FACTORS INFLUENCING ON CONSUMER PURCHASE INTENTION OF LIFE INSURANCE IN BATTICALOA DISTRICT

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ABSTRACT

Insurance play a significant role in the life of humanity .The necessity and need of insurance is felt when something adverse happens in the life of humans. Objective of this study was to identifying the main influence factors of consumer purchase intention of life insurance. In the present situation, there is a significant increment in Long Term Insurance (life insurance) Premium Income.

These papers discuss the factors that influence consumer purchase intention on life insurance in Batticaloa District. This research was carried out to investigate the factors which are financial literacy, saving motives, risk aversion motives that will determine the purchase intention of customer on life insurance. Questionnaires have been used as instruments to collect primary data and had distributed to life insurance policy holders in selected insurance companies. Stratified random sampling is the technique that had been used to distribute the questionnaires. To conduct this research, the researchers use secondary data at the beginning, simply by searching information though, books, journals and internet. Next is primary data, the researchers will collect primary data by distributing questionnaire to the respondents.

The researchers also will use Statistical Package (SPSS) to provide a powerful statistical-analysis and data management systems to generate information into tables. The findings of this research reveal risk aversion motives is the most important factor towards purchase intention. So there is dire need to understand how to increase intention to purchase life insurance among Batticaloa District. Future studies can improve by putting in more time and surveying more customers in a greater amount at Batticaloa District. Future researchers could also consider using other factors to analyse the collected data.

In this study, the statistical tools that used to analyse the levels of variables are mean is high level and Standard deviation values , while relationship were measured by Pearson coefficients and simple regressions for dependent and independent variables. The results related that financial literacy, saving motives, risk aversion motives have a significant positive impact on consumer purchase intention. The regression analysis suggested that all three components (financial literacy, saving motives, risk aversion motives) have significant with consumer purchase intention.

Keywords: Financial literacy, Saving motives, Risk aversion motives, and Consumer purchase intention.

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