

FACTORS RELATED TO INSURANCE PURCHASE INTENTION IN THAILAND

Santi Krajaechun
Piyathida Praditbatuga
Assumption University,
Bangkok, Thailand
Email: piyathida.ying@gmail.com

Abstract: *The objective of this study was to determine the factors that influence consumer purchase intention towards (non-life) insurance in Thailand, based on the Theory of Reasoned Action model (Fishbein & Ajzen, 1980). Data were collected via questionnaires applying convenience sampling method. Five hundred sets of questionnaires were distributed to Thai citizens in Bangkok and nearby who would like to purchase non-life insurance policy once the reliability and validity of the instrument were established. A total of 385 questionnaires were completed and returned. The independent variables were attitude towards product (insurance service provider's competence, consumers' monetary attitude towards insurance, the positivity of consumers' insurance experience, the possibility to reduce the amount of premiums payable for insurance, and the acceptability of insurance conditions) and subjective norms. The dependent variable was insurance purchase intention. Frequency and percentage were used to analyze demographic profile. Mean and standard deviation were used to analyze respondents' perception of main variables. Hypotheses were tested with Pearson's correlation coefficient. The results from Pearson's correlation coefficient demonstrated that attitude towards product in terms of acceptability of non-life insurance conditions and subjective norms significantly related to intention to purchase non-life insurance. However, attitude towards product in terms of acceptability of non-life insurance conditions ($r = 0.233$) had stranger relationship with insurance purchase intention than subjective norms ($r = 0.103$).*

Keywords: *Non-Life Insurance; Insurance Service Provider's Competence, Consumers' Monetary Attitude Towards Insurance*

1. INTRODUCTION

At the present, there are many factors influencing the purchase of non-life insurance (Ulbinaitė, Kucinskiene, and Moullec, 2013; Siddiqui, 2010; Epetimehim, 2011). High levels of competition in Thailand's non-life insurance industry, especially in 2015, indicate the soft market trend will continue into the future (Office of Non-life insurance Commissioner (OIC), 2014). This is also called a buyer's market, as the purchasers hold much of the power in negotiations (Kotler, 2000). As a consequence, to balance this soft market phenomenon and to remain successful, non-life insurance companies need to understand consumer perceptions. Only then will they be in a position to improve, develop, and innovate the appropriate and innovative strategy for success in the Thai market.

Non-life insurance plays an important role in providing an affordable strategy for people to share risk and therefore minimize the chances of irrecoverable positions. It does this by helping people to quickly recover from damages and losses. Non-life insurance means a contractual agreement under which one party known as "Insurer"