MARKET STUDY TO IDENTIFY THE KEY INFLUENCERS IN DECISION MAKING AND FACTORS CONSIDERATIONS IN INSURANCE BUYING

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Abstract - Risk has become an inextricable aspect of life, and humans are the type of social animals who think about the future a lot, anticipating or planning ahead. This tendency has led to anxiety and the fear of what might happen tomorrow, and insurance is one such thing that helps to alleviate this fear and buying of insurance policy is seen differently by different demographic parameters, hence the penetration of different insurance policy varies over demographic factor and buying decision is influenced by many factors which are considered before buying an insurance policy and insurance buying is influenced by many influencers who are responsible for selling of a policy and mostly acts as a financial advisors for many consumers. From past decade insurance is growing at a faster rate and the policies are getting better meeting the needs of the insurer financial security and the market becoming vast and So, it is keen for the companies to identify those which are impacting their influence over buying decision making to make and sell the policies according to need and over different demographic factor. The study is limited to Bengaluru, Karnataka region.

Keywords: Insurance, Market study, Insurance penetration, Buying decision.

I.   INTRODUCTION

Indian Insurance industry has 24 life insurance company and 33 non-life insurance companies which showed a significant development in growth which recorded 15% CAGR in the FY20 with Rs 213 trillion (US$ 37 billion). The insurance sector companies compete on services and price to retain and attract new customers. The sector has very competitive advantage in growth by the figure of premium collected i.e., in FY12 it is around 2.56 trillion (US$ 39.7 billion) to a huge growth seen in the FY20 7.31 trillion (US$ 94.7 billion). So, Insurance is country's backbone in the situation of managing the risk from ancient times and it's been playing a pivotal role in the life of people as an insured security in the tough times and as an investment option which bears a sum lot Money after a fixed amount of time. Alfred Manes a notable authority on insurance defines Insurance has "The essence of insurance lies in the eliminator of the certain risk of loss for the individual through the combination of large number of similar exposed individuals who each contribute to a common fund premium payments sufficient to make the good loss caused to any one individual" Indian consumers see Insurance as an investment scheme and load sum bearer in the end of maturity period or in the times of emergency, Insurance buying takes a lot of considerations and variety of influences and influencers come into role.

II.   REVIEW OF LITERATURE

Ms. Babita Yadav and Dr. Anshuja Tiwari (2012) in their research paper titled "A study on factors affecting customers' investments towards life insurance policies". The important aspects considered in insurance buying is identified and the various levels of penetration of insurance products. The research is limited to Jabalpur district of Madhya Pradesh and focused on buying decisions based on demographic and socio-economic factors.

K.V.R.Satya Kumar and Dr.B.Radha (2016) in their research paper titled "A study on customer awareness about insurance". The acceptance of insurance level among the huge population of the country, factors the customers and the awareness level of various insurance products at all levels of people differentiating in age, gender, socio economic factors and occupation is shown.

Chitra K. Deshpande (2017) in her research paper titled "Study of factors responsible for investments in life insurance products". The paper is based on the Aurangabad district and the analysis of respondents is on the basis of monthly income, occupation, gender and age. The study gives the perception of the insurance policies and various

factors influencing the buying pattern in the region of Aurangabad district.

T.Hymavathi Kumari and Dr. D. Rajasekar (2017) in their research paper titled "The future of Indian Insurance industry" explains about the huge customer base the insurance industry has for growth i.e., the density for insurance is more and explains about the penetration of insurance policies is improving thereby increasing the growth**.**

Ms. Tnr. Kavitha, Dr. A. Latha and Ms. S.Jamuna.(2012) in their research paper titled "Customers Attitude towards General Insurance - A Factor Analysis Approach" explains buying behavior through factor considered and the influential factors affecting the purchase pattern.

III.   OBJECTIVES OF THE STUDY:

1. To identify the penetration of Insurance Products.
2. To identify the Key influencers in Insurance Buying Decision.
3. To identify the factors considered in buying Insurance.
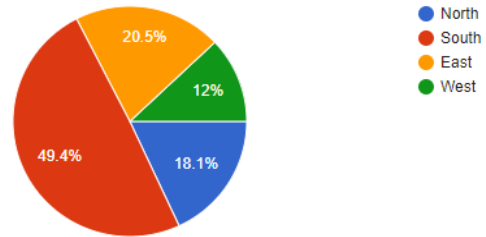
IV.   RESEARCH METHODOLOGY

The methodology includes collection of data through a questionnaire using google forms and analyzing the data for percentage calculation and testing hypothesis for making an interpretation from the data collected in Bengaluru, Karnataka region.
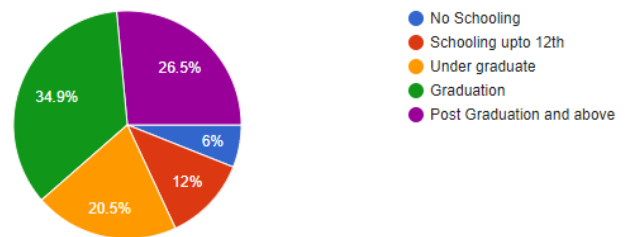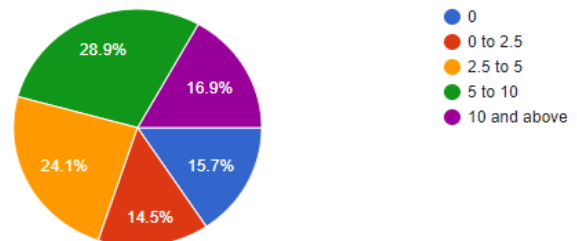
Data Analysis

Sample size = 83
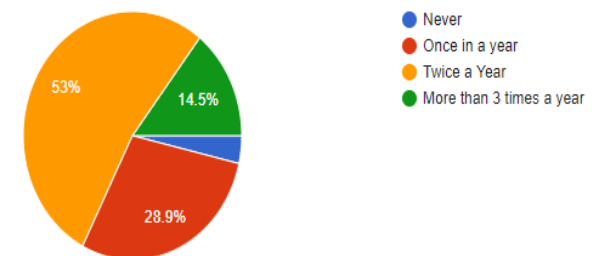**Age**
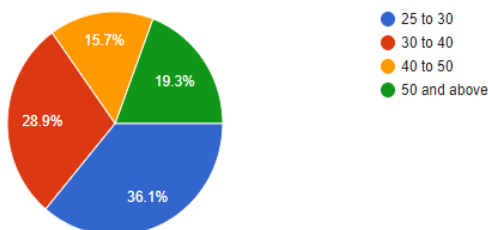
Where you live in Bangalore?

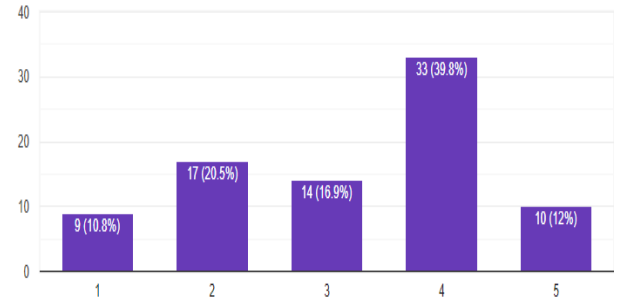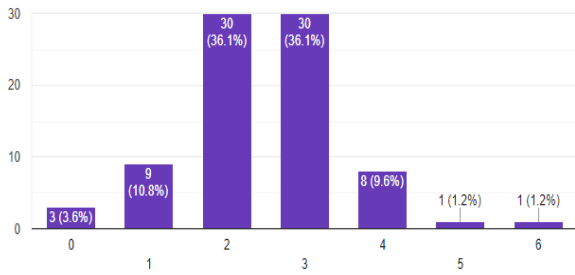**Highest Education qualification?**

Annual Income (in Lakhs)

How often do you go for vacation?

How many insurances you have?
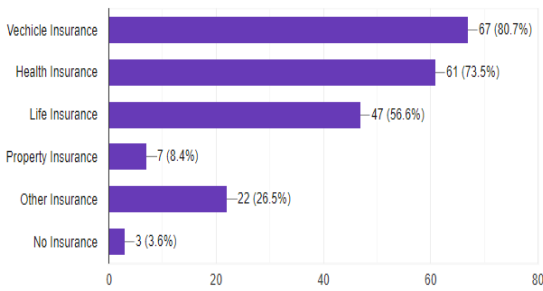
What are the different insurances you have?

Rating of Key Influential factors

Figure 1: Bar chart for Likert scale of Insurance agents

Figure 2: Bar chart for Likert scale of Parents
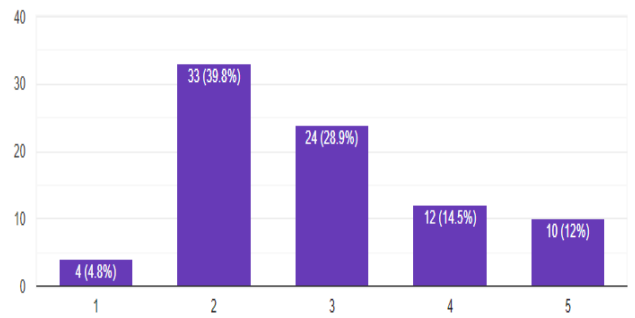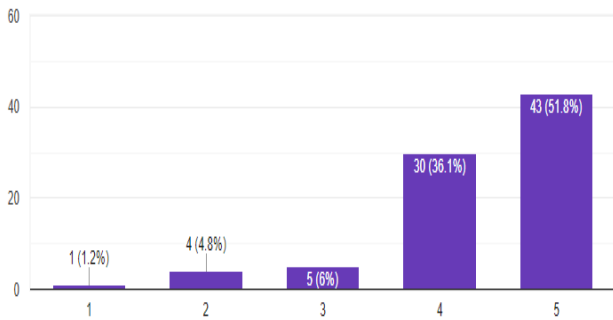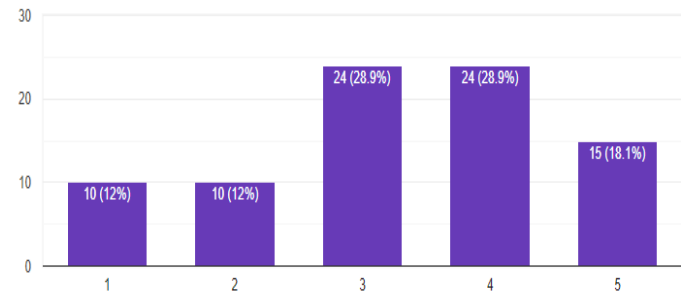

Figure 3: Bar chart for Likert scale rating of Banks

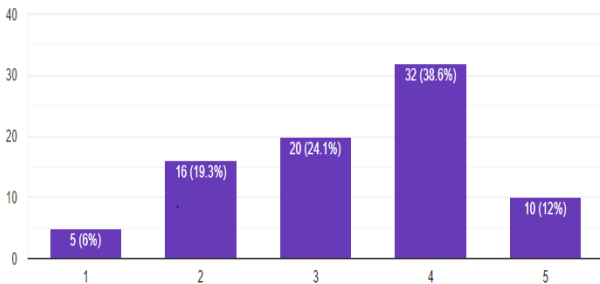Figure 4: Bar chart for Likert scale of Internet/Blogs

Figure 5: Bar chart for Likert scale of Chartered Accountants

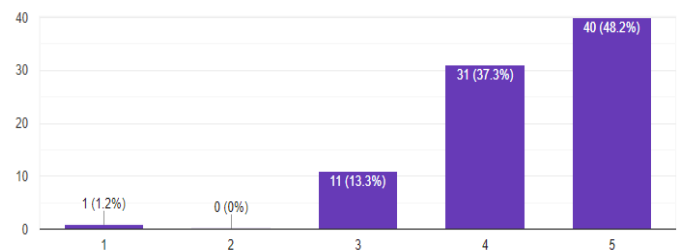**Rating of Factors considered while buying an Insurance**

Figure 6: Bar chart for Likert scale of Claim Settlement Ratio of the Company

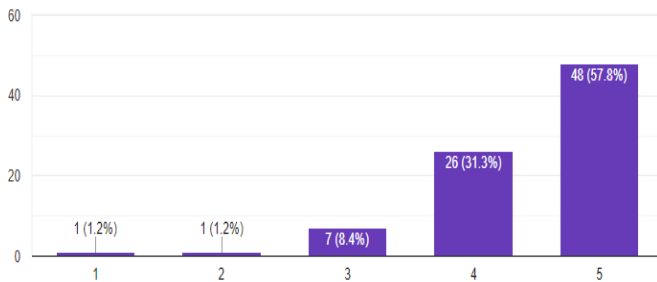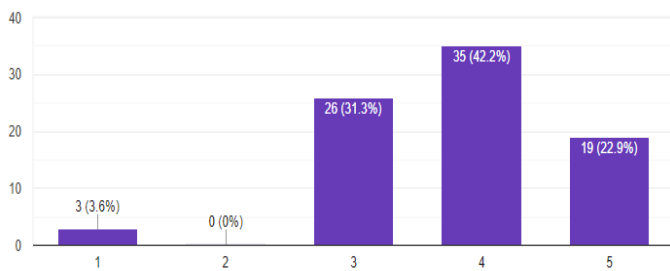Figure 7: Bar chart for Likert scale of Overall level of Cover/Sum assured

Figure 8: Bar chart for Likert scale of Brand/ Reputation of the Company

V.   HYPOTHESIS STUDY

(H0) - There is no significant relation between where you live in Bangalore and Number of Insurance Owned.

(H1) - There is significant relation between where you live in Bangalore and Number of Insurance Owned.

Table 1: Anova of Hypothesis for region of living in Bangalore and Number of Insurance owned

Source	DF	Adj SS	Adj MS	F-Value	P-Value
Where you live in Bangalore?	3	10.17	3.391	3.30	0.025
Error	78	80.28	1.029		
Total	81	90.45			

Inference: The above done Anova test analysis test value is less than 0.05 which is 0.025. Which means –alternate hypothesis should be selected null hypothesis should be rejected. Which says there is a significant relation between where you live in Bangalore and Number of insurances Owned.

(H0) - There is no significant relation between level of education and factors considered in insurance buying.

(H1) - There is significant relation between level of education and factors considered in insurance buying.

Table 2: P-Value of Hypothesis for education level and factor considered

Key Influencers	P-Value
Parents	0.021
Banks	0.177
Insurance Agents	0.102
Chartered Accountants	0.584

Inference: Anova test the result showed that education level has an impact on factors like Claim settlement ratio, Overall sum assured/covered and Brand/reputation with a P-value of 0.006, 0.00 and 0.002 respectively and other factors like Low premium of policy, Performance of company and Additional features of the policy have P-value of 0.6, 0.5 and 0.2 respectively can be said to have less or no significant relation with education level.

(H0) - There is no significant relation between different age group and the key influencers in decision making in buying an insurance.

(H1) - There is significant relation between different age group and the key influencers in decision making in buying an insurance.

Table 3: P-value of Hypothesis for Key influencers and age group

(H0) - There is no significant relation between Income level and factors consideration in buying an insurance.

(H1) - There is significant relation between Income level and factors consideration in buying an insurance.

Table 3: P-value of Hypothesis for Key influencers and Income level

Factors considered	P-value
Claim Settlement Ratio of the Company	0.006
Overall level of Cover/Sum assured	0.000
Brand/ Reputation of the Company	0.002

Inference: Anova shown the results that Articles Newspaper / Magazines/ Advertisements, Banks, Chartered Accountants, Insurance   agents, Internet/ Blogs, Friends/Relatives, and My own experience have very less or no significant relation with different level of income and age. Key

influencer Parents have an impact on different level of age group with a P-value of 0.02 and have a significant relation with different level of age.

VI.   SUMMARY OF ANALYSIS

The primary purpose of the study is to identify the key influencers in decision making while buying an insurance and factors considered while buying an insurance. In the survey there were 83 respondents and the respondents are quite well spread-out across category variables like age, income level, and region of living, education qualification and lifestyle. Hence these variables are considered to find out the penetration of insurance, Key influencers and Factors considered while buying an insurance policy. The data clearly shows that every respondent have almost one insurance policy.

The penetration of insurance policy according to the respondents from the survey have shown that the majority have 2 or 3 Insurance policy i.e., 72% of the respondents and respondents having 4 insurance policy is 8%, 1 insurance policy is 10%, 5 and 6 insurance policies are of 1% each. Out of 83 respondents 67 i.e., 80.7% of respondents have vehicle insurance, 61 i.e., 73.5% of respondents have health insurance, 47 i.e., 56.1% of respondents have life insurance, 7 i.e., 8.4% of respondents have property insurance and 22 i.e., 26.5% of respondents have other insurance.

When analysed for the relation between penetration of insurance policy and the region of living in Bangalore i.e., East, West, North and South region of Bangalore with one way Anova test the result showed the significant impact with penetration of insurance with a P value of 0.025. Penetration of insurance policies with respect to the life style of the respondents considering how often the respondents go for a vacation in a year it is clear from the one-way Anova test analysis that there is no significant relationship between the life style and the number of insurance respondents hold and the P-value is 0.120.

The Analysis of factors considered while buying an insurance policy have all the factors considered by the majority of respondents i.e., Low premium of policy, Brand/reputation and Return/Performance have 42.2%, 42.2% and 42.2% of respondents respectively considering has important factor, claim settlement ratio and overall sum assured/covered has 48.2% and 57.8% respondents respectively accepting has highly considered factor. When analyzed for significant relationship between education level and factors considered while buying an insurance policy with two-way Anova test the result showed that education level has an impact on factors like Claim settlement ratio, Overall sum assured/covered and Brand/reputation with a P-value of 0.006, 0.00 and 0.002 respectively and other factors like Low premium of policy, Performance of company and Additional features of the policy have P-value of 0.6,0.5 and 0.2

respectively can be said to have less or no significant relation with education level.

Identifying key influencers in decision making while buying insurance policies have influential at different levels. The influential factors like Articles of News-Paper/Magazines/Advertisements have considerable influence with 31.3% of respondents with a view of cannot say, 25% and 26% of respondents are with a view of influence and less influence respectively. Banks with 39.8% of respondents, Parents with 38.6%, Friends with 43.4% and my own experience with 55.4% are with a view of influencing, Chartered Accountants with 28.9% respondents in a view of cannot say, Internet/blogs with 40% in a view of cannot influence and Insurance agents with 51% of respondents in a view of high influential in decision making while buying an insurance policy.

Analysing to identify the significant relation between different age, different level of income with key influencers using two-way Anova shown the results that Articles Newspaper/Magazines/Advertisements, Banks, Chartered Accountants, Insurance agents, Internet/Blogs, Friends/Relatives, and My own experience have very less or no significant relation with different level of income and age. Key influencer Parents have an impact on different level of age group with a P-value of 0.02 and have a significant relation with different level of age.

VII.   CONCLUSION

From the data gathered, analysed and reported above, we can draw the conclusion that insurance is a financial asset that is seen as an investment in Indian scenario have high level of penetration at most everyone above the age of 25 have at least one insurance. Insurance buying and number of insurances owned depends on several demographic factor. So, the design of insurance policy as to be done considering demographic factors which holds a high role in penetration of insurance. Insurance as it is considered as an investment its buying is influenced by several factors that the insurance policy holds are considered with a high priority and the consideration of factors varies with different demographic factors and to the needs of an insurer. The influencers play a major role as an advisory as subject experts and to have a suitable insurance as per the need by an insurer, from the analysis it is seen that the decision making in insurance buying, whether it is key influencers or factors considered it varies with demographic influence.

VIII.   SCOPE FOR FUTURE STUDY

The present research study has focused on Key influencers and factors considered before buying an Insurance. This study is confined to general insurance products only, there is a scope to conduct further research on other sector insurance products also. This study is restricted to the opinions of the

respondents in Bengaluru district only. So, there is a scope to conduct research on the same topic on other district also.

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