

Consumer Buying Intention Towards Health Insurance Products: A Qualitative Perspective

Aditi Khanna

Research Scholar, Manav Rachna University, Faridabad

Dr. Savita Sharma

Assistant professor, Faculty of Education and Humanities, Manav Rachna University

ABSTRACT

Good health is the most important and valuable asset for humans, and health insurance is an essential type of insurance that provides financial protection to an individual and their family at the time of some uncertain risks or damages caused to health. Health insurance provides safety and protection to a person and encourages them to save money to treat health issues. This study is conducted to identify the factors that influence consumers buying intentions and their decisions to buy health insurance policies and products. Some of the basic factors identified that influence people to purchase health insurance are medical expenses, tax gains, and mandatory and other requirements. Some of the obstacles that stop people from subscribing to health insurance are lack of funds, reliability, accessibility, and intermediaries. People want health insurance companies to guarantee their capital. In present times, people have started purchasing health insurance for themselves and their families, and it has become popular in India.

Keywords: Buying Decision, Consumer Behavior, Health Insurance, Health coverage, Purchase decision

INTRODUCTION

The scope of insurance in India is very high. However, health insurance in India is still in its initial stage. In the current era, India is a rapidly growing economy, but health is a major concern for development. The money spent on the health sector in India is increasing, but the blend of private and public sector insurance companies is also a cause of concern. In the majority of the leading nations, public spending is around 2 to 3 percent of their GDP, but in India, it is around 0.9% of GDP. The private expenses on health in India are quite high, and a very small amount is

covered under the insurance sector. Life of many people is miserable, and most of them live below the poverty line. The health care management system of the private sector is out of control and out of reach of the majority of the population of India. Thus, health insurance would play a crucial role in providing healthcare facilities to people and can be considered as an alternate support system for providing healthcare facilities to the Indian population. Purchasing an insurance policy depends on the income of an individual. People with a low level of income are less interested in buying an insurance policy as they are interested in fulfilling their basic needs first. People with enough income are interested in purchasing insurance policies for the safety of themselves and their families. People with good education buy health insurance. Insurance companies try to attract people with low income with policies that have fewer premiums to pay and are affordable for poor people. Health insurance is a powerful medium to tackle the uncertainties of situations by paying some amount as a premium. There are six factors that are identified in a study, which are found to be responsible for the purchase decision of health insurance. The factors are information related to the company, promotions, risks, awareness, security, and tax benefit (**Parihar & Ghosh, 2021**). Consumers are ready to buy an insurance policy with low prices if that can provide some coverage for risks. An attitude of consumers is found to have a mediating the association between the 4Ps of marketing strategy and the behavior of consumers. Therefore, the marketers of insurance must be aware of the importance of consumer attitude that influences the purchase intention and decision, and their goal should be towards stimuli of marketing that could impact the attitude of consumers. It can be concluded that the mix of marketing, that is, product, price, place, and promotion, would affect the attitude of consumers and consequently their intention to purchase insurance. Thus, insurance firms must develop a marketing mix properly to increase the sales of insurance (**Guan, Yusuf, & Ghani, 2020**).

Because of the high increase in the segment of the healthcare sector, the demand for health insurance products has also increased. With the increasing demand for health care products in India, it has become essential to study the factors that are increasing its demand in the market among consumers. Because of the weak and absence of a proper healthcare system in India, the private healthcare providers and system are emerging in a strong manner and with high costs. For lower-middle and middle-class people, it has become difficult to afford the expenses of healthcare services. The considerable contribution of the perceived risks to attitude toward buying health insurance shows that the majority of consumers are aware of the uncertainties of life and have a high intention to buy health insurance. This is not just associated with financial literacy but also with the dissemination of information about insurance products. There is a need for insurance companies to promote uncertainties of the future to increase the demand for insurance products. An important role is played by health value as a moderator on the "theory of planned behavior (TPB)" model. If a person values their health, they will have the intention to

buy health insurance. The result of the study would assist insurance companies, along with the makers of financial policies in developing proper strategies to increase the dissemination of health insurance (**Brahmana, Brahmana, & Memarista, 2018**).

Objective

1. The study aims to understand the purchase decision process of customers.
2. To understand how the insurance company should come forward to create awareness and understanding about benefits of health insurance.

Literature Review

Naidu & Sri (2021) explained the health insurance that pays for our medical expenses in a critical time in exchange for a premium. The way in which it works is that we have to pay on a monthly or yearly basis some amount as a premium, and the providers of insurance policy provide monetary benefits at some discounted rates. The healthcare providers listed in our booklets, and agree to provide healthcare service at some specified costs. With the rising costs of healthcare in India, people are becoming more conscious of purchasing health insurance for themselves and their families. The transformations in life motivate people to take health treatments in costly hospitals. This element and the rising inflation are encouraging people to buy health insurance. In the past few years, the Indian healthcare business has become versatile.

Gajula & Dhanavanthan (2019) stated that health insurance had become emergent distribution channel that has been adopted by the insurance companies in order to increase the market of insurance and its dissemination. The expenses of an individual can be reimbursed through health insurance, expenses that might have been incurred due to long-term illness or any sudden uncertain injury. The policy coverage and its features are some of the dominating factors that influence consumers to purchase the policy. The policy is a customized product as per the requirement of the consumer that might convert the non-subscriber to the subscriber of the health insurance policy. The accessibility of agents and their knowledge are some other factors that impact the buying decisions of prospective customers of health insurance. The insurance companies need to be proactive in the training and development of their insurance agents. The study identified socio-economic factors, perception of an individual, and personality features that impact the buying behavior of a person to purchase health insurance.

Tripathi (2013) opined that government, as well as insurance companies, must take effective steps to create awareness among people about the significance of health insurance and its benefits. Some of the respondents in the study stated that the mode of payment is the problem when selecting health insurance. Therefore, it is the responsibility of the insurance company to provide flexible payment options for customers. The procedures and other technical things with

regards to claims must be simple and easy to understand and operate. The coverage of different diseases must be increased, and the rates of premium collected from consumers must at least reach the level of no profit and no loss. As there are private companies also who are providing health insurance, there must be rules that they can participate in the market, playing a lead role, and provide facilities at the earliest following the rules and regulations of IRDA.

Mathur, Paul, Prasad, & Das (2015) found that the perception of the products, socio-economic conditions, and the personality features do not have any significant influence on the customer on their purchase decision of health insurance policy. People who want to have a safe future and to deal with the uncertainties in proper manner purchase health insurance. Consequently, the discrepancies created by some socio-economic conditions might keep people away from buying health insurance. The insurance companies must focus on removing those obstacles and design and offer the best and most affordable health insurance policies to customers. Areas such as timely and easy settlements of claims, transparency in the guidelines of the policy, and increased usability of the technology must be available to be the priority for insurance providers.

Singh (2018) revealed that in the past few years, the market for health insurance had changed a lot. The features of consumer buying behavior choice are the market basis and decision basis of the enterprise marketing activities. Today people have become conscious about their health and are taking regular health checkups and taking preventive health care measures to remain healthy and fit. Therefore, health insurance is expected to have a huge possibility to have high growth in the Indian market. In spite of increasing demand from consumers in India, buying health insurance is still not much popular among customers. Health insurance companies are trying to understand the purchase behavior of customers. Three factors are identified that can impact the buying behavior of customers those are the promotional tools of the company, the emotions of customers, and the product signal. To promote new products of health insurance, enterprises can take advantage of the compulsive buying behavior of customers.

Wilfred (2020) revealed that attitudes toward risks, income protection, and social factors are found to be essential that would affect the intentions to buy health insurance by consumers. It is usually believed by people that those who have any loan to settle upon their death must have health or life insurance. The reason behind this is if the person passes away, then their family can utilize that money of insurance to settle down the loan or any other outstanding liability. Moreover, should they make a complete assignment to their trusted appointed people to the insurance policy they buy, even in death cases, no borrows can claim the benefits of insurance from them.

Ha, Duong, Son, Anh, & Dung (2020) explained five variables that influence the buying behavior of consumers towards health insurance. The factors are past experience, perception towards service quality, behavioral control, attitude towards risk, and private health insurance. Various policies with different features are proposed and introduced to attract customers and change their intention to buy health insurance policies from insurance companies. In order to increase customers' intention to buy health insurance, experts suggest insurance companies improve their service quality, mainly after-sales service, training, and expertise of employees and agents.

Hidayat et. al. (2021) stated that there is a trend of marketing health insurance among the public to increase their attention towards their health during the pandemic. Healthy sanitization is more associated to washing of hands and a tool to monitor the risk of pandemic. The observation from the study found that Subjective Norm directly impacts the buying intention of consumers, whereas the health value makes no direct impact on the buying intention of consumers. The data of the study reveals that the attitude of customers has a considerable influence on the buying intentions. Subsequently, the attitude can mediate in the influence of health value and Subjective Norm on buying intention of consumers. The findings of the study recommends that the healthcare sector must pay more attention to the quality of their products, which they are providing to customers to meet their expectations and keep evaluating them on a regular basis to establish a positive approach towards marketing activities.

Gordon et al. (2020) found that although few healthcare market reformations are seeking to engage customers in buying health insurance, and other healthcare services. Deep understanding of customer's healthcare buying experience might help the insurance companies to develop designs and strategies to engage customers more effectively for the improvement of the healthcare market. Precisely, understanding of the aspects of shopping that customers find challenging, must help in developing intrusions to simplify the processes. The survey revealed that in addition to the four levels in the process of shopping, checking and accessing the value of the product before purchasing health care product is also important factor that impact the buying behavior of customers.

Deepa, Kumar, & Malini (2022) revealed that the healthcare products and insurance policies in India are developing, and are now considered to be essential for people that would help them in the reimbursement of medical expenses, particularly for those who are living below the poverty line. The purpose of this study is to identify the factors determining the buying attitude and the level of satisfaction from health insurance of an insured person among unorganized sector. This work involves various factors like features of the products, features of customer service, and attributes of the agent. All these factors are considerably associated with the buying attitude of customers, and satisfaction level after buying health insurance after testing the reliability and

validity that meets the required standards. The benefit of health insurance package must be expanded, including all the conditions that impact the population of unorganized sector. Health insurance is usually considered as a source of funds for the healthcare requirement in case of any uncertainty or emergency.

Devi (2014) found that the health insurance industry in India are growing rapidly in the past few years, still it is unable to meet global standards, and cannot be compared with the size of health insurance industry of other developed countries. One of the major cause behind this leap is that the health insurance policies have become a tax saving instrument. The study found that customers are aware about the insurance schemes. There are some factors that influence the purchase of an insurance scheme like features of the policy, benefits of the policy, cost of the scheme, and the purpose of buying the scheme. The study reveals that there are very less people who are search health insurance and are ready to buy it only if it is provided easily.

Agnihotri & Chaturvedi (2017) stated that the healthcare sector of India is changing massively. The increasing level of income, health consciousness among educated, and high class people, and liberalization of prices, reduced bureaucracy, and introduction of private healthcare financing is all that is driving the transformation. A few years back, the health insurance sector was highly under-developed, and was an insignificant segment of India. However, now it is an emerging sector and getting a lot of attention from the government, and people. The awareness level about the sector has also improved. Though, health insurance is essential for everyone, but due to its expensive service it is not affordable by majority of the Indian population. However, now insurance sector has made it easy for the people to avail its services, but due to lack of awareness, clarity, and understanding many people have not yet availed the services. Insurance companies must come up with more clarified policies that are easy to understand, and avail. Table 1 shows the summary of the selected studies in literature which highlights the basic motivations behind buying the health insurance policies.

Table 1 Summary of the Selected Studies in Literature

SL. No.	Author and Year	Major Findings from Literature
1	Parihar & Ghosh, 2021	The factors affecting buying of health insurance are company information, promotions, risks, awareness, security, and tax benefit
2	Guan, Yusuf & Ghani, 2020	mix of marketing, that is, product, price, place, and promotion, would affect the attitude of consumers and consequently their intention to purchase insurance.
3	Brahmana, Brahmana,	In this paper "Theory of planned behavior (TPB)" model

	& Memarista, 2018	was studied. If a person values their health, they will have the intention to buy health insurance.
4	Naidu & Sri, 2021	The authors explained that the health insurance that pays for medical expenses in a critical time in exchange for a premium is preferred by consumer.
5	Tripathi, 2013	This paper recommended that the government, as well as insurance companies, must take effective steps to create awareness among people about the significance of health insurance and its benefits.
6	Mathur, Paul, Prasad, & Das, 2015	It was found that the perception of the products, socio-economic conditions, and the personality features do not have any significant influence on the customer on their purchase decision of health insurance policy.
7	Singh, 2018	People have become conscious about their health and are taking regular health checkups and taking preventive health care measures to remain healthy and fit.
8	Ha, Duong, Son, Anh, & Dung, 2020	Explained the factors that affect the health insurance behavior are past experience, perception towards service quality, behavioral control attitude towards risk, and private health insurance.
9	Hidayat et. al., 2021	Study revealed that the attitude of customers has a considerable influence on the buying intentions. Subsequently, the attitude can mediate in the influence of health value and Subjective Norm on buying intention of consumers.
10	Gordon et al. (2020)	Found that although few healthcare market reformations are seeking to engage customers in buying health insurance, and other healthcare services.
11	Deepa, Kumar, & Malini, 2022	Revealed that the healthcare products and insurance policies in India are developing, as they help customers for reimbursement of medical expenses
12	Devi (2014)	Found that one of the major causes behind this leap is that the health insurance policies have become a tax saving instrument.

CONCLUSION

The study concludes that there is an urgent need to understand the purchase decision process of customers, and answering the questions like how and why that customers ask before purchasing an insurance scheme. It will also help in knowing the importance that is given by consumers to the behavior and attitude of agent, their knowledge about the product and their appearance. Features of the product, and the premium amount are considered as crucial criteria while selecting the policy and from the particular insurance company. Features of the insurance product such as tax rebates, investments, savings, and health coverage are some of the strong factors that influence the buying intentions of customers. A well-regulated industry of insurance that moves with time and offer their customers customized products for their satisfaction and to meet their demand is important for the progress of the economy. Public sector insurance companies have also made a huge contribution in spreading the awareness about the insurance, its benefits, types, and the ways in which its benefits can be availed. To attract consumers towards buying of health insurance policies, companies must come forward to create awareness and understanding about its benefits.

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