Examining Evolving Trends: A Study on the Changing Dynamics of Policyholders' Behavior Towards Life Insurance Products in Odisha

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Original Research Article

ABSTRACT

Aims: The study aims to evaluate the impact of corporate policy on life insurance policyholders' purchasing intentions. Additionally assessed are the effects of agent conduct and financial independence on the purchase of insurance products. The influence of demographic parameters like income and education level is also attempted to be tracked.
Sample: The study is restricted to the Indian state of Odisha, and the sample size is 142 respondents.
Study Design: The process of analyzing data is exploratory. The survey is conducted using a qualitative, structured questionnaire to get information about customer behavior and purchasing intentions for life insurance products provided by Indian life insurance companies.

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Place and Duration of Study: The place of study is restricted to Odisha and the data were collected in the year 2023.
Results: It has been discovered that while Company Policy does not have a substantial impact on policyholders' buying intentions, elements like agents' behavior, self-sufficiency, and financial behavior do. Similar to how income has a big effect on purchase intentions
Conclusion: This research focuses on customers' attitudes towards investing in insurance products in Odisha. We also examined policyholder attitudes in light of their socioeconomic circumstances. We discovered that elements like as agents' attitude, self-sufficiency, and financial behavior have a considerable impact on policyholders' purchasing intentions.

Keywords: Policy holders; consumer behavior; life insurance product; company policy.

1. INTRODUCTION

The conduct of policyholders towards the life insurance products of life insurance firms is highlighted in the current study. Customers' unique characteristics, like age, income, qualifications, sex, marital status, etc., are taken into account in the demographic profile. After the liberalization of the insurance industry and the opening of the market to private firms and FDI in 2000, the life insurance business in India has experienced some of the fastest financial service growth. The sector has been expanding at a rate of 10.3% per year for the past ten years. Under the automatic approach, the FDI ceiling in the insurance sector was lifted from 49% to 74%. Additionally, insurance intermediaries including brokers, reinsurance brokers, consultants, etc. are now allowed to accept 100% FDI.

Consumer behavior towards life insurance products is the study's main focus of inquiry. It is taken into account how they feel about the product in terms of purchase, use, and transfer, as well as how they feel emotionally, mentally, and behaviorally before or after the procedure.

Models, methodologies, and tools that help enhance the analysis and comprehension of insurance consumer behavior are needed in order to meet the insurance industry's always rising demand for more competitiveness. This study seeks to examine the impact of customer behavior on insurance products, particularly in the life insurance industry, and explains how customers behave while buying services. It uses case studies from the life insurance industry to identify aspects of customer satisfaction and its behaviors that are crucial for the continued existence of a business. Competitive quality includes meeting customer needs and ensuring their satisfaction. Businesses work hard to understand client needs and create strategies that enable them to match or surpass the level of service offered by their rivals.

2. REVIEW OF LITERATURE

Al-Adamat et al. [1] investigated the impact of electronic marketing on Jordanian insurance companies' customer satisfaction. The study found that e-marketing had an impact on customer satisfaction and offered a number of ideas to improve customer satisfaction, such as simplifying the website and include all the information relevant to the client and their needs.

Sukmawan and Zulganef [2] investigated how customers are impacted by pricing attractiveness, connection building, and the reputation of insurance services. The results showed a relationship between customer loyalty, experience, and the reputation of insurance services. Price appeal and customer relationship management had an impact on customer experience and loyalty.

Li and Zhang [3] examined how customers switch from using human representatives to AI-based conversational agents using the push-pull mooring model. According to the study, switching behaviour is improved by pull factors such as anytime/anywhere connectivity, association, visibility, and personalisation, and push impacts such as low empathy and flexibility. Pull effects and shifting behaviour were favorably mitigated by service frequency.

Wu et al. [4] investigated how intelligent agents control information richness, personalization, and core self-evaluation in online insurance trust. According to the study, information richness, customization, and core self-evaluation (CSE) increase trust. Astute insurance representatives slightly increase clients' confidence, knowledge, and trust. This study was moderated by a "intelligent agent". CSE information and trust are

increased by intelligent agents. Personalization was not limited by the intelligent agent.

Issalillah and Khayru, [5] sought to determine how brand image and insurance rates might influence interest in purchasing life insurance. The study discovered that an interest in becoming an insurance client was influenced by insurance premiums. In a similar vein, consumer interest in life insurance policies is strongly correlated with brand image.

Bernardus Franco Maseke et al., [6] In their research, the authors examined various aspects that impact clients' selection of insurance providers. Insurance is necessary for mental stability, but in order to prevent disappointments down the road, policyholders should exercise caution when selecting an insurance. Additionally, clients need to be vigilant of fraud, false representations of information, fraud agents, and coercion on the part of brokers and agents. This paper's primary goal was to pinpoint the elements that influence consumers' preferences when choosing insurance providers; its secondary goal was to weigh the relative significance of these specific elements (advertising, social media, and behavioural aspects).

Dash and Chakraborty [7] investigated client satisfaction, digital marketing, involvement, and buying intention. The study examines life insurance internet marketing under a pandemic lockdown. According to the study, search engine marketing and search engine optimisation (SEM/SEO), electronic customer relationship management (E-CRM), and display all significantly impacted consumer satisfaction and purchase intention. Digital marketing approaches mediated purchasing intention through customer satisfaction, whereas customer engagement governed content marketing and the communication of purchase intentions.

Hamzah et al. [8] have investigated the level of service provided by retail banks. A survey is carried out among the frequent clients of the local banks in Malaysia's Klang Valley. To analyze the data, the Structural Modeling Equation is utilized. The findings show a substantial and positive relationship between the customers' perceived total SERVQUAL and the essential components of SERVQUAL. The local banks operate in a very competitive market due to the rise in foreign institutions. This study has therefore demonstrated that the SERVQUAL dimensions may have an impact on the perceived SERVQUAL, which may lead to the development of customer happiness, trust, and bank reputation. The survey also showed that one important factor influencing the perceived SERVQUAL overall is the availability of online banking.

Shoba, [9] this study's primary goal is to investigate policyholders' perceptions of the LIC of India's service quality in Bangalore. The principal data was gathered from five hundred policyholders. According to his study, the LIC of India's service quality can be raised by holding special events for policyholders, offering prompt service, making infrastructural improvements, enhancing reliability, being creative and innovative, comprehending the needs of the public, implementing customer contact programs, disseminating up-to-date information, engaging staff, developing user-friendly skills, setting up a customer-compliant monitoring cell, and implementing a quality improvement strategy.

Hasan [10] This paper provides an overview of the insurance industry in India, highlighting the opportunities brought about by the growth of foreign direct investment in the sector as well as the main challenges it faces. Based on his research, he came to the conclusion that the insurance industry would benefit greatly from fundamental regulatory changes, which would also have a substantial effect on other economic sectors. The industry needs active foreign engagement since it would bring the best know-how and best practices to bear. One of the insurance markets with the quickest rate of growth is India, where it is anticipated that the insurance sector will expand by up to 125% over the next ten years.

Al-Debi & Jihad Al-Waely [11] His study attempts to diagnose the aspects of the services marketing mix and their impact on drawing in and keeping consumers. His research sample demonstrates a positive impact, and he suggests that insurance companies should encourage and improve the process of keeping their present clientele while seeking out new ones.

Ramanathan,[12] The researcher concentrated on the goals of the respondent's demographic profile and awareness level in order to distinguish between the satisfaction levels of rural and urban customers in Tanjavur division of Tamil Nadu, as well as to understand how policy holders perceive LIC's customer relationship

activities. The researcher employed a convenient descriptive study design. Customers of LIC of India reported a high degree of satisfaction with other carefully chosen private LIC companies, according to the study's findings. In general, customers priorities the amount of tax benefits and the prospects for their children's future when selecting a policy, and they gave the risk benefits the least considered consideration.

Raja [13] According to his research, he concentrated on the necessity to comprehend investors' impressions of the characteristics of LIC policies. Gaining insight into investors' perceptions could help the LIC innovate more and increase its market share. In addition, there might be variations in the perceptions of the various investor groups. If these variations in perception were to be surveyed and examined, the LIC would benefit even more from market segmentation in order to tailor a specific policy to a particular investor group.

Narender & Sampath, [14] the study aims to understand people's awareness of their rights and obligations regarding life insurance products after the insurance industry were privatised, with a focus on the Indian insurance sector. In their article titled "Consumer awareness towards Life insurance sector in India," they note that people's awareness of these rights and obligations is very low.

Olekar & Veeresh, [15] the purpose of the study was to learn more about the respondents' awareness level of Met Life insurance plans and policies, as well as the factors that customers in Bellary City consider when purchasing an insurance policy. Based on the survey analysis, it was discovered that over 50% of respondents were not aware of Met Life insurance plans and policies, and many of them had not yet obtained insurance in Bellary City, which presents an opportunity for the company to expand its market share in the future.

Kumar V.,[16] an extensive analysis of the micro-variables and determinants of consumer behavior was done for this thesis. The study employed convenience and judgment sampling with an exploratory-descriptive design. A total of 1000 insurance holders, 500 from rural and 500 from urban areas across five districts in Haryana made up the sample. The primary aim of the research was to examine the key factors that influence consumers' decisions while choosing and purchasing insurance policies in Haryana.

The study also sought to identify the different internal and external influences on buyer decision-making.

Reddy & Harika, [17] His paper is about measuring the factors of uninsured responders. The study was conducted in the urban and rural parts of Krishna District in Andhra Pradesh; data was collected based on the factors that influence uninsured people, such as forms of insurance, level of awareness, source of information, and so on. The major benefits recognized by the urban uninsured are family security and life protection, while the main constraints reported by the rural uninsured are poor income and financial problems. The reasons for introducing mandatory life insurance in urban areas are security for dependents and future protection, while in rural areas it is only security for dependent.

2.1 Objective of the Study

1. To investigate the elements that influences the buying decisions of life insurance policyholders.
2. To assess and compare the elements that influences the perspective of life insurance policyholders.
3. To propose a theoretical framework for life insurance in India.
4. To assess the level of understanding of life insurance policy holders

2.2 Hypothesis

1. There is no significant impact of income level on Buying Intention
2. There is no significant impact of educational qualification on Buying Intention
3. There is a significant impact of Self Sufficiency and Security on Buying Intention
4. There is a significant impact of Agent Behavior on Buying Intention
5. There is a significant impact of Financial Behavior on Buying Intention
6. There is a significant impact of Company Policy on Buying Intention

3. METHODOLOGY

The process of analyzing data is exploratory. The survey is conducted using a qualitative, structured questionnaire from a sample size of 142 respondents, to get information about

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Table 1. Age profile of the respodent

S.NO	Particular		Respondent	Percentage
1.		Below 28	30	21.12
	Age	28-35	40	28.16
		Above 35	72	50.70

Sources: Compiled from collected data

Table 2. Marital status profile of the respodent

S.NO	Particular		Respondent	Percentage
2.	Marital status	Married	57	40.14%
		Single	85	59.85%

Sources: Compiled from collected data

Table 3. Income status profile of the respodent

S.NO	Particular		Respondent	Percentage
3		Below1.5 lacs	17	11.97%
	Income	1.5-3 lacs	35	24.64%
		3 -5 lacs	40	28.16%
		Above 5 lacs	50	35.21%

Sources: Compiled from collected data

customer behavior and purchasing intentions for life insurance products provided by Indian life insurance companies. Statistical tools like regression test, ANOVA test is used to analyze the data.

3.1 Analysis and Interpretation

The age range of the respondents is shown in the Table. A significant proportion of the respondents are older than 35, with respondents 28–35 and older scoring lower than those over 35.

The respondents' marital status is displayed in this table. A small percentage of respondents are single, while the majority of respondents are married.

The income of the respondents is displayed in the above table. Many of the responders make more than five lacs in income. A small percentage of responders make less than 1.5 lacs, while the bulk make between 1.5 and 3 lacs.

4. RESULTS AND DISCUSSION

4.1 Reliability Test

Below measures reliability statistics

Table 4. Reliability statistics

Cronbach's Alpha	N of Items
0.9222	32

Sources: Compiled from collected data

A reliability test is performed to verify the accuracy and dependability of measuring objects as well as their internal consistency. With Cronbach's Alpha, the reliability statistics for all items are.922, which is greater than the suggested standard of 0.7 [18-20] and indicates strong internal consistency.

4.2 Exploratory Factor Analysis

Exploratory Factor Analysis is used to create factors from a set of variables. Various methods can be used to investigate factors. For factor analysis, we used Principal Component Analysis (PCA). However, before proceeding with PCA, we must guarantee that there is adequate sampling and sphericity.

4.3 Sampling Adequacy and Sphericity

Kaiser-Meyer-Olkin (KMO) Test of Sampling Adequacy and Bartlett's Test of Sphericity.

The Kaiser-Meyer-Olkin (KMO) and Bartlett statistics are shown in Table 5. The Kaiser-Meyer-Olkin values assess the sample's adequacy. A number in this range is '0' to '1', and a value nearer to 1 and greater than 0 is sufficient for a factor analysis. Such values should, in particular, be more than.5 [21]. According to Hutcheson and Sofroniou [22] the KMO value is good from.7 to.8, very good from.8 to.9, and very good from.9. The KMO value in this study is .919, which is very good and among the suggested values on all categories.

Table 5. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.919
Approx. Chi-Square	3794.414
Df	.375
Sig	.000

Sources: Compiled from collected data

Bartlett's Test of Sphericity [23,24] on the other hand, evaluates the relatedness of variables. For such an experiment, the null hypothesis is that the variables are uncorrelated. Factor analysis requires the link between some variables. The null hypothesis is thus rejected. The same was discovered in this investigation. Because the p value is less than 0.05, we reject the null hypothesis. As a result, the variables can be assumed to be connected and can be processed for factor analysis.

4.4 Regression Results

R square is a measure of the percentage of the dependent variable's variance that the independent variables can explain. The data in this instance indicates that the insurers or the customer's CP, SS, AB, and FB account for only 42.9% of the BI (a figure of 0.428). The Durbin-Watson test is used to see if there is auto correction in the residuals at lag 1. D-W statistics should have a value between 1.5 and 2.5. In this case, this value is 1.416, which is close to the

needed figure. As a result, no autocorrelation can be deduced. The p value is smaller than.05. The F statistic is 71.90. It means that the model fits because of corporate policy, self-sufficiency, agent behavior, and financial behavior.

Table 6. Regression parameters

Parameters	Recommended Value
Durbin-Watson Stat	1.413
R square	. 426
F Stat	71.97 (0.00)
Adjusted R square	. 429

Sources: Compiled from collected data

The regression coefficients are calculated in Table 7. The p value is smaller than.01, indicating that Agents Behaviour, Self Sufficiency, and Financial Behaviour have a substantial impact on Buying Intention at the 1% level of significance. However, because the p value is bigger than.05, Company Policy has no significant impact on Buying Intention. There is also no multi-collinearity because the VIF value is less than 5 and the tolerance values are more than 0.2 [25]. The unstandardized beta value for SS is 0.436, implying that for every unit increase in self-sufficiency, BI rises by 0.435. Similarly, AB and FB have values of 0.151 and 0.172, respectively. The regression findings are shown.

Table 7. Regression coefficients

Model	Unstandardized coefficients		t	Sig	Collinearity Statistics	
Constant	**B**	**Std. Error**			**Tolerance**	**VIF**
	.731	.195	.3685	.000		
SS	.436	.056	8.612	.000	.652	1.534
AB	.151	.042	3.629	.000	.693	1.446
FB	.172	.045	3.650	.000	.594	1.688
CP	.045	.047	1.095	.272	.579	1.732

Sources: Compiled from collected data
Note. Dependent Variable: Buying Intention (BI)

Table 8. Level of Income on buying intention with ANOVA

Name of Group	Sum of Square	Df.	Mean Square	F	Sig
Between Groups	4.422	3	1.106	2.403	0.052
Within Groups	176.849	383	.463		
Total	181.265	385			

Sources: Compiled from collected data
Note: Dependent Variable: Buying Intention, Independent Variable: Income Level
Ho: There is no significant impact of income level on Buying Intention

Table 9. Educational qualifications on buying intention

Name of Group	Sum of Square	Df.	Mean Square	F	Sig
Between Groups	1.602	3	.402	.856	.491
Within Groups	179.663	385	.464		
Total	181.269	389			

Sources: Compiled from collected data
Note: Dependent Variable: Buying Intention, Independent Variable: Educational Qualification
Ho: There is no significant impact of educational qualification on Buying Intention.

4.5 Impact of Income and Education level on Buying Intention

Policyholders of various income levels are eager to obtain insurance coverage. However, a low-income family may be unable to purchase additional insurance policies. As a result, the effect of income level on purchasing intention is being investigated. The findings indicate that income level has a substantial impact on the intention to purchase insurance products. Table 8 shows the outcome of the ANOVA test.

Table 8 shows that the F value is 2.403, which is 5% significant. The null hypothesis is rejected since the p value is 0.05. As a result, it is concluded that income levels have a considerable impact on insurance product purchasing intentions in Odisha. As a result, while presenting new products, insurance companies should consider people's income levels. Promotional strategies should also be tailored to different income levels.

To investigate the impact of educational credentials on insurance product purchasing intentions, an ANOVA test was used with the null hypothesis that educational qualifications have no significant impact on purchasing intentions. Table 9 shows the outcome of the ANOVA test.

Table 9 depicts policyholders' attitudes about purchasing insurance products in Odisha across various educational qualification categories. The null hypothesis is not rejected since the p-value is greater than 0.05. It indicates that policyholders' educational qualifications have no substantial impact on their purchasing intentions.

5. CONCLUSION AND POLICY IMPLICATIONS

This research focuses on customers' attitudes towards investing in insurance products in Odisha. We also examined policyholder attitudes in light of their socioeconomic circumstances. We discovered that elements like as agents' attitude, self-sufficiency, and financial behavior have a considerable impact on policyholders' purchasing intentions. While assisting consumers with information and collecting premiums, the agents should demonstrate dynamism in their actions. Customers should also be assisted by the representatives by clarifying their doubts and answering their questions. Furthermore, the agents should ensure that premiums are paid on time so that customers do not incur penalties. However, it is crucial to remember that consumers purchase insurance products only after they have achieved financial stability and independence. According to Mathew & James [26] and Unnamalai & Rajnikanth [27], they view insurance as an investment and a safeguard against unforeseen events like illness and death. Insurance businesses should take income into account when introducing new products and implementing new strategies because income level also has a big influence on purchasing behavior. Additionally, the study found that neither business policy nor educational qualifications had a substantial impact on policyholders' purchasing inclinations.

In today's cutthroat economy, maintaining customer satisfaction has become critical to both survival and growth. Insurance firms should determine the causes of customer unhappiness and address them to maintain satisfied consumers, as happy customers refer business and generate positive word of mouth [28] Future research in this field can take into account additional variables that impact policyholders' purchasing inclinations. It is also possible to repeat the study in a larger setting, such as India.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Peer-review history:
The peer review history for this paper can be accessed here:
https://www.sdiarticle5.com/review-history/113278