

Social Factors and Customers' Attitude towards Life Insurance

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Abstract

Life insurance plays a pivotal role in financial planning and investment, serving as a safeguard against the economic consequences of losing a loved one. Despite its importance, there remains a significant gap between consumer awareness and actual purchase decisions in India. Even in Kerala, the state renowned for its high literacy rates, the general public demonstrates limited engagement with life insurance policies. This study examines the relationship between social factors and public attitudes toward life insurance in Ernakulam district. The purchase decision of life insurance may be influenced by many factors and this study highlighted the influence of social factors. The hypothesis test proved that the grouping variable used in the study did not produce meaningful differences in respondents' perceptions.

Keywords: Life insurance, Social factors, Purchase decision, Customer perception

1. Introduction

Life insurance, an important instrument to cover the financial loss due to loss of loved ones, has undergone through outstanding revolution over the years. Life Insurance has a pivotal role in present Indian economy for financial planning and investment. But, still there is a gap between the understanding of life insurance by consumers and their purchase decision. Illiteracy about life insurance policies and its relevance may cause a chaotic situation in India among the general Public. Kerala, the leading state in India with respect to literacy is also not at good spot about life insurance purchase decision by the general public. This decision is very complex and influenced by various internal and external factors like socio-economic status, financial literacy, cultural factors, etc. Therefore, this scenario

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invites attention to understand various factors that affect the purchase decision of life insurance policies. Social factors are inevitable in deciding one's decision to purchase life insurance policy. It may outline the attitude of everyone towards the life insurance. Therefore, this study is analysed the relationship between social factors and attitude towards life insurance among the general public in Ernakulam district.

2. Statement of the Problem

Various factors determine the customers' attitude towards purchase decision and it is significantly true with respect to life insurance. Social factors, being one of such factors may shape everyone's purchase decision. Insurance companies are periodically facelifting their policies as per the changing demands. Understanding the relationship between social factors and attitude of customers will be helping the insurance companies to survive in the life insurance sector, unless the customers may not be attracted to such policies.

3. Objectives

- To identify the social factors influencing customer attitude towards life insurance.
- To evaluate the relationship between social factors and attitude of customer

4. Hypotheses of the Study

H0: There is no significant difference between social factors and attitude of customers towards life insurance.

5. Need of the Study

Understanding the relationship between social influence and attitude of customers towards life insurance policies is crucial for both insurers and policymakers. Customer's attitude

significantly depends on social influence because social influence shapes consumer attitudes through peer pressure and societal norms. Moreover, the relationship between these two variables helps the life insurance companies to design various policies as per the needs and wants of general public and also educate them about its relevance.

6. Research Methodology

6.1 Research Design

Descriptive Research Design is used for this study.

6.2 Data

Primary as well as secondary data are used for this study.

6.3 Sources of Data

Primary data is collected through questionnaire and secondary data are used from various journals and reports.

6.4 Population

Customers in Ernakulam District constitute the population for this study.

6.5 Sample Design and Sample

Convenient sampling method with a sample size of 50 is used for this study.

6.6 Tools used for analysis

One way ANOVA is used to analyse the collected data.

7. Limitations of the study

- The study is conducted on primary data; therefore, all the limitations of primary data is applicable for its findings.
- Generalisation of findings are also not possible hence this study is focussed only on a limited area,

8. Review of Literature

Negi & Singh (2012) identified five key aspects that relate to respondents' demographics which impacts the decision to buy a life insurance policy. They key aspects are customer friendliness, brand loyalty, commitment, and product quality and image. The study said that Product Quality and Brand Image are the most essential variable whereas Brand Loyalty is the least key aspect. IT is also observed that there is significant difference in the parameters with respect to different demographic traits of respondents.

Sanjaya & Zen (2023) examined the variables that affect purchase decision of life and health insurance. The study indicated that various demographic factors such as income level, assets, educational background, financial dependency, and health status directly influence life & health insurance purchase decisions. There are some more variables like the reputation of the insurance firm, the methods that agents use to sell, the degree to which insurance is viewed as a service, and insurance literacy are also affecting the decision. Moreover, social and culture variables also have crucial roles in the decision.

Singh (2020) has made an attempt to compare the service quality of public sector and private sector life insurance companies. The study showed that the customers are more comfortable with the public sector insurance companies than the private sector companies. It is also concluded that the dependable insurance company sector in India is public sector and not the private sector.

Cristeena (2025) illustrated that majority of policy holders are purchased life insurance as an investment. The factors behind the purchase decisions are many and demographic as well as social factors are the major factors which induce a person to buy the life insurance. Nayeema & Akhila (2025) stated that many of the customers are satisfied with the life insurance products

and they have got the promises of the companies on time. It is proved that there is significant relationship between promotional offers by the insurance companies and the purchase decision of the customers.

9. Data Analysis and Discussions

Table 1. Age of respondents

Age	Number	Per Cent
18-25	29	58
26-30	4	8
31-35	2	4
Above 35	15	30
Total	50	100

Source: Primary Data

The study is conducted for 50 samples where age category of 18-25 dominating (58 per cent). 30 per cent of respondents are from the age category of above 35. The study is tried to cover the respondents with the age of 18 onwards (Table 1).

Table 2. Recommendation by Insurance Agents Leads to Purchase of Insurance Policies

Particulars	Number	Per Cent
Strongly Disagree	10	20
Disagree	6	12
Neither agree nor disagree	0	0
Agree	7	14
Strongly Agree	27	54
Total	50	100

Source: Primary Data

Table 2 shows that there is a huge role for insurance agents to take the decision of purchasing insurance policies. 68 per cent

agreed with the influence of insurance agents and remaining 32 per cent have the other opinion.

Table 3. Influence by Social Media for the Purchase Decision of Life Insurance

Particulars	Number	Per Cent
Strongly Disagree	8	16
Disagree	8	16
Neither agree nor disagree	0	0
Agree	7	14
Strongly Agree	27	54
Total	50	100

Source: Primary Data

It is clear from the table 3 that there is high influence of social media in deciding the purchase of life insurance by the public. 68 per cent advocates that they are influenced by the social media and it indicates the influence of social media in our daily life.

Table 4. Influence of family’s advice for the purchase decision of life insurance

Particulars	Number	Per Cent
Strongly Disagree	0	0
Disagree	4	8
Neither agree nor disagree	13	26
Agree	27	54
Strongly Agree	6	12
Total	50	100

Source: Primary Data

Table 4 shows that there is an influence by family members in the form of their advice for the purchase decision of life insurance. 66 per cent of respondents (33 numbers) said that they are influenced by the advice of family members while taking a decision to purchase the insurance policy.

9.1 Testing of Hypothesis

Table 5. One-way Analysis of Variance

		ANOVA		Mean Square	F	Sig.
		Sum of Squares	df			
Recommendation by agents	Between Groups	9.051	3	3.017	1.089	.363
	Within Groups	127.449	46	2.771		
	Total	136.500	49			
Influence by social media	Between Groups	11.980	3	3.993	1.588	.205
	Within Groups	115.640	46	2.514		
	Total	127.620	49			
Influence by Family members	Between Groups	3.429	3	1.143	1.942	.136
	Within Groups	27.071	46	.589		
	Total	30.500	49			

Source: Primary Data

A one-way Analysis of Variance (ANOVA) was used to check whether there were statistically significant differences among the groups with respect to three factors like, recommendation by agents, influence by social media, and influence by family members.

9.1.1 Recommendation by Agents

The analysis stated that there was no statistically significant difference among the groups about the extent to which recommendations by agents influenced their responses, $F(3, 46) = 1.089, p = .363$.

This suggests that differences observed between group means were not large enough to conclude that the groups varied meaningfully in their perception of agents’ recommendations.

9.1.2 Influence by Social Media

The ANOVA performed on the variable “influence by social media” also revealed no significant difference across the groups, $F(3, 46) = 1.588, p = .205$.

This clearly presented that respondents, irrespective of group classification, were influenced by social media to a similar

extent, and any differences noted were likely due to random variation rather than systematic group differences.

9.1.3 Influence by Family Members

Similarly, the analysis for “influence by family members” specified that there is no significant variation among the groups, $F(3, 46) = 1.942$, $p = .136$.

These findings imply that family influence was perceived comparably across all groups, with no evidence of statistically meaningful differences.

9.2 Summary of Findings

Across all three variables examined, the ANOVA results consistently showed non-significant p-values ($p > .05$). This indicates that the grouping variable used in the study did not produce meaningful differences in respondents’ perceptions regarding:

- Recommendations by agents
- Influence by social media
- Influence by family members

In other words, all groups demonstrated similar levels of influence for each of the three factors.

10. Conclusion

The study on social factors and customers’ attitude towards life insurance has attempted to state the statistical difference between the social factors and customers’ attitude. The purchase decision of life insurance may be influenced by many factors and this study highlighted the influence of social factors. Three major factors were considered for this study and they are recommendation by agents, influence by social media and influence by family members. One way ANOVA test proved

that the grouping variable used in the study did not produce meaningful differences in respondents' perceptions.

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