4 Results and Discussions

4.1 Profile of the Sample Population

4.2 Influence of the Marketing Mix Decisions of Insurance firms
   4.2.1 Product Decisions
   4.2.2 Price Decisions
   4.2.3 Place Decisions
   4.2.4 Promotion Decisions

4.3 Socio-Cultural Influences
   4.3.1 Family Influences
   4.3.2 Informal Sources (Ref Groups and Opinion Leaders)
   4.3.3 Other Non Commercial Sources
   4.3.4 Social Class
   4.3.5 Culture

4.4 Personal Influences
   4.4.1 Motivation
   4.4.2 Perception
   4.4.3 Learning
   4.4.4 Personality/Lifestyle
   4.4.5 Attitude

4.5 Validation of Hypothesis
   4.5.1 Hypothesis 1
   4.5.2 Hypothesis 2
   4.5.3 Hypothesis 3
   4.5.4 Hypothesis 4
   4.5.5 Hypothesis 5
   4.5.6 Hypothesis 6
4.1 Profile of the Sample Population

Bodla and Verma, writing on Life Insurance Policies in Rural Area: Understanding Buyer Behavior, have concluded that “Respondents belonging to the age group 31-40 dominate the rural insurance market”. 184 This is also borne by the sample population surveyed. 45% of the respondents belonged to the age bracket between 31 to 40 years. (Figure 4.1)

Figure 4.1
Demographics: Age of the Sample

The Professional status of the respondents was studied to understand their buying behavior patterns based upon their self-employed, in employment, unemployed or retired status. The sample was distributed between self-employed (38%) and in service (46%). The rest 16% belonged to unemployed or retired category. (Figure 4.2)

Figure 4.2
Demographics: Professional Status

Only 17% of the respondents had family size of 1 to 3 members. The balance 83% lived in families with 4 or more members. The biggest category of 62% belongs to those with 4 to 6 family members. (Figure 4.3)

Figure 4.3
Demographics: Family Size

8% of the sample had no formal education, while 37% had studied less than class 10. 27% had gone past class 10 and only 28% had been educated beyond class 12. (Figure 4.4)
Microinsurance primarily deals with the Bottom of the Pyramid segment of the society. The sample chosen represented the target segment with 35% having no land holding at all and 59% owning up to 10 acres of land. (Figure 4.5)
The sample chosen has 42% of the respondents with annual income between Rs 20,000 to Rs 50,000 and 35% with annual income between Rs 50,000 and Rs 100,000. (Figure 4.6)

Figure 4.6
Demographics: Annual Income

74% of the sample owned their place of residence while 26% lived in rented accommodation. This high balance towards own household status is due to the sample belonging to rural areas where the concept of rental home is still new. (Figure 4.7)

Figure 4.7
Demographics: Household Status
Microinsurance is primarily targeted at rural population who has none or very little access to conventional insurance. It also covers the social sector in urban areas who are excluded by conventional insurance companies. 69% of the population belonged to rural areas while 31% belonged to urban areas (Figure 4.8)

Figure 4.8
Demographics: Rural-Urban Status
4.2 Marketing Mix Influences

Influence of the Marketing Mix Decisions of Insurance firms

4.2.1 Product Decisions
What do they want to buy?

![Preference for Type of Cover](image)

LIC, the Public sector organization, which has made sufficient inroads in the target population, has traditionally sold only Life cover. Thus, preference or type of cover for the sample is mainly, Life Insurance. A majority of the sample (49.1%) prefers to buy Insurance for Life cover as compared to cover for hospitalization, disease or cover for direct Doctor and Medicine expenses. (Figure 4.9 and Table 1.1.1 in Annexure A ). 38% of the sample also prefers all the four given options.

Thus as far as preference of product is concerned, Life Insurance is most sought after followed by hospitalization which comes a poor second with just 6% selecting as their preference.
In order to understand the type of product demanded by the target, the sample was asked, ‘whom would they wish to cover?’ Insurance cover is primarily sought for the entire family by 57% of the respondents (Figure 4.10 and Table 1.1.2 in Annexure A). Family includes self, spouse, parents and children. Next in demand is Insurance for self, which is the most preferred option for 19% of the sample.

**How much Insurance do they need?**

Though the sample population may be aware of the concept of Insurance, they are actually unable to put a ‘Price’ on their head. In other words, they cannot quantify the ‘value’ that their life carries. A huge 34% don’t know or can’t say how much Insurance cover they ought to have (Table 1.1.3 in Annexure A). Next, in the category are those who believe that a cover of about Rs 50,000 is what they would like to buy Insurance for (30%). (Table 1.1.3 in Annexure A). Marketing promotional campaigns and Agent Training programs should educate the target audience on valuation of a person’s life based on his/her current and future income.

Things change a bit as far as Health Insurance is concerned. Here, those who cannot imagine the extent of cover required are in third position (Table 1.1.4 in Annexure A). But once again, the amount of cover expected for Health Insurance is up to Rs 50,000 by most of the respondents (41%) while a good numbers (25%) do expect to cover up to Rs 100,000 for Health.
Income and Amount of Cover Expected

The amount of cover expected for both Life and Health is obviously dependent on the ability to pay premium. The ability to pay premium is dependent upon the income of the customers.

\[
\text{Amount of Cover} = f(\text{Premium amount})
\]

\[
\text{Premium amount} = f(\text{Income})
\]

When we distribute the sample based on Annual income and amount of cover expected we find that a majority want an insurance cover for both Life and Health up to Rs 50,000. We shall see this in the discussion below

Figure 4.11
Annual Income and Amount of Hospitalization Cover Desired

Figure 4.11 and Table 1.1.5 in Annexure A shows that out of 100% of sample that wants a cover of Rs 50,000 for Health, 89% belong to Income category, up to Rs 50,000 per annum. This is also true for Life Insurance as seen in table 1.1.6, (87%). In other words, the target audience expects 1 year’s income as a cover for Life and Health Insurance. The rule of thumb in
Insurance industry is six times the annual income after deductions. These findings once again point out to a strong need to educate the population on valuation of their life or Health.

Figure 4.12
Annual Income and Amount of Life Cover desired

As seen above, there is a huge population who is unable to decide on the amount of cover that they would like to be insured for, but is there a relationship between Income and expectation of Health and Life cover?

A test for association was carried out to find out the correlation between Amount of Cover desired for Hospitalization and Annual Income

**Ho-There exists no relationship between Amount of Hospitalization cover required and Annual Income**

**H1-There exists a relationship between Amount of Hospitalization cover required and Annual Income**

Following are the results of the tests carried out on the Cross Tabulation of ‘Amount of Hospitalization required and Annual Income’ (Table 1.1.6):
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus we Accept the Alt Hypothesis (H1) that there exists a relationship between Amount of Cover preferred for Hospitalization and Annual Income (1).

The contingency coefficient and Crammers V values suggest that the association is not very strong.

The lambda coefficient which measures the overall improvement when prediction is done for independent variable Annual income by dependent variable ‘Amt of Hospitalization cover required’ is also low (14%).

Similarly, a test for association was carried out to find out the association between Amount of Cover desired for Life Insurance and Annual Income.

Ho-There exists no relationship between Amount of Life cover required and Annual Income

H1-There exists a relationship between Amount of Life cover required and Annual Income

Following are the results of the tests carried out on the Cross Tabulation of ‘Amount of Hospitalization required and Annual Income’ (Table 1.1.6):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>122.845(^a)</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.482</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.246</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Amt of Hospitalization cover required)</td>
<td>0.158</td>
<td>0.001</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus we accept the Alt Hypothesis (H1) that **there exists a relationship between Amount of Cover preferred for Life and Annual Income**  

(2)

The contingency coefficient and Crammers V values suggest that the association is not very strong.

The lambda coefficient which measures the overall improvement when prediction is done for independent variable Annual income by dependent variable ‘Amt of Hospitalization cover required’ is also low (15%).

Findings (1) and (2) confirm the prevalent view that Annual Income and Insurance cover are correlated, but how much should be the cover is still not clearly understood by the sample population.

**How would they like to pay the installments?**

![Figure 4.13](#)

An Insurer would like to get the entire Annual premium at one go. This has many advantages like better cash flow and confirmed financial commitment by the customer. But, the biggest advantage is savings on administrative cost. If the insurer collects the same premium in more than one installment then the cost to collect it grows many folds. He has to set up machinery for continuous monitoring which will ensure collection. There is also a big possibility of drop
outs in between. A customer may buy a policy out of initial enthusiasm but may not pay next premium due in six months. With Annual premium, a one year commitment is guaranteed. Let us see how the customer views his situation and what payment cycle does he want to pursue. Table (1.1.7) clearly shows that choice of Premium Payment is equally divided between Annual, Quarterly and Monthly. Insurers will have to tie up with local collection centers to ensure efficient collection process.
4.2.2 Pricing Decisions
How much are they willing to pay?

The most appropriate Price (customers’ willingness) is approximately Rs 500 for Health and Rs 500 for Life Insurance (Table 1.2.1 and Table 1.2.2 in Annexure A). Not more than 10% in both forms of Insurance are ready to pay beyond Rs 1500 per month.

Insurers would like to know whether there is any relationship between the product and the price that the customers are ready to pay for the same. If they expect Insurance claim Health or Life of Rs 50,000, then, is this number backed by a ‘willingness to pay’? Insurance, being a financial service, it largely depends upon the contribution that each member is ready to make so that goals of all members are met. This willingness to pay is an important criterion in designing the product.

Figure 4.14 (Table 1.2.3 in Annexure A) shows distribution of the sample population based on two parameters, Amount of Hospitalization cover expected by the customers and Amount of Monthly premium that they are ready to pay for Health Insurance.

Figure 4.14
Willingness to pay for the desired Hospitalization Cover
Figure 4.14 (Also Table 1.2.3 in Annexure A) tells us that out of the total sample which demands a Health Insurance product worth Rs 50,000, a big majority (62%) is ready to pay a monthly premium of Rs 500. Also, from the total sample which demands a Health Insurance product between Rs 50,000 and Rs 100,000 the willingness to pay is again Rs 500 per month (55%). Thus Rs 500 per month seems to be the most appropriate premium that the sample population is willing to pay for Health Insurance. Just about 5% are willing to pay premium between Rs 1501 to Rs 2000 and only 1.7% are willing to pay monthly premium of more than Rs 2000.

Figure 4.15 (See Table 1.2.4 in Annexure A) also shows distribution of the sample population based on the two parameters, Amount of Life cover expected by the customers and Amount of Monthly premium that they are ready to pay for Life Insurance.

Figure 4.15
Willingness to pay for the desired Life Cover
A test for association was carried out to find out the co-relation between Amount of Cover desired for Hospitalization and willingness to pay Monthly Premium for Health.

_Ho_-There exists no relationship between Amount of Hospitalization cover expected by the customers and Amount of Monthly premium that they are ready to pay for Health Insurance.

_H1_-There exists a relationship between Amount of Hospitalization cover expected by the customers and Amount of Monthly premium that they are ready to pay for Health Insurance.

Following are the results of the tests carried out on the Cross Tabulation of ‘Amount of Hospitalization cover expected by the customers and Amount of Monthly premium that they are ready to pay for Health Insurance’ (Table 1.2.3 in Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>92.802a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.431</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.239</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Amt of Hospitalization cover required)</td>
<td>0.017</td>
<td>0.284</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus we accept the Alt Hypothesis (H1) that there exists a relationship between Amount of Hospitalization cover expected by the customers and Amount of Monthly premium that they are ready to pay for Health Insurance. (3)

The contingency coefficient and Crammers V values suggest that the association is not very strong.
The lambda coefficient which measures the overall improvement when prediction is done for independent variable Annual income by dependent variable ‘Amt of Hospitalization cover required’ is not significant.

Table 1.2.4 in Annexure A also tells us similar facts about Willingness to pay Life Insurance Premium. Once again, the sample population is willing to pay Rs 500 (additional) for Life Insurance per month. Majority of this sample demands life insurance up to Rs 50,000 or between Rs 50,000 to Rs 100,000.

An important Product related feedback for insurers can be a combination product where they can charge a monthly premium of Rs 1000 and provide cover up to Rs 50,000 for Life as well as Health.

A test for association was carried out to find out the co-relation between Amount of Cover desired for Life Insurance and willingness to pay Monthly Premium for Life insurance.

\[ Ho - There \ exists \ no \ relationship \ between \ Amount \ of \ Life \ cover \ expected \ by \ the \ customers \ and \ Amount \ of \ Monthly \ premium \ that \ they \ are \ ready \ to \ pay \ for \ Life \ Insurance. \]

\[ H1 - There \ exists \ a \ relationship \ between \ Amount \ of \ Life \ cover \ expected \ by \ the \ customers \ and \ Amount \ of \ Monthly \ premium \ that \ they \ are \ ready \ to \ pay \ for \ Life \ Insurance. \]

Following are the results of the tests carried out on the Cross Tabulation of ‘Amount of Life cover expected by the customers and Amount of Monthly premium that they are ready to pay for Life Insurance’ (Table 1.2.4):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>182.413a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.556</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.299</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Amt of Life cover required)</td>
<td>0.117</td>
<td>0.001</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus we accept the Alt Hypothesis (H1) that there exists a relationship between Amount of Life cover expected by the customers and Amount of Monthly premium that they are ready to pay for Life Insurance. (4)

The contingency coefficient and Crammers V values suggest that the association is significant but not very strong.

The lambda coefficient which measures the overall improvement when prediction is done for independent variable Annual income by dependent variable ‘Amt of Life cover required’ is significant but low (11.7%).

From Findings 3 and 4 we can conclude that there exists a relationship between willingness to pay and the product demanded by the customers.
4.2.3 Place Decision

One of the biggest challenges in insurance penetration is the distribution reach. This is particularly true for Microinsurance as the target audience is spread far and wide. They do not have uninterrupted access to conventional mass media. In such circumstances, the Insurance agent plays a major role in influencing the customer. Having met or interacted with an insurance agent is a good predictor of intention to buy as seen in Figure 4.16 also Table 1.3.2 in annexure A.

Further, Table 1.3.1 in Annexure A shows penetration of the Insurance agent. More than 62% of the sample population has met an Insurance agent. What has to be kept in mind while reading these figures is the low awareness of private Insurance companies (Table 1.4.1, Annexure A). This means that more than 62% of the population has met an insurance agent but only from LIC.

We saw in the above tables, the importance that an insurance agent plays in reaching out to the customers. We see in Figure 4.16 (Also Table 1.3.2 in Annexure A) that from those who have met an insurance agent, 76% of those are insured while those who have not met an insurance agent, only 40% are insured.
A test for association was carried out to find out the correlation between Insured Status and having met an Insurance Agent

_H0-There exists no relationship between_ Insured Status and having met an Insurance Agent

_H1-There exists a relationship between_ Insured Status and having met an Insurance Agent

Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and having Met an Insurance Agent’ (Table 1.3.2 in Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>53.095a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.340</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.361</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.197</td>
<td>0.015</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus we accept the Alt Hypothesis (H1) that there exists a relationship between Insured status and having met an Insurance Agent. (5)

The contingency coefficient and Crammers V values suggest that the association is significant but not very strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Met Insurance Agent’ for dependent variable ‘Insured Status’ is significant but low (19.7%).

The impact of the Insurance agent on buying behavior was further explored by asking the respondents ‘where did they first learn about Insurance’? The first education about Insurance comes through the Agent for 43% of the population (Table 1.3.3 Annexure A). Thus, the agent is not only instrumental in selling the policies but, educating them on the concept of Insurance. This strengthens the role of the Agent as a distribution channel. Distribution channels like Bank, Post office are not spreading the word, enough.

Table 1.3.4 in Annexure A also gives a similar picture regarding Insured status and where they first learn about Insurance. Out of total number of respondents who have first learnt about Insurance from an Insurance agent, 74% are insured. Friends and Relatives and Advertisements both score less than 50%.

Findings of 1.3.4 in Annexure A are further confirmed when they express their ‘intent to buy from’. 64% of the population would fall back on the Agent to buy Insurance (Table 1.3.5 in Annexure A). A good 21 % also mentioned Bank as their preference, while all other channels were negligible options.
4.2.4 Promotion Decisions

Purchase decisions are taken based on External and Internal influences on the consumer. The external influences of marketing communication seems to be so weak to this target segment that a majority of them (67%) are not even aware of any private companies in the business of Insurance (Table 1.4.1).

What is important to note from Insurer point of view is that even those who claimed awareness about existence of Private Insurance companies, about 50% of them could not name any Private Insurance company as seen in Figure 4.17 (Also Table 1.4.2 in Annexure A). From the existing Private Insurance companies operating in India, less than 5% could name only 2 names i.e. Bajaj and ICICI. There was another surprise name called ‘Twinkle’, which is not listed as an Insurer by IRDA. This name was repeated by more people than Bajaj or ICICI. Most likely, this is some fly-by-night operator, trying to cash in on people’s ignorance.

![Recall Names of Private Insurance Companies](image)

Marketing communication seems to do much better in terms of unaided recall of Insurance advertisements on TV, Radio or Newspaper. Though 68% of the population remembers seeing an insurance advertisement, their recall is limited to LIC only, with just 3.7% recalling names of Bajaj and ICICI (Tables 1.4.3 and 1.4.4 in Annexure A)
The influence of advertisement on ‘wanting to buy Insurance’ is very minimal with just 12% claiming that advertisements do make them want to buy insurance (Table 1.4.5 in Annexure A).

Advertisements influence buying behavior, is an acceptable marketing tenet. Is there a relationship between advertising influence and buying behavior of Insurance? From the previous section we learnt that there is hardly any impact of marketing communication on the target population. The percentage of population which does get influenced by insurance advertisement is also very low as we saw above. So, the significance of testing correlation between buying behavior and advertising influence is very low. Table 1.4.6 tells us that from those who are influenced by advertisements, 79% have bought insurance and the remaining 21% have not.

A test for association was carried out to find out the co-relation between Ads Influence Buying Behavior and Insured Status.

_Ho-There exists no relationship between Ads Influence Buying Behavior and Insured Status._

_H1-There exists a relationship between Ads Influence Buying Behavior and Insured Status._

Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Ads Influence Buying Behavior’ (Table 1.4.6):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>16.935*</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.200</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.204</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus we accept the Alt Hypothesis (H1) that **there exists a relationship between Ads Influence Buying Behavior and Insured Status.** (6)

The contingency coefficient and Crammers V values suggest that the association is significant but not very strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Ads Influence Buying Behavior for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Ads Influence Buying Behavior and Insured Status. At a generic level, this model confirms the marketing tenet that Ads influence buying behavior, but the results used cautiously as influenced sample is very low (12.8%).

Media habits of Newspaper, TV and Radio have sprung real surprises. As opposed to conventional views, Newspaper is the highest consumed media amongst the sample population. 52% of the population does access Newspaper on a daily basis, while 26% have no access to Newspapers. (Table 1.4.7 in Annexure A)

The relationship between Newspaper habit and Insured status will tell us the impact of the media on buying behavior of insurance.
A test for association was carried out to find out the co-relation between Newspaper Reading Habit and Insured Status.

*Ho-There exists no relationship between* Newspaper Reading Habit and Insured Status.

*H1-There exists a relationship between* Newspaper Reading Habit and Insured Status.

Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Newspaper Reading Habit’ (Figure 4.18, Table 1.4.8 in Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>17.899a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.205</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.210</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus we accept the Alt Hypothesis (H1) that there exists a relationship between Newspaper Reading Habit and Insured Status (7)

The contingency coefficient and Crammers V values suggest that the association is significant but not very strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable 'Newspaper reading habit' for dependent variable 'Insured Status' is not significant.

Television has undisputedly emerged as the chief media for the masses. Table 1.4.11 in Annexure A tells us that 79% view TV at home and this means they own a TV set. But their media habits are a little different from their urban counterparts. A huge majority of 71% views less than 10 hours of television a week (Table 1.4.9 in Annexure A). This also explains low recall of advertisements.

Figure 4.19
TV viewership and Insured Status
A test for association was carried out to find out the co-relation between TV Viewing Habit and Insured Status

_Ho-There exists no relationship between TV Viewing Habit and Insured Status._

_H1-There exists a relationship between TV Viewing Habit and Insured Status._

Following are the results of the tests carried out on the Cross Tabulation of ‘TV Viewing Habit and Insured Status’ (See Figure 4.19 and also Table 1.4.10 in Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>8.736*</td>
<td>0.068</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.145</td>
<td>0.068</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.147</td>
<td>0.068</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be accepted. Thus that _there does not exist a relationship between TV Viewing Habit and Insured Status_ (8)

The contingency coefficient and Crammers V values suggest that the association is not significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘TV viewing habit’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists no relationship between TV Viewing Habit and Insured Status

TV is largely viewed at home by the Target population. 79% of the population responded that they saw TV at their homes (Table 1.4.11 in Annexure A)
Radio as a media, has lost all its sheen to this population. Media consumption is lowest in case of Radio, with more than 66% claiming that they do not listen to radio. This is possibly due to rise in the consumption of Television and no reach of FM radio in these inaccessible places.

Figure 4.20
Radio Listening Habit and Insured Status

A test for association was carried out to find out the correlation between Radio Listening Habit and Insured Status

_Ho-There exists no relationship between_ Radio Listening Habit and Insured Status.
**H1—There exists a relationship between** Radio Listening Habit and Insured Status.

Following are the results of the tests carried out on the Cross Tabulation of ‘Radio Listening Habit and Insured Status’ (See Figure 4.20 and also Table 1.4.13 in Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>14.235a</td>
<td>0.007</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.184</td>
<td>0.007</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.187</td>
<td>0.007</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that **there exists a relationship between** Radio Listening Habit and Insured Status **should be accepted.** (9)

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Radio Listening Habit’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Radio Listening Habit and Insured Status.

Best time to pay premium will decide when to use promotional campaign so as to attract new customers and retain old ones by reminding them of their premium due date. October to March seems to be the best time when most (cumulative 44%) are comfortable to pay the premium (Table 1.4.14). There is also a big 27% which is not constrained by period for payment. For them, any time is good time for Paying the premium.
Time to pay (i.e. months of the year) insurance is also related to professional status (i.e. self-employed, employee, unemployed or retired). Depending on the professional status, the time to pay also changes.

Figure 4.21
Professional Status and Best Time to Pay Premium

A test for association was carried out to find out the correlation between Time to Pay Premium and Professional Status.

Ho-There exists no relationship between Time to Pay Premium and Professional Status.

H1-There exists a relationship between Time to Pay Premium and Professional Status.
Following are the results of the tests carried out on the Cross Tabulation of ‘Professional Status and Best Time to Pay Premium (Figure 4.21 and Table 1.4.15 in Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>26.771</td>
<td>0.031</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.248</td>
<td>0.031</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.148</td>
<td>0.031</td>
</tr>
<tr>
<td>Lambda (Dependent: Time to pay Premium)</td>
<td>0.068</td>
<td>0.036</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that **there exists a relationship between Time to Pay Premium and Professional Status is accepted.**

(10)

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Professional Status’ for dependent variable ‘Time to pay Premium’ is significant but not strong.

From the above findings, it can be concluded that there exists a relationship between Time to Pay Premium and Professional Status. This information can be used by Insurers to reach out during this specific time for their marketing communication.

What is the impact of professional status on Premium payment cycle? Monthly and Quarterly payment cycle are preferred by employees while six monthly and Annual are preferred by self employed respondents (Figure 4.22 and Table 1.4.16 in Annexure A)
A test for association was carried out to find out the co-relation between Premium Payment Cycle and Professional Status.

Ho-There exists no relationship between Premium Payment Cycle and Professional Status

H1-There exists a relationship between Premium Payment Cycle and Professional Status

Following are the results of the tests carried out on the Cross Tabulation of ‘Premium Payment Cycle and Professional Status’ (Figure 4.22 and Table 1.4.16 in Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>46.463a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.320</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.195</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Premium Payment Cycle)</td>
<td>0.080</td>
<td>0.047</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that **there exists a relationship between Premium Payment Cycle and Professional Status is accepted**. (11)

The contingency coefficient and Cramers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Professional Status’ for dependent variable ‘Premium Payment Cycle’ is significant but low.

From the above findings, it can be concluded that there exists a relationship between Premium Payment Cycle and Professional Status.

Understanding the cause and effect result relationship between Promotion mix variables and Buying of Insurance.

Logistic Regression was carried out with
Dependent Variable = Insurance bought/Not bought
Independent variables = Newspaper habit, TV viewing, Radio listening and meeting a sales person (Insurance Agent)

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.
A logit regression was used to predict Insured status (i.e. Insured or Not Insured) from marketing promotion variables of Newspaper Reading habit, TV viewing habit, Radio listening habit and Meeting a sales person.

From amongst these predictor variables, Newspaper habit and Meeting a sales person are statistically significant.

Newspaper habit and Meeting a sales person were significant predictors of Insured Status, but TV viewing and Radio Listening habit(s) was not related to Insured Status.

For every one unit increase in Newspaper habit, the odds of being Insured (versus Not Insured) increased by a factor of 1.12, 

For every one unit increase in having ‘Met a Salesperson’, odds of being Insured (versus Not Insured) increased by a factor of 4.59.

From the above findings, we conclude that Newspaper habit and Meeting sales person are the most effective Marketing Communication variables in decision to buy Insurance. (12)
4.3 Socio-Cultural Influences

4.3.1 Family Influences

4.3.2 Influence of Informal Sources
  • Reference Groups and Opinion Leaders

4.3.3 Influence of Other Non-Commercial Sources
  ▪ Urban Exposure

4.3.4 Social Class Influences
  ▪ Education
  ▪ Income
  ▪ Land holding
  ▪ Professional Status

4.3.5 Cultural Influences
4.3.1 Family Influences

Family size is a very effective predictor of consumption behavior. 62% of the sample population had 4 to 6 members per household while only 1.5% had more than 12 members per household (Table 2.1.1 Annexure A).

The sample population belongs to Pune Rural, Maharashtra, India and parts of economically weaker sections in Pune Urban, Maharashtra, India. Modernization, in terms of women's empowerment has not reached these strata of society; it's a male driven society with all major decisions being taken by men including running household expenditure.

42% of the respondents said that it was the husband who was responsible for running household expenditure (Table 2.1.4 Annexure A). Only a negligible 5.4% responded that wife took household expenditure decisions.

This confirms our traditional sociological view of this segment living in a male dominated society. It is also perhaps why; many of the TV commercials are not registered in their minds since they tend to show women making independent choices.

Some modernity is seen in the form of joint decision making which accounts for 31% of the population. (Table 2.1.4 Annexure A)

Decision maker for new purchases also shows same pattern for Man vs Wife as decision maker. A huge 33.2% decision makers were men alone and a poor 1.7% were wife alone (Table 2.1.5 Annexure A). Joint decision making for new purchases went up to 42% as compared to 31 % for running household expenses.

The obvious learning for Insurers is to direct their promotional campaign at the Man in the family or jointly to man and wife. Independent and empowered women decision makers are not the role model for this segment.

Family roots are well entrenched in the target population. Sample population largely chose insurance products for the whole family rather than self. Table 2.1.6 shows that given a choice, 29% of the population would choose Life insurance for the family as first preference and 26% would choose Health Insurance for the family as 2nd preference (Table 2.1.6 Annexure A). Less than 20% opted for Insurance policies for self (Life plus Health)
4.3.2 Informal Sources (Ref Groups and Opinion Leaders)

Reference group of the sample population for Insurance and medical related purchases was found out by directly asking them whose advise they take when faced with illness to self or a close family member. Not surprisingly, the biggest reference group surfaced as family member or relative (42.5%) and surprisingly, the next big reference group emerged as the Allopathic Doctor (Table 2.2.1 Annexure A). More than 39% would seek advice from the local Doctor (Allopathic) which is a good sign of the place medical treatment has made for itself in the eyes of the sample population.

Table 2.2.2 in Annexure A further strengthens the role and importance that the sample population rests with the Allopathic Doctor. A whopping 93% would buy medicines only on the advice of the Allopathic Doctor and not the chemist, family member, relative, friend or neighbor. This too is a very surprise finding as the general assumption is that the chemist is the first line of treatment for this population. But the study contradicts the widely held view.

The allopathic Doctor is a very trusted Opinion leader in the sample population. His role can be further increased in spreading Insurance awareness or even promoting it if possible.
How does the sample spend his free time tells us who are his primary reference groups are. Figure 4.23 shows that more than 50% of the sample spends their free time with family and more than 20% claim to spend their free time with friends. Thus the world of the sample is restricted to family and friends. This is a useful input to design promotional campaign. Also noteworthy is that not more than 10% of the sample spends their free time on entertainment.

The impact of reference group can be judged by the number of people in the respondents network who have bought insurance. Figure 4.24 (also Table 2.2.4 in Annexure A) shows that 85% (cumulative) of the respondents know at least one person who has bought insurance. Thus reference group influence is quite strong.
The influence of reference group is quite strong by the respondents’ own admission. 70% of the respondent claim that they feel like buying insurance as others in the group have bought. (Table 2.2.5 Annexure A)

![Opinion Leader for financial matters](image)

If the reference group has so much influence on the respondent, does it also relate to his insurance buying behavior? A correlation was carried out between the insured status of the respondents and the insured status of their reference group. Table 2.2.6, Annexure A, tells us that when more than four persons in the reference group are insured then 83% of the sample too is insured. Whereas, when only one to two members of the reference group are insured, then only 50% of the respondents are insured. Thus proving that more the number of insured people in reference group, more the likelihood of the sample being insured.

Figure 4.25 and 4.26 (Table 2.2.7 and 2.2.8 in Annexure A) shed light on the influence of opinion leader in influencing financial decisions of the respondents. In particular, on insurance, 57.5% of the sample accepted that they would buy insurance if the opinion leader advised them to. Only 7.4% said a downright ‘NO’ to the same question. Table 2.2.7, Annexure A, also tells us that there is a high correlation between those who are ready to accept the advice of opinion leaders and those who are insured.
4.3.3 Other Non Commercial Sources

-Influence of Urban Exposure:

We saw earlier that the reach and impact of media on the sample population is limited. Then what are his sources of information? One of the important outcomes of focus group interviews was that those respondents who had some kind of urban exposure were more likely to be aware of Insurance. This is primarily so because Insurance companies have targeted only urban areas until now. Also, in urban areas, the migrant is usually working as an employee with some firm. Here he may be covered by the employer, thus increasing his
awareness and insured status. At work, the migrant comes into contact with colleagues who may be better informed about Insurance. A family member migrated to city is one of the chief sources of information about the ‘happenings’ in the city. He informs his relatives back home about how they can further improve their lives. Urbanization in the country has resulted in massive influx of migrants from villages to cities. Thus we have only 16% of the population with no close contact with the latest developments in cities (Table 2.3.1 Annexure A). Those respondents who were part of the urban survey have been categorized as ‘Self’ in the table.
4.3.4 Social Class

Measurement of Social Class

Objective Measures (of measuring Social Class) consist of selected demographic or socioeconomic variables concerning the individuals under study. These variables are measured through questionnaires that ask respondents several factual questions about themselves, their families or their places of residence. When selecting objective measures of social class, researchers favor one or more of the following variables: Occupation, amount of income and education.

Socio-economic measures of social class are of considerable value to the marketers concerned with segmenting markets. Marketing Managers who have developed socioeconomic profiles of their target markets can locate these markets (that is identify and measure them) by studying socioeconomic data.

The United States Bureau of the Census too has developed the Socioeconomic Score (SES) which combines three basic socioeconomic variables; Family, Income and education attainment.

Professional Status describes the employed/unemployed position of the respondents and also tries to find out if he is self employed, in service or retired. These demographics give us a fair amount of idea as to how the sample population might buy insurance. Table 2.4.1(Annexure A) shows that 12% of the sample population is unemployed. Unemployment in rural areas is seasonal, with people working on farms not getting employment throughout the year. 38% of the sample population is self employed, farming being a major component of this category.

Education is another important variable that we need to study, so as to understand the buying behavior of Insurance in the population. The highest category in education belongs to those who have studied below class 10th (Table 2.4.2, Annexure A) followed by those who have studied up to class 10th. The table shows that 64% of the population has received less than 12 years of formal education (cumulative of below class 10 and class 10) and 8% have received no formal education at all.
The annual income of the sample population is concentrated in 2 categories – up to Rs 20,000 and between 20,000 and 50,000 (Table 2.4.3 Annexure A). 87% of the sample population belongs to these two categories. This sample is relevant for the current study as the target audience for Microinsurance belongs to similar Annual Income category.

Land holding is a very strong determinant of social class in rural India. A higher land holding determines a social position and power in society. The sample population was once again concentrated in two broad categories (Table 2.4.4 Annexure A) – Those with no land holding (34%) and those with land holding between 1 to 10 Acres (59%).
4.3.5 Culture

Cultural Beliefs about Insurance in target population

Based on focus group interviews, a group of 8 belief statements were derived that reflect the cultural ethos of the target population towards Insurance.

- Disease and accident are destiny. (CB1)
- Suffering is result of bad ‘karma’ (CB2)
- Not much can be done to reduce the suffering. (CB3)
- Allopathic Doctors and Hospitals loot the common man. (CB4)
- Hospitalization and other medical expenses are meant for rich people only. (CB5)
- I would buy insurance if affordable. (CB6)
- Thinking & Planning for death is not good omen (CB7)
- Money cannot substitute loss of family member (CB8)

These 8 statements were administered to the sample population to understand their beliefs about Insurance. The respondents expressed their views on a 5 point scale from Strongly Agree to Strongly Disagree. The number of responses for each statement on the given scale is listed in Table 2.5.1 in Annexure A. Along with the number of respondents, we also have corresponding percentages for each statement.
Correlation coefficient (r square) was found out for all the above statements, to test if the statements were independent or not.

Table 2.5.2 in Annexure A, (reproduced below) gives the result of this correlation where r square value does not go beyond 0.8. We can thus infer that the statements are indeed independent.
An effort was made to understand the correlation between their cultural beliefs and demographic variables of Age, Education, and Rural / Urban location.

It is important for Marketers to learn how cultural beliefs regarding Insurance change along these demographics. This will help them develop Marketing campaigns targeted at the precise segment.

Marketers would like to know how Age is related to cultural beliefs. Table 2.5.3, Annexure A shows which cultural belief is most significant as far as Age is concerned. From the above findings, it is clear that in general, Age is not significantly correlated to Cultural Beliefs about Insurance except the following beliefs: Disease and accident are destiny (with a positive sign) and Hospitalization and other medical expenses are meant for rich people only. (with a negative sign)

This implies that as Age increases, the belief that Disease and accident are destiny increases and as age increases, belief that ‘Hospitalization and other medical expenses are meant for rich people only’, decreases.

Education is an important demographic variable that marketers often use for segmentation. Does cultural belief change with years of education? Correlation was performed between ‘Years of Education’ and other relevant ‘Cultural Belief’ variables to understand what are the most significant of these variables. (Table 2.5.4 Annexure A)

From the above findings, it is clear that in general, Education is not significantly correlated to Cultural Beliefs about Insurance except the following beliefs:

- Disease and accident are destiny (with a positive sign) and
- Hospitalization and other medical expenses are meant for rich people only. (with a positive sign)

This implies that as years of Education increases, the belief that Disease and accident are destiny increases and as Years of Education increases, belief
that ‘Hospitalization and other medical expenses are meant for rich people only’, increases.

The relationship between Annual Income and Cultural Beliefs regarding Insurance would help marketers target the right segment with the right communication. Correlation was performed between Annual Income and Cultural Beliefs regarding Insurance (Table 2.5.5, Annexure A)

From the above findings, it is clear that in general, Annual Income is moderately correlated to Cultural Beliefs about Insurance. The significant correlation is with the following cultural beliefs:

- Disease and accident are destiny and
- Not much can be done to reduce the suffering.
- Allopathic Doctors and Hospitals loot the common man
- Hospitalization and other medical expenses are meant for rich people only.

Does cultural belief change with rural or urban location of the population? The relationship between Rural/Urban location and Cultural Beliefs regarding Insurance would help marketers segment and target the population accordingly. Correlation was performed between Rural/Urban location and Cultural Beliefs regarding Insurance (Table 2.5.6, Annexure A) to find the most significant variables that have an impact.

From the above findings, it is clear that in general, Rural/Urban Location is moderately correlated to Cultural Beliefs about Insurance. The significant correlation is with the following cultural beliefs:

- Disease and accident are destiny and
- Suffering is result of bad ‘karma’
- Allopathic Doctors and Hospitals loot the common man
- Hospitalization and other medical expenses are meant for rich people only.
To understand the overall Cultural Beliefs of the consumers regarding Good health and Living, 8 items regarding their beliefs were measured on 5 point Likert Scale (from strongly disagree to strongly agree). Where

<table>
<thead>
<tr>
<th>Scale</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRONGLY DISAGREE</td>
<td>-2</td>
</tr>
<tr>
<td>Disagree</td>
<td>-1</td>
</tr>
<tr>
<td>Neither Agree Nor Disagree</td>
<td>0</td>
</tr>
<tr>
<td>Agree</td>
<td>+1</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>+2</td>
</tr>
</tbody>
</table>

The items included in the scale are:

1. Disease and accident are destiny.
2. Suffering is result of bad ‘karma’
3. Not much can be done to reduce the suffering.
4. Allopathic Doctors and Hospitals loot the common man.
5. Hospitalization and other medical expenses are meant for rich people only.
6. I would buy insurance if affordable.
7. Thinking & Planning for death is not good omen
8. Money cannot substitute loss of family member

**Analysis of Covariance**

- To understand the total score of the population for all the cultural beliefs, a mean for all the responses was calculated.

- A mean of all the means (summated mean) will tell us the total score of all the respondents for all their cultural beliefs from highly negative (-2) to highly positive (+2) with neutral (neither positive nor negative being zero)

- The summated mean was found to be +0.29.

- From this result we can conclude that the cultural beliefs regarding Insurance are neither very positive nor very negative. In fact they are very neutral with slightly positive score of +0.29
4.4 **Personal Influences**

4.4.1 Motivation
4.4.2 Perception
4.4.3 Learning
4.4.4 Personality
4.4.5 Attitude
4.4.1 Motivation

Life insurance is primarily bought to secure the loss of income for the family members of the insured after his death. Health insurance is bought to compensate the loss of revenue due to medical expenses. For a population that is struggling to survive in this fast changing economy, future events like death, ill health or accident are very remote. The individual in this population is more concerned with his basic needs for survival. He does not even think of present security let alone future security.

Motivation for Insurance

More than 80% of the sample population owns a savings account as seen in Table 3.1.1 (Annexure A). This shows that there is a basic motivation to invest or save for future in large parts of the population.

When 80% of the target population owns a bank account, it would be interesting to find out the savings habit of the population. Table 3.1.3 (Annexure A) shows breakup of savings that the respondents are able to achieve in a year. A huge majority of 46% has no savings at all and not more than 19% are able to save more than Rs 2000 per annum.

This brings us to a surprise conclusion that though people in this segment have a savings account, their saving habit is practically negligible.

We are interested to find if there exists a relationship between savings amount as mentioned in the above table and Insured status of the sample population. This will help insurers to narrow down the profile of the buyers versus non buyers. Also, it will tell us if the saving amount per year is a motivating factor for Insurance or not.

A cross tabulation of Insured status and Savings amount per annum in Table 3.1.4 (Annexure A) shows that
A test for association was carried out to find out the co-relation between Insured Status and having a savings amount.

**Ho-There exists no relationship between** Insured status and regular annual savings.

**H1-There exists a relationship between** Insured Status and regular annual savings.

Following are the results of the tests carried out on the Cross Tabulation of ‘Savings Amount and Insured Status’ (Table 3.1.4 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>7.136*</td>
<td>0.211</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.131</td>
<td>0.211</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.132</td>
<td>0.211</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be accepted. Thus the Alt Hypothesis (H1) that there exists a relationship between Savings Amount and Insured Status is rejected.

The contingency coefficient and Crammers V values suggest that the association is not significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Savings Amount’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists no relationship between Insured Status and Savings Amount.

3.1.4

Loan status (whether under any current loan liability or not?) is again a sufficient indicator of motivation. Loan status gives a clearer picture of the financial status of the respondents. Those reeling under loan liability are less likely to invest in financial instruments like Insurance. Table 3.1.5 shows that more than 73% of the population has “NO PRESENT LOAN LIABILITY”.

Very contradictory response, since, these are the people who are dependent on borrowings even for minor expenses. (See table 0.6 for income distribution)

There is a strong suspicion of respondent bias in this statement. The respondents may have purposefully given a misleading response to Loan status, just to avoid social embarrassment.

The existence of bias can be judged by looking at Tables 3.1.10 and 3.1.9. On being asked how would they like to spend their spare income (if any), a huge 40% of the sample responded by saying that they would use it for loan repayment! (Table 3.1.10). If majority of them don’t have a loan (as in table 3.1.5) then why do they want to use spare income to repay loans? We can thus safely reject the responses of table 3.1.5 as respondent bias.
The pattern of expenditure followed by the respondents gives us a deep insight into what motivates him to spend his money. Every household comes across a major expenditure every now and then. What constitutes a major expenditure for our sample population? What are his priorities? Table 3.1.8 tells us that more than 35% did not spend heavily for any purpose in the last 2 years. This probably means they are living a hand to mouth existence. Buying land or Rebuilding house was the major item where 19% of the respondents spent their money. Next in line were expenses on Marriage/Festivals and then buying durables.

When the respondents spend the money on some major activity item like we saw above, then what is the amount that they spend on the same? Once Insurers know the expenditure item (as above) and the expenditure amount (Table 3.1.9 Annexure A) then, it is easier to design the product, Price and Promotion for the target segment. The expenditure amount also tells us the deep seated motivations that force him to act in a similar manner every time. For example, spending on marriage or festival is an inherent compulsion that will be honored even after taking loan. Table 3.1.9 shows majority of 20% (ignoring the 'None', 35%) have spent Up to Rs 25,000 for the big activity item. Surprisingly, we also have 14% of the population who have spent more than Rs 100,000 on such special events.

To get a better understanding of their motivations to spend money on, respondents were asked to tell how they would spend Rs 5000, if they won it in a lottery. This would clearly tell us where their priority lies. A big 40% chunk said they would use it to invest or pay off loans. Surprisingly, a huge 22% of the population said they would spend it on self or entertainment. Self/Entertainment is the 2nd choice of spending for the sample population. (Table 3.1.10 Annexure A)

Figure 4.29
How does the sample spend its spare income?
The findings may seem contrary, for a population that earns less than 50,000 per annum, but it is also a sociological truism. People at that income levels generally tend to blow away any additional/spare income since opportunities to spend come rarely and saving small amounts do not make any sense. They get accustomed to a ‘Hand to Mouth’ living.

Health Insurance is a sunk cost unless someone makes a claim in that particular year. It is unlike a Life policy where, at the end of the term there is some return for the policy holder or survivors of the policy holder. Is the sample population motivated to buy health insurance even as they realize that they may never get to use the benefits (i.e. if they are not hospitalized)? Table 3.1.11(Annexure A) tells us that this is not the case. 54% of the population would rather not buy health insurance as they don’t see any tangible benefits occurring to them. Lesson to insurers is to attach some kind of benefits/returns/bonus for the premium that they would be paying.

How does the sample population see insurance? Do they believe that insurance is a necessity? This will answer our basic question of whether there is a primary motivation to buy insurance. If they feel that Insurance is a necessity then they are sufficiently motivated to buy already. Table 3.1.12 (Annexure A) makes it clear that 90% of the sample population either agrees or strongly agrees that Insurance is a necessity.
Motivation can be positive or negative in direction. We may feel a driving force toward some object or condition, or a driving force away from some object or condition.

Being witness to others (friends, relatives etc) suffer financially since they did not have insurance strikes a fear in people’s mind. Other people’s experiences are very important since it acts as a strong motivator. Seeing others suffer, brings out the security needs of the individual, motivating him enough to buy insurance. Table 3.1.14 (Annexure A) shows that 71% of the sample population has seen other suffer since they (others) did not have insurance.

The impact of seeing others suffer due to lack of insurance can be a motivation factor for the respondents. After, realizing other people’s misfortune, do they actually learn from it? By their own admission, 46% of the population said that this seeing others suffer due to lack of insurance was a motivating factor for them to buy insurance (Table 3.1.14 A, Annexure A).

Table 3.1.17 (Annexure A) shows the number of total respondents who have actually seen others get back their claim. This table shows that 60% of the population has never seen anyone get their claims back from the insurance company. This reflects poorly on the insurance companies as this positive reinforcement can be very powerful. Once they see or know that others are deriving benefits from the policies, and then it becomes easy to convert this person into a buyer.

By their own admission, respondents realize the importance of such positive reinforcement. The majority (46.2%) in the sample population believes that if they see others get claims, it would also induce them to buy insurance (Table 3.1.17A, Annexure A).
Annual Income is an obvious motivation to save for future. A relationship between annual income and annual savings amount will show if the behavior of the sample is normal in the larger sociological context. It will also show that a similar relationship can be expected between Insurance and Annual Income as ultimately savings and insurance have similar goals of future security. Table 3.1.20 (Annexure A) gives us a distribution of savings amount and annual income. If we observe column 2 and column 3 (where the majority of population falls) then we see that majority have no savings (52% in column 2 and 41% in column 3). The best savings amount in these two income categories is up to Rs 2000 per annum (20.6% and 23.2% respectively)

Figure 4.30
Savings Amount and Annual Income

A test for association was carried out to find out the co-relation between Savings Amount and Annual Income

Ho-There exists no relationship between Savings Amount and Annual Income

H1-There exists a relationship between Savings Amount and Annual Income
Following are the results of the tests carried out on the Cross Tabulation of Savings Amount and Annual Income (Table 3.1.20, Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>67.332a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.377</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.182</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Savings Amount)</td>
<td>0.037</td>
<td>0.205</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between Savings Amount and Annual Income is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Annual Income’ for dependent variable ‘Savings Amount’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Savings Amount and Annual Income.

3.1.20

The findings confirm the accepted social view about savings and annual income as applied to the target population.

What arouses the need for insurance? Media habits tell us whether the population is motivated or not to buy insurance. Table 3.1.23in Annexure A gives a distribution of Newspaper habit and Motivation to buy since they believe that Insurance is a necessity.

We see from this table that there is not much difference between Newspaper habit (None/Daily/Twice a week/Thrice a week) and need for insurance.
A test for association was carried out to find out the co relation between Newspaper Habit and Insurance Necessity.

A test for association was carried out to find out the correlation between Newspaper Habit and Insurance Necessity.

Ho- There exists no relationship between Newspaper Habit and Insurance Necessity.

H1- There exists a relationship between Newspaper Habit and Insurance Necessity.
Following are the results of the tests carried out on the Cross Tabulation of 'Newspaper Habit and Insurance Necessity.) (Table 3.1.23,Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>12.593*</td>
<td>0.399</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.173</td>
<td>0.399</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.102</td>
<td>0.399</td>
</tr>
<tr>
<td>Lambda (Dependent: Insurance is Necessity)</td>
<td>0.049</td>
<td>0.203</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be accepted. Thus the Alt Hypothesis (H1) that there exists a relationship between Newspaper Habit and Insurance Necessity is rejected.

The contingency coefficient and Crammers V values suggest that the association is not significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Newspaper Habit for dependent variable ‘Insurance is necessity’ is not significant.

From the above findings, it can be concluded that there exists no relationship between Newspaper Habit and Insurance Necessity. Thus Newspaper reading does not make any difference on the basic motivation to buy.
Another media that is highly used by insurers is Radio. Does radio listening and Motivation that Insurance is a need, have anything in common. Table 3.1.24 gives a distribution of these two variables. As we can see, irrespective of the hours of listening, the spread of belief is more or less similar.

Figure 4.35
Radio listening and Motivation for Insurance

A test for association was carried out to find out the co-relation between Radio listening and Insurance Necessity.

Ho—There exists no relationship between Radio listening and ‘Insurance Necessity’

H1—There exists a relationship between Radio listening and ‘Insurance Necessity’

Following are the results of the tests carried out on the Cross Tabulation of ‘Radio listening and Insurance Necessity) (Table 3.1.24, Annexure A):
<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>12.745a</td>
<td>0.691</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.174</td>
<td>0.691</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.088</td>
<td>0.691</td>
</tr>
<tr>
<td>Lambda (Dependent: Insurance is Necessity)</td>
<td>0.031</td>
<td>0.696</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be accepted. Thus the Alt Hypothesis (H1) that there exists a relationship between Radio listening and Insurance Necessity is rejected.

The contingency coefficient and Crammers V values suggest that the association is not significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Radio Listening Habit’ for dependent variable ‘Insurance is Necessity’ is not significant.

From the above findings, it can be concluded that there exists no relationship between Radio listening and Insurance Necessity. Thus Radio is not associated with motivation that Insurance is a necessity.

TV viewing is also a contributing factor in arousing latent needs. Is TV viewing responsible for need of insurance? Strongly Agree and Agree take up the majority of responses for all categories of TV viewing.

A test for association was carried out to find out the co-relation between TV Viewing and Insurance is Necessity

Ho-There exists no relationship between TV Viewing and Insurance is Necessity
H1-There exists a relationship between TV Viewing and Insurance is Necessity

Following are the results of the tests carried out on the Cross Tabulation of ‘TV Viewing and Insurance is Necessity’ (Table 3.1.25):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>26.458&lt;sup&gt;ad&lt;/sup&gt;</td>
<td>0.048</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.247</td>
<td>0.048</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.127</td>
<td>0.048</td>
</tr>
<tr>
<td>Lambda (Dependent: Insurance is Necessity)</td>
<td>0.147</td>
<td>0.014</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between TV Viewing and Insurance is Necessity is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘TV viewing Habit’ for dependent variable ‘Insurance is Necessity’ is significant.

From the above findings, it can be concluded that there exists a relationship between TV Viewing and Insurance Necessity. TV viewing can be said to contribute to need for insurance.

To understand the most important predictors of motivating factors that affects the outcome of Insured status a Logistic Regression Test was carried out with the highly correlated variables from above viz:

Having a savings account (M1.1)
Belief that insurance is a necessity (P2.4.1)
Seeing others suffer due to lack of Insurance (W9.1)
Seeing others get back their claims. (W9.3)

Model Summary

<table>
<thead>
<tr>
<th>Step</th>
<th>-2 Log likelihood</th>
<th>Cox &amp; Snell R Square</th>
<th>Nagelkerke R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>496.335(^a)</td>
<td>.097</td>
<td>.132</td>
</tr>
</tbody>
</table>

\(^a\) Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Variables in the Equation

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1(^a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M1.1</td>
<td>1.073</td>
<td>.266</td>
<td>16.283</td>
<td>1</td>
<td>.000</td>
<td>2.925</td>
</tr>
<tr>
<td>P2.4.1</td>
<td>-.199</td>
<td>.137</td>
<td>2.105</td>
<td>1</td>
<td>.147</td>
<td>.819</td>
</tr>
<tr>
<td>W9.1</td>
<td>-.349</td>
<td>.250</td>
<td>1.948</td>
<td>1</td>
<td>.163</td>
<td>.705</td>
</tr>
<tr>
<td>W9.3</td>
<td>.924</td>
<td>.236</td>
<td>15.300</td>
<td>1</td>
<td>.000</td>
<td>2.518</td>
</tr>
<tr>
<td>Constant</td>
<td>-.071</td>
<td>.391</td>
<td>.033</td>
<td>1</td>
<td>.855</td>
<td>.931</td>
</tr>
</tbody>
</table>

\(^a\) Variable(s) entered on step 1: M1.1, P2.4.1, W9.1, W9.3.

We see from the above results that having a savings account (M1.1) and seeing others get back their claims (W9.3) are the most significant predictors that affect outcome of insured status.
4.4.2 Perception

What does the sample population perceive Insurance as? What they perceive Insurance to be, would decide their buying behavior. It would also help Insurers to either reaffirm those perceptions or try to change them. The majority of the sample population (67.8%) believes that Insurance means ‘secure future’ (Table 3.2.1, Annexure A). Rest all other perceptions like takes care of emergency, Family members, savings are a minority. Thus we can conclude that the prevalent view amongst the sample population is that Insurance is that it gives ‘Secured Future’.

Figure 4.36
How does the sample understand the term insurance?

![Understanding of the term Insurance](chart)

Financial investments, particularly, Insurance, is a matter of trust between the firm and the customer. Perceptions about various industries/companies/employees vary from one extreme to another. To understand the internal influencers, it is important to know the sample population’s perception about the insurance industry in general. Do they believe that their claim will be settled when they make a claim? A positive perception will yield better buying from the population.

The insurance industry perceptions are very good in the eyes of the target population. 60% of the population believes that Insurance companies will settle their claims when demanded (Table 3.2.2, Annexure A). There are many instances in the field where the customers are sitting on lapsed policies and hoping that they will be rewarded some day.
Does the sample population perceive insurance to be something within their range of affordability or out of range? The answer will tell us if the target population is ready or not to pay the price for insurance. Table 3.2.3, Annexure A, tells us that only a small minority (10%) strongly agrees that Insurance is unaffordable. A closer look at the table tells us that the population is almost equally divided between strongly agree/agree on one side (cumulative % = 34.4%) and Disagree/strongly disagree on the other side (cumulative % =39%) with a large 26.5% who have no opinion.

Perception about ‘people’ in Insurance business is very important as ultimately it is a service industry where the service personnel reflect the image of the company. For the target population, which has limited access to authoritative resources, there are many ‘fly by night’ operators who cash in on their ignorance. Thus, if the trust of Insurance personnel is less, then it has to be tackled by the Insurance Company. Table 3.2.4, Annexure A, however, gives a good picture about Insurance personnel with 43.8% disagreeing with the statement that Insurance people are untrustworthy. There is of course a 22% which does agree or strongly agrees that insurance people are untrustworthy. There is a huge 34%, which in fact has no opinion about the same.

Insurance companies should try to convert the fence sitters into trusting customers and then look at non believers.

Perceptions (or misperceptions) about insurance are plenty and they keep changing with demographics. “If I buy insurance, I/family might be struck with something bad” was a perception expressed by respondents during focus group interviews. Table 3.2.5 disputes this loosely held perception. 67% strongly disagree/Disagree that Insurance brings bad luck

A strong 81% believes that Insurance will take care of them during bad times. The overall perception is quite positive (Table 3.2.6, Annexure A)

To understand the overall Perception of the consumers regarding Insurance, 4 items regarding their beliefs were measured on 5 point Likert Scale (from strongly disagree to strongly agree). Where
<table>
<thead>
<tr>
<th>Scale Level</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRONGLY DISAGREE =</td>
<td>-2</td>
</tr>
<tr>
<td>Disagree =</td>
<td>-1</td>
</tr>
<tr>
<td>Neither Agree Nor Disagree =</td>
<td>0</td>
</tr>
<tr>
<td>Agree =</td>
<td>+1</td>
</tr>
<tr>
<td>Strongly Agree =</td>
<td>+2</td>
</tr>
</tbody>
</table>

The items included in the scale are:

- I feel insurance is necessary (scores reversed for unfavorable item)
- I feel insurance is unaffordable
- Insurance people are untrustworthy
- Buying insurance brings bad luck

Analysis of Covariance

- To understand the total score of the population for all the Perceptions regarding Insurance, a mean for all the responses was calculated.

- A mean of all the means (summated mean) will tell us the total score of all the respondents for their Perceptions about Insurance from highly negative (-2) to highly positive (+2) with neutral (neither positive nor negative being zero)

- The summated mean was found to be -0.69.

- From this result we can conclude that the perceptions regarding Insurance are slightly negative (near zero).
4.4.3 `Learning

We saw in chapter 1(3), Table 1.3.2, Annexure A “First Learnt about Insurance ‘of how 43% of the sample population first learnt about Insurance from an Insurance Agent. So, the source of learning is surely the sales person for a majority of the population. Friends and relatives come in a good second as information providers since 31% got to know about Insurance, first through them. Banks and Post office comes a poor last with only 6% getting their information from these sources.

We also saw in chapter 1 (3) Table 1.3.1, Annexure A “Met Insurance Agent” that the sample population has had sufficient contact with the Insurance sales person (Agent) with 62% of them responding that they have met an insurance agent. It also means that they understand the concept of insurance and are exposed to the touch points.

It reconfirms the importance of sales person as the most crucial in this service industry. Learning has primarily happened through this source.

3.3.1

This has its advantages and disadvantages. The advantage being that learning through personal contact is strong and long lasting. The disadvantage is that learning will be confined to only that which the sales person can communicate or wants to communicate.

Thus we see that despite 10 years of privatization, awareness about private insurance companies is still abysmally low. Chapter 1 (4) Table 1.4.1 “Aware Private Insurance Co” shows that the majority of the population may be exposed to what is insurance and where to access it, but they fare poorly so far as their learning of private insurance companies is concerned. LIC has been operating in the country for more than 50 years, while private companies were allowed to start operations only in the last 10 years. Awareness about private companies is bound to be naturally low. But the fact that just 32% of the population is aware of existence of Private Insurance companies reflects failure of communication on part of the insurers.
Learning about private companies is so low that not more than 14% could recall name of a private insurance company. Chapter 1 (4) Table 1.4.2, Annexure A “Recall Names Pvt Ins Co”.

Apart from the sales person, the other means of imparting learning about Insurance adopted by companies is mass media advertising.

We saw in chapter 1(4) Table 1.4.3 Annexure A and table 1.4.4 Annexure A ‘Aware Insurance Ads” and “Recall Names of Advertiser” that companies are quite successful in making the sample population aware about their advertisements but which advertisement they have seen is not recalled. So learning through mass media does not result in long term memory.

Learning influences purchase behavior. Table 1.4.6 Annexure A, in chapter 1 (4) in our case also tells us that there is a correlation between Insured status and Influence of Advertisements on buying intentions. That is those who are influenced by advertisements and those who buy insurance are correlated. Table 1.3.2, Annexure A Chapter 1 (4) also tells us that insured status and meeting a Sales person are correlated. Thus more the influence of advertising, more the chances of buying insurance. This influence can be increased by making the advertisements relevant for the target population.

Learning in this case primarily happens through the Insurance Agent. Table 1.3.4 Annexure A in chapter 1 (4) reinforces the same point that those whose first information about insurance comes from Insurance agent are more likely to buy Insurance.

Advertisements, as we have seen have very little impact on even remembering the brand names. When we try to find out the impact of mass media like Radio, TV and Newspaper on learning of Insurance, we observe that there exists no relationship between the two as seen in table 3.3.1, 3.3.2 and 3.3.3 Annexure A

Table 1.4.5 Annexure A in chapter 1(4) shows that the sample population would not want buy insurance just because they saw advertisements. The learning is not complete due to lack of communication.
Insurance companies need to strengthen sources other than the Insurance Agent to get their message across. Different media should be used to send continuous messages about their products and their companies.

4.4.4 Personality

Typical Personality and Lifestyle profile of the of the population

Refer to Annexure A. Table 3.1.1 and 3.1.3 show that the respondent is inclined to save for the future. He spends largely on buying land, rebuilding house or on marriages and festivals. Table 3.1.10 shows that he would love to spend any disposable income on investment or loan repayment. We can also see from Table 2.2.3 that a typical respondent spends most of his free time with family or friends. Table 2.2.5 also tells us that he is easily influenced by friends, relatives and other opinion leaders for medical decisions. Table 2.1.6 gives further insight into the personality of the respondent where he desires insurance, health as well as Life for the family as first preference rather than for himself alone. Newspaper and Radio have more influence on him than television as seen in Table 1.4.14.

Following Personality variables were correlated with insured status
- Savings Amount/Savings Habit
- Reference Group Influence
- Belief in financial institutions/Belief that claim will be settled
- Unconcerned about health by delaying in seeing a Doctor when struck by illness.
- Easily influenced by reference group
- Security prone/feel need to insure
- Belief that insurance is necessity/balanced personality
- Concerned about future financial security/Conservative
- Feels tension free when insured/Risk averse

Table 3.4.1(Annexure A) shows that all the personality variables are positively correlated to insured status. P4
4.4.5 Attitude

To find out about the attitude of the sample population regarding Insurance, 6 attitude statements regarding insurance were measured using 5 point Likert scale from Strongly Agree to Strongly Disagree.

- Insurance will give me financial security in future
- If I am insured I will not have to borrow in times of emergency
- if I am insured I will be free to use my finances for better purpose
- I will feel tension free after I buy insurance.
- I will not have to worry about my family after I am gone
- Insurance will make me save regularly

Table 3.5.1 gives the result of this correlation where r square value does not go beyond 0.8. We can thus infer that the statements are indeed independent.

Table 3.5.1 (of Annexure A)

<table>
<thead>
<tr>
<th></th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
<th>Column 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Column 1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Column 2</td>
<td>0.717625</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Column 3</td>
<td>0.634228</td>
<td>0.608844</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Column 4</td>
<td>0.496551</td>
<td>0.503067</td>
<td>0.496185</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Column 5</td>
<td>0.258467</td>
<td>0.35103</td>
<td>0.171391</td>
<td>0.344088</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Column 6</td>
<td>0.383762</td>
<td>0.43599</td>
<td>0.258782</td>
<td>0.460877</td>
<td>0.451825</td>
<td>1</td>
</tr>
</tbody>
</table>

A distribution of responses for the attitude variables in Table 3.5.2 Annexure A shows that more than 75% of the responses lie in the ‘Strongly Agree’ and ‘Agree’ category. This means that the majority of the respondents agrees or strongly agrees with the attitude statements and only less than 25% have a different attitude towards insurance. This majority believes that Insurance will give them future security, they will not have to borrow in times of emergency, they will be able to use their finances for better purposes, and they will feel tension free when they buy insurance and insurance will help them save regularly.
Marketer would like to know the relationship between Attitude variables and Annual Income. This will help them know if different communication is required for different income segments. (Table 3.5.3 Annexure A)

We see from this table [determining Pearson correlation coefficient, (r)] that none of the attitude variables is correlated with annual income. We can thus conclude that **irrespective of the annual income, attitude regarding insurance remains similar**. Thus Marketing communication can be same for different income segments.

Does land holding pattern change attitude regarding insurance? Are there different ways of looking at Insurance with different land holding? Table 3.5.4 Annexure A shows Pearson correlation between Attitude variables and landholding status. This will give us a clearer picture as to the relationship between the two.

This table shows that except for one attitude variable, none of the others is correlated to Landholding. We can safely conclude that **there is a negligible relation between attitude variables and landholding. Marketing communication can be same for different landholding categories.**

Education has an impact on how people think and view the external world. Marketers usually use education as a demographic to segregate their segments. But, does education open up the mind and change attitudes? Different communication is used for different Education levels. If majority of the population in a segment are illiterate, then there is no point in using print advertising or sending letters and brochures. The insurer would like to know if attitude of the target population regarding insurance changes with Education. This will tell the marketers the differences in attitudes for different levels of education. Table 3.5.5 Annexure A shows Pearson Correlation, r, between attitude variables and years of Education.

We find from this table that three of the six attitude variables are significantly correlated to Education. We can thus conclude that **Education is moderately correlated to attitude variables**. Marketers can use this information to segment the markets into various education levels. Products can be designed differently and communication can be altered for different education levels.
Professional status, i.e. employed/self-employed/retired/unemployed would have different outlook towards things in general. Insurance in particular, could be more prone to professional status since this involves an outflow of money. The attitude towards money would somehow reflect the attitude towards insurance and attitude towards money would surely change with Professional status. Table 3.5.6 Annexure A shows Pearson Correlation, $r$, between insurance attitude variables and professional status. This will answer if the attitude variables regarding insurance change with professional status. This table shows that just one attitude variable is correlated to professional status. This means that irrespective of the professional status, the attitude regarding insurance remain same. Marketers can utilize this to tailor similar communications for population in all categories.

Insurers would be interested if there is any correlation between family size and attitude variables regarding insurance. Does a change in family size bring about a change in attitude? Table 3.5.7 Annexure A shows the Pearson Correlation, $r$, between Attitude variables of Insurance and Family size. The table above shows that three of the six insurance attitude variables related to family size. We can conclude that family size is moderately related to attitude variables.

Media has a strong influence on the attitudes of the people. Exposure to media does bring in changes on how people see the outside world. Does TV viewing habit change the attitude of the sample population regarding insurance? Table 3.5.8 Annexure A shows Pearson Correlation, $r$, between different attitude variables of insurance and TV viewing habit. We see from the above table, that only two of the above six attitude variables are related to TV viewing habit. We can conclude that TV viewing is very lowly related to attitude variables regarding insurance.

Does Newspaper habit change the attitude of the sample population regarding insurance? Table 3.5.9 Annexure A shows Pearson Correlation, $r$, between attitude variables regarding insurance and Newspaper reading habit. We see from the above table, that only two of the above six attitude variables are related to Newspaper reading habit. We can conclude that Newspaper reading habit is very lowly related to attitude variables regarding insurance.
Attitude, as we saw is the outlook towards the outer world. Attitude can either be positive or negative towards people or objects. Attitude is permanent over a period of time but changes with time as knowledge and experience increases. Does attitude variables of the sample population regarding insurance change with Age? Table 3.5.10 Annexure A shows Pearson Correlation, r, between Insurance Attitude variables and Age. We see in the above table that that four of the six variables of insurance attitudes are correlated to Age. We can conclude that Insurance attitudes of the population are related to Age. It is noteworthy that all the significant variables show that the Pearson Correlation is negative. This means that as age increases the attitude towards insurance becomes negative.

To understand the overall Attitude of the consumers regarding Insurance, 6 items regarding their Attitude were measured on 5 point Likert Scale (from strongly disagree to strongly agree). Where

<table>
<thead>
<tr>
<th>STRONGLY DISAGREE</th>
<th>-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>-1</td>
</tr>
<tr>
<td>Neither Agree Nor Disagree</td>
<td>0</td>
</tr>
<tr>
<td>Agree</td>
<td>+1</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>+2</td>
</tr>
</tbody>
</table>

The items included in the scale are:

- Insurance will give me financial security in future
- If I am insured I will not have to borrow in times of emergency
- if I am insured I will be free to use my finances for better purpose
- I will feel tension free after I buy insurance.
- I will not have to worry about my family after I am gone
- Insurance will make me save regularly

Scale: Reliability Test for Attitude Variables

A reliability test for the above scale was carried out to validate the scale and understand the fitness for use. Cronbach’s Alpha was found out for the above items as follows:
Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.827</td>
<td>6</td>
</tr>
</tbody>
</table>

Since The Alpha for the scale items is .827, we can assume that the scale is reliable for use.

Given the responses of the sample regarding their attitude towards insurance, a correlation was carried out to determine whether their positive attitude and insured status are related. Table 3.5.11 shows correlation of insurance attitude variables and their insured status. This table shows that out of six insurance attitude variables, four are significantly correlated to insured status. We can thus say that Insurance Attitude variables are correlated to insured status.

From 3.5.11 we conclude that attitude variables are related to Insured status.
4.5 Validation of Hypothesis

Following were the hypothesis formed after problem definition, setting of objectives and focus group interviews:

1.5.1 Hypothesis 1
There is awareness and need for insurance but motivation to act is low

1.5.2 Hypothesis 2
Information provided by the insurance companies (Learning) plays a role in purchase decision of Microinsurance

1.5.3 Hypothesis 3
Target segment has a negative attitude towards insurance

4.5.4 Hypothesis 4
Personal influences affect buying behavior of Microinsurance

4.5.5 Hypothesis 5
Reference groups and Opinion leaders have a strong influence in building opinion towards insurance.

4.5.6 Hypothesis 6
Social influences affect buying behavior of Microinsurance

This section deals with how the above hypothesis were validated using various statistical methods.
Level of Significance, $\alpha$

Malhotra (2007) explains the concept of ‘Level of Significance. According to him, “An important process of hypothesis validation is choosing the level of significance, $\alpha$.

Whenever we make inferences about a population, there is a risk that an incorrect conclusion will be reached. Two types of errors can occur:

Type 1 error

Type 1 error occurs when the sample results lead to rejection of the null hypothesis when it is in fact true. The probability of Type 1 error ($\alpha$) is also called level of significance. The type 1 error is controlled by establishing the tolerable level of risk of rejecting a true null hypothesis. The selection of a particular risk level should depend on the cost of making a Type 1 error”.

In this research study, the level of significance has been accepted as 95%.
4.5.1 Hypothesis 1

“There is awareness and need for insurance but motivation to act is low” is sought to be validated by proving the following sub-hypothesis M1, M2 and M3:

Figure 4.37
Framework to prove Hypothesis 1

Hypothesis 1

There is awareness and need for insurance but motivation to act is low

- M1
  - H0: There is no awareness about insurance
  - H1: There is awareness about insurance

- M2
  - H0: There is no need for insurance
  - H1: There is a need for insurance

- M3
  - H0: Motivation does not affect buying behavior of Microinsurance
  - H1: Motivation affects buying behavior of Microinsurance
H0 There is no awareness about insurance
H1 There is awareness about insurance

Figure 4.38
Insurance Awareness of the sample population

Herewith we assume that 60 PERCENT PEOPLE SHOULD BE AWARE OF MICROINSURANCE as the proportion is 60 percent.

Standard Deviation of proportion is  \( \sqrt{\frac{0.60 \times 0.40}{407}} = 0.024 \)

95 % Confidence Interval Upper limit = 0.60 + 1.96 and .024 = 0.62
95 % Confidence Interval Lower Limit = 0.60 – 1.96 and 0.024 = 0.57

94.8% of the sample is aware of insurance as seen in Table 0.9, Annexure A. As 94.8 % falls outside the range, we can say observed value is greater than the upper limit.
Hence reject H0 and Accept H1 which means people are much more are aware about microinsurance than expected value. M1

M2
H0 There is no need for insurance (inherent in the target population)
H1 There is a need for insurance (inherent in the target population)

Figure 4.39
Inherent belief that insurance is a necessity

Herewith we assume that 60 PERCENT PEOPLE SHOULD BELIEVE THAT INSURANCE IS A NECESSITY as the proportion is 60 percent.

Standard Deviation of proportion is  \[ \sqrt{\frac{0.60 \times 0.40}{407}} = 0.024 \]

95 % Confidence Interval Upper limit = 0.60 + 1.96 and .024 = 0.62
95 % Confidence Interval Lower Limit = 0.60 – 1.96 and 0.024 = 0.57

90% of the sample believes insurance is a necessity as seen in Table 0.10, Annexure A. As 90 % falls outside the range, we can say observed value is greater than the upper limit.
Hence reject H0 and Accept H1 which means people believe insurance is a necessity.  

M3

H0  Motivation does not affect buying behavior of Microinsurance  
H1  Motivation affects buying behavior of Microinsurance

M3 is further sought to be proved by proving M3.1, M3.2, M3.3, M3.4, M3.5 and M3.6:

M3.1  
“There exists a relationship between Insured Status and having a savings account”

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda (Dependent: Insured Status)

M3.2  
“There exists a relationship between Insured Status and Motivation to Purchase (Insurance is a necessity)”

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda (Dependent: Insured Status)

M3.3  
“There exists a relationship between those who have seen others suffer due to no Insurance and those who got influenced by seeing so”.

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda (Dependent: Getting Influenced)

M3.4
“There exists a relationship between Insured Status and motivation (Influenced by seeing others suffer because of no Insurance)”. Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda (Dependent: Insured status)

M3.5
“There exists a relationship between those who have seen others get their claim and those who got motivated by seeing so”.

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda (Dependent: Getting Motivated)

M3.6
“There exists a relationship between Insured Status and motivation (due to seeing others get their claim)”. Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda (Dependent: Insured Status)
M3.1
“There exists a relationship between Insured Status and having a savings account”

Relation between owning a savings account and buying of Insurance was explored to understand if basic motivations are related or not. Table 3.1.2 Annexure A shows that of the 100% of sample who are insured, 87% have a savings account. While, from the total who are not insured, 67% have savings account.

Figure 4.40
Insured Status and Savings Account

A test for association was carried out to find out the co-relation between Insured Status and having a savings account

*Ho-There exists no relationship between* Insured status and having a savings account.
**H1-There exists a relationship between** Insured Status and having a savings account.

Following are the results of the tests carried out on the Cross Tabulation of 'Savings Account and Insured Status' (Table 3.1.2):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>23.156*</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.232</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.239</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.112</td>
<td>0.058</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between Savings Account and Insured Status

The contingency coefficient and Crammers V values suggest that the association is significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Savings Account’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and having a savings account

(3.1.2)
M3.2

“There exists a relationship between Insured Status and Motivation to Purchase (Insurance is a necessity)”

Insurance is a necessity, may be a sufficient motivator but does it result in actual purchase of Insurance? There are times when needs are latent and never get expressed as behavior. At other times, needs result in consumption behavior. Table 3.1.13 looks at the relation between Insured status and Motivation to purchase (for those who feel Insurance is a necessity.) We see from this table that majority of respondents who strongly agree or Agree (that Insurance is a necessity) are insured while those that do not agree or strongly disagree are not insured.

Figure 4.41
Insurance Status and Inherent belief that Insurance is a necessity
A test for association was carried out to find out the correlation between their Insured Status and Motivation to Purchase (Insurance is a necessity)

_Ho- There exists no relationship between Insured Status and Motivation to Purchase (Insurance is a necessity)_

_H1- There exists a relationship between Insured Status and Motivation to Purchase (Insurance is a necessity)_

Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Motivation to Purchase (Insurance is a necessity)’ (Table 3.1.13 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>10.646&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.031</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.160</td>
<td>0.031</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.162</td>
<td>0.031</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.033</td>
<td>0.456</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between Insured Status and Motivation to Purchase (Insurance is a necessity) is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Savings Account’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and Motivation to Purchase (Insurance is a necessity)
M3.3
“There exists a relationship between those who have seen others suffer due to no Insurance and those who got influenced by seeing so”.

Is the relationship between seeing others suffer and getting influenced by it, for real? Those who have ‘witnessed other people’s distress’ and believe they got ‘influenced to buy’ because of it, are they significantly associated? Table 3.1.15 Annexure A shows a cross tabulation of both these variables. Of the total number of people who admitted to have been influenced to buy, 95% had seen other suffer. On the contrary, from the total number of people who said they were not influenced to buy had also not seen others suffer. Figure 4.42
Influenced by seeing others suffer due to ‘No Insurance’

A test for association was carried out to find out the correlation between seeing others suffer and getting influenced by it
Ho-There exists no relationship between seeing others suffer and getting influenced by it

H1-There exists a relationship between Insured Status and motivation (due to seeing others suffer because of no Insurance)

Following are the results of the tests carried out on the Cross Tabulation of ‘seeing others suffer and getting influenced by it’ (Table 3.1.15):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>98.786a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.444</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.496</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Getting influenced)</td>
<td>0.371</td>
<td>0.001</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between seeing others suffer and getting influenced by it is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘seeing others suffer and getting influenced by it.

From the above findings, it can be concluded that there exists a relationship between those who have seen others suffer due to no Insurance and those who got influenced by seeing so.

This outcome is important from insurer’s point of view as they can use live examples or common man appeal to show case the distress of those who have suffered due to lack of insurance. This finding tells us that it is easier to identify with the motivations of the population this way.
M3.4

“There exists a relationship between Insured Status and motivation (Influenced by seeing others suffer because of no Insurance)“.

Does the experience of other people actually make the respondents buy insurance? To explore the relationship between Insured status and Influence of ‘other people’s experiences’ a significance test was carried out using chi square. The cross tabulation between Insured status and ‘Motivation due to other people’s bad experience’ (Table 3.1.16 Annexure A) shows that those who feel motivated to buy due to seeing other people suffer, 76.5% have insurance, while those who don't feel motivated, 63.4% have insurance. Thus there is a marked increase in insurance status when someone witnesses other suffer due to lack of insurance.

Figure 4.43
Insured Status after seeing others suffer due to ‘No Insurance'

A test for association was carried out to find out the correlation between their Insured Status and motivation (influenced to buy)
**Ho**-There exists no relationship between Insured Status and motivation (influenced to buy)

**H1**-There exists a relationship between Insured Status and motivation (influenced to buy)

Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Motivation to Purchase (Insurance is a necessity)’ (Table 3.1.16):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>25.772a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.245</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.253</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between Insured Status and motivation (influenced to buy) is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘motivation (influenced to buy) for dependent variable Insured Status is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and motivation (Influenced by seeing others suffer because of no Insurance). This motivation acts as a negative reinforcement and compels them to decide about buying insurance.

3.1.16

M3.5

“There exists a relationship between those who have seen others get their claim and those who got motivated by seeing so”.
Insurers face the tough task of asking people to part with their money for a problem that they may face in the future! This is all the more difficult when we are talking of people who are anyway financially weak. Negative reinforcement, as we saw in the previous section, can work but can insurers also provide some positive reinforcement? Witnessing others, getting their claims back can be a huge (positive) motivation to buy insurance.

We can see if there is statistical significance between the responses ‘seen others get their claims’ and ‘Influenced by this’. Table 3.1.18 Annexure A shows a cross tab of the same.

**Figure 4.44**
Motivated by seeing others get their claims

![](chart.png)

A test for association was carried out to find out the co-relation between those who have seen others get their claim and those who got motivated by seeing so.

*Ho-There exists no relationship between* those who have seen others get their claim and those who got motivated by seeing so.
H1 - There exists a relationship between those who have seen others get their claim and those who got motivated by seeing so.

Following are the results of the tests carried out on the Cross Tabulation of ‘those who have seen others get their claim and those who got motivated by seeing so.’ (Table 3.1.18 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>48.216*</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.325</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.344</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent)</td>
<td>0.123</td>
<td>0.048</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between those who have seen others get their claim and those who got motivated by seeing so is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘those who have seen others get their claim for dependent variable those who got motivated by seeing so is significant.

From the above findings, it can be concluded that there exists a relationship between those who have seen others get their claim and those who got motivated by seeing so.

Thus we can conclude that the motivation due to seeing others get their claim is real and Insurers must make use of the same. 3.1.18

M3.6

“There exists a relationship between Insured Status and motivation (due to seeing others get their claim).”

Is the motivation due to seeing others get their claim, related to Insured status? Table 3.1.19 Annexure A very strongly suggests that from those who are
positively motivated to buy, 73% are insured. It also tells us that those who believe that they would not be positively influenced; only 49% are insured.

Figure 4.45
Insured Status and Motivation by seeing others get their claims

A test for association was carried out to find out the co-relation between their Insured Status and motivation (Influenced due to seeing others get their claim)

Ho-There exists no relationship between Insured Status and motivation (Influenced due to seeing others get their claim)

H1-There exists a relationship between Insured Status and motivation (Influenced due to seeing others get their claim)
Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and motivation (Influenced due to seeing others get their claim)’ (Table 3.1.19 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>20.184*</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.217</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.223</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.020</td>
<td>0.805</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between Insured Status and motivation (Influenced due to seeing others get their claim) is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Influenced due to seeing others get their claim for dependent variable ‘insured status by seeing so is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and motivation (due to seeing others get their claim).

3.1.19

This brings us to a very important conclusion from the insurer's point of view. Not only is positive reinforcement a great motivator, it is also related to buying of insurance. As we saw in the cross tabulation, those who are positively motivated belong more to the Insured category.

From findings 3.1.2, 3.1.13, 3.1.15, 3.1.16, 3.1.18, 3.1.19 we conclude that motivation affects buying behavior of Microinsurance
We reject Null hypothesis (M3) that Motivation does not affect buying behavior of Microinsurance. We thus accept the Alt Hypothesis H1 (M3) that Motivation affects buying behavior of Microinsurance.

Having proved M3, above we can now look at M1, M2 and M3 and prove Hypothesis 1. From M1, M2 and M3 we thus reject the Hypothesis that “There is awareness and need for insurance but motivation to act is low.” P1

We accept the Alternate hypothesis that there is awareness and need for insurance but motivation to act is not low.

3.1.2 There exists a relationship between Insured Status and having a savings account

3.1.13 There exists a relationship between Insured Status and Motivation to Purchase (Insurance is a necessity)

3.1.15 There exists a relationship between those who have seen others suffer due to no Insurance and those who got influenced by seeing so.

3.1.16 There exists a relationship between Insured Status and motivation (Influenced by seeing others suffer because of no Insurance).

3.1.18 There exists a relationship between those who have seen others get their claim and those who got motivated by seeing so.

3.1.19 There exists a relationship between Insured Status and motivation (due to seeing others get their claim).

M3: Motivation affects buying behavior of Microinsurance
M1 There is awareness about insurance
M2 There is a need for insurance
M3: Motivation affects buying behavior of Microinsurance

Hypothesis 1: REJECT “There is awareness and need for insurance but motivation to act is low”
Hypothesis 1: Accept “There is awareness and need for insurance but motivation to act is not low”
4.5.2 Hypothesis 2

“Information provided by the insurance companies (Learning) plays a role in purchase decision of Microinsurance” is sought to be validated by validating the following sub-hypothesis L0, L4 and L5:

L0
H0 Impersonal Information provided by the insurance companies (Learning) does not affect buying behavior of Microinsurance

H1 Impersonal Information provided by the insurance companies (Learning) affects buying behavior of Microinsurance

L0 is further validated by proving L1, L2 and L3:

L1
Ho-There exists no relationship between Aware Insurance Ads and Radio listening habit

H1-There exists a relationship between Aware Insurance Ads and Radio listening habit

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda

L2
Ho-There exists no relationship between Aware Insurance Ads and TV viewing habit

H1-There exists a relationship between Aware Insurance Ads and TV viewing habit

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda

L3
Ho-There exists no relationship between Aware Insurance Ads and Newspaper Habit
H1-There exists a relationship between Aware Insurance Ads and Newspaper Habit

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda

L4
H0 Personal Information provided by the insurance companies (Meeting an insurance agent) does not affect buying behavior of Microinsurance (Insured Status)

H1 Personal Information provided by the insurance companies (Meeting an insurance agent) affects buying behavior microinsurance (Insured Status)

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda

L5
H0 There exists no relationship between exposure to insurance advertisement and buying of insurance

H0 There exists a relationship between exposure to insurance advertisement and buying of insurance

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda
Hypothesis 2

Figure 4.46
Framework for Hypothesis 2

L0
H0 Impersonal Information provided by the insurance companies (Learning) does not affect buying behavior of Microinsurance
H1 Impersonal Information provided by the insurance companies (Learning) affects buying behavior of Microinsurance

L1
Ho-There exists no relationship between Aware Insurance Ads and Radio listening habit
H1-There exists a relationship between Aware Insurance Ads and Radio listening habit

L2
Ho-There exists no relationship between Aware Insurance Ads and TV viewing habit
H1-There exists a relationship between Aware Insurance Ads and TV viewing habit

L3
Ho-There exists no relationship between Aware Insurance Ads and Newspaper Habit
H1-There exists a relationship between Aware Insurance Ads and Newspaper Habit

L4
Ho Personal Information provided by the insurance companies (Learning) does not affect buying behavior of Microinsurance
H1 Personal Information provided by the insurance companies (Learning) affects buying behavior of Microinsurance

L5
H0 There exists no relationship between exposure to insurance advertisement and buying of insurance
H1 There exists a relationship between exposure to insurance advertisement and buying of insurance
Based on the distribution in Table 3.3.1 Annexure A, a test for association was carried out to find out the co-relation between Aware Insurance Ads and Radio listening habit

A test for association was carried out to find out the co-relation between Aware Insurance Ads and Radio listening habit
Ho-There exists no relationship between Aware Insurance Ads and Radio listening habit
H1-There exists a relationship between Aware Insurance Ads and Radio listening habit

Following are the results of the tests carried out on the Cross Tabulation of ‘Aware Insurance Ads and Radio listening habit’ (Table 3.3.1 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>2.437a</td>
<td>0.656</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.077</td>
<td>0.656</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.077</td>
<td>0.656</td>
</tr>
<tr>
<td>Lambda (Dependent: Awareness of Insurance Ads and . Cannot be computed because the asymptotic standard error equals zero)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be accepted. Thus the Alt Hypothesis (H1) that there exists a relationship between Aware Insurance Ads and Radio listening habit is rejected.

The contingency coefficient and Crammers V values suggest that the association is not significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Radio Listening Habit’ for dependent variable ‘Awareness of Insurance Ads’ is not significant.

From the above findings, it can be concluded that there exists no relationship between Aware of Insurance Ads and Radio listening habit L1
Based on the above distribution, a test for association was carried out to find out the co-relation between Aware Insurance Ads and TV viewing habit.

A test for association was carried out to find out the co-relation between Aware Insurance Ads and TV Viewing habit.

Ho - There exists no relationship between Aware Insurance Ads and TV Viewing habit.

H1 - There exists a relationship between Aware Insurance Ads and TV Viewing habit.

Following are the results of the tests carried out on the Cross Tabulation of ‘Aware Insurance Ads and TV Viewing habit’ (Table 3.3.2):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>2.522a</td>
<td>0.641</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.078</td>
<td>0.641</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.079</td>
<td>0.641</td>
</tr>
<tr>
<td>Lambda (Dependent: Awareness of Insurance Ads)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be accepted. Thus the Alt Hypothesis (H1) that there exists a relationship between Aware Insurance Ads and TV Viewing habit is rejected.

The contingency coefficient and Crammers V values suggest that the association is not significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘TV Viewing Habit’ for dependent variable ‘Awareness of Insurance Ads’ is not significant.

From the above findings, it can be concluded that there exists no relationship between Aware of Insurance Ads and TV Viewing habit.\[L2\]

Figure 4.48
Aware of Insurance Advertisements and Newspaper Reading habit

![Bar Chart](chart.png)
Based on the above distribution, a test for association was carried out to find out the co-relation between Aware Insurance Ads and Newspaper Habit.

A test for association was carried out to find out the co-relation between Aware Insurance Ads and Newspaper Habit.

**Ho:** There exists no relationship between Aware Insurance Ads and Newspaper Habit

**H1:** There exists a relationship between Aware Insurance Ads and Newspaper Habit.

Following are the results of the tests carried out on the Cross Tabulation of ‘Aware Insurance Ads and Newspaper Habit’ (Table 3.3.3 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>6.549a</td>
<td>0.088</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.126</td>
<td>0.088</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.127</td>
<td>0.088</td>
</tr>
<tr>
<td>Lambda (Dependent: Awareness of Insurance Ads)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be accepted. Thus the Alt Hypothesis (H1) that there exists a relationship between Aware Insurance Ads and Newspaper Habit is rejected.

The contingency coefficient and Crammers V values suggest that the association is not significant.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Newspaper Reading Habit’ for dependent variable ‘Awareness of Insurance Ads’ is not significant.

there exists no relationship between Aware Insurance Ads and newspaper reading habit

L3
A test for association was carried out to find out the correlation between Insured Status and having met an Insurance Agent

_H0-There exists no relationship between_ Insured Status and having met an Insurance Agent

_H1-There exists a relationship between_ Insured Status and having met an Insurance Agent

Following are the results of the tests carried out on the Cross Tabulation of 'Insured Status and having Met an Insurance Agent' (Table 1.3.2 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>53.095a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.340</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.361</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.197</td>
<td>0.015</td>
</tr>
</tbody>
</table>
The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus we accept the Alt Hypothesis (H1) that there exists a relationship between Insured Status and having met an Insurance Agent. (L4)

The contingency coefficient and Crammers V values suggest that the association is significant but not very strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Met Insurance Agent’ for dependent variable ‘Insured Status’ is significant but low (19.7%). (L4)

Awareness of Insurance advertisements and insured status (Table 3.3.4 Annexure A) is proved by following hypothesis

H0 There exists no relationship between exposure to insurance advertisement and buying of insurance

H1 There exists a relationship between awareness of insurance advertisement and buying of insurance

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>.455a</td>
<td>.500</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>.033</td>
<td>.500</td>
</tr>
<tr>
<td>Crammers V</td>
<td>.033</td>
<td>.500</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>.000</td>
<td>.b</td>
</tr>
</tbody>
</table>

b. Cannot be computed because the asymptotic standard error equals zero.

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be accepted. Thus we accept the null hypothesis that “There exists no relationship between exposure to insurance advertisement and buying of insurance”. (L5)
L1: there exists no relationship between Awareness of Insurance Advertisements and Radio listening habit.
L2: there exists no relationship between awareness of Insurance Advertisements and TV Viewing habit.
L3: there exists no relationship between aware Insurance Ads and newspaper reading habit.
L5: There exists no relationship between exposure to insurance advertisement and buying of insurance.

Impersonal Information provided by the insurance companies (Learning) does not affect buying behavior of Microinsurance.

From L1, L2 L3 and L5 we conclude that the impersonal information provided by the companies plays no role in purchase decision of microinsurance.

L4: there exists a relationship between Insured Status and having met an Insurance Agent.

Personal Information provided by the insurance companies (Learning) affects buying behavior of Microinsurance.
4.5.3 **Hypothesis 3**

“Target segment has a negative attitude towards insurance” is sought to be proved by finding out the correlation between insurance-attitude variables and Insured status and analysis of covariance.

<table>
<thead>
<tr>
<th>H0</th>
<th>Target segment has a negative attitude towards insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Target segment has a Positive attitude towards insurance</td>
</tr>
<tr>
<td>H2</td>
<td>Target Population has a neutral attitude towards insurance</td>
</tr>
</tbody>
</table>

What is the correlation between insurance-attitude variables and Insured status? Is there any relationship between buying of insurance and Attitude variables regarding insurance? Table 3.5.11 (Annexure A) shows the correlation between Attitude variables and Insured status.

We see from this table that four of the six insurance-attitude variables are related to insurance buying. We can conclude that there exists a relationship between insured status and insurance-attitude variables.

**Table 3.5.13**

**Analysis of Covariance**

- To understand the total score of the population for Attitude regarding Insurance, a mean for all the responses was calculated.

- A mean of all the means (summed mean) will tell us the total score of all the respondents for their Attitude about Insurance from highly negative (-2) to highly positive (+2) with neutral (neither positive nor negative) being zero.

- The summed mean was found to be +1.29.

- From this result we can conclude that Attitude regarding Insurance is very positive.
A1: There exists a relationship between insured status and insurance-attitude variables.

A2: Attitude regarding Insurance is very positive

H1: Target segment has a Positive attitude towards insurance

P5
4.5.4 Hypothesis 4

“Personal influences affect buying behavior of Microinsurance” is sought to be validated by proving the sub-hypothesis P1, P2, P3, P4 and P5:

P1
H0  Motivation affects buying behavior of Microinsurance
H1  Motivation does not affect buying behavior of Microinsurance

Already proved in Hypothesis 1 above “There is awareness and need for insurance but motivation to act is not low”

P2
H0  Perception affects buying behavior of Microinsurance
H1  Perception does not affect buying behavior of Microinsurance

P3
H0  Learning affects buying behavior of Microinsurance
H1  Learning does not affect buying behavior of Microinsurance

Already proved as hypothesis 2 above “Personal Information provided by the insurance companies (Learning) affects buying behavior of Microinsurance”

P4
H0  Personality affects buying behavior of Microinsurance
H1  Personality does not affect buying behavior of Microinsurance

P5
H0  Attitude affects buying behavior of Microinsurance
H1  Attitude does not affect buying behavior of Microinsurance

Already proved as hypothesis 3 above “Target segment has a Positive attitude towards insurance”
Figure 4.50
Framework for Hypothesis 4

Personal influences affect buying behavior of Microinsurance

P1
H0 Motivation affects buying behavior of Microinsurance
H1 Motivation does not affect buying behavior of Microinsurance

P2
H0 Perception affects buying behavior of Microinsurance
H1 Perception does not affect buying behavior of Microinsurance

P3
H0 Learning affects buying behavior of Microinsurance
H1 Learning does not affect buying behavior of Microinsurance

P4
H0 Personality affects buying behavior of Microinsurance
H1 Personality does not affect buying behavior of Microinsurance

P5
H0 Attitude affects buying behavior of Microinsurance
H1 Attitude does not affect buying behavior of Microinsurance
Since P1, P3 and P5 are already proved above, we proceed to prove P2 and P4.

P2

**H0** Perception affects buying behavior of Microinsurance

**H1** Perception does not affect buying behavior of Microinsurance

<table>
<thead>
<tr>
<th>Insured Status</th>
<th>Awareness</th>
<th>Pearson Correlation</th>
<th>Correlation is significant at 0.01 level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>0.210264</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>1.9E-05</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Insured Status</th>
<th>Belief Claim Will be Settled</th>
<th>Pearson Correlation</th>
<th>Correlation is significant at 0.01 level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td>-0.15029</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.002366</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Insured Status</th>
<th>Health Insurance Irrespective</th>
<th>Pearson Correlation</th>
<th>Correlation is significant at 0.05 level</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
<td>0.125625</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.011192</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Insured Status</th>
<th>Insurance Necessity</th>
<th>Pearson Correlation</th>
<th>Correlation is significant at 0.05 level</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td>-0.10373</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.036445</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All the perception variables show a correlation with insured status. We can thus conclude that perception affects buying behavior of microinsurance. Thus we accept null hypothesis that perception affect buying behavior of microinsurance.

Thus we accept the null hypothesis that “Perception affects buying behavior of Microinsurance”. **P2**
H0  Personality affects buying behavior of Microinsurance
H1  Personality does not affect buying behavior of Microinsurance

Table 3.4.1 in Annexure A shows correlation of personality variables with insured status. All the personality variables show a correlation with insured status. We can thus conclude that personality affects buying behavior of microinsurance. Thus we accept null hypothesis that personality affect buying behavior of microinsurance.

Thus we accept the null hypothesis that “Personality affects buying behavior of Microinsurance”.  P4

P1: Proved as Hypothesis 1
P2: Proved above
P3: Proved as Hypothesis 2
P4: Proved above
P5: Proved as Hypothesis 3

Personal influences affect buying behavior of Microinsurance
4.5.5 Hypothesis 5

“Reference groups and Opinion leaders have a strong influence in building opinion towards microinsurance” is sought to be validated by proving the following sub-hypothesis RG1 and RG2:

RG1
H0  There exists no relationship between Insured Status and Insured Status of Ref Group
H1  There exists a relationship between Insured Status and Insured Status of Ref Group

RG2
H0  There exists no relationship between insured status and influence of opinion Leaders (financial)
H1  There exists a relationship between insured status and influence of opinion Leaders (financial)

RG1
Correlation between Insured status and the insured status of reference group will establish the impact of reference group. Table 2.2.6 shows that more the
number of insured in reference group better is the percentage of Insured status in the sample population.

Figure 4.51
Insured Status of the sample and that of their Reference Group

A test for association was carried out to find out the correlation between Insured Status and Insured Status of Ref Group

*Ho*—There exists no relationship between Insured Status and Insured Status of Ref Group.

*H1*—There exists a relationship between Insured Status and Insured Status of Ref Group.

Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Insured Status of Ref Group’ (Table 2.2.6 Annexure A):
<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>37.738*</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.291</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.305</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.046</td>
<td>0.377</td>
</tr>
</tbody>
</table>

and Cannot be computed because the asymptotic standard error equals zero.

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that there exists a relationship between Insured Status and Insured Status of Ref Group is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Insured Status of Ref Group’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and Insured Status of Ref Group.

S2
Table 2.2.7
Reference Group Financial
Correlation between Insured status and the influence of opinion leaders (financial) group will establish the impact of opinion leaders. Table 2.2.7 Annexure A shows that those who are definitely influenced by opinion leaders in financial matters are more likely to be insured.

Figure 4.53
Insured Status of the sample and Influence of the Opinion Leader on Financial Matters

A test for association was carried out to find out the correlation between Insured Status and influence of opinion leaders (financial)
Ho-There exists no relationship between Insured Status and influence of opinion leaders (financial)

H1-There exists a relationship between Insured Status and influence of opinion leaders (financial)

Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Insured Status of Ref Group’ (Table 2.2.7):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>51.039a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>.334</td>
<td>.000</td>
</tr>
<tr>
<td>Crammers V</td>
<td>.354</td>
<td>.000</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>.184</td>
<td>0.035</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that there exists a relationship between Insured Status and influence of opinion leaders (financial) is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘influence of opinion leaders (financial)’ for dependent variable ‘Insured Status’ is significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and influence of opinion leaders (financial)
Opinion leaders play an important role in influencing the sample population. By, self admission, 57% of the respondents said they would buy if opinion leader asked them to (Table 2.2.8).

From S2 and S3 we accept the hypothesis that “Reference groups and Opinion leaders have a strong influence in building opinion towards insurance”.
4.5.6 Hypothesis 6
“Social influences affect buying behavior of Microinsurance” is sought to be validated by proving the sub-hypothesis S1, S2, S3, S4, S5,

S1
H0 Family Size does not affect buying behavior of Microinsurance
H1 Family Size affects buying behavior of Microinsurance
Statistical tool used is Logistic Regression

S2
H0 Reference Groups and Opinion Leaders do not affect buying behavior of Microinsurance
H1 Reference Groups and Opinion Leaders affect buying behavior of Microinsurance
This hypothesis is further proved by validating the following hypothesis

S2.1
H0 There exists no relationship between Insured Status and Insured Status of Ref Group
H1 There exists no relationship between Insured Status and Insured Status of Ref Group
PROVED IN 4.5.5

S2.2
H0 There exists no relationship between insured status and influence of opinion Leaders (financial)
H1 There exists a relationship between insured status and influence of opinion Leaders (financial)
PROVED IN 4.5.5
H0 Other Non-commercial sources do not affect buying behavior of Microinsurance
H1 Other Non-commercial sources affect buying behavior of Microinsurance
This hypothesis is further proved by validating the following hypothesis: S3.1, S3.2 and S3.3
Here, it is assumed that other Non commercial sources are the influence of family member staying in city.

S3.1
First we see the whether people with a family member staying in the city are more aware of insurance than others. This is done by finding out the relationship between awareness of insurance and a family member staying in city.
H0 There exists no relationship between Awareness of Insurance and Influence of Urban Exposure due to Family Member Staying in City
H1 There exists a relationship between Awareness of Insurance and Influence of Urban Exposure due to Family Member Staying in City

S3.2
Then we go to explore the relationship between those who have bought insurance and those who have a member staying in city. This is done by finding the correlation between insured status and influence of a family member staying in city.
H0 There exists no relationship between Insured Status and Influence of Urban Exposure due to Family Member Staying in City
H1 There exists a relationship between Insured status and Influence of Urban Exposure due to Family Member Staying in City
Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda
S3.3
Not only does the influence of a member staying in city influences buyer behavior, we also need to explore if buyer behavior is influenced by sample population getting remittances from their city folks. This was done by finding out the relationship between Insured Status and Influence of Urban Exposure due to Remittances from City

H0 There exists no relationship between Insured Status and Influence of Urban Exposure due to Remittances from City.
H1 There exists a relationship between Insured Status and Influence of Urban Exposure due to Remittances from City

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda.

S4
H0 Social Class does not affect buying behavior of Microinsurance
H1 Social Class affects buying behavior of Microinsurance
This hypothesis is further proved by validating the following hypothesis: S4.1. S4.2. S4.3 and S4.4

S4.1
H0 There exists no relationship between Professional status and Insured status
H1 There exists a relationship between Professional status and Insured status

Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda. In addition Logistic Regression was used for all the social class variables viz: education, professional status, land holding and annual income.

S4.2
H0: There exists no relationship between education and Insured status
H1: There exists a relationship between education and Insured status
Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda
In addition Logistic Regression was used for all the social class variables viz: education, professional status, land holding and annual income.

S4.3
H0: There exists no relationship between landholding and Insured status
H1: There exists a relationship between landholding and Insured status
Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda
In addition Logistic Regression was used for all the social class variables viz: education, professional status, land holding and annual income.

S4.4
H0: There exists no relationship between annual income and Insured status
H1: There exists a relationship between annual income and Insured status
Statistical tests used are cross tabulation, Pearson CHI Square, Contingency coefficient, Crammers V and Lambda
In addition Logistic Regression was used for all the social class variables viz: education, professional status, land holding and annual income.

S5
H0 Cultural Influences do not affect buying behavior of Microinsurance
H0 Cultural Influences affect buying behavior of Microinsurance

S5.1
H0: There exists no relationship between cultural beliefs and Insured status
H1: There exists a relationship between cultural beliefs and Insured status
Framework for Hypothesis 6

Hypothesis 6
“Social influences affect buying behavior of Microinsurance”

S1
Family Size affects buying behavior of Microinsurance

S1.1

S2
Reference Groups and Opinion Leaders affect buying behavior of Microinsurance

S2.1
S2.2

S3
Other Non-commercial sources affect buying behavior of Microinsurance

S3.1
S3.2
S3.3

S4
Social Class affects buying behavior of Microinsurance

S4.1
S4.2
S4.3
S4.4

S5
Cultural Influences affect buying behavior of Microinsurance

S5.1
Can family size predict Insurance status? If expenditure pattern of larger families is confined to basic necessities, then do smaller families mean more spending on Insurance? A test for outcome of Insurance was carried out using Logistic Regression based upon the size of the family.

Binary Logistic Regression on Dependent Variable Insured Status and Independent Variable Family Size. Actual Values (not Category) taken into consideration.

Model Summary

<table>
<thead>
<tr>
<th>Step</th>
<th>-2 Log likelihood</th>
<th>Cox &amp; Snell R Square</th>
<th>Nagelkerke R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>526.140a</td>
<td>.013</td>
<td>.017</td>
</tr>
</tbody>
</table>

a. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Table 2.1.3

<table>
<thead>
<tr>
<th>Variables in the Equation</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1a</td>
<td>Family Size</td>
<td>-.104</td>
<td>.047</td>
<td>5.017</td>
<td>1</td>
<td>.025</td>
</tr>
<tr>
<td></td>
<td>Constant</td>
<td>1.059</td>
<td>.270</td>
<td>15.319</td>
<td>1</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Variable(s) entered on step 1: G11.05.

A Logit regression was used to predict Insured status (i.e. Insured or Not Insured) from Family Size.

Family Size is a significant predictor of Insured Status.

For every one unit decrease in Family Size, the odds of being insured (versus Not Insured) increased by a factor of 0.901.

For every one unit increase in Family Size, odds of being Insured (versus Not Insured) decreased by a factor of 0.9.

From the above findings, we conclude that Family Size is a predictor of Insurance Status. S1
S2:
As proved in section 4.5.5 above

S3.1
Influence of Urban Exposure (1) Family member staying in city
A cross tabulation of respondents with a ‘family member staying in city’ and ‘Awareness of concept of Insurance was carried out (Table 2.3.2 Annexure A) to find out any association between them.
Is urban exposure due to family member staying in city correlated to the awareness about insurance? (Table 2.3.2 Annexure A)

Figure 4.54
Awareness of Insurance and influence of Family member staying in city

A test for association was carried out to find out the co-relation between Awareness of Insurance and Influence of Urban Exposure due to Family Member Staying in City

*Ho-There exists no relationship between Awareness of Insurance and Influence of Urban Exposure due to Family Member Staying in City.*
H1- There exists a relationship between Awareness of Insurance and Influence of Urban Exposure due to Family Member Staying in City.

Following are the results of the tests carried out on the Cross Tabulation of ‘Awareness of Insurance and Influence of Urban Exposure due to Family Member Staying in City’ (Table 2.3.2):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>15.692a</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.193</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.196</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Awareness)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that there exists a relationship between Awareness of Insurance and Influence of Urban Exposure due to Family Member Staying in City is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Influence of Urban Exposure due to Family Member Staying in City’ for dependent variable ‘Awareness of Insurance’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Awareness of Insurance and Influence of Urban Exposure due to Family Member Staying in City.

S3.1
S3.2

Awareness of insurance is a given as in any case, we know from Table 0.9 (Annexure A) that overall awareness of Insurance is 95%. From the Insurers point of view it is more important to understand the insured status of the respondents who have urban exposure. A test of significance was carried was carried out to understand the relationship between Insured status and family member staying in city (Table 2.3.3 Annexure A).

Figure 4.55

Insured Status and influence of Family member staying in city

A test for association was carried out to find out the co-relation between Insured Status and Influence of Urban Exposure due to Family Member Staying in City

*Ho-There exists no relationship between Insured Status and Influence of Urban Exposure due to Family Member Staying in City.*

*H1-There exists a relationship between Insured Status and Influence of Urban Exposure due to Family Member Staying in City*
Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Influence of Urban Exposure due to Family Member Staying in City’ (Table 2.3.3 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td><strong>12.534</strong></td>
<td><strong>0.002</strong></td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.173</td>
<td>0.002</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.175</td>
<td>0.002</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.000</td>
<td>and Cannot be computed because the asymptotic standard error equals zero</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that there exists a relationship between Insured Status and Influence of Urban Exposure due to Family Member Staying in City is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Influence of Urban Exposure due to Family Member Staying in City’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and Influence of Urban Exposure due to Family Member Staying in City.

**S3.2**

**S3.3**

Influence of Urban Exposure (2): Remittances from City.

The crux of migration from villages to city is to earn livelihood. The migrant, not only earns for himself in the city, he also sends back remittances to his family members back home. This spurs another economic activity in the rural
areas. With a little disposable income, the villager can now breathe easy and look after his security needs like health and insurance. Table 2.3.4 shows that for 36% of the sample population, the question of remittances was not relevant as they lived in cities only. 47% did not receive any remittances from their family members and 17% did receive so.

A Chi square significance test was done to understand the relationship between Insured status and Remittances from city (Table 2.3.5 Annexure A). From the total number of respondents who did get remittances, 62% were insured while 27% were not insured. On the other hand, of the total number of respondents who did not get remittances, 52% were insured and 47% were not. It is also interesting to note the NA category which is comprised of those who stay in the city anyway. A massive 76% of them are insured as against 24% not insured.
A test for association was carried out to find out the co-relation between Insured Status and Influence of Urban Exposure: Remittances from City.

*Ho-There exists no relationship between Insured Status and Influence of Urban Exposure due to Remittances from City.*

*H1-There exists a relationship between Insured Status and Influence of Urban Exposure due to Remittances from City.*
Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Influence of Urban Exposure due to Remittances from City’ (Table 2.3.5 Annexure A):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>19.930</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.213</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.218</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that there exists a relationship between Insured Status and Influence of Urban Exposure due to Remittances from City is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Influence of Urban Exposure due to Family Member Staying in City’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and Influence of Urban Exposure: Remittances from City

S3.3

Statements (5), (6) and (7) clearly establish that urban exposure is an important determinant in bringing about awareness of Insurance and also buying of Insurance.
S4.1

A Chi square test of significance was performed to understand the relationship between Professional status and Insured status. This will tell us if professional status has an impact on buying behavior or not. As we see in Table 2.4.5, in the service category, 70% are insured while in the Self-employed category 60% are insured.

Figure 4.57
Insured Status and Professional Status

A test for association was carried out to find out the co-relation between Insured Status and Professional Status

Ho-There exists no relationship between Professional status and Insured status
H1—There exists a relationship between Professional status and Insured status.

Following are the results of the tests carried out on the Cross Tabulation of ‘Professional status and Insured status’ (Table 2.4.5):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>24.337</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.238</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.245</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.092</td>
<td>0.047</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that there exists a relationship between Professional status and Insured status is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Professional status’ for dependent variable ‘Insured Status’ is significant but low (9%).

From the above findings, it can be concluded that there exists a relationship between Insured Status and Professional Status.

S4.1

S4.2

A Chi square test of significance was performed to understand the relationship between Education and Insured status. This will tell us if Education has an impact on buying behavior or not. As we see in Table 2.4.6,
in the Graduation category, 85% are insured, in the 12th pass category, 76% are insured, in the 10th pass category, 66% are insured. Thus, the distribution of insured status goes up with education. The exception is the illiterate category, which has 72% insured population. This can be explained as the total of illiterates in the sample is quite low.

Figure 4.58
Insured Status and Education

A test for association was carried out to find out the co-relation between Insured Status and Education

Ho-There exists no relationship between Insured Status and Education

H1-There exists a relationship between Insured Status and Education

Following are the results of the tests carried out on the Cross Tabulation of 'Insured Status and Education' (Table 2.4.6):
<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>38.890</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.299</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.313</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.112</td>
<td>0.166</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis that there exists a relationship between Insured Status and Education is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Education’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and Education.
S4.3

A Chi square test of significance was performed to understand the relationship between Insured Status and Landholding. This will tell us if Landholding has an impact on buying behavior or not. As we see in Table 2.4.7. Annexure A. The majority of distribution falls in the ‘None’ and ‘0 to 10 Acres’ category. The overall distribution seems to be very uneven as other categories beyond 10 acres land holding is negligibly represented.

Figure 4.59

Insured Status and Landholding

A test for association was carried out to find out the co-relation between Insured Status and Landholding

Ho-There exists no relationship between Insured Status and Landholding

H1-There exists a relationship between Insured Status and Landholding
Following are the results of the tests carried out on the Cross Tabulation of ‘Insured Status and Landholding’ (Table 2.4.7):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>10.483</td>
<td>0.033</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.158</td>
<td>0.033</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.160</td>
<td>0.033</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.000</td>
<td>and</td>
</tr>
</tbody>
</table>

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between Insured Status and Landholding is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable ‘Landholding’ for dependent variable ‘Insured Status’ is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and Landholding.

S4.3
S4.4

Annual Income is naturally, the most important demographic which decides buying in general and financial investments like Insurance in particular. Annual Income of the population will decide what money remains after meeting all the expenses. Insurers would like to know if Income and Insured status is actually related in the sample population. A CHI square test was done to understand this relationship in the sample population. As seen in Table 2.4.8., Annexure A, categories ‘10,000’ and ‘35000’ consist of bulk of the population. Of the total number of people insured, maximum come from Rs 20,000 to Rs 50,000 annual income category.

Figure 4.60
Insured Status and Annual Income

A test for association was carried out to find out the co-relation between Insured Status and Annual Income

Ho-There exists no relationship between Insured Status and Annual Income

H1-There exists a relationship between Insured Status and Annual Income
Following are the results of the tests carried out on the Cross Tabulation of 'Insured Status and Annual Income' (Table 2.4.8):

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CHI Square (Asymp 2 sided)</td>
<td>36.277</td>
<td>0.001</td>
</tr>
<tr>
<td>Contingency coefficient</td>
<td>0.286</td>
<td>0.001</td>
</tr>
<tr>
<td>Crammers V</td>
<td>0.299</td>
<td>0.001</td>
</tr>
<tr>
<td>Lambda (Dependent: Insured Status)</td>
<td>0.046</td>
<td>0.193</td>
</tr>
</tbody>
</table>

and Cannot be computed because the asymptotic standard error equals zero

The Pearson Chi Square test suggests that at 95% confidence level, the Null hypothesis (H0) should be rejected. Thus the Alt Hypothesis (H1) that there exists a relationship between Insured Status and Annual Income is accepted.

The contingency coefficient and Crammers V values suggest that the association is significant but not strong.

The lambda coefficient which measures the overall improvement when prediction is done by independent variable 'Annual Income' for dependent variable 'Insured Status' is not significant.

From the above findings, it can be concluded that there exists a relationship between Insured Status and Annual Income

S4.4
Logistic Regression Model

To identify key determinants of Insured Status from Social Class variables we first compute dichotomous variable indicating whether the respondent is Insured or not.

That is,

Insured Status = {1, if insured and 0, if Not Insured}

On the basis of Pearson's Chi-square statistic, we have determined that the predictors of Professional Status, Education, Landholding and Annual Income were associated with Insured Status.

We then use a Logistic regression model, given by

$$\text{logit } (P) = \ln\left(\frac{P}{1-P}\right) = \beta_0 + \beta_1X_1 + \beta_2X_2 + \ldots + \beta_4X_4$$

where $X_1, \ldots, X_4$ are predictor variables Professional Status, Education, Landholding and Annual Income respectively and $P$ denotes the probability that the respondent is Insured.

The Enter method was used to arrive at the Logistic Regression model (Table 2.4.9)

Binary Logistic Regression Test applied to Social Class Variables (Independent Variables: Professional Status, Education, Landholding and Annual Income) and Insured Status (Dependent Variable). This test was carried out to understand the most significant predictors of social class amongst professional status, education, land ownership and annual income for buying of Insurance.

### Hosmer and Lemeshow Test

<table>
<thead>
<tr>
<th>Step</th>
<th>Chi-square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>33.765</td>
<td>8</td>
<td>0.000</td>
</tr>
</tbody>
</table>
Y = Insured Status (Yes/No)
X1 = Professional Status,
X2 = Years of Education,
X3 = Land holding,
X4 = Annual Income

A Logit regression was used to predict Insured status (i.e. Insured or Not Insured) from Professional Status, Years of Education, Land holding and Annual Income.

Results
Years of Education and Annual Income are statistically significant.

Years of Education and Annual Income are significant predictor of Insured Status.

Professional Status and Land Holding are not related to Insured Status.

For every one unit increase in 'Years of Education' the odds of being insured (versus Not Insured) increased by a factor of 1.18.
For every one unit increase in Annual Income, odds of being insured (versus Not Insured) increased by a factor of 1.00.

From the above findings, we conclude that Years of Education and Annual Income are predictors of Insurance Status. S4.5

Understanding the Predictor Cultural Beliefs on Insurance Buying

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.</td>
</tr>
</tbody>
</table>
S5.1
Ho: Cultural beliefs regarding insurance are not positive
H1: Cultural beliefs regarding insurance are positive

Table 2.5.7
Analysis of Covariance

- To understand the total score of the population for all the cultural beliefs, a mean for all the responses was calculated.

- A mean of all the means (summatated mean) will tell us the total score of all the respondents for all their cultural beliefs from highly negative (-2) to highly positive (+2) with neutral (neither positive nor negative being zero)

- The summated mean was found to be +0.29.

- From this result we can conclude that the cultural beliefs regarding insurance are positive with a score of +0.29

S5.1
From S1 (by proving S1.1) S2 (by proving S2.1, S2.2 and S2.3) S3 (by proving S3.1, S3.2 and S3.3), S4 (by proving S4.1, S4.2, S4.3 and S4.4) and S5 (by proving S5.1) we conclude that Social factors have an influence of buying of insurance.

We thus accept the Hypothesis that “Social influences affect buying behavior of Microinsurance”

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S1</td>
<td>Family Size affects buying behavior of Microinsurance</td>
</tr>
<tr>
<td>S2</td>
<td>Reference Groups and Opinion Leaders affect buying behavior of Microinsurance</td>
</tr>
<tr>
<td>S3</td>
<td>Other Non-commercial sources affects buying behavior of Microinsurance</td>
</tr>
<tr>
<td>S4</td>
<td>Social Class affects buying behavior of Microinsurance</td>
</tr>
<tr>
<td>S5</td>
<td>Cultural Influences affects buying behavior of Microinsurance</td>
</tr>
</tbody>
</table>

Social factors have an influence on buying of insurance.