



IMPACT OF ADVERTISEMENTS ON CONSUMER BUYING BEHAVIOUR: AN EMPIRICAL STUDY OF LIFE INSURANCE POLICY HOLDERS OF MANGALORE CITY

Dr.Kavyashree K

Assistant Professor, Srinivas University

ABSTRACT

Indian economy is one of the fastest growing economies in the world. Majority of the country's population comprise of youths falling in the age group of 15 to 35. Human life is a precious asset and life insurance is a type of insurance which provides financial protection on the happening of an uncertain event. Life insurance allows people to financially secure their family at the time of any uncertain event. But insurance sector shows little penetration when compared to other countries. Presently, insurance companies are emerging out with variety of products having wider risk coverage and greater benefits. This paper makes an attempt to analyze the impact of advertisement on consumer buying decisions related to insurance products. The study result shows that advertisement has an impact on consumer buying behaviour.

KEYWORDS: Advertisements, consumer behavior, life insurance products

INTRODUCTION

Service sector has shown a rapid growth in India. Insurance industries have contributed a major share to this growth. Life Insurance Corporation of India retained monopoly till 1999, the year in which it was liberalized. At present there are 24 Life insurance companies in India offering wide variety of life insurance products. Life insurance products are vital for individuals in the present scenario. It protects the dependents on the happening of an uncertain event and also provides for retirement life. Life insurance products aim at benefitting the survivor or the business on the death of the insured. It aims at replacing the income or pay off mortgages of the deceased. It also promotes savings among people.

Previous studies showed that there is a need for creating awareness among the people regarding the insurance products and their benefits. This can be better served by advertisements. Advertising is a method to communicate with the users of a product or service. According to advertising association of the UK, Advertisements are messages paid for by the sender and are intended to inform or influence people who receive them. Advertising is a way of communication to encourage an audience for making purchase decision about a product or service and conveying information to viewers. It is considered as a vital and essential element for the economic growth of the marketers and businesses (Ryans, 1996). Advertising provides direct communication to the existing and prospective customers about the product or service. It is the process of persuading the targeted audience to take a specific action, whether that's buying a product or bringing awareness towards an issue.

Consumer behavior is defined as "the study of individuals, groups, or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society." (Hawkins et al., 2001:7.). It is the action the buyers take before buying a product or service. Buyers uses various search engines, engages in social media posts and takes up various other actions before taking up a purchase decision. This necessitates every business to understand consumer buying behavior and take up required marketing initiatives which can influence the consumers to buy a product or service.

REVIEW OF LITERATURE

Babita Yadav & Anshuja Tiwari (2012), in their research article titled "A study on factors affecting customers investment towards life insurance policies" proved that LIC is one the most accepted and popular brand in life insurance. The study also showed that the



market share of private insurers gradually increased with the increasing trust and better services offered by the company. The study was conducted in Jabalpur District of Madhya Pradesh with the sample size of 150 policyholders.

R. Uppily (2016), in the study titled “A Study on Consumer Behaviour on Life Insurance Products - With Reference to Private Bank Employees in Chennai” tried to analyse the consumer behaviour of private bank employees in respect of purchase of Life insurance products. The study was conducted in Chennai with a sample size of 54 employees. The study showed that Life insurance industry in India was still at very low penetration levels. The reason for this being lack of awareness and no product innovation.

Sujatha S & Seema (2012) in their research article titled “A study on the benefits of advertisements on the promotion of products – a special reference to IDBI Federal Life Insurance Company Ltd” tried to analyze the benefits of advertisement as a tool for promotion of products by Insurance Company. The study covered IDBI Federal Life Insurance Company Ltd. The study was conducted with 150 respondents. The study showed that advertisements can help the insurance companies to reach the end users easily. The company’s must use other promotion strategies like conducting more events and experience, publicity etc. that would help in reaching the end users effectively.

Praveen Sanu, Gaurav Jaiswal and Vijay Kumar Panday (2009) in their study titled “A Study of Buying Behaviour of Consumers towards LIC” observed that, in the present Indian market, the investment behaviour of Indian consumers change frequently. The study also showed that the individual’s perceptions about various investment plans are different.

OBJECTIVES OF THE STUDY

- 1) To analyze the impact of advertisements on consumer buying behavior related to life insurance products.
- 2) To analyze the relationship between demographic profile and consumer buying behavior related to life insurance products.

NEED FOR THE STUDY

There are both public and private companies offering variety of life insurance products. These companies spend huge amount on advertisements. This study makes an attempt to analyze the impact of these advertisements on consumer buying behavior.

SCOPE OF THE STUDY

The study is undertaken in Mangalore city with 150 respondents. Only life insurance policy holders are included for the study.

RESEARCH METHODOLOGY

The present study uses both primary and secondary data. Primary data is used to analyze the impact of advertisement on consumer buying behavior and also to analyze the impact of demographic profile on consumer buying behavior. Secondary data is used to understand the concept of life insurance. Primary data will be collected from 150 respondents. Random sampling technique will be used to collect the data. Various statistical tools like correlation and regression is used to analyze the data.

HYPOTHESIS

- H₁**: there is relationship between advertisement and consumer buying behavior related to life insurance products.
- H₂**: there is relationship between demographic profile and consumer buying behavior related to life insurance products.

DATA ANALYSIS

Table showing the impact of advertisement

ANOVA					
	Sum of squares	DF	Mean square	F	sig
Impact of Advertisement on Consumer Buying Behaviour of LIC products	2.068	1	2.068	2.308	0.02
Effect of advertisement on gender	50	48	0.616	3.553	0.058
Impact of income on Consumer Buying Behaviour with reference to life insurance products	50	48	1.982	3.884	0.023



FINDINGS AND SUGGESTIONS

The above table shows that there is significant difference in the mean square. Hypothesis is rejected in the first and last case as the significance value is lesser than 0.05. Alternate hypothesis is accepted which means that Advertisement has an impact on consumer buying behaviour with regards to life insurance products. Income also has an impact on consumer buying behaviour. But in the second case hypothesis is accepted which means that Advertisement effect do not differ on the basis of gender.

CONCLUSION

Advertisement is a tool which is widely used by the companies for attracting consumers towards their product or services. Previous studies have showed that advertisement can influence consumer buying behaviour. The present study also reflect the same.

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