Factors Influencing Life Insurance Purchasing

by

Ms. Luckana Anantachoti

A Final Report of the Three-Credit Course
CE 6998 Project

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
Assumption University

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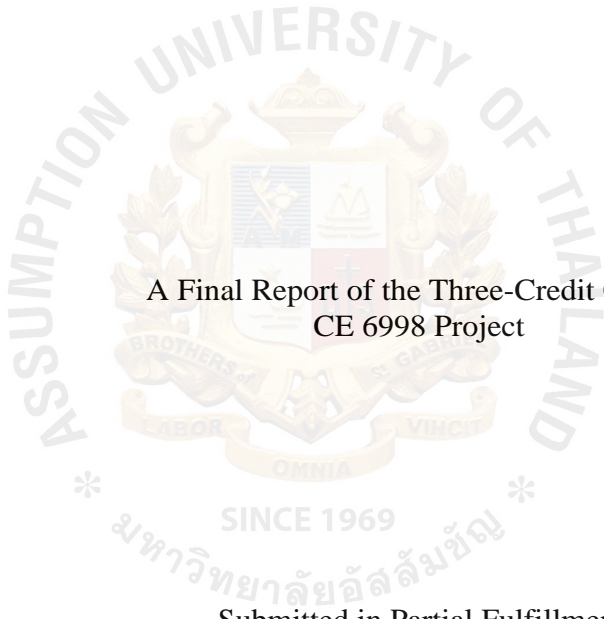in Computer and Engineering Management
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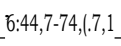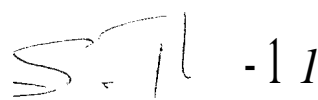
The Graduate School of Assumption University has approved this final report of the three-credit course, CE 6998 PROJECT, submitted in partial fulfillment of the requirements for the degree of Master of Science in Computer and Engineering Management.

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ABSTRACT

This project is aimed to identify the factor determinants purchasing life insurance, find out the trend of purchasing decision according to characteristic and buying of people in Bangkok metropolitan area in order to improve the marketing strategy for life insurance. The research used questionnaire as an instrument to collect data. The target is the employed people who work in Bangkok metropolitan area and the sampling size is 400 persons.

The method to select respondents is purposive sampling and convenience sampling. SPSS is used to analyze data. From the analysis results, founded that the age, status, education, occupation, and income are effected on purchasing decision. It also shows that the persons who have positive opinion or attitude towards the agent and life insurance, company's reputation on the life insurance tends to have high level of purchasing decision. The result show that the target market group is the persons who are aged between 31-40 years old with an average income of 10,000-20,000 baht and are interested in both accidental and health insurance policies.

From this result data analysis can be used to apply in the marketing program (Marketing Mix) to set the new strategy of the product, price, place, and promotion to satisfy needs of the consumers.

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I. INTRODUCTION

In the past few years, most of the uneducated and educated Thais had negative attitudes toward insurance industry especially for Life-insurance. Nowadays, the Thai government and insurance industry tries to advertise the benefits and importance of insurance to Thais. In the past, Thais had an attitude towards Life-insurance which was very different from the others. Thus, the marketing strategies of agencies or brokers in Thailand were also different.

To be the leader in insurance industry, the key is to meet the customer's real needs better than any competitor can. The factors influencing purchasing decision of Life-insurance are the important points to find out the real needs and feelings of customers.

1.1 The Background

Economic crisis spread throughout South East Asia including Thailand. This crisis brought many changes, which affected the economic systems and customer behavior especially for non-basic needs. Life-insurance is a non-basic need so it can not avoid the effect. By 1998, recession, unemployment, asset deflation and extreme cases, food shortages and social political unrest had severely eroded the attractiveness of several regional markets. While Asia's long-run growth is undoubted, its immediate prospects are more questionable following the eruption of a regional crisis in July 1997. Consequently, Asian consumers were tightening their belts and spending less in intangible merchandises. Thai consumers are shopping more at hypermarts and prefer tangible products now. Economic crisis affected Thailand's economy so Thai government had to welcome more foreign investments. Risk business faced significant problems as below;

Competition is a challenge for Thai insurance industry especially in marketing; competitors came from both outside and inside the country and also through electronic commerce. Thai people can buy an insurance policy from a foreign company. In return, Thai firms can extend marketing to overseas but the quality must meet international standardization. To expand the market aboard, they need time to improve their products and qualities to a world class.

The transferring of personnel among companies is another problem, that occurred from liberalization insurance. Life-insurance Society and Property insurance Society set up the Regulation policy that assigned code of morals for doing the insurance business but it did not work. Many companies especially foreign companies opposed the high salary, commission, bond and benefits in order to motivate agent, broker and worker especially marketer from other companies to work with them. Insurance is a service industry thus people is very important factor as the word of Richard Dow *"the four Ps of services marketing: people, people, people and people."*

The new concept of marketing activities is marketing concept that rests on four main pillars, namely target market, customer needs, coordinated marketing, and profitability. It is a result that Thai company needs to know the determinants for buying Life-insurance of Thais. In order to use information to continue increase marketing share and compete with the other companies especially foreigner companies that do not know the real needs of Thais.

1.2 Objectives of the study

The purpose of the study is to determine factors for purchasing Life-insurance of people in Bangkok. The specific purpose that will be used in progress are the following;

(1) To identify the target market and the customer's need for deciding in market program.

(2) To analyze the factors determinant that have effected on purchasing life-insurance.

1.3 Scope

(1) The willingness and ability of new product responsible for preparing and conducting new product to participate in this study and respond accurately.

(2) The study attempts to examine the customer opinion and awareness that effected to the purchasing decision of product.

(3) The study concentrates only on the assessment of the opinion or attitude and awareness of customer in market.

(4) The study concentrates only on customer opinion or attitude awareness in Bangkok.

1.4 Limitation

There are many limitations in doing research. The first aspect is the limited time to complete the research. The lack of budget support is also one of barriers for doing research. The third barrier is failure to respond by target group. Before knowing research objectives' some people immediately refuse to respond to the questionnaire after they knew that it concerned Life-insurance. The final limitation is inadequacy of the information. As a consequence, at least 400 questionnaires are needed for distribution in the metropolitan area so the researcher needed many assistants to do it.

Research questions:

(1) Do the external factors have effected toward buying decision?

(2) Do the internal factors have effected toward buying decision?

1.5 Hypothesis

    (1)   There is a relationship between internal factors and decision.

        (a)   Motivation has a relation to buying decision.

        (b)   Perception has a relation to buying decision.

        (c)   Learning has a relation to buying decision.

        (d)   Beliefs and attitudes have a relation to buying decision.

    (2) There is a relationship between external factors and buying decision.

        (a)   Financial status has a relation to buying decision.

        (b)   Demographic has a relation to buying decision.

        (c)   Social has a relation to buying decision.

1.6 Definition

(1)   Insured - The person whose life or health is insured under the policy.

(2)   Insurer - The insurance company that offering protection through the sale of an insurance policy to an insured.

(3)   Beneficiary - The person or party the policyowner named to receive the policy benefit.

(4)   Policy - A written document that contains the terms of the contractual agreement between an insurance company and the owner of the policy.

(5)   Policy benefit - A specified amount of money that an insurance company agrees to pay when a specific loss occurs.

(6)   Premium - A specified amount of money that the insurer receives in exchange for its promise to provide a policy benefit when a specific loss occurs.

(7)   Mortality table - Charts that display the incidence of death, by age, among

a given group of people.

(8) Morbidity table - Charts that display the incidence of sickness and accidents, by age, among a given group of people.

(9) Policyowner or policyholder - The person or business that owns an insurance policy.

(10) Insurance agent - A person authorized by an insurance company to represent the company in its dealing with applications for insurance.

(11) Interest - Money that is paid for the use of money.

(12) Ride - The type of specific policy coverage other than life-insurance.

(13) Disease policy - The rider which the insurer agrees to pay the benefit to the policyowner who suffer from the specified disease.

(14) Sum insured - The amount of benefit payment which the insurer agrees to pay on the policyowner's death.

(15) Lapse - The termination of an insurance policy because a renewal premium was not paid within the limit time.

II. LITERATURE REVIEW

2.1 Life Insurance

A life insurance policy is a policy under which the insurance company promises to pay a benefit upon the death of the person who is insured. The benefit is usually paid to an individual, know as the beneficiary. Life insurance is provided on both an a group basis and is available under a variety of types of policies. We describe the following three major types of life insurance policies.

Term life insurance provides a death benefit if the insured dies during a specified period (Yongwatana 1995).

Permanent life insurance or whole life insurance provides life insurance coverage throughout the insurer's lifetime and also provides a savings element. As premiums are paid for these policies, an accumulated savings amount -know as the policy's cash value- gradually builds. A policy's cash value is a valuable asset that the policyowner can use in a number of ways (Yongwatana 1995).

Endowment insurance provides a policy benefit that is paid either when the insured dies or on a stated date if the insured lives until then. Endowment insurance has some characteristic of both term life insurance and permanent life insurance. Like term insurance, endowment insurance provides life insurance coverage foe only a stated of time. And like permanent life insurance, endowment insurance provides a savings element (Yongwatana 1995). In addition to providing life insurance coverage, life insurance companies market various products that are designed to provide consumers with a way to invest their money and to provide themselves with periodic income benefits, especially retirement income benefits. An annuity is a series of periodic payments. For example, when the insured of a life insurance policy dies, a relatively

large some of money is often payable. Life insurance policy beneficiaries can receive the policy proceeds in the form of an annuity, payable over a period of time , rather than in a lump sum. An annuity can also be a policy under which a insurance company promises to make a series of periodic payments to a named individual in exchange for a premium or a series of premiums (Harriett 1996).

2.2 History of Life Insurance

Life insurance is not a new word, it had for long time ago in the form of assistance for suffering people. The first insured is Mr. William Gybbons about 400 years ago. He was the salt merchandiser in London (Meter and Cammack, 1976). The sum insured was 400 pound or 2,000 dollar, premium was 80 dollar, one year insuring period. In that case, insurer had to pay 400 pounds for his death. The life insurance is divided into 3 ages that are Ancient Era, Roman Era and the Present.

The objective of three ages is to help people who faced financial problems. At the first time, it formed in welfare association. The main purposes were to assist members and to use for worship religion. The source of reserve came from the money of members. In the Roman Era, the working process of college became a foundation of life insurance. It collected money from members and used it for a funeral and burial, and curing the patients. Later after, the government announced a law. The law decreed about member status that would be invalid according from two reasons. Firstly, they were not paid premium and secondly, the cause of death came from commit suicide. It also notified that member had to read contract carefully before signature in order to get rid of future dispute.

In the middle age, life insurance was expanded to European an Insurance which developed many types of policies such as life, health, and accident insurance. It was not only used for human but also extended to livestock. In 1405s, private organization

stepped into insurance and risk industry. Life insurance industry met crisis when Italy announced to prohibit running it. They thought insurance was immoral and like gambling because of using human life as a wager. For the same reasons, other countries forbid risk business. Amicable Society for a Perpetual Assurance Office was established. A new way to calculate premium happened in 1762 by Equitable Assurance Society of London. Age and Health of insured were used to calculated premium (Pamoonphon 1988 and Pongsanran and Tuptham 2000).

2.3 Life Insurance in Thailand

Life insurance had begun in Thailand since 1929 (King RamaV). Later, five overseas insurance companies had been established. The life insurance business came to a halt when World War II broke out. Foreign life insurance companies closed up and their home countries causing a great hardship to Thai policyholders (Pamoonphon 1988 and Thai life insurance).

2.4 Historical Background

Although life insurance had its start in Thailand as early as 1895 when the Sun Life Assurance Company of Canada decided to extend its operation to include Siam, the amount of insurance written during the following 50 years was never extensive -- estimated to be less than 3000 policies in force, Before World War II all life companies were foreign. With the withdrawal of these foreign companies during the war, Thai companies came on to the scene, led by the Thai Life Assurance Company in 1942 and followed by 9 others during the following years before the Government banned further companies from operation.

Prior to 1967 official control of life insurance was nominal. The inevitable result was two failures: in 1964, Capital Life and in 1968, Oriental Life. This was a tragic

setback for the life insurance industry as a whole and it took no less than 5 years to regain the faith of the public.

Since the enactment of the Life Insurance Super-vision law in 1967 the public has become more responsive to the idea of life insurance as a financial institution. They are gradually beginning to realize that it should occupy the highest priority in their savings plan as the only way by which an immediate estate can be built.

Recent developments in the life insurance field in Thailand have been encouraging with ever increasing support from the Government. They recently passed more liberal regulations relating to investment and premiums deductible as expenses. There has also been growing awareness on the part of the public on the need for group life and health insurance. Social security for the benefit of employees in the private sector is also sure to come in the very near future. There are certain major obstacles that must be overcome if satisfactory growth is to be achieved -- the high rate of lapsation, inflation, and competition for funds from other saving institutions. There are no less than some 130 financial companies offering at least 10% rate of interest or more per annum.

At the present time there are no index-linked types of life insurance available, but at least one local company will market a consumer price index-linked soon, perhaps during 1977, to be followed by more sophisticated types when our stock market is better developed. The life insurance market in Thailand is wide open for all types of policies.

2.5 Recent Development of Life Insurance in Thailand

Today the life insurance industry is playing an increasingly important role on the Thai financial scene despite adverse economic conditions resulting from an increased rate of inflation and the economic decline that began in 1973. Thus the traditional view

that life insurance business is relatively non-cyclical is confirmed, at least as far as Thailand is concerned.

The substantial increase in the rates of interest from investments has enabled the insurance companies to meet the increasing cost of doing business. The average amount of insurance per policy for ordinary life, which has increased appreciably during the past decade, has done much to help the companies to continue to grow at a relatively satisfactory rate in these present hard times. Thai families bought an estimated 5,282 million baht (US$ 264 million) worth of life insurance in 1975, registering an increase of 35% over 1974. An analysis of the composition of life policies in force shows that, although in terms of the number of policies, approximately 87 percent are industrial life, the financial mainstay is the ordinary type where the average sum assured per policy is about 70,000 baht (US $ 3,500) as compared to only 9,000 baht (US$ 450) per industrial policy. The relative importance of each type of policy may be seen very clearly from Table 2.1.

While it may be true that as a source of capital mobilization, the ordinary type does more than the industrial, at the same time it is true that for developing countries the need for the industrial type will remain as long as the average income per family is what it is. Group insurance, for instance, should play a much greater role than it does at present, which is hardly any. Each type of policy has its own market and should be expanded to the fullest extent. The market for life insurance in Thailand is still wide open. The number of policies in force as of December 31,1975 was 556,957 with a total face value of 12,907.7 million baht (US$ 645.4 million) This is an increase of 21 percent compared to 492,669 policies with a total face value of 10,663.1 million baht in 1974.

Table 2.1. New Business Classified by Type of Policy in 1975.

Type	Number of Policies	Amount of Insurance (million bath)
Ordinary	33,347	2,278.9
Industrial	224,061	2,715.6
Group	68	287.9
Total	257,476	5,282.3

Table 2.2. Growth of Life Insurance in Thailand.

(all monetary amounts in millions of baht)

Year	New Purchase	Amount of Insurance in Force	Total Assets	Payments of Benefits
1955	197.6	1,966.5	134.0	11.18
1965	1,304.6	5,002.8	490.0	47.89
1975	5,282.3	12,907.7	2,364.6	244.60

During the year 1975 life insurance companies paid benefits amounting to 244.6 million baht (US $12.2 million), which is approximately 25% more than the year before. Of the 1975 payments, 51 6 million baht went to beneficiaries of the insured as death benefits. The remainder, 193.1 million baht or 79 percent of the total, went to the

policyholders themselves in the form of cash surrender values, matured benefits, dividends and disability benefits. Total assets of the life companies as of December 31, 1975, amounted to 2,346.6 million baht, 594.8 million baht over the previous year. Life investments are spread over every phase of the Thai economy and social structure-- government bonds, mortgages, corporate bonds, and real estate-- with special emphasis on long term investments. These investments bring in income to the companies, which in turn is passed on to the policyholders as dividends and lower premium rates. Although the life insurance industry has made some progress since the first Thai life insurance company was established on January 22, 1942, it must be admitted that the industry itself is still very much in the development stage. As financial institution life insurance has yet to assume the important position it should hold in the financial market. At present the role it plays remains surprisingly minor considering the fact that life insurance had its start exactly 80 years ago. A survey conducted by ECAFE (now ESCAP) twelve years ago on the amount of family savings which went to purchase life insurance for countries in this region clearly indicated that, as a saving institution, life insurance is far from popular yet. The ratio for Thailand was only 0.5 percent compared to 15 percent in the Philippines, a nation with a similar economy. But there has been improvement during those 12 years: 4-5% increase -- not good enough. In 1974, the ratio of the amount of insurance to national income was a mere 0.5 percent as compared to 11 percent for Taiwan and 150 percent for the United States. Japan's ratio was 161 percent. All this clearly indicates that the market for life insurance in Thailand is still wide open. Group insurance, for example, can within a few years easily surpass ordinary life insurance in terms of sums assured once there is more awareness on the part of business concerns of the enormous benefits derived from group insurance in terms of better relationships between employer and employee, with its concomitant

increase in per capita production. This has certainly been the experience abroad, not only in Western countries, but also in Southeast Asia as well, especially in the Philippines.

2.6 Theoretical Framework

There are four theories use to create conceptual framework that are macro environment forces, a model of consumer behavior, Maslow's need hierarchy, marketing strategies for service firms.

Macroenvironment Forces

The macroenvironment forces (external environment) affect consumer market. Defining external environment to six major forces: Demographic, economic, natural, technological, political/legal, and social/cultural forces. For insurance industry, natural environment does not affect toward consumer for purchasing decision. Therefore, this research will be address only 5 forces as the following.

Demographic Environment

Demographic consists of population growth, population age mix, household pattern, geographical shifts in population and education groups, shift from a mass market to micro markets. Research on the effects of demographic diversity in organizations has also been characterized by mixed finding, leading Guzzo and Dickson (1996) to conclude that, in spite of its recent popularity, there is little consensus about either what constitutes diversity or how it affects performance. As marketers, they need to be aware of changes in our business environment. Trends in environment factors could signal emerging problems. If it identified in time, many of these problems can be tackled more effectively and can even be converted into opportunities to enhance a company's strategic competitive positioning. One such environment variable of immense importance to marketer is demographic shifts in our

population (Tony 2001). Marketers are keenly interested many factors as the following.

Population growth

A growing population means growing human needs, but it does not mean growing markets unless there is sufficient purchasing power. Marketers are increasingly identifying age groups within as possible target markets (Kotler1999).

Population Age Mix

National populations vary in their age mix. Marketers are increasingly identifying age groups within age groups as possible target markets. Each group has known range of product, service needs, media, and retail preferences (Tan 1999).

Household Patterns

The traditional household is thought to consist of s husband, wife, and children. In outbound, household is extended family. On the other hand, in big cities, households include single live-alone, adult live together of one or both sexes, single parent families, childless married couples. Each group has a distinctive set of needs and buying habits. Since 1990, there has been a 25 percent growth in female-headed families. During the same time period, the number and percentage of traditional nuclear families have declined. As a result, more and more of fathers and feature only children with mother are also increasing. Such cases highlight how marketing practices tend to follow social trends (Pugh 2001).

Geographical Shifts in Population and Educational Groups

People's location makes a difference in their goods and services preferences. Those people who live in cities have consumer behavior difference from people living suburbs. The education level also influences the consumer behavior. Different education group also has a product and service needs (Pugh 2001).

Shift from a Mass Market to Micromarkets

The effect of these changes is to fragment the mass market into numerous micromarkets, differentiated by age, sex ethnic background, education, geography, lifestyle, and so on. Each group has strong preferences and consumer characteristics and is reached through increasingly targeted communication and distribution channels (Kolter 1999).

Social /Cultural Environment

Sociologists, psychologists are always trying to understand people better, sometimes through examining trends or patterns. High persistence of core cultural values, existence of subcultures and shifts of secondary cultural values through time are the factors that affect buying behavior. The society that people grow up in shapes their basic beliefs, values, and norms. People absorb, almost unconsciously, a worldview that defines their relationship to themselves, to others, to nature, and to the universe.

High Persistence of Core Culture Values

The people living in the particular society hold many core beliefs and values that tend to persist. Thus most Asian still believe in education, in work, in getting married. And final piety. Core beliefs and values are passed on from parents to children and are reinforced by major social institutions-school, religious groups, businesses and government (Leong 1999).

Existence of Subcultures

Each society contains subcultures; that is, various groups with shared values emerging from their special life experiences or circumstances. Buddhists, represent subcultures whose members share common beliefs, preferences, and behaviors. To the extent that subculture groups exhibit different wants and consumption behavior, marketers can choose subcultures as their target markets (Tan 1999).

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Shifts of Secondary Cultural Values through Time

Core value are fairly persistent, cultural swings do take place. The spotting culture shifts might augur a new consumer behavior. Cultural creative can be identified by: a serious attention to planetary perspectives, commitment to spirituality and psychological development, disaffection with the large institutions of modern life and rejection of materialism and ostentation (James 2001).

Economic Environment

The status of the economy has a drastic impact on purchasing behavior. To assess the status of an economy, professional turn to broad economic indicators such as the unemployment rate, disposable income, economic growth, and interest rate. In general, a low unemployment rate is desirable; because the more people that have jobs, the higher consumer spending. Economic slowdown or worse, recessions, have a detrimental effect on consumer spending. Consumer spending, in turn, directly relates to the demand for consumer goods. Naturally, when spending decreases demand also decreases. For a consumer good company, economic downturns usually mean a decrease in the products they sell during the down period. Because of the significance of the economy to a company's profitability, economic indicator should be part of a sales forecasting model. If sales are forecasted to decrease do to economic conditions, to stimulate sales, companies can resort to more aggressive pricing techniques and more aggressive advertising tactics (Leisen 2001).

Consumer expenditure are affected by consumer savings, debt, and credit availability. Thus marketers must pay careful attention to any major changes in incomes, cost of living, interest rates, savings, and borrowing patterns because they can have a high impact, especially on companies whose products have high income and price sensitivity. During a recession unemployment is usually up and both income

and purchasing power are down. Consumers tend to get by with what they have (Nelson 2001).

Technological Environment

Technology is the dramatic force to people's lives. The economy's growth rate is affected by how many major new technologies are discovered. The progress of technology will be leading a positive and negative side health and life of human. A marketer's job in relation to technology is twofold. First, the marketer should scan the technological environment with the other environments to identify opportunities for new goods and services. Second, the marketer should bring the new technology to the awareness of the consumers. Often with the aid of technology old ways of business can be performed better and cheaper through the adoption of new technologies (Nelson 2001). Many of today's common products make it possible for people to telecommunication. It will also have substantial impact on shopping behavior and marketing performance. Scientists today are working on a starting range of new technologies that will revolutionize products. The innovation makes scientist want to victory incurable and challenge disasters (Tan 1999).

Political / Legal Environment

Political and legal are factors that influence consumer behavior. Legislation regulating business has purposes to protect company, consumer, and society. In Thailand, under the Alien Business Law of 1972, non-Thais are prohibited from majority ownership of companies engaged in a broad range of agricultural, industrial, commercial, and service industries. Approval may be granted on a case by case basis by the Board of Investment. Under the 1966 U.S. - Thai Treaty of Amity and Economic Relations, Americans can own up to 100% of their businesses. However, if investment promotion privileges are desired, negotiations must be undertaken with the

Board of Investment regarding the extent of U.S. equity shareholding. Although copyright laws exist, counterfeit products can be found easily in the country. Therefore, a long awaited law was passed recently to crackdown on piracy of most types of intellectual property. Legislation has influent buying behavior. Business legislation has three purposes (Sesolak 2001).

2.7 Model of Consumer Behavior

The model is composed of 3 aspects. The first part concerns a stimulus that consists of marketing and other factors. The second part concerns buyer, it includes buyer's characteristics and buyer's decision process. And the last is buyer's decision factors. Marketing plan should involve all 4 Ps.

Marketing Stimuli

The marketing mix is probably the most famous phrase in marketing. The elements are the marketing tactics. Also known as the four Ps, the marketing mix elements are prices, place, product, and promotion. Some commentators will increase the mix to the five Ps, to include people. Others will increase the mix to seven Ps, to include physical evidence and process. The term was coined by Neil H. Borden (1965) in his article *'The Concept of the Marketing Mix'* in 1965. Neil H. Borden's marketing mix, marketing communications has its own promotion mix. The elements of the promotional mix are then integrated to form a unique, but coherent campaign. The elements of the promotions mix are.

Product

Strategy should include the specific group of people that company intends to sell product or service. If it intends to sell more than one product, make certain that your product line all appeals to that same audience, and they all follow same sort of them. This is a core element of the marketing mix. It fulfils the functional requirement of the

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consumers. Product Life cycle (PLC) is based upon the biological life cycle. In theory it's the same for a product. After a period of development, it is introduced or launched into the market; it gains more and more customers as it grows; eventually the market stabilizes and the product becomes mature. Then after a period of time the product is overtaken by development and the introduction of superior competitors, it goes into decline and is eventually withdrawn. However, most products fail in the introduction phases. Others have very cyclical maturity phases where declines see the product promoted to regain customers (Volker 1998). The need for immediate profit is not a pressure. The product is promoted to create awareness. If the product has no or few competitors, a skimming price strategy is employed. Limited number of products are available in a few channels of distribution marketing.

Growth

Competitors are attracted into the market with very similar offerings. Products become more profitable and company form alliances, joint ventures and take each other over. Advertising spending is high and focuses upon brand building. Market share tends to stabilize.

Maturity

Those products that survive the earlier stages tend to spend longest in this phase Sales grow at a decreasing rate and then stabilize. Producers attempt to differentiate products and brands are key to this. Price wars and intense competition occur. At this point the market reaches saturation. Producers begin to leave the market due to poor margins. Promotion becomes more widespread and uses a greater variety of media.

Decline

At this point there is a downturn in the market. For example more innovative products are introduced or consumer tastes have changed. There is intense price-

cutting and many more products are withdrawn from the market. Profits can be improved by reducing marketing spend and cost cutting.

Price

Price generates revenue whereas product, promotion and place all represent costs to the firm. Price is what the customers pay for the product. Price can be used to influence consumers perceptions and beliefs about a product.

Internal Factors - including fixed/variable costs, other elements of the marketing mix, for example product. If it is a premium product a premium price may be charged, if the product is basic a price which is 'fitting' must be charged in order to create coherency and constancy (Volker 1998).

External Factors - including the type of market the firm is in a competitive market, consumer perceptions, price elasticity of the product, and various environmental factors (Volker 1998). There are many ways to price a product. The best policy of price depends on situations. Premium pricing, penetration pricing, economy pricing, and price skimming are the four main pricing policies. Premium pricing uses a high price where there is a uniqueness about the product or service. Penetration pricing charged for products and services is set artificially low in order to gain market share. Once this is achieved, the price is increased. Economy pricing is a no frills in low price. The cost of marketing and manufacture are kept at a minimum. Price Skimming charges a high prices because it has a substantial competitive advantage. However, the advantage is not sustainable. The high price tends to attract new competitors into the market, and the price inevitably falls due to increased supply. Manufacturers of digital watches used a skimming approach in the 1970s. Once other manufacturers were tempted into the market and the watches were produced at a lower unit cost, other marketing strategies and approaches were implemented.

Place

Place is also known as a channel of distribution, or intermediary. It is the mechanism through which goods and services are moved from the manufacturer/service provider to the user or consumer. A channel of distribution comprises a set of institutions which perform all of the activities utilized to move a product and its title from production to consumption (Bucklin 1996).

Placement of the product is crucial. There are often many paths which a product can take in going from your shop to the customer. A channel "map" can be drawn in order to visualize this keeping in mind all the middleman, agents, shops, stores, etc. defining a channel strategy is not simply an arbitrary matter. A choice of channels may also be dictated by cost constraints. If it is considered too expensive and risky to advertise and promote a new product in an established market. At the risk of oversimplifying, a good practical way to determine, or at least analyze, appropriate channels for product would be to start at the point of final purchase. Once the various channels have been identified, it is easier determine which ones make the most sense or which ones offer the path of least resistance (Volker 1998).

Promotion

Promotion is that term which many people confuse with the word marketing. For many the words, promoter and marketer are synonymous. From Volker definition, promotion is just one of the four P's, marketer is not just a good promoter but also a good planner and a good listener. Promotion can take many forms: advertising in various media, events, press releases, trade shoes, brochures, flyers, and internet sites to name a few. Promotion means to create an awareness although awareness is just the beginning. Good promotion compels the buyer to buy. The need for the product must be addressed. How does it solve the customer's needs (Volker 1998). Many tools are using

to create as promotion strategy for example, personal selling, sale promotion, public relationship, direct mail, trade fairs, advertising, and sponsorships.

Personal Selling

Personal Selling is an effective way to manage personal customer relationships. The sales person acts on behalf of the organization. They tend to be well trained in the approaches and techniques of personal selling. However sales people are very expensive and should only be used where there is a genuine return on investment. For example salesmen are often used to sell cars or home improvements where he margin is high.

Sales Promotion

Sales promotion tends to be thought of as being all promotions apart from advertising, personal selling, and public relations. Others include coupon, money-off promotions, competitions, free accessories, introductory offers, and so on. Each sales promotion should be carefully be cost and compared with the next best alternative.

Public Relations (PR)

Public Relations is defined as the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics (Institute of Public Relations 2000). It is relatively cheap, but certainly not cheap. Successful strategies tend to be long-term and plan for all eventualities.

Direct Mail

Direct mail is very highly focused upon targeting consumers based upon a database. A with all marketing, the potential consumer is defined based upon a series of attributes and similarities. Creative agencies work with marketers to design a highly focused communication in the form of a mailing. The mail is sent out to the potential consumers and responses are carefully monitored.

Trade Fairs and Exhibitions

Such approaches are very good for making new contacts and renewing old ones. Companies will seldom sell much at such events. The purposes are to increase awareness and to encourage trial. They offer the opportunity for companies to meet with both the trade and the consumer.

Advertising

Advertising is a paid form of communication. It is used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market. There are many advertising in media such as newspapers, magazines and journals, television, cinema, and outdoors advertising.

Sponsorship

Sponsorship is where an organization pays to be associated with a particular event and cause or image. Companies will sponsor sports events such as the Olympics or Formula One. The attributes of the event are then associated with the sponsoring organization.

2.8 Buyer's Characteristics

Factors influencing consumers' buying behavior have 4 arenas that are culture, social, personal, and psychological.

Cultural Factors

It is broadly and deeply for determining buyer behavior. Normally, it consists of 3 factors; culture, subculture, and social class. Culture is the most fundamental determinant of a person's wants and behaviors (Kotler 1999). Culture refers to the way of life of a group of people: patterns of behavior that are seen to be useful and valuable to the people concerned and worthy of being passed on from one generation to another (Weatwood 1992). Each culture consists of smaller subcultures that provide more

specific identification and socialization for its members. Virtually human societies exhibit social stratification. Social classes have several characteristics. First, persons within each social class tend to behave more alike, than persons who come from two different social classes. Second, persons are perceived as occupying inferior or superior positions according to their social class. Third, a person's social class is indicated by a number of variables, such as occupation, income, wealth, education, and value orientation. Fourth, individuals can move from one social class to another (Westwood 1992).

Social Factor

A consumer behavior is influenced by social factors such as reference group, family, and social roles and status. Swee Hoon Ang (1999) described reference group that is many groups influence a person's behavior. Reference groups may influence directly to attitude or behavior such as neighbor or colleague and indirectly such as actor or singer. Family has a dramatic influence to purchasing decision. Person participates in many groups. For each group they will have different position, rule and status (Kotler 1999).

Personal Factor

Buying decision are affected by personal characteristics of demographic such as age and life cycle, occupation, economic, lifestyle and self concept. Person will have vary buying behavior according to many aspects (Chanthinwatkul 1999).

Table 2.3. Family Life Cycle and Buying Behavior in Asia.

Stage in family life cycle	Buying or Behavioral Pattern
1. Bachelor stage: young, and single people.	Live with parents. Few financial burdens. Fashion and creation oriented.
2. New married couples: young, and no children.	If financially strapped, live with parents. Few financial outlays, with savings directed at purchase of own house. If financially independent. Live on their own. Higher purchase rate especially of durable.
3. Full nest I: child under six.	If financially strapped, live with parents and have them look after the children. Or, if not financially strapped, one of two scenarios may occur. First. Wife stops work to look after children. Purchase characteristics centered on children. Alternatively, maid is employed to help look after the children.
4. Full nest II: child six or over.	Financial position may be better if wife returns to work. However, concern over education costs. Fewer unnecessary expenditure
5. Full neat III: older married couples with dependent children.	Financial position better as some children may be working and mortgage payment are completed. Become net savers instead of

Table 2.3. Family Life Cycle and Buying Behavior in Asia. (Continued)

Stage in family life cycle	Buying or Behavioral Pattern
	net borrowers. Interested in replacing durable products.
6. Empty nest I: older married couples, no children living with them. Head in labor force.	Home ownership at peak. Most satisfied with financial position and money saved. Interested in travel and home improvements. Also, receive allowance from working children.
7. Empty neat II: older married couples, no children living with them, head retired.	Drastic cut in income. Depend on saving and allowances from children. May downgrade to a smaller home for practical and financial reasons. Bye medical-care products.
8. Solitary survivor, in labor force.	Income still good but may sell home to live with one of the children, usually the eldest son.
9. Solitary survivor retired.	Drastic cut in income. Special need for attention, affection and security. Likely to sell home to live with the children.

Source: Maslow, A. Motivation and Personality: Dryden Press, New York (2001)

Psychological Factor

Psychological factors are motivation, perception, learning, and attitude. All of them affect buying decision. Humans receive internal and external motivation, it leads to perception and learning. Perception is the process by which an individual selected, organized, and interprets information inputs to create a meaningful picture of the world (Berelson and Steiner 1964). Learning will change behavior toward timing by collecting knowledge and experience. The last step is attitude, after knowing and having past experience, people will have felling like or unlike (Chanthiwatkul 1999).

2.9 Maslow's Need Hierarchy

Westwood gave the meaning of need, want and demands as the following (Westwood 1992). Need is a state of felt deprivation of some basic satisfaction. Wants are desires for specific satisfaction of these deeper needs. In another society, needs are satisfied differently. Demands are wants for specific products that are backed by an ability and willingness to buy them. Wants become demands when supported by purchasing power. This hierarchy is generally portrayed as a pyramid with five levels, ranging from the most basic needs at the bottom to the most complex and sophisticated at the top. From bottom to top, firstly the levels are biological needs (basic needs for sustaining the person as a living creature; needs for food, water and etc.). Secondly, safety (needs for a basic level of security and protection; need to feel free of fear of physical danger and harm). Thirdly, belongings (needs for social relationships, a sense of belonging and relatedness; to give and receive affection and love.). Fourthly, the need to be esteemed by others (to have a sense of self-esteem and self-worth and to feel we are . well-regarded and respected by others; prestige.). And finally, self-actualization, the need to realize one's full potential (to experience a sense of self-growth and development; to feel that we are realizing our full potential.). According to

Maslow, the needs at each level must be met before one can move on to the next level. With so many other issues to concern them, the vast majority of people never grapple with self-actualization; Maslow considered fewer than one percent of the population to be self-actualized individuals. However, he believed that all human begins still possessed an innate need to reach this state.

Self-Actualization Needs

The term self-actualization was used most extensive by Abraham Maslow, who placed it at the apex of his hierarchy of human motives, which is conceived as a pyramid ascending from the most basic biological needs, such as hunger and thirst, to increasingly complex ones, such as belongingness and self-esteem. The needs at each level must be at least partially satisfied before those at the next can be addressed. Thus, while Maslow considered self-actualization to be the highest motivation possible and the essence of mental health, he recognized that most people are too preoccupied with more basic needs to seek it actively (Abraham 1968).

To arrive at a detailed description of self-actualization, Maslow's study found that self-actualizers were creative, spontaneous, and able to tolerate uncertainty. Other common qualities included a good sense of humor, concern for the welfare of human appreciation of the basic experiences of life, and a tendency to experience of personal relationships with a few people. Maslow also formulated a list of behaviors that he believed could lead to self-actualization. These included such directives as:experience life with the full absorption and concentration of a child; try something new; listen to your own feeling rather than the voices of others; be honest; be willing to risk unpopularity by disagreeing with others; assume responsibility; work hard at whatever you do; and identify and be willing to give up your defense (Harper and Row 1970).

Carl Rogers also emphasized the importance of self-actualization in his client centered therapeutic approach and theoretical writings. Like Maslow, he used the term to designate a universal and innate tendency toward growth and fulfillment that governs the human personality. Rogers believed that self-actualization is closely related to each individual's perceived reality and self-concept-the way one thinks of oneself. According to Rogers, one's self-concept can become distorted by the need for approval by others, which can lead to alienation from one's true beliefs and desires and suppression of one's self-actualizing tendency. Rogers' client-centered therapy is based on the idea that people will instinctively choose the path to self-actualization on their own once it becomes clear to them (Carl 1970).

Esteem Needs

After individual being to satisfy their need to belong, they generally want to be more than just a member of their group. They feel the need for esteem both self-esteem and recognition from others. Most people have a need for a high evaluation of themselves that is firmly based in reality - recognition and resect from others. Satisfaction of these esteem needs produces feelings of self-confidence, prestige, power, and control. People begin to feel that they are useful have some effect on their environment. There are other occasions. When people are unable to satisfy their need for esteem through constructive behavior. When this need is dominant and individual's may resort to disruptive or immature behavior; a child may throw a temper tantrum, employees may engage in work restriction or arguments with their coworkers or boss. Thus, recognition is not always obtained through mature or adaptive behavior. It is sometimes garnered by disruptive and irresponsible action (Maslow 1954).

Social Needs

Needs for social relationships, a sense of belonging and relatedness; to give and receive affection and love. Since people are social being, they have a need the belongs and to be accepted various groups. When social needs become dominant, a person will strive for meaningful relations with others (Westwood 1992).

Safety Needs

These needs are essentially the need to be free of the fear of physical danger and deprivation of the basic physiological need. In order words, this is a need for self-preservation. In addition to the here and now, there is a concern the future will people be able to maintain their property and job so they can provide food and shelter tomorrow and the neat day. If an individual's safety or security is in danger, others thing seems unimportant (Maslow 1954).

Physiological Needs

Basic needs for sustaining the person as a living creature; needs for food, water and etc. basic needs are shown at the top of the hierarchy because they tend to have the highest strength until they are somewhat satisfied. Until these basic needs are satisfied to the degree needed for the sufficient operation of the body. The majority of a persons activity will probably be at this level, and the others will provide little motivation but what happens to a persons motivation when these basic needs begin to be fulfilled. Rather than physiological needs, other levels of needs become important. And these motivate and dominate the behavior or the individual. And when these needs are somewhat satiated, other needs emerge, and so on down the hierarchy (Carl 1970).

2.10 Marketing Strategies for Service Firms

This is tool for marketing the differentiation services from the competitor. It separated into two parts that are consumer and marketer part. Customer will be expected service by using word of mouth communication, personal needs and past experience.

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After service, the gap between their expected and perceived service will be occurred. Marketer will also have process to give a service that is management perception of consumer, translation of perception into service-quality, service-delivery. All of processed have gaps that marketer will be destroy them to achieve the goals.

There have two tools to create a strategy for service firms that are managing differentiation and post-sale service strategy.

Managing Differentiation

This is the tool for making the differentiation of services from competitors. There are Offer - the offer can include innovative features to distinguish it from competitor's offers, Delivery - a service company can distinguish itself by having more able and reliable customer-contract people than its competitors, and Image - service companies can also work on differentiation their image and specifically through symbols and branding.

A service-quality model highlights the main requirements for delivering the expected service quality. It identifies 5 gaps that cause unsuccessful service delivery.

Gap 1 is the gap between consumer expectation and management perception: Management does not always perceive correctly what customers want (Kotler 1999).

Gap 2 is the gap between management perception and service-quality specification: Management might correctly perceive the customer' wants but set a specified performance standard (Vakarie 1985).

Gap 3 is the gap between service-quality specifications and service delivery: The personnel might be poorly trained or overworked and incapable or unwilling to meet the standard. Or they may be held to conflicting standards (Vakarie 1985).

Gap 4 is the gap between service delivery and external communications: Consumer expectations are affected by statements made by company representatives and advertising (Kotler 1999).

Gap 5 is the gap between perceived service and expected service: This gap occurs when the consumer misperceives the service quality.

Post-sale Service Strategy

Company has to decide how they want to offer after-sale service to customer. Most companies progress through a series of service-provision stages as they gain more success in a market (Kotler 1999).

There are 5 major trends in the product support area:

First, equipment manufactures are building more reliable and more reliable and more easily fixable equipment. Second, customers are becoming more sophisticated about buying product-support services and are pressing for 'services unbundling'. Third, customers increasingly dislike having to deal with a multitude of service providers handling their different types of equipment. Fourth, service contracts are an endangered species. Lastly, customer choice are increasing rapidly and this is holding down prices and profits on service.

III. RESEARCH METHODOLOGY

3.1 Study Design

This study used the survey method, which was quantitative study. This research focuses on factors influencing of purchasing decision for buying life-insurance policy in Bangkok Metropolitan. The information was gathered from a sample by using questionnaires. The sample in this study was the people in Bangkok who has age more than 21 years old.

3.2 Sample Design and Determine Sample Size

3.2.1 Sample Design

In sample design designates critical activities in the selection of sample as the population under this study is defined as based in Bangkok area, the target population is people who are aged more than 21 years. Among them are either male or female, all of them Thai people. The information of questionnaires are about the life-insurance.

3.2.2 Determine Sample Size

This study examines the non-probability sampling design because the respondent's chance of being included in the sample is unknown. According to the infinite population, the techniques for determining sample size of statistical inference are based on the relationship among the estimated proportion of customer, the maximum allowance for error between the true proportion and sample proportion, and the confidence level which indicates the long-run probability that the confidence interval estimate will be correct. Thus, the number of sample size was determined by the following formula:

$$\frac{Z^2 pq}{E^2}$$

Where

n	=	Sample size
P	=	Population proportion that has the required characteristics
q	=	(1-q) estimated proportion of the non-customer to overall population
E^2	=	Allowed errors between the true and sample Population
z^2	=	Square of the confidence level in standard error units

Confidence Level

We will apply the 95% confidence level so that the maximum allowance for error between the true and sample proportion is 5% or 0.05

Standardized Normal Distribution

A probability distribution that reflects a specific normal curve for the standardized value, Z score, in accordance with the specific confidence level is 1.96.

Estimated Proportion of Customer

As we do not have the characteristics of the population, we divide the proportion of population equally. The result of p is equal to 0.5 and then q is equal to 0.5.

Substitution these values into the formula:

$$n = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2}$$

$$= \text{384 or about 400 respondents.}$$

Therefore, the sample size for this research is 400 units.

3.3 Data Collection

The process of data collection for this study started from the distribution questionnaires to workplace around selected areas and interviewed by face and telephone interviews. To complete research on time, assistants were formed to distribute the questionnaires.

420 questionnaires were distributed and 400 questionnaires completed were worth analysis.

3.4 Data Analysis Technique

The data will be analyzed and summarized in a readable and easily interpretable form. The Statistical Package for the social Science (SPSS) version 9 will be utilized to summarized the data where needed.

Descriptive statistic aim to describe and summarized the data that are collected in the survey. The statistical procedures. Reliability is measured by the consistency and stability of the questionnaire result. Frequency and percentage tables are most common form of data description in the questionnaire. More importantly, the sample percentages used directly as an estimate of the percentages of the total population that indicate each alternative response.

All statistical interpretations of the data will follow commonly accepted research practices. The form of data presentation from these procedures would again be presented in an easily interpreted format. The computer to ensure accuracy and to minimize costs will perform all statistical procedures. It indicates the strength of relationship between two ordinal variables: the measurements ranked for each variable and difference scores calculated.

3.5 Variables and Hypotheses

This project used a Chi-square test in testing the result of relation between 2 variables which are the factors effected purchasing life-insurance. There are 2 kinds of variables.

(1) Independent variable is a symbol or a concept that the researcher can manipulate and that is hypothesized to cause or influence the dependent variable.

(2) Dependent variable is a symbol or concept expected to be explained or caused by the independent variable.

The objective of this project is to determine the factors effected in purchasing life-insurance. There are many factors effected in purchasing life-insurance that both of internal and external factors. For example:

(1) Age

(2) Occupation

(3) Education

(4) Financial status or income

(5) Status

(6) The agent

(7) The company's service

(8) The reputation of company (Brand)

(9) The opinion or attitude to the life-insurance

(10) The financial situation

(11) The pros and cons of life-insurance (The problems and the advantages)

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3.6 Hypothesis

A hypothesis is a possible answer to a research question. The characteristic of hypothesis are

(1) Hypothesis should be a statement about the relation between 2 or more variables.

(2) Hypothesis should carry clear statement for testing relation. Variables must be measurable.

A hypothesis testing consists of 6 steps as follows:

Step one: Formulate the null hypothesis Ho.

Step two: Formulate the alternative Ha in statistical terms.

Step three: Set the level of the significance.

Step four: Select the appropriate test statistic and the reject rule.

Step five: Collect the data and calculate the test statistic.

Step six: If the calculated value of the test statistic falls in the rejection region, then Reject Ho. If the calculated value of test statistic doesn't fall in the rejection region, then do not reject Ho.

For example of hypothesis:

Ho: Age and insuring are independent

Ha: Age and insuring are not independent

3.7 Study Instrument

The questionnaires are used as a tool for collecting data which adapted from conceptual framework. The questionnaires were distributed to workplace in Bangkok area. The questionnaires consists of 3 parts as the following:

Part I: General Information

They are demographic data that consists of personal information about the respondents which included sex, age, status, no. of children, education, occupation, income, and expenses. The question is multiple choice and the categorical variables present into nominal data and ordinary data.

The questions no.1, 2, 3, 5, 6 (sex, age, status, education, and occupation) is used to measure the relation between demographics and buying life-insurance decision. The question no.7 and no.8 (income and expense) used to measure the relation between economic and buying life-insurance decision.

Part II: Health Information

The health were asked in questions no. 9 and no.10 and the format is multiple choice with 3 alternative choices. The categorical variables present into ordinary data and norm data.

Part III: Attitude toward Life-Insurance (opinion)

This past was divided into 2 areas which influenced the people in Bangkok's opinion towards Life-insurance. Firstly, the respondent attitude/opinion and perception toward life-insurance are asked in question no.11 - no.16 and no.27 - no.30. these questions were about the factors of marketing mix(product, price, place, and promotion). Secondary, the questions are checked about the factors that will be effected to the respondents and measured the satisfy of people about life-insurance. The format is a rating scale with 5 alternatives choices weight to the satisfaction. The weight of score was assigned as below:

Strongly agree   =   5 points

Agree   =   4 points

Neutral moderately =   3 points

Disagree   =   2 points

Strongly disagree =   1 point

IV. DATA ANALYSIS

4.1 Data Analysis

The questionnaires were designed by the researcher to obtain the data to study key elements of effective web design. The elements were content, navigation, visual appeal, and function towards the decisions to revisit the web sites. The data from 400 questionnaires were analyzed and demonstrated in the tables.

The respondents were classified by gender, level of education, occupation, and income.

Table 4.1. Gender and Occupation.

sex *occupa Crosstabulation

Count

		occupation					Total
		1	2	3	4	5	
sex	male	28	6	19	92	6	151
	female	19	7	41	172	10	249
Total		47	13	60	264	16	400

The occupation no: (1) As the owner of business

(2) As the government officer

(3) As the employee

(4) As the office

(5) As the others.

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Table 4.1 indicates that the respondents of gender and occupation in the Bangkok as The people who are the owner of businesses are 47 persons divide in male 28 persons and female 19 persons. The government officers are 13 persons divide in male 6 persons and female 7 persons. The employees are 60 persons divide in male 19 persons and female 41 persons. The officer are 264 persons divide in male 92 persons and female 172 persons. And the other occupations are 16 persons divide in male 6 persons and female 10 persons.
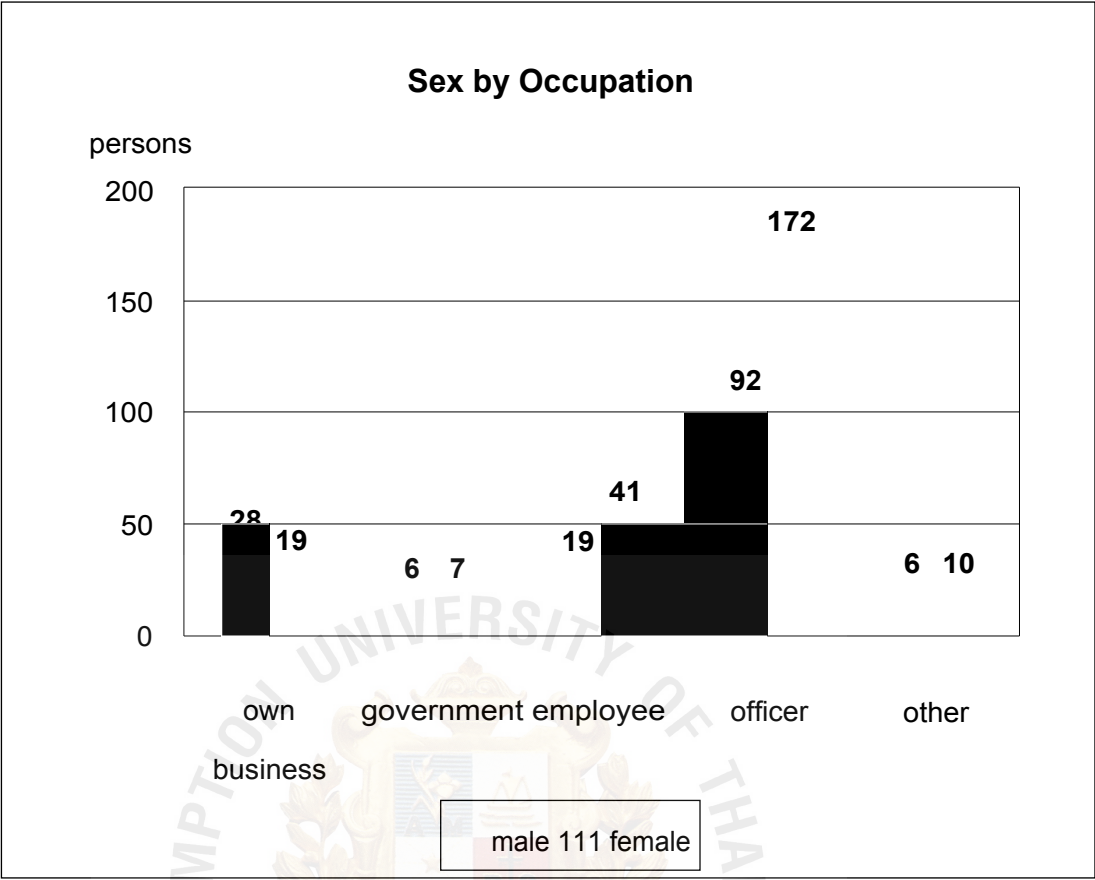
Figure 4.1. Gender and Occupation.

Table 4.2. Education and Income.

educate * income Crosstabulation

Count

		income				Total
		< 10,000 baht	10,001 - 20,000 baht	20,001 - 30,000 baht	> 30,001 baht	
educate	1	26	13	5	11	55
	2	13	5	2	10	30
	3	9	18	2	2	31
	4	11	171	40	34	256
	5	2	19		7	28
Total		61	226	49	64	400

The education no: (1) As the people who completed the Secondary school

                     (2) As the people who completed the High school

                     (3) As the people who had a Diploma degree

                     (4) As the people who graduated with the Bachelor's degree

                     (5) As the people who had studied higher than a Bachelor's

                     degree

From Table 4.2, the people who graduated the secondary school were 55 persons that have income below 10,000 baht as 26 persons, income between 10,000-20,000 baht as 13 persons, income between 20,000-30,000 baht as 5 persons, and income above 30,000 baht as 11 persons. The people who graduated the high school were 30 people who have income below 10,000 baht as 13 persons, income between 10,000-20,000 as 5 persons income between 20,000-30,000 as 2 persons, and income above 30,000 as 10 persons. The people who graduated the Diploma degree certificate were 31 people who have income below 10,000 baht as 9 persons, income between 10,000-20,000 as 18 persons, income between 20,000-30,000 as 2 persons, and income above 30,000 baht as

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2 persons. The people graduated the Bachelor Degree were 256 persons that have income below 10,000 baht as 11 persons, income between 10,000-20,000 as 171 persons, income between 20,000-30,000 baht as 40 persons, and income above 30,000 baht as 34 persons.

The people graduate the Master Degree were 28 persons that have income below 10,000 baht as 2 people, income between 10,000-20,000 baht as 19 people, and income above 30,000 baht as 7 persons.
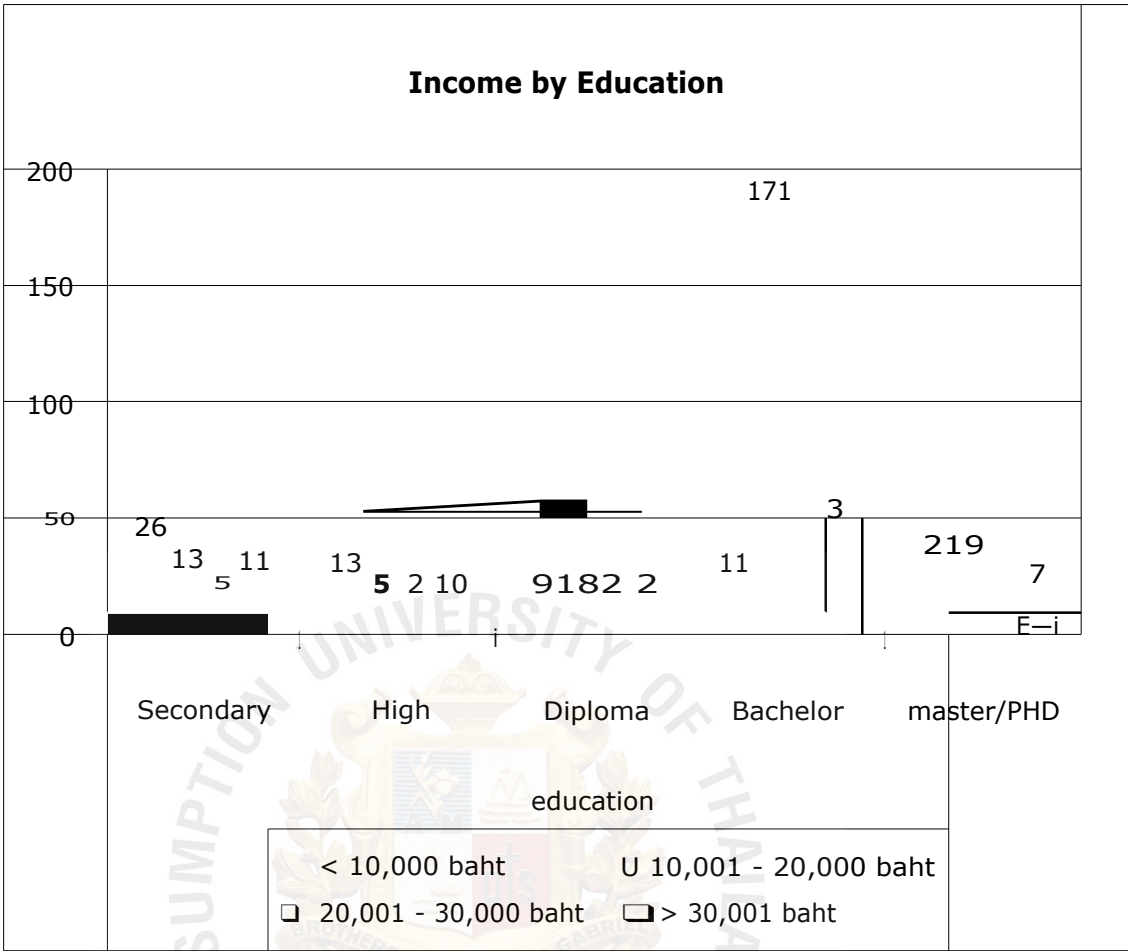
Figure 4.2. Income and Education.

Table 4.3. The Healthy.

HEALTH

		Frequency	Percent	Valid Percent	cumulative Percen
Valid	1	20	5.0	5.0	5.0
	2	246	61.5	61.5	66.5
	3	134	33.5	33.5	100.0
	Total	400	100.0	100.0	

No.1 as: The weak health

No.2 as: The normal health

No.3 as: The strong health

From this table, there are 20 respondents of weak health, 246 respondents of normal health, and 134 respondents of strong health.

Table 4.4. The Frequency of Check Health.

CHECK HEALTH

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	242	60.5	60.5	60.5
	2	14	3.5	3.5	64.0
	3	26	6.5	6.5	70.5
	4	118	29.5	29.5	100.0
	Total	400	100.0	100.0	

No.1 as: Never check health

No.2 as: Checking every 3 months

No.3 as: Checking every 6 months

No.4 as: Checking 1 time per year

The most respondents are never check health that are 242 persons of the respondent. There are 14 persons who check their health every 3 months. There are 26 persons who check their health every 6 months and there are 118 persons who check their health 1 time per year.

Table 4.5. The Rider.

RIDER

	Frequency	Percent
1	198	49.5
2	103	25.8
3	60	15.0
4	24	6.0
5	11	2.8
Total	396	98.3

Rider 1 as: The health insurance policy

Rider 2 as: The accidental insurance policy

Rider 3 as: The disease insurance policy

Rider 4 as: The people who haven't interested

Rider 5 as: The people who have no comment

In the present the most people interested in the rider, the extra contract that add the coverage and record in the Life-insurance policy such as health and accident.

The most people interested in the health insurance policy that show in 50%. The second is the personal accidental insurance policy as 26%. The third is the disease insurance policy as 15%. The people doesn't interest as 6%. There are 1% of no comment.

Table 4.6. The Opinion toward Life Insurance.

OPINION TO LIFE INSURANCE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	2	.5	.5	.5
	1	41	10.3	10.3	10.8
	2	190	47.5	47.5	58.3
	3	149	37.3	37.3	95.5
	4	16	4.0	4.0	99.5
	5	2	.5	.5	100.0
	Total	400	100.0	100.0	

The valid no: (0) As the no comment

(1) As the most interested

(2) As interested

(3) As fairy interested

(4) As the uninterested

(5) As the most uninterested

This table shows that the 48% of the interested in Life-insurance as the mostly respondents. The minor is 37% of the fairy interested in Life-insurance. The third is 10% of the most interested in Life-insurance. There is 4% of the uninterested in Life-insurance. Lastly is 1% of the most uninterested in Life-insurance. There 1% of no comment.

Table 4.7. The Opinion toward the Agent.

AGENCY (OPINION)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	11	2.8	2.8	2.8
	2	86	21.5	21.5	24.3
	3	209	52.3	52.3	76.5
	4	75	18.8	18.8	95.3
	5	19	4.8	4.8	100.0
	Total	400	100.0	100.0	

Table 4.7, demonstrated that 52% of the respondents had felt so to the agent. In addition, the appreciate feeling counted for 22%, the terrible feeling counted for 19%, the most terrible feeling counted for 5%, and the most appreciate feeling counted for 3% respectively.

Table 4.8. The Problems that Have Affected the Purchasing Decision in Life
Insurance.

Group problem (Value tabulated = 1)

Dichotomy label	Name	Count	Pct of Responses	Pct of Case
	E1	278	31.9	70.0
	E2	161	18.5	40.6
	E3	152	17.4	38.3
	E4	136	15.6	34.3
	E5	145	16.6	36.5
	Total responses	872	100.0	219.6

3 missing cases; 397 valid cases

E1 As the irrespective of the agent and service.

E2 As the company pay indemnity lately.

E3 As the reputation of company infirm

E4 As the company give unclear of information to the customer.

E5 As the company collected high premium.

The result from this table(Question 15) were found the problem effected to the purchasing decision that E1 counted 32%, E2 counted 19%, E3 counted 17%, E4 counted 16%, and E5 counted 17%.

Table 4.9. The Advantages of Life Insurance.

Group $Advantages of life insurance

  (Value tabulated = 1)

			Pct of	Pct of
Dichotomy label	Name	Count	Responses	Cases
	Al	316	34.3	79.6
	A2	144	15.7	36.3
	A3	154	16.7	38.8
	A4	252	27.4	63.5
	A5	54	5.9	13.6
	Total responses	920	100.0	231.7

3 missing cases; 397 valid cases

Al as the insured get both saving and cover insured's life.

A2 as the insured get dividend incase of saving product type.

A3 as the insured get fund after retirement.

A4 as the in case of insured dead, the family receive indemnity for their survive.

A5 as the insured have fund for making loan.

     According to table 4. 9 (Question16), the respondents had positive agreed that the most advantage which have influenced to the purchasing life-insurance was Al counted 34% of the target group, A2 counted 16% of the target group, A3 counted 17% of the target group, A4 counted 27% of the target group, and A5 counted 6%.

52

Table 4.10. The Past Experience of Insured and Non-insured.

INSURED AND NON-INSURED

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	.3	.3	.3
	1	268	67.0	67.0	67.3
	2	131	32.8	32.8	100.0
	Total	400	100.0	100.0	

This table shows that there are 268 persons/67% (no.1) who used to purchase life-insurance policy. There are 131 persons/3.8% (no.2) who have never purchase life-insurance policy and there is 1 person/.35% (no.0) who have no comment
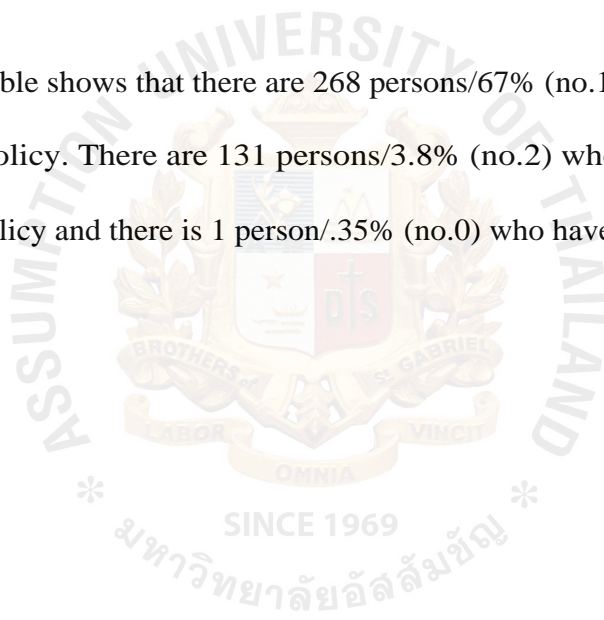
Table 4.11. The Level of Satisfaction toward Their Life-Insurance Policy.

Si

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	131	32.8	32.8	32.8
	1	6	1.5	1.5	34.3
	2	20	5.0	5.0	39.3
	3	92	23.0	23.0	62.3
	4	131	32.8	32.8	95.0
	5	20	5.0	5.0	100.0
	Total	400	100.0	100.0	

According to Table 4.11 refer to question no.18. this table measures the satisfaction of people's feeling toward their life-insurance policy. Table 4.11 found that 6 persons (no.1) are very dissatisfied with their policy, 20 persons (no.2) are dissatisfy, 92 persons (no.3) are moderately satisfied, 131 persons (no.4) are satisfied, and 20 persons (no.5) are most satisfied. There are 131 persons (no.0) of target group who have never purchased a life-insurance policy

As the result, the most people are satisfied with their life-insurance policy. But there are many people who have never purchased a life-insurance policy. So the company should attract and give more information to these people about life-insurance policies.

Table 4.12. The Effect of the Company's Reputation to the Purchasing Decision.

S3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	2.0	2.0	2.0
	2	21	5.3	5.3	7.3
	3	56	14.0	14.0	21.3
	4	234	58.5	58.5	79.8
	5	81	20.3	20.3	100.0
	Total	400	100.0	100.0	

Related to this table, the influence of the company's reputation to purchasing decision of people show that the most respondents agree (234 persons/ 58.5%) that the company's reputation have more influence in making decision to purchase life-insurance policy.

Table 4.13. The Important of the Agent to People's Purchasing Decision.

S6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	1.8	1.8	1.8
	2	16	4.0	4.0	5.8
	3	51	12.8	12.8	18.5
	4	194	48.5	48.5	67.0
	5	131	32.8	32.8	99.8
	45	1	.3	.3	100.0
	Total	400	100.0	100.0	

Table 4.13 is summary of the people's opinion to the agency's influence in making decision to purchase life-insurance policy. There are 7 persons who feel strongly disagree that the agency have effected to their purchasing decision, 16 persons who feel disagree, 51 persons who feel neutral, 194 persons who feel agree, and 131 persons who feel strongly agree. There are 1 person of no comment.

Table 4.14. The Effect of the Financial Status to Purchasing Decision.

S7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	1.0	1.0	1.0
	2	50	12.5	12.5	13.5
	3	79	19.8	19.8	33.3
	4	189	47.3	47.3	80.5
	5	78	19.5	19.5	100.0
	Total	400	100.0	100.0	

This table is the summary of 400 respondent's opinion that financial status have effected in making decision to purchase life-insurance. Thai table show that there are 4 persons are feel strongly disagree, 50 persons feel disagree, 79 persons feel neutral, 189 persons feel agree and 78 persons feel strongly agree. So the most people think that the financial status have effected to their purchasing decision.

Table 4.15. The Type of the Policy Plan.

Group $PLAN POLICY PLAN

(Value tabulated = 1)

Dichotomy label	Name	Count	Pct of Responses	Pct of Cases
	PLAN1	120	15.6	30.2
	PLAN2	119	15.4	29.9
	PLAN3	342	44.4	85.9
	PLAN4	190	24.6	47.7
	Total responses	771	100.0	193.7

2 missing cases; 398 valid cases

Planl as the permanent life insurance or whole life insurance

Plan2 as the term life insurance

Plan3 as the endowment insurance

Plan4 at the annuity insurance

This table shows the percentage of people who are interested in each type of life insurance policy planning. There are 15.6% of people who are interested in Planl, 15.4% of people who are interested in Plan2, 44.4% of people who are interested in Plan3, and 24.6% who are interested in Plan4. There are 2 persons who have no comment.

Table 4.16. The Source of Life-insurance's Information.

Group $MEDIA

(Value tabulated = 1)

Dichotomy label	Name	Count	Pct of Responses	Pct of Cases
(TV/radio)	P1	223	36.0	55.8
(Newspaper)	P2	97	15.7	24.3
(Agent)	P3	257	41.5	64.3
(Internet)	P4	42	6.8	10.5
	Total responses	619	100.0	154.8

0 missing cases; 400 valid cases

Table 4.16 shows that the source of life insurance where the target group get from. There are 36% get from the TV/radio, 15.7% get from the newspaper, 41.5% get from the agents, and 6.8% get from the internet.

Table 4.17. The Test of Relation between the Age and the Respondents by Divide
Them into Insured and Non-insured.

AGE * INSURED AND NON-INSURED Crosstabulation

			INSURED			
			0	1	2	Total
AGE	1	Count		92	83	175
		% within AGE		52.6%	47.4%	100.0%
	2	Count	1	95	35	131
		% within AGE	.8%	72.5%	26.7%	100.0%
	3	Count		50	7	57
		% within AGE		87.7%	12.3%	100.0%
	4	Count		31	6	37
		% within AGE		83.8%	16.2%	100.0%
Total		Count	1	268	131	400
		% within AGE	.3%	67.0%	32.8%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.644[a]	6	.000
Likelihood Ratio	38.509	6	.000
Linear-by-Linear Association	29.271	1	.000
N of Valid Cases	400		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .09.

The Table 4.17 shows the relation between the age of the target group with their insuring. As the result there are 92 persons of the target group's age between 21-30 years old who used to purchase life-insurance and 83 persons who have never purchase life-insurance. There are 95 persons of the target group's age between 31-40 years old who used to purchase life-insurance, 35 persons who have never purchase life-

insurance, and 1 person with no comment. There are 50 persons of target group's age between 41-50 years old who used to purchase life-insurance and 7 persons who have never purchase life-insurance. There are 31 persons of target group's age more than 50 years old who used to purchase life-insurance and 6 persons who have never purchase life-insurance.

The hypotheses test of chi-square test

Ho: The age and the insured and non-insured are independent.

Ha: The age and the insured and non-insured are not independent.

The result of test, reject Ho, the significant is .000 that is less than alpha (0.05).

The age have relation with the respondent. This explains that the age has related to the purchasing decision.

Table 4.18. The Test of Relation between the Status and the Respondent by Divide
Them into Insured and Non-insured.

STATUS * INSURED AND NON-INSURED Crosstabulation

			INSURED			Total
			0	1	2	
STATUS	1	Count		143	86	229
		% within STATU		62.4%	37.6%	100.0%
	2	Count	1	111	36	148
		% within STATU	.7%	75.0%	24.3%	100.0%
	3	Count		3	8	11
		% within STATU		27.3%	72.7%	100.0%
	4	Count		11	1	12
		% within STATU		91.7%	83%	100.0%
Total		Count	1	268	131	400
		% within STATU	.3%	67.0%	32.8%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.881[a]	6	.003
Likelihood Ratio	20.557	6	.002
Linear-by-Linear Association	3.845	1	.050
N of Valid Cases	400		

a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .03.

Statusl = Single   Status3 = Separated

Status2 = Married   tatus4 = Divorced

Table 4.18, shows the relation between the status of target group and the insuring

of target group. As the result, there are 143 persons of single group who used to

purchase life-insurance and 86 persons of single group who have never purchase life-

insurance. There are 111 persons of married group who used to purchase life-insurance, 36 persons of married group who have never purchased life-insurance, and there is 1 person who has no comment. There are 3 persons of separated group who used to purchase life-insurance and there are 8 persons of separated group who have never purchase life-insurance. Lastly, there are 11 persons of divorced group who used to purchased life-insurance and there are 1 person of divorced group who have never purchase life-insurance.

The hypothesis test of chi-square test

Ho: The status and the insured and non-insured are independent

Ha: The status and the insured and non-insured are not independent

The result of test, reject Ho, the significant is 0.003 that is less than alpha (0.05).

The status have relation with the respondent. So the status have effected in the purchasing decision. This explains that the status has related to the purchasing decision.

Table 4.19. The Test of Relation of the Education and the Respondents by Divide
Them into Insured and Non-insured.

EDUCATION * INSURED AND NON-INSURED Crosstabulation

			INSURED			
			0	1	2	Total
EDUCA	1	Count		37	18	55
		% within EDUCE		67.3%	32.7%	100.0%
	2	Count		13	17	30
		% within EDUCE		43.3%	56.7%	100.0%
	3	Count		19	12	31
		% within EDUCE		61.3%	38.7%	100.0%
	4	Count		178	78	256
		% within EDUCE		69.5%	30.5%	100.0%
	5	Count	1	21	6	28
		% within EDUCE	3.6%	75.0%	21.4%	100.0%
Total		Count	1	268	131	400
		% within EDUCE	.3%	67.0%	32.8%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.536[a]	8	.003
Likelihood Ratio	15.119	8	.057
Linear-by-Linear Association	3.569	1	.059
N of Valid Cases	400		

a. 5 cells (33.3%) have expected count less than 5. The minimum expected count is .07.

This table shows the relation between education and insuring of the target groups.

The result as, there are 37 persons(67.3%) of the graduated secondary school who used

to purchase life-insurance and 18 persons(32.7%) of the graduated secondary school

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who have never purchased life-insurance. There are 13 persons(43.3%) of the graduated high school who used to purchase life-insurance and 17 persons(56.7%) of the graduated high who have never purchase life-insurance. There are 19 persons(61.3%) of the graduated Diploma certificate who used to purchase life-insurance and 12 persons(38.7%) of the graduated Diploma certificate who have never purchase life-insurance. There are 178 persons(69.5%) of the graduated of Bachelor degree who used to purchase life-insurance and 78 persons(30.5%) of the graduated Bachelor degree who have never purchase life-insurance. There are 21 persons(75%) of the graduated higher than Bachelor degree who used to purchase life-insurance, 6 persons(21.4) of the graduated higher than Bachelor degree who have never purchase life-insurance, and there is 1 person(3.6%) who have no comment.

The hypothesis test of chi-square test

Ho: The education and the insured and non-insured are independent.

Ha: The education and the insured and non-insured are not independent.

The result of test, reject Ho, the significant is .003 that is less than alpha (0.05).

The education has effected on purchasing decision.

Table 4.20. The Test of Relation Between the Occupation and the Rider

OCCUPATION * RIDER Crosstabulation

			Rider						Total
			0	1	2	3	4	5	
occupation	1	Count	1	20	16	9	1		47
		% within occupa	2.1%	42.6%	34.0%	19.1%	2.1%		100.0%
	2	Count		7	3	3			13
		% within occupa		53.8%	23.1%	23.1%			100.0%
	3	Count	1	21	8	22	8		60
		% within occupa	1.7%	35.0%	13.3%	36.7%	13.3%		100.0%
	4	Count	2	143	73	22	14	10	264
		% within occupa	.8%	54.2%	27.7%	8.3%	5.3%	3.8%	100.0%
	5	Count		7	3	4	1	1	16
		% within occupa		43.8%	18.8%	25.0%	6.3%	6.3%	100.0%
Total		Count	4	198	103	60	24	11	400
		% within occupa	1.0%	49.5%	25.8%	15.0%	6.0%	2.8%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	52.559[a]	20	.000
Likelihood Ratio	52.179	20	.000
Linear-by-Linear Association	.078	1	.780
N of Valid Cases	400		

a. 17 cells (56.7%) have expected count less than 5. The minimum expected count is .13.

Table 4.20 shows the relationship between the occupation with the rider that the respondent are interested in purchasing decision. The result of this table, the owner business of respondent have no comment as 2.1%, interested in health insurance policy as 42.6%, interested in accidental insurance policy as 34%, interested in disease insurance policy as 19.1%, and are not interested of 2.1%. The government officer of respondent who interested in health insurance policy are 53.8%, interested in accidental insurance policy are 23.1%, and are interested in disease insurance policy are 23.1%.

The employees of respondent who have no comment as 1.7%, are interested in health insurance policy are 35%, are interested in accidental insurance policy are 13.3%, interested in disease insurance policy are 36.7%, and are not interested 13.3%. The officers of respondents who have no comment as 0.8%, interested in health insurance policy are 54.2%, interested in accidental insurance policy 27.7%, interested in disease insurance policy as 8.3%, are not interested as 5.3%, and interested in other policy plan are 3.8%. The other occupations of respondent who have interested in health insurance policy are 43.8%, interested in accidental insurance policy are 18.8%, interested in disease insurance policy are 25%, are not interested of 6.3%, and interested in other insurance policy plans are 6.3%.

The hypotheses test of chi-square test

Ho: The occupation and the rider are independent.

Ha: The occupation and the rider are not independent.

The result of test, reject Ho, the significant is .000 that is less than alpha (0.05).

So the occupation have relation with the rider in purchasing decision

Table 4.21. The Test of Relation between the Income and the Respondents are Divided Them into Insured and Non-insured.

INCOME * INSURED AND NON-INSURED Crosstabulation

			insured			Total
			0	1	2	
income	1	Count		22	39	61
		% within income		36.1%	63.9%	100.0%
	2	Count	1	154	71	226
		% within income	.4%	68.1%	31.4%	100.0%
	3	Count		40	9	49
		% within income		81.6%	18.4%	100.0%
	4	Count		52	12	64
		% within income		81.3%	18.8%	100.0%
Total		Count	1	268	131	400
		% within income	.3%	67.0%	32.8%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	38.193[a]	6	.000
Likelihood Ratio	37.430	6	.000
Linear-by-Linear Association	25.544	1	.000
N of Valid Cases	400		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .12.

Table 4.21 shows that there are 61 respondents who have income below 10,000 baht, divide into 22 respondents who used to purchased life-insurance policy and 39 respondents who never purchase life-insurance policy. There are 226 respondents who have income between 10,000-20,000 baht that divide in to 154 persons who used to purchased life-insurance policy, 71 respondents who have never purchased life-

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insurance policy, and 1 respondent who have no comment. There are 49 respondents who have income between 20,000-30,000 baht, divide into 40 respondent who used to purchased life-insurance policy and 9 respondents who have never purchase life-insurance policy. Lastly, there are 64 respondents who have income more than 30,000 baht that divide into 52 respondents who used to purchased life-insurance policy and 12 respondents who have never purchase life-insurance policy.

The hypothesis test of chi-square test

H_o: The income and the insured and non-insured are independent.

H_a: The income and the insured and non-insured are not independent.

The result is reject Ho, the income have relation with the respondent. So the income have an effected in purchasing decision. This explains that the income has related to the purchasing decision.

V. CONCLUSIONS AND RECOMMENDATIONS

The research in the topic of "Factors influencing on purchasing life insurance" has objective to find out the factors that effect towards purchasing life-insurance, to study customer's needs and wants. The factors are separated into internal and external factors. Internal factors consist of age, occupation, education, financial status, beliefs and attitudes. Externals factors consists of the agent, company's reputation, the opinion toward life insurance, the services of the company. The financial situation, and the pros and cons of life insurance.

5.1 Conclusions

For the research, it found the factors that effect the purchasing life insurance by the following the testing of the hypothesis are the internal and external factors. The internal factors are the age, status, education, occupation, and income. The external factors are the agent (including the services and the opinion/attitude toward the agent), the company's reputation, the opinion toward life insurance, the services of the company, the financial situation, and the pros and cons of life insurance. The first of internal factor is the age that has related to the purchasing decision, referring to the test result. Therefore the age is considered to be a determinant factor on the purchasing decision. According to the Table 4.17, this explains that the respondent age between 31-40 years old is the major target group who used to purchase life insurance (95%) which means that this age range has big potential effect on purchasing life insurance. The classification of each age's range has different needs of insurance coverage type. The second, status has related on purchasing decision that related to Table 4.18, there are 229 respondents of the single status that divide in the 143 persons of used to purchase life insurance and 86 persons of never purchase life insurance. There are 148

respondents of married status that divide in the 111 persons of used to purchase life insurance and 36 persons of never purchase life insurance. These explain that the single status (53.4%) and married status (41.4%) are the major group who used to purchase life insurance which mean at both of these status have a big potential effect on purchasing life insurance. Third, the education has related to the purchasing decision because of Table 4.19 show that the high level of purchasing is the respondent who graduated the Bachelor Degree and the lowest level of purchasing is the respondents who graduated the high school. These mean that the higher level of education that the more chance to purchasing than the lower level of education. Fourth, the each occupation has a different need from the coverage of policy plans such as accidental policy, health policy, and disease policy. Relate to Table 4.5, the result of needed in the health insurance policy is the most. Lastly, income has related to the purchasing decision which means the higher level of income is more chance of purchasing. In part of external factors, the first is the agent that including both of their services and the opinion/attitude of people toward the agent. Incase of services (including services mind, service after purchased, and provide the information and explain the policy's condition), if the agent provide good services and concentrate to their customer, the increasing in level of purchasing will be occur. From the result of Table 4.13, the opinion of respondents (194 persons) identified that the agents have more influence on their purchasing decision and from Table 4.9 shows the main problem that has effected on purchasing decision are service of that agent which are unsatisfied and unrespectively of the customers. So the agent is the important factor that also can change the opinion/attitude of the customer toward life insurance in positive side which a positive opinion have a chance on increasing of level of purchasing. All the above agent and the positive opinion are a part of the company's reputation which can create the good image

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to the company. If the company has the negative reputation, it makes the customer suspect. Because in the present, the insurance companies are the financial institutions which should have the respect and trust from the customer. From the research, the bad services of the company that effect on the purchasing decision are the company pay indemnity lately and the company provide unclear of information. Lastly, in case of good financial have effect toward life insurance in high level of purchasing. However the advantages of the insurance policy that provide to the insured is the insured will get both saving and coverage on their life, get the dividend in case of saving product type, get fund after retirement, and provides the death benefits to the insured's family when the insured dead. So these advantages are the tool to attractive the customer to purchasing the life insurance.

5.2 Recommendations

Agent's effect towards purchasing life-insurance so insurance company should be concentrate with the agent because the people have a negative attitude toward agent. The agent is the important factor who has a direct contact by face-to-face with the customer. The agent will provide the information and service to attractive the customer's purchasing. Most people depend on their ability to provide knowledge and make the positive opinion of the agent. So the insurance company should provide the training course and give the seminar to develop the performance of the agent. The insurance company should create the brand image to the customer about the trustily. A mainly causes are a selling strategy and post service. Life-insurance company should be improved and created a selling strategy which increase the varieties of products and add the coverage of product in the reasonable premium's price, focusing on the areas where the company wish to complete and selecting target groups that they wish to serve, protecting a unique image to the publish, creating innovative products to set themselves

apart from the competition, and developing sophisticated marketing and operational skills. The other important factor, insurance company should measure the quality of their agents and try to continue to improve it. At the same time, insurance company should be creating their image and Thais' attitude about life-insurance by keep more information to the people. Recommendation for the future research is the demographic should be test for relationship with purchasing life-insurance. The research should be extend to the other area outside of metropolitan areas and other target group. The research should be used another framework to test it in order to knowing the vary outcome. The other factors should be added to each hypothesis such as marketing strategy.

The result of this project can be applied in the marketing program (product, price, place, and promotion) to meet the marketing objective by following:

Product

Because of the nowadays, there are many large life-insurance companies compete in the marketing. The insurance company should increase the varieties of product or increase the alternatives to the customer based on the good quality and service to attract the customer. At the result of research, it was indicated that the target group as the range of age between 31-40 years old, they need the stable for their life. so the insurance company should issue the new insurance policy to expand the coverage such as in one policy should have the coverage both of health and accident in one policy that make the prospect customer will be realized to the important of insurance policy. For example, first the insurance company offers a personal accident insurance which covers death benefit, disability benefit (both partial and totally), medical treatment expenses, bone fracture and burning and treatment of the any disease with the sum insured is ranging from 200,000-500,000 baht. Second, the tax return policy is suitable for the insured with

regular income 10,000-20,000 baht of the target group. The premium can be used for tax deduction valued at 500,000 baht at maximum. The policy covers only death benefits. Any additional coverage cannot be obtained. If the insured lives till the maturity date of the contact, the insurance company will be given 100% of sum insured. The third, the minor policy plan is one way to keep savings for the children's educational plan that suitable for the new begin family. The parents will be responsible for paying premium on behalf of the children. In case of death of parents, the rider of the policy will be effective so that the insured will be exempt from premium payment starting from the next due date right after the date of death or disability of the parents until the maturity of the policy. However, it is advisable to issue the actual income provider of the family as the payer otherwise the policy will easily to be lapsed.

However the insurance company should issue the new policies for every need. In order to provide more options for the consumers due to deposit interest reduction and the competitiveness of insurance business.

Price

The premium rate should be reasonable for each insurance policy and have a competitive price in the market. The financial should be provide for the purchasing to ease the purchasing decision. In order to draw more purchases to purchase life-insurance policy, the payment should be offered into several kind of installment such as semi-annually, quarterly payment, and monthly payment. However, the premium rate calculation consist of 3 parts. First, risk premium covers death. It is calculated from mortality rate depending on age and gender of the policyholder. The insurance companies use the mortality table made by Department of Insurance and the Thai Life Assurance Association to calculate the rates from insured statistics. The mortality table is not just a record birth and death rate in each year because it includes the uninsured

persons like patients. The second, saving premium is paid in form of dividend to a policyholder. The company will invest on the policyholder's saving premium. The benefit gained will be paid to the policyholder later. Third, the procedure's expenses of the company. Department of Insurance is responsible for the rate set. Every rate class must be approved by the department. So the company can decrease the procedure's expense in part of the variable cost (commission, check health expense, operation expense, and miscellaneous expense) that will make the decreasing of premium rate.

Place

The way to distribute the product to the market is to let the agent to give the knowledge to the other company's staff, create the web-site for generate the information and contact the company, and set up booth to give the information. The important thing the company should concentrate the area to open the branch offices or intermediaries where they wish to compete and selected target group that they wish to serve such as in the city, near the department store, and the business area. Nowadays, the policyholder can make the premium payment at counter services nationwide. The other payment option are also available: cash payment at the headquarters and the branches, cashier check/draft, postal money order, deduction from deposit account, telephone banking, internet banking, and credit card or the sales agents. The insurance company provide another service option through the internet to easily contact them. So the policyholder will get full protection via the web-site with the company hotline such as getting 24 hours global service on every kind of insurance policy.

Promotion

The insurance company should use the advertisement via television channel, radio, newspaper, through the agent, and the Internet E-commerce. For example, the insurance company will offer the fee service to the policyholder with the hotline service

that The policyholder can feel safe with the special hotline service wherever they are, advice and information about medical facilities and medical specialists when getting the accident or illness, transferring patients to a hospital nearby, and transferring the emergency patients. In other way the insurance company should promote their products by the using the suitable promotion for example give the large amount of dividend when the maturity date of policy period. Lastly, the company should increase the good will and create brand image to the public by giving donation and establishing a foundation fund.

APPENDIX A

EVALUATION QUESTIONNAIRES

ri314f1 4Dleriah

1. L1Alff

   (1) im

   (2) mill

2. am

   (1) 21 -3071

   (2) 31 - 40

   (3) 41 - 50 11

   (4) ultmll 50 91

3. vr0ᆨ11411111

   (1) IM1

   (2) L1V114114

   (3)

   (4) 'idᆨ

4. 111'31-11401́5

   (1) 11;31

   (2) 1 t114

   (3) 2 flu

   (4) 111flfl'i1 2 fill 1,ᆨL'14   f114

5.

   (1) 8JbO8Jafl1110101,141,1

   (2) iNfliltilf1111V10141JfflEJ

   (3) o1 9figiv/ihf.

   (4) Inujilimi

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