 percent are company employees with highest percentage in buying life insurance.

Respondents were also asked to indicate their respective marital status. Among them, 227 respondents representing 56.75% were singles, 154 respondents representing 38.50% were married, while the remaining 19 respondents representing 4.75% were other types of marital status.

As a result of survey data 97.50% representing 390 respondents were Buddhists, 1.00% representing 4 were Christians while 6 (1.50%) were other religion. Almost are Buddhism. In terms of the number of people in a household, 78.25% of the respondents more than five household members in their family.

Experience of Respondents in Purchase Decision

Table (4.2) shows the experience of respondents in life insurance purchase decision. In this study, the majority of respondents (85.75 percent) have positive attitude towards life insurance product. More than half of the respondent (56.75 percent) purchased protection life insurance plan only.

Table (4. 2) Experience of Respondents in Purchase Decision

Items	Number of Respondents	Percentage
Total	**400**	**100**
Perception on attitude towards life insurance product:		
Neutral	6	1.50
Somewhat negative	6	1.50
Somewhat positive	45	11.25
Positive	343	85.75
Buying life insurance plan:		
Protection and saving plan	173	43.25
Protection plan	227	56.75
Experience in buying life insurance:		
Less than 1 year	181	45.25
More than 1 year	67	16.75
More than 2 years	47	11.75
More than 3 years	105	26.25
Feeling in the insurance premium for life insurance:		
Expensive	39	9.75
Reasonable	361	90.25
Satisfaction with life insurance policy in current insurance company:		
Satisfied	373	93.25
Dissatisfied	27	6.75
Desire to purchase life insurance for family members:		
Will buy	354	88.50
Will not buy	46	11.50

Source: Survey Data, 2022

Survey result also showed that nearly half of the respondents (45.25 percent) had less than 1-year experience of buying life insurance. Respondents with experience in purchase decision stated that the life insurance premium is reasonable (90.25 percent). The majority of respondents (93.25 percent) stated that they are satisfied with current life insurance policy. Further, respondents (88.5 percent) have desire to purchase life insurance for their family members.

4.3 Validity and Reliability Test

The reliability of a measure is established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set, Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekaran & Bougie, 2009). The range of coefficient of Cronbach's alpha and its reliability level is as shown in Table (4.3).

Table (4.3) Rule about Cronbach's Coefficient Alpha

No.	Coefficient of Cronbach's Alpha	Reliability Level
1	More than 0.9	Excellent
2	0.80 – 0.89	Good
3	0.70 – 0.79	Acceptable
4	0.60 – 0.69	Questionable
5	0.50 – 0.59	Poor
6	Less than 0.59	Unacceptable

Source: Sekaran and Bougie (2009)

Result Table (4.4) shows that the validity test of all variables, social factors, insurance awareness, consumer attitude, financial literacy, and consumer purchase decision are reliable. The questions in the questionnaire that associated with the different factors that influence consumer purchase decision on life insurance products have the reliability at the level of $\alpha = .70$ above. The alpha coefficient for all variables between .743 and .877, suggesting that the items have relatively high internal consistency then the questionnaire is acceptable.

Based on the mean values of items, the respondents basically agree the four factors of influencing consumer behavior. Each factor contains different number of items and is measured by 5-point Linkert scale. In each of the following factors, social, awareness, and attitude are 6 items and financial literacy is 5 items respectively. Moreover, consumer purchase decision is 8 items in the survey questionnaire.

Table (4.4) Cronbach's Alpha and KMO Test

No.	Factors	Number of Items	Cronbach's Alpha	Validity KMO
1	Social Factor	6	.813	.815
2	Insurance Awareness	6	.824	.789
3	Consumer Attitude	6	.851	.796
4	Financial Literacy	5	.743	.706
5	Purchase Decision	8	.877	.886

Source: SPSS Outputs, 2022

The reliability test of all variables in two different tests: the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of Sphericity (Appendix C). The KMO measure values of all questionnaire statements are checked; since the KMO values of all statements enter into the interval .5 ~ 1, none of the statements is eliminated from the analysis. The general KMO measure of sampling adequacy, counted as the mean of KMO of all statements, in this case, all KMO values are above .7 (Table 4.4); this shows a rather high data dispersion which can be explained by the factors. The KMO measure can take values from .5 to 1; the closer this measure is to 1, then the higher the sampling adequacy is in the relation of data.

4.4 Factors Affecting on Life Insurance Purchase Decision

Factors considered by life insurance policyholders are measured by social factor with six items (statements), insurance awareness with six items (statements), consumer attitude with six items (statements), and financial literacy with five items (statements).

Social Factor

In this study, social factor of life insurance in buying decision include six items. According to 5-point Linkert type scale with respect to social factor, the result of mean values is as shown in table below.

Table (4.5) Social Factor

No.	Items	Mean	Std. Deviation
1	Society affects buying decision of life insurance.	3.35	.866
2	Family's advice influences me when buying life insurance to make decision.	3.28	.884
3	Friends, colleagues, and neighbors' advice influence me to buy life insurance.	3.20	.914
4	The insurance agent's recommendations influence me to buy life insurance.	3.72	.942
5	Information related to life insurance from social media such as Facebook influences decision making.	3.67	.971
6	Buying life insurance is influenced by religion.	3.79	.879
Overall Mean		**3.50**	

Source: SPSS Outputs, 2022

Result from Table (4.5) indicates the high agreement level of mean values (3.79, 3.72, and 3.67) are religion, agent's recommendations, and social media which influence life insurance purchase decision. The score of friend, colleagues, and neighbor's advices are 3.20 and family's advice is 3.28 that these are uncertain level of influences to buy life insurance. According to overall mean 3.50, the effect of society is moderate in buying decision of life insurance.

Insurance Awareness

Insurance awareness factor in buying decision of life insurance contains six items. The values of mean are measured by 5-point Linkert scale as follows:

Table (4.6) Insurance Awareness

No.	Items	Mean	Std. Deviation
1	Life insurance covers perils of human being.	3.81	.840
2	Life insurance will protect family's financial future.	3.95	.955
3	If your family or someone depends on you, life insurance has been needed.	4.04	.947
4	I know the between the different schemes such as "Term Plan" and "Endowment Plan/ Saving".	3.73	.944
5	Endowment life insurance plan provides both death/ permanent disabilities and survival benefits.	3.97	.891
6	Life insurance is an expression of love and caring.	3.96	.911
Overall Mean		**3.91**	

Source: SPSS Outputs, 2022

Based on above table (4.6), the mean values of following six statements are greater than 3.41 (range level 3.41 – 4.20). Thus, all of statements are high response upon questionnaire. The fundamental knowledge about life insurance is required to buy life insurance plan. Respondents highly agree with the mean value (4.04) in this awareness factor that buying life insurance plan depends upon a dependent family member.

Consumer Attitude

In this study, there are six items regarding consumer attitude factor when buying life insurance. The survey was conducted by the questionnaire to find out means value shown in Table (4.7).

Table (4.7) Consumer Attitude

No.	Items	Mean	Std. Deviation
1	When buying life insurance, policy documents are clear and easy to understand.	3.59	.846
2	The insurance coverage and benefits offered by the insurance company is very important when deciding to buy life insurance.	4.28	.895
3	An insurance company's financial strength is important to attract customers.	4.26	.969
4	Life insurance is good for saving for retirement and children's education.	3.84	.893
5	Life insurance is a good tax-saving scheme.	3.80	.965
6	I feel life insurance is a good investment option compared to other options.	3.59	.976
Overall Mean		**3.89**	

Source: SPSS Outputs, 2022

According to Table (4.7), the insurance coverage and benefits of life insurance product and the financial strength of an insurance company are very important when deciding to buy life insurance through the very high level of mean value 4.28 and 4.26 (level range 4.21 – 5.00). Ease to learn policy wording and attitude toward nature of life insurance are also required to make buying decision as well (between the mean value 3.41 and 4.20).

Financial Literacy

In this survey, five items are included regarding financial literacy questionnaire that are phrased positively and negatively. Therefore, negatively worded statement (item no. 5; "I think life insurance means wasting of money.") be converted to positively worded statement to obtain mean value. The results are as follow:

Table (4.8) Financial Literacy

No.	Items	Mean	Std. Deviation
1	I fully understand the life insurance plan.	3.87	.912
2	I think life insurance best satisfies my financial needs.	3.55	.919
3	I know about other financial products that might satisfy my financial needs.	3.67	.879
4	I understand the financial phrases and symbols of life insurance plan.	3.73	.895
5	I think life insurance is not waste of money.	4.44	.897
Overall Mean		**3.85**	

Source: SPSS Outputs, 2022

Based on the Table (4.8), the mean value 4.44 is strongly agree by respondents that buying life insurance is not wasting of money. The other statements are high level response in which these are between the mean value 3.41 and 4.20, it means the understating of own financial needs, plan, and phrases and symbols are required when making purchase decision of life insurance.

Table (4.9) Mean and Standard Deviation of Variables

Factor	Mean	Std. Deviation
Social Factor	3.50	.909
Insurance Awareness	3.91	.915
Consumer Attitude	3.89	.924
Financial Literacy	3.85	.900

Source: SPSS Outputs, 2022

According to Table (4.9), all of these factors are measured by using rating system, therefore the respondents can choose from a range of possible responses to the statements so that to show their attitudes, opinions, or perceptions. All of the means value high level of perception toward a specific variable (range 3.41 – 4.20). Among them, consumers have the highest consumer perception on insurance awareness with mean score 3.91. Meanwhile, the mean value (3.50) of social factor is smaller than others variables.

4.5 Life Insurance Purchase Decision

Consumer purchase decision consists of eight items. In relation to 5-point Linkert scale, almost all measured variables indicate high-level results. The mean values are shown as shown in Table (4.10).

Among items the highest mean values are 4.15 and 4.08 that means buying life insurance depends upon the financial situation and is for financial protection. Buyer's feeling, advice from insurance agents and salesperson, gathering information are related to purchase decision of life insurance.

Table (4.10) Consumer Purchase Decision

No.	Items	Mean	Std. Deviation
1	I need to buy life insurance to protect financially in case of an unfortunate event.	4.15	.834
2	When buying life insurance, I consult with my family, friends, and colleagues.	3.26	.745
3	When buying life insurance, I take advice from insurance agents and salespeople of the insurance company.	3.80	.895
4	When buying life insurance, I get the information about it from the advertisements, social media, and company website.	3.91	.905
5	I feel that life insurance is to minimize financial loss from unexpected events.	3.96	.818
6	I would like to buy life insurance based on my financial position.	4.08	.782
7	I will definitely continue to keep the policy in subsequent year.	3.91	.895
8	I will probably suggest my friends and coworkers to buy life insurance.	3.93	.882
Overall Mean		**3.88**	

Source: SPSS Outputs, 2022

According to Table (4.10), consumers have intention to continue to keep current policy in subsequent year with respect of mean value 3.91 and they are willing to suggest friends and coworkers to by life insurance as well. The smallest mean value 3.26 is moderate level. It means that consumers uncertainly consult with their family, friends, and colleagues when buying life insurance.

4.6 Effect of Influencing Factors on Life Insurance Purchase Decision

Multiple regression analysis was performed to reveal the relationship between the independent variables (social factor, insurance awareness, consumer attitude, and financial literacy) and dependent variable (purchase decision). The results of the multiple regression are illustrated in the following Table (4.10).

Table (4.11) The Effect of Influencing Factors on Purchase Decision

Dependent Variable: Purchase Decision	Unstandardized Coefficients		Standardized Coefficients ß	t	Sig.	VIF
	B	Std. Error				
(Constant)	.280	.118		2.374	.018	
Social Factor	.255***	.027	.285	9.466	.000	1.527
Insurance Awareness	.274***	.043	.279	6.374	.000	3.217
Consumer Attitude	.443***	.037	.463	11.916	.000	2.540
Financial Literacy	-.025	.044	-.021	-.580	.562	2.219
R Square	.765					
Adjusted R Square	.762					
F Value	321.092***					
Statistically significant indicate *** at 1%, ** at 5%, and * at 10% level						

Source: SPSS Outputs, 2022

The result in Table (4.11) indicates that the relationship between influencing factors (social, awareness, attitude and financial literacy) and purchase decision, consumer purchase decision is analyzed with the multiple regression. In this table, the value of F is 321.092 and significant. The significant level is at 1% (p-value= 0.000). The multicollinearity statistics were measured by using variance inflation factors (VIF) and multicollinearity does not exist among independent variables in this study because VIF values are less than 10.

The coefficient of determination indicates that the variation of affecting factors is predicted by four independent variables as the value of R^2 is 76.5 %. In the regression analysis shown in Table (4.11), three variables; social, awareness, and attitude have a significant and positive effect on purchase decision. However, financial literacy has not significant level, it not effects on purchase decision. It can be said that consumers are not aware of the financial planning on buying life insurance. Therefore, in this study regression analysis revealed that financial literacy is not associated with consumer purchase decision. Based on the results, consumer buying decision of life insurance is affected by the social factor, insurance awareness, and consumer attitude. Among these factors, consumer attitude is the most influencing factor on buying decision of life

insurance product. And the second influencing variable on life insurance purchase decision is social and the third is insurance awareness respectively.

4.7 Moderating Effect of Income

        The moderating effect of income is analyzed by using SPSS multiple regression and the results are presented in Table (4.12). In order to validate whether personal income acts as an interacting variable in linking the influencing factors and purchase decision, a multiple regression analysis is necessary. To verify the possible moderating effect on purchase decision, moderating variable (income) was analyzed by using multiple regression. (Appendix C)

        Table (4.12) summarizes the results of the moderating effect of income on the relationship between influencing factors (social factor, insurance awareness, consumer attitude, and financial literacy) and consumer purchase decision. Model 1 in the table reflects the direct relationship between influencing factors and consumer purchase decision. Model 2 signifies the extent of additional variance explained when the moderator is included in the regression model. Meanwhile, model 3 highlights the interaction of the moderator variable with the independent variables and their relationship with the dependent variable.

Moderating Effect of Income on Purchase Decision

        According to the results, influencing factors are positively correlated of purchase decision and income is correlated to purchase decision. The moderating effect of income on the relationship between influencing factors and purchase decision are shown in Table (4.12).

        The result in Table (4.12) shows that with the inclusion of the moderation effect of income in the relationship between influencing factors (social factor, insurance awareness, consumer attitude, and financial literacy) and purchase decision of life insurance. From the findings, Model 1 explains 76.5% of the variance. Model 2 explains 77.5% of variance and additionally 1% higher than variance in the Model 1. Model 3 explains 78.6% of the variance, also 1.1% increment in the variance explained.

Table (4.12) Moderation Effect of Income on the Relationship Between Influencing Factors and Purchase Decision

Dependent Variable: Purchase Decision	Model 1				Model 2				Model 3			
	B	SE	t	Sig	B	SE	t	Sig	B	SE	t	Sig
(Constant)	.280	.118	2.374	.018	.372	.118	3.157	.002	.478	.135	3.553	.000
SF	.255***	.027	9.466	.000	.266***	.027	9.936	.000	.247***	.054	4.622	.000
IA	.274***	.043	6.374	.000	.255***	.043	5.988	.000	.195***	.075	2.599	.010
CA	.443***	.037	11.916	.000	.397***	.038	10.382	.000	.658***	.078	8.441	.000
FL	-.025	.044	-.580	.562	.016	.044	.358	.721	-.113	.089	-1.266	.206
Inc 1 (<300 K)					.370***	.091	4.062	.000	.501**	.259	1.937	.053
Inc 2 (300 K – 1,000 K)					.328***	.082	4.021	.000	3.291***	.205	16.044	.000
Inc 3 (>1,000 K)					.072*	.045	1.608	.109	-.356	.263	-1.350	.178
Inc 1 * SF									.419**	.200	2.096	.037
Inc 1 * IA									.000	.053	-.004	.997
Inc 1 * CA									.551*	.297	1.853	.065
Inc 1 * FL									-1.029	.418	-2.460	.114
Inc 2 * SF									.259***	.056	4.600	.000
Inc 2 * IA									.045	.091	.493	.623
Inc 2 * CA									.198***	.075	2.651	.008
Inc 2 * FL									-.291	.075	-3.857	.180
Inc 3 * SF									-.102	.064	-1.592	.112
Inc 3 * IA									.015	.259	.059	.953
Inc 3 * CA									.202	.118	1.707	.189
Inc 3 * FL									-.060	.114	-.531	.595
R²	.765				.775				.786			
ΔR²	.762				.771				.780			
F Value	321.092***				225.230***				142.836***			
Statistically significant indicate *** at 1%, ** at 5%, and * at 10% level												

Source: SPSS Outputs, 2022

With reference to the moderating effect of income on the relationship between influencing factors and consumer purchase decision, the results can be seen in the Model 3 that highlights the interaction of the moderator variable with the independent variables (social factor, insurance awareness, consumer attitude, and financial literacy) and their relationship with the dependent variable. Pertaining to the moderating effect of income one and two (Inc1 and Inc 2) on the relationship between social factor, insurance awareness, consumer attitude, financial literacy and consumer purchase decision, Model 3 signifies that the interaction between income level one and two are significant with social factor and consumer attitude to consumer purchase decision of life insurance product.

Table (4.12) revealed that the other income level (Inc3) of respondents has no moderation effect on the relationship between influencing factors (social, awareness, attitude, and financial literacy) and consumer purchase decision after adding the interaction terms of any moderating variable to the regression models. Therefore, it can be concluded that only income level 1 and 2 significantly moderates the relationship between influencing factors (social factors and consumer attitude) and purchase decision whereas the other level of income does not significantly moderate the relationship between the influencing factors in this study and life insurance purchase decision.

CHAPTER V

CONCLUSION

This conclusion section presents summary of the study, finding and discussion drawn from the results of data analysis regarding the factors affecting consumer purchase decision on life insurance product. Then, the recommendation section presents the suggestion and the needs for further studies.

5.1 Findings and Discussions

The aim of this study is to analyze the related factors of consumer purchase decision on life insurance product with social factors, insurance awareness, consumer attitude, and financial literacy and analyze the moderating effect of income between the following factors and purchase decision of life insurance product. This section of the study will present relevant findings that were revealed throughout the results of data. The research results obtained from the questionnaires with five-point Likert scale items to collect the primary data and questionnaire was based on previous literature.

This study selected from 400 respondents who are from Yangon City and have the experience of buying in life insurance. In this study, majority of respondents have positively attitude towards life insurance. They wish to purchase life insurance for their family member and are satisfied with current life insurance policy. Among the respondents, the gender was represented closely equal proportion of man and woman. The result reveal that the most life insurance policyholders are at the middle ages and they are company staffs. Therefore, it can be said that most of life assured are young and they have a particular job. In addition, company staffs who have regular income and they purchase life insurance policy to reduce the feelings of financial insecurity. Since mostly all of respondents are at working phrase, and according to William Shakespeare's life stages, they are earners who have significant income. As the education level, the majority of respondents are graduated person. It can be stated that most of the life insurance policyholders are well educated and they have some basic understanding of life insurance to purchase.

This study was obtained to explain the correlation between social factors, awareness, attitude, financial literacy and purchase decision. There is a positive correlation between various variables, particularly these influencing factors with

consumer purchase decision. And moderating variable income has positively correlation between influencing factors and purchase decision as well.

The effects of influencing factors on purchase decision of life insurance product were examined by using multiple regression analysis. It appears that social factor, insurance awareness, and customer attitude were significantly and positively contributed to purchase decision on life insurance product. However, this study did not find any significant relationship between financial literacy and consumer purchase decision on life insurance product.

Social factor is a major role in deciding on the purchase of life insurance plan. According to the descriptive analysis, social factor, the study found that life assured has high perception with insurance agent's recommendation and searching information form social media when buying life insurance. Social has a significant and positively effects on purchase decision. In addition, any changes in social occurs human interaction. Therefore, social factor is heavily influenced by modernization or technology which causes symptoms of social change in society. The study also found that religious, the effect of society, is to be considered when buying life insurance.

Based on the mean value, consumer's has high perception on insurance awareness related to the nature of life insurance. The study found that the highest perception of respondents with the awareness of life insurance features. Regression analysis showed that insurance awareness significantly affects life insurance related to the purchase decision. The knowledge about life insurance is required for the buying decision. Consumers need to know the effects of insurance knowledge from their purchase decision of life insurance product. The understanding of life insurance nature, plan, and function affect the buying decision. Consumers do not buy life insurance if they do not know how does life insurance works for their financial protection. Moreover, consumers can choose insurance plan related to their financial needs.

Regarding the consumer attitude, the study found that the life insurance policyholders have high perception with insurance benefits offered by life insurers and company's financial strength when buying life insurance. The results of the study indicate that attitude factor towards life insurance is positively significant on purchase decision. Attitude is also a key factor and highly influences the buying decision of a consumer in this research. Consumer's feeling, beliefs, and perception motivate consumers whether buy life insurance or not. Therefore, buyers think about insurance policy contract, coverages and benefits, insurer's financial strength, and their felling towards life

insurance before making buying decision. Based on findings, attitude plays in a critical role in consumer buying decision and marketers ought to understand and influence their target customers' attitudes.

Regarding the financial literacy, the life insured has the perception that life insurance is not a waste of money. This point is highest mean score. Consumers have perception that life insurance satisfies financial needs. And consumers understand financial phrases and symbols of life insurance plan. These points are also high mean score. However, the study found that factor of financial literacy has not significant related to purchase decision. Due to lack of financial education, in Myanmar consumers do not understand insurance terms and description of the features of different types of insurance. Since financial literacy allows individuals to increase and better manage their earnings, life insurance supports to manage life occasions like risk management, education, illness, job loss, or retirement. Therefore, it can be affected to consumers that they cannot enable to determine which insurance products are appropriate for his or her financial needs.

According to moderation analysis, personal income was performed as a moderating variable on the relationship between social factor, consumer attitude and life insurance purchase decision. It could be mentioned that the personal income strongly supports the ability of consumers purchasing power to life insurance. And income affects the life insurance purchase decision. Therefore, income plays a crucial role in purchase decision of life insurance products.

5.2 Suggestions and Recommendations

According to the finding of the study, the influencing factors including social, awareness, attitude, and financial literacy are considered on making decision of life insurance in this study. However, financial literacy does not influence on life insurance purchase decision.

Based on the finding results, life insurance agent plays a vital role in life insurance purchase decision. Life insurance is one of unsought products that consumers do not normally buy. Consumers need to be educated about insurance knowledge before selling insurance by insurance agents. Before making decision to buy life insurance, consumers gather information related to life insurance from social media by using smart phone with internet technology. Consumer also obtain agent's recommendation before buying life insurance that the agents design and present the solution regarding the consumer's most

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critical need as well as to help them make the right decision. Therefore, the most important social factors in the insurance business is insurance agents' ability to establish a rapport with customers. It means that the agent's channel is important to educate and give recommendation which insurance plan is suitable for consumer's needs. Intermediaries sector mainly participate in the insurance industry to increase insurance awareness in public. Corporate agency, insurance agents, insurance brokers, and third-party administrators (TPA) are all intermediaries. Therefore, large quantity of intermediaries should be produced in the insurance market.

Life insurance awareness should be focused to educate consumers about the importance of life insurance. Basically, consumers gather necessary information and their interest about insurance before they buy life insurance product. Consumers find and search information on the social media by using internet technology as social media has evolved in urban area. However, it can be difficult to use social media platforms in rural areas of Myanmar. Insurance companies should reach out to those who are rural households and small-scale farmers. Receiving the awareness about insurance, they have access to adequate insurance products to reduce their financial risks. Therefore, insurance representative offices are need to be opened in small townships so that to bring awareness about life insurance and growth of insurance in rural areas.

Moreover, knowledge of the financial literacy is very important to make smart decision of financial products and services. Insurance companies are financial service providers in the country. Therefore, insurance plays an essential role in social and financial protection. Financial education can support consumers to choose appropriate insurance plans. Consumers do not understand insurance plans if they do not have financial literacy. Furthermore, it would be dissatisfied with financial needs on the insurance services. The lack of financial education, knowledge and skills in insurance occur that consumers avoid buying life insurance as they think insurance is not necessary for their life. Insurance companies require not only to conduct marketing activities, but also to offer a financial education and insurance awareness program. Insurance service providers should understand how to approach to customers, and make it easier for them to understand insurance terms and descriptions of the features of different types of insurance plans.

Attitude has a pivotal role in purchase decision of life insurance product. According to consumer attitude towards the life insurance in current situation, consumers compare returned interests between the life insurance policy and saving in banks.

Consumer thinks that life insurance is needed when they have got any additional or extra money. In addition, consumers compare life insurance plan with other financial products. The consumer cannot evaluate the various life insurance product when they buy life insurance. Another challenge that people are not interested in life insurance due to the inflation of Myanmar. Therefore, marketers need to find ways to understand attitudes then they can persuade consumers to form positive attitudes towards life insurance products as well as stimulate buying motives.

Based on the moderating effect of income, marketers should provide life insurance products at affordable premium-ranges. Therefore, microinsurance should be designated through various option needs. Microinsurance helps low-income people manage risks more effectively. Basically, it provides protection against specific perils including death, disability, hospitalization benefits with reasonable premium to low-income level class. It means that insurance awareness about life insurance can be allowed to spread throughout the country. On the other hand, consumers have regular personal income (i.e. disposable income), they are willing to buy life insurance in saving with insurance coverages. Therefore, the impacts of the economics recession and unemployment rate of the country affect buying life insurance.

This study suggests which factors influence on purchase decision of life insurance. It is recommended that the insurance companies need to understand life insurance buying decision for taking competitive advantages as well as designing better life insurance plans. It can be played vital role in the success of Myanmar insurance industry.

In conclusion, life insurers, marketers, and business development executive should to understand consumer behavior regarding the influencing factors on purchase decision of life insurance product. It can be helped in growing of consumer buying power, innovation in appropriate life insurance products, and modify insurance plan upon consumer needs. The insurance companies also achieve target premium earnings. Finally, the improvement of insurance premium volume supports to the country's economic growth.

5.3 Needs for Further Studies

The further study should analyze the cross-country of the Myanmar to obtain another consumer behavior upon cultural region. The other demographic factors (age, gender, education, occupation, etc.) on purchase decision also should be analyzed in

further studies. Another further study ought to analyze decision making process and behavior of post purchase decision of life insurance besides making decision to buy. Moreover, the next study should analyze specific insurance products such as protection plan, education life insurance, saving life insurance, health insurance and any other non-life insurance products. Therefore, this study can be further examined by adding other factors (psychological, cultural, personal etc.) which contribute to consumer buying decision.

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APPENDIX A
Survey Questionnaire

Dear Respondents,

  I am a student at Yangon University of Economics pursuing a Master's degree in Banking and Finance. In fulfillment of the requirement for the degree I am required to conduct the research in regards to my topic of interest. My thesis title is "**Factors Affecting Consumer Purchase Decision on Life Insurance Product**". This study will be beneficial to the life insurers, the insurance industry, marketers and also the researcher. Therefore, I kindly request you to take your time to complete this questionnaire. The questionnaire has been developed only for academic purposes and your responses will be treated confidentially and is sought exclusively for the completion of an EMBF research project.

* Required

Part (A)
Profile of Respondents

Demographic Factors

1) Gender*

☐ Male

☐ Female

2) Age (years)*

☐ Under 18

☐ 18 – 25

☐ 26 – 35

☐ 36 – 50

☐ Above 50

3) Monthly personal income (in Kyat) *

☐ Less than MMK 300,000

☐ MMK 300,000 – 1,000,000

☐ More than MMK 1,000,000

4) Education*

☐ High School

☐ Undergraduate

☐ Diploma

☐ Graduated

☐ Master

☐ Ph. D

5) Occupation *

☐ Government Staff

☐ Company Staff

☐ Business Owner

☐ Retired

☐ NGO/INGO

☐ Freelance

☐ Foreign Worker

☐ Other

6) Marital Status

☐ Single

☐ Married

☐ Divorced

☐ Separated

☐ Widowed

☐ Other

7) How many people currently live in your household? *

☐ 1 - 3

☐ 3 - 5

☐ More than 5

8) Religion *

☐ Buddhism

☐ Christianity

☐ Hinduism

☐ Islam

☐ Atheism

☐ Other

Part (B)

Experience of Respondents in Life Insurance Purchase Decision

9) What is your attitude towards life insurance? *

☐ Positive

☐ Somewhat positive

☐ Neutral

☐ Somewhat negative

☐ Negative

10) How long have you been buying life insurance? *

☐ Less than 1 year

☐ More than 1 year

☐ More than 2 years

☐ More than 3 years

11) What type of life insurance plan did you buy? *

☐ Protection Plan

☐ Protection and Saving Plan

12) Do you think that the insurance premium for life insurance is expensive? Or reasonable? *

☐ Expensive

☐ Reasonable

13) Are you satisfied with your life insurance policy in current insurance company? *

☐ Yes

☐ No

14) Do you wish to purchase life insurance for your family members? *

☐ Yes

☐ No

Part (C)

Influencing Factors on purchase decision

The following statements are the factors influencing on decision-making to purchase life insurance.

Please choose the level of agreement that matches your opinions.

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

16) Social Factor *

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Society affects buying decision of life insurance.	1	2	3	4	5
2	Family's advice influences me when buying life insurance to make decision.	1	2	3	4	5
3	Friends, colleagues, and neighbors' advice influence me to buy life insurance.	1	2	3	4	5
4	The insurance agent's recommendations influence me to buy life insurance.	1	2	3	4	5
5	Information related to life insurance from social media such as Facebook influences decision making.	1	2	3	4	5
6	Buying life insurance is influenced by religion.	1	2	3	4	5

17) Insurance Awareness *

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Life insurance covers perils of human being.	1	2	3	4	5
2	Life insurance will protect family's financial future.	1	2	3	4	5
3	If your family or someone depends on you, life insurance has been needed.	1	2	3	4	5
4	I know the between the different schemes such as "Term Plan" and "Endowment Plan/ Saving".	1	2	3	4	5
5	Endowment life insurance plan provides both death/ permanent disabilities and survival benefits.	1	2	3	4	5
6	Life insurance is an expression of love and caring.	1	2	3	4	5

18) Consumer Attitude*

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	When buying life insurance, policy documents are clear and easy to understand.	1	2	3	4	5
2	The insurance coverage and benefits offered by the insurance company is very important when deciding to buy life insurance.	1	2	3	4	5
3	An insurance company's financial strength is important to attract customers.	1	2	3	4	5
4	Life insurance is good for saving for retirement and children's education.	1	2	3	4	5
5	Life insurance is a good tax-saving scheme.	1	2	3	4	5
6	I feel life insurance is a good investment option compared to other options.	1	2	3	4	5

19) Financial Literacy*

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I fully understand the life insurance plan.	1	2	3	4	5
2	I think life insurance best satisfies my financial needs.	1	2	3	4	5
3	I know about other financial products that might satisfy my financial needs.	1	2	3	4	5
4	I understand the financial phrases and symbols of life insurance plan.	1	2	3	4	5
5	I think life insurance means wasting of money.	1	2	3	4	5

20) Purchase Decision*

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I need to buy life insurance to protect financially in case of an unfortunate event.	1	2	3	4	5
2	When buying life insurance, I consult with my family, friends, and colleagues.	1	2	3	4	5
3	When buying life insurance, I take advice from insurance agents and salespeople of the insurance company.	1	2	3	4	5
4	When buying life insurance, I get the information about it from the advertisements, social media, and company website.	1	2	3	4	5
5	I feel that life insurance is to minimize financial loss from unexpected events.	1	2	3	4	5
6	I would like to buy life insurance based on my financial position.	1	2	3	4	5
7	I will definitely continue to keep the policy in subsequent year.	1	2	3	4	5
8	I will probably suggest my friends and coworkers to buy life insurance.	1	2	3	4	5

APPENDIX B

Name of Life Insurance Companies in Myanmar

(a) State-owned

1. Myanma Insurance (Life)

(b) Local Life Insurance Companies

1. KBZ Life Insurance Co., Ltd
2. Aung Thit Sar Oo Life Insurance Co., Ltd
3. Aung Myint Moh Min Insurance Co., Ltd
4. First National Insurance (Life) Co., Ltd
5. Ayar Myanmar Life Insurance Co., Ltd
6. Global Life Insurance Co., Ltd
7. Young Insurance (Life) Co., Ltd
8. Excellence Fortune Life Insurance Co., Ltd

(c) Foreign Life Insurance Companies

1. AIA Myanmar Life Insurance
2. CHUBB Life Insurance Myanmar
3. DAI-ICHI Life Insurance Myanmar
4. Prudential Myanmar Life Insurance
5. Manulife Myanmar Life Insurance

(d) Joint Venture (Local + Foreign)

1. CB Life Insurance Co., Ltd
2. Capital Taiyo Life Insurance Ltd
3. Grand Guardian Nippon Life Insurance Co., Ltd

APPENDIX C

SPSS Output

(a) Reliability Test

Social Factor

Reliability Statistics	
Cronbach's Alpha	**N of Items**
.813	6

Insurance Awareness

Reliability Statistics	
Cronbach's Alpha	**N of Items**
.824	6

Consumer Attitude

Reliability Statistics	
Cronbach's Alpha	**N of Items**
.851	6

Financial Literacy

Reliability Statistics	
Cronbach's Alpha	**N of Items**
.743	5

Purchase Decision

Reliability Statistics	
Cronbach's Alpha	**N of Items**
.877	8

(b) Validity Test

Social Factor

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.815
Bartlett's Test of Sphericity	Approx. Chi-Square	778.565
	df	15
	Sig.	.000

Insurance Awareness

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.798
Bartlett's Test of Sphericity	Approx. Chi-Square	954.228
	df	15
	Sig.	.000

Consumer Attitude

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.796
Bartlett's Test of Sphericity	Approx. Chi-Square	1170.440
	df	15
	Sig.	.000

Financial Literacy

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.706
Bartlett's Test of Sphericity	Approx. Chi-Square	503.179
	df	10
	Sig.	.000

Purchase Decision

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
Bartlett's Test of Sphericity	Approx. Chi-Square	1709.738
	df	28
	Sig.	.000

(c) Correlation Analysis

Correlation of Influencing Factors (social, awareness, attitude, and financial literacy) on Purchase Decision

Correlations

		Social Factors	Insurance Awareness	Consumer Attitude	Financial Literacy	Purchase Decision
Social Factors	Pearson Correlation	1	.566**	.491**	.508**	.660**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	400	400	400	400	400
Insurance Awareness	Pearson Correlation	.566**	1	.764**	.717**	.779**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	400	400	400	400	400
Consumer Attitude	Pearson Correlation	.491**	.764**	1	.647**	.803**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	400	400	400	400	400
Financial Literacy	Pearson Correlation	.508**	.717**	.647**	1	.624**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	400	400	400	400	400
Purchase Decision	Pearson Correlation	.660**	.779**	.803**	.624**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	400	400	400	400	400

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations of Income on Influencing Factors (social, awareness, attitude, and financial literacy) and Purchase Decision

		SF	IA	CA	FL	Inc	PD
SF	Pearson Correlation	1	.566**	.491**	.508**	.488**	.660**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	400	400	400	400	400	400
IA	Pearson Correlation	.566**	1	.764**	.717**	.544**	.779**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	400	400	400	400	400	400
CA	Pearson Correlation	.491**	.764**	1	.647**	.350**	.803**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	400	400	400	400	400	400
FL	Pearson Correlation	.508**	.717**	.647**	1	.360**	.624**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	400	400	400	400	400	400
Inc	Pearson Correlation	.488**	.544**	.350**	.360**	1	.440**
	Sig. (2-tailed)	.000	.000	.000	.000		.005
	N	400	400	400	400	400	400
PD	Pearson Correlation	.660**	.779**	.803**	.624**	.440**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.005	
	N	400	400	400	400	400	400

**. Correlation is significant at the 0.01 level (2-tailed).

(d) Regression Analysis (Model 1)

Effect of Influencing Factors (social, awareness, attitude, and financial literacy) on Purchase Decision

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		df1
					R Square Change	F Change	
1	.875[a]	.765	.762	.34464	.765	321.092	4

Model Summary[b]

Model	df2	Change Statistics
		Sig. F Change
1	395	.000

a. Predictors: (Constant), Financial Literacy, Social Factors, Consumer Attitude, Insurance Awareness

b. Dependent Variable: Purchase Decision

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	152.552	4	38.138	321.092	.000[b]
	Residual	46.917	395	.119		
	Total	199.469	399			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Financial Literacy, Social Factors, Consumer Attitude, Insurance Awareness

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.280	.118		2.374	.018
	Social Factors	.255	.027	.285	9.466	.000
	Insurance Awareness	.274	.043	.279	6.374	.000
	Consumer Attitude	.443	.037	.463	11.916	.000
	Financial Literacy	-.025	.044	-.021	-.580	.562

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Social Factors	.655	1.527
	Insurance Awareness	.311	3.217
	Consumer Attitude	.394	2.540
	Financial Literacy	.451	2.219

a. Dependent Variable: Purchase Decision

(e) Moderating Effect of Income

Model_2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880[a]	.775	.771	.33816

a. Predictors: (Constant), Inc3, Insurance Awareness, Inc1, Social Factors, Financial Literacy, Consumer Attitude, Inc2

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	154.529	6	25.755	225.230	.000[b]
	Residual	44.939	393	.114		
	Total	199.469	399			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Inc3, Insurance Awareness, Inc1, Social Factors, Financial Literacy, Consumer Attitude, Inc2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.372	.118		3.157	.002
	Social Factors	.266	.027	.297	9.936	.000
	Insurance Awareness	.255	.043	.259	5.988	.000
	Consumer Attitude	.397	.038	.415	10.382	.000
	Financial Literacy	.016	.044	.013	.358	.721
	Inc1	.370	.091	.106	4.062	.000
	Inc2	.328	.082	.198	4.021	.000
	Inc3	.072	.045	.040	1.608	.109

a. Dependent Variable: Purchase Decision

Model_3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887[a]	.786	.780	.33130

a. Predictors: (Constant), Inc2XFL, Social Factors, Inc1, Financial Literacy, Consumer Attitude, Insurance Awareness, Inc2XSF, Inc3, Inc2XCA, Inc2XIA, Inc2, Inc1XSF, Inc1XFL, Inc2XCA, Inc1XIA, Inc3XSF, Inc3XFL, Inc3XCA, Inc3XIA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	156.773	10	15.677	142.836	.000[b]
	Residual	42.696	389	.110		
	Total	199.469	399			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Inc2XFL, Social Factors, Inc1, Financial Literacy, Consumer Attitude, Insurance Awareness, Inc2XCF, Inc3, Inc2XCA, Inc2XIA, Inc2, Inc1XSF, Inc1XFL, Inc2XCA, Inc1XIA, Inc3XSF, Inc3XFL, Inc3XCA, Inc3XIA

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.478	.135		3.553	.000
	Culture Factors	.247	.054	.277	4.622	.000
	Insurance Awareness	.195	.075	.198	2.599	.010
	Consumer Attitude	.658	.078	.688	8.441	.000
	Financial Literacy	-.113	.089	-.094	-1.266	.206
	Inc1	-.501	.259	-.143	-1.937	.053
	Inc2	-3.291	.205	-1.983	-16.044	.000
	Inc3	-.356	.263	-.200	-1.350	.178
	Inc1XSF	.419	.200	.386	2.096	.037
	Inc1XIA	.000	.053	.000	-.004	.997
	Inc1XCA	.551	.297	.498	1.853	.065
	Inc1XFL	-1.029	.418	-1.080	-2.460	.114
	Inc2XSF	.259	.056	.598	4.600	.000
	Inc2XIA	.045	.091	.113	.493	.623
	Inc2XCA	.198	.075	.504	2.651	.008

Inc2XFL	-.291	.075	-3.857	-1.754	.180
Inc3XSF	-.102	.064	-.215	-1.592	.112
Inc3XIA	.015	.259	.033	.059	.953
Inc3XCA	.202	.118	.430	1.707	.189
Inc3XFL	-.060	.114	-.135	-.531	.595

a. Dependent Variable: Purchase Decision

(f) Frequency Tables

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	187	46.8	46.8	46.8
	Female	213	53.3	53.3	100.0
	Total	400	100.0	100.0	

Age (years)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Above 50	16	4.0	4.0	4.0
	18 - 25	41	10.3	10.3	14.2
	36 - 50	132	33.0	33.0	47.3
	26 - 35	211	52.8	52.8	100.0
	Total	400	100.0	100.0	

Monthly Personal Income (in Kyat)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than MMK 300,000	17	4.3	4.3	4.3
	More than MMK 1,000,000	78	19.5	19.5	23.8
	MMK 300,000 - 1,000,000	305	76.3	76.3	100.0
	Total	400	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	17	4.3	4.3	4.3
	Diploma	21	5.3	5.3	9.5
	Undergraduate	21	5.3	5.3	14.8
	Master	78	19.5	19.5	34.3
	Graduated	263	65.8	65.8	100.0
	Total	400	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government Staff	5	1.3	1.3	1.3
	NGO/INGO	7	1.8	1.8	3.0
	Freelance	21	5.3	5.3	8.3
	Business Owner	51	12.8	12.8	21.0
	Company Staff	316	79.0	79.0	100.0
	Total	400	100.0	100.0	

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not to says	4	1.0	1.0	1.0
	Separated	7	1.8	1.8	2.8
	Widowed	8	2.0	2.0	4.8
	Married	154	38.5	38.5	43.3
	Single	227	56.8	56.8	100.0
	Total	400	100.0	100.0	

Religion

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Atheism	3	.8	.8	.8
	Islam	3	.8	.8	1.5
	Christianity	4	1.0	1.0	2.5
	Buddhism	390	97.5	97.5	100.0
	Total	400	100.0	100.0	

How many people currently live in your household?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 3	7	1.8	1.8	1.8
	3 - 5	80	20.0	20.0	21.8
	More than 3	313	78.3	78.3	100.0
	Total	400	100.0	100.0	

What is your attitude towards life insurance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	6	1.5	1.5	1.5
	Somewhat negative	6	1.5	1.5	3.0
	Somewhat positive	45	11.3	11.3	14.2
	Positive	343	85.8	85.8	100.0
	Total	400	100.0	100.0	

What type of life insurance plan did you buy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Protection and Saving Plan	173	43.3	43.3	43.3
	Protection Plan	227	56.8	56.8	100.0
	Total	400	100.0	100.0	

How long have you been buying life insurance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 2 years	47	11.8	11.8	11.8
	More than 1 year	67	16.8	16.8	28.5
	Less than 1 year	181	45.3	45.3	73.8
	More than 3 years	105	26.3	26.3	100.0
	Total	400	100.0	100.0	

Do you think that the insurance premium for life insurance is expensive? Or reasonable?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Expensive	39	9.8	9.8	9.8
	Reasonable	361	90.3	90.3	100.0
	Total	400	100.0	100.0	

Are you satisfied with your life insurance policy in current insurance company?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	27	6.8	6.8	6.8
	Yes	373	93.3	93.3	100.0
	Total	400	100.0	100.0	

Do you wish to purchase life insurance for your family members?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	46	11.5	11.5	11.5
	Yes	354	88.5	88.5	100.0
	Total	400	100.0	100.0	

(g) Descriptive Test

Descriptive Statistics

	N	Mean	Std. Deviation
SF_1	400	3.35	.866
SF_2	400	3.28	.884
SF_3	400	3.20	.914
SF_4	400	3.72	.942
SF_5	400	3.67	.971
SF_6	400	3.79	.879
Valid N (listwise)	400		

Descriptive Statistics

	N	Mean	Std. Deviation
IA_1	400	3.81	.840
IA_2	400	3.95	.955
IA_3	400	4.04	.947
IA_4	400	3.73	.944
IA_5	400	3.97	.891
IA_6	400	3.96	.911
Valid N (listwise)	400		

Descriptive Statistics

	N	Mean	Std. Deviation
CA_1	400	3.59	.846
CA_2	400	4.28	.895
CA_3	400	4.26	.969
CA_4	400	3.84	.893
CA_5	400	3.80	.965
CA_6	400	3.60	.976
Valid N (listwise)	400		

Descriptive Statistics

	N	Mean	Std. Deviation
FL_1	400	3.88	.912
FL_2	400	3.55	.919
FL_3	400	3.67	.879
FL_4	400	3.73	.895
FL_5	400	4.44	.897
Valid N (listwise)	400		

Descriptive Statistics

	N	Mean	Std. Deviation
PD_1	400	4.15	.834
PD_2	400	3.26	.745
PD_3	400	3.80	.895
PD_4	400	3.91	.905
PD_5	400	3.96	.818
PD_6	400	4.07	.782
PD_7	400	3.91	.895
PD_8	400	3.94	.882
Valid N (listwise)	400		