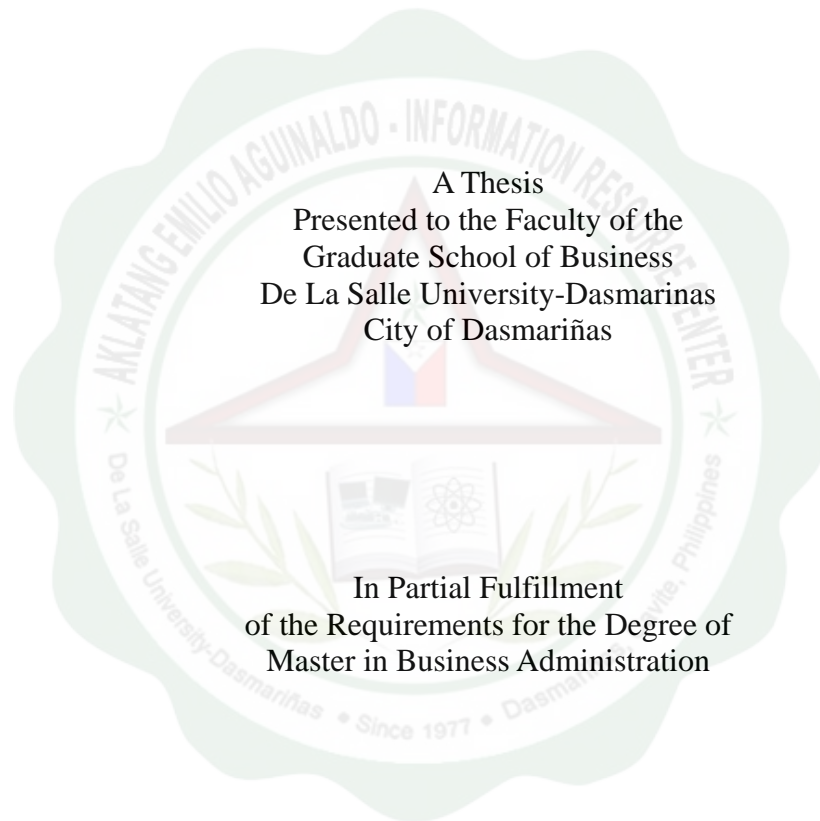


**FACTORS INFLUENCING THE CONSUMER BUYING DECISION OF
LIFE INSURANCE POLICIES: A CASE OF SELECTED
HOUSEHOLDS IN BACCOOR, CAVITE**



A Thesis
Presented to the Faculty of the
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Master in Business Administration

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ABSTRACT

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A study was conducted to determine the factors influencing the consumer buying decision of life insurance policies of selected households in Bacoor, Cavite. The factors identified, based on previous studies conducted, include demographic factors such as civil status, gender, number of dependent children, age, occupation, household per, capita income, and wealth; psychographic factors such as risk perception and perceived company image; and external factors such as sales agents influence, premium amount, and flexibility of interest rates.

The study was conducted from July 2009 to August 2009 in selected households in Bacoor, Cavite, a municipality with high rate of urbanization and fast population growth. An interview schedule was developed to test the validity of the demographic, psychographic, and external factors. Descriptive statistics were used to describe the profile of the respondents and a five-point Likert scale was designed to measure both the psychographic and external factors. Logit regression was employed to analyze the effect of selected factors on the consumers' decision to buy life insurance policies. Policyholders and nonpolicyholders were compared in terms of demographic, psychographic, and external variables using *t*-test and ANOVA.

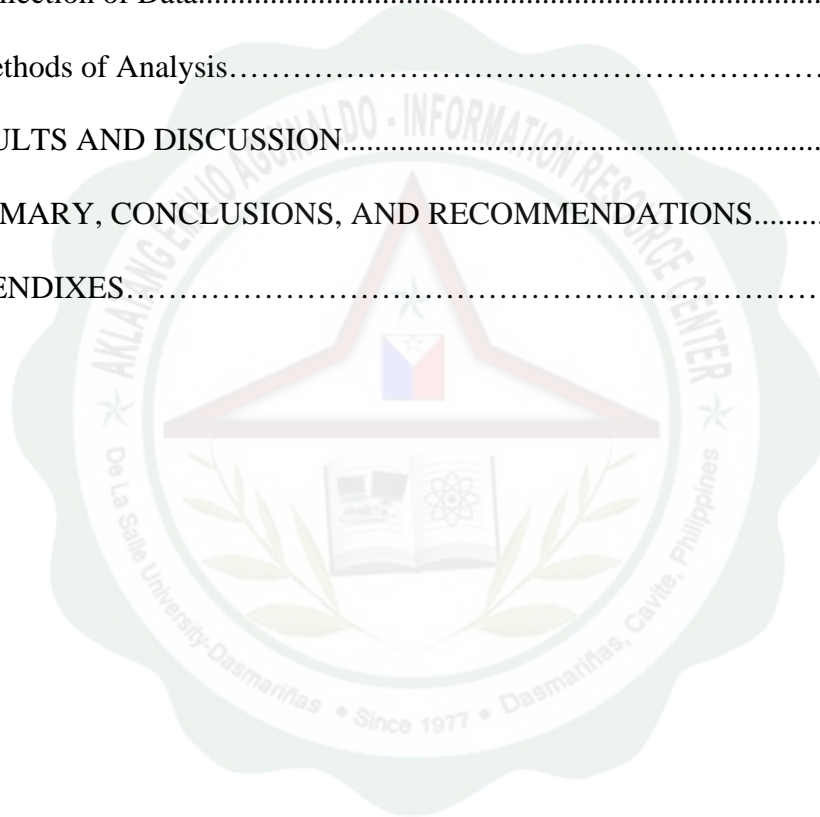
Individuals between the ages 30 to 39 would be the best prospects for basic life insurance and educational plans while the best prospects for retirement and investment plans would be individuals between the ages 40 to 49. Security and educational fund are the main reasons for the purchase of life insurance among policyholders. On the other hand, having no budget is the foremost reason why respondents were not able to buy life insurance. Consequently, most policyholders are employed and earning at least PhP10,000 a month as compared to non policyholders. Individuals who were approached by sales agents are most likely to buy life insurance as they become aware of the benefits of the product as opposed to those who were not approached. This is primarily due to the fact that insurance plans are considered to be “unsought goods”.

Age, household per capita income, wealth, sales agent’s approach, and premium amount were identified as factors influencing the buying decision of life insurance policies. The results of the study could help the insurance industry in its quest for better market penetration. Insurance companies can concentrate their product development efforts on the factors mentioned and be able to bring better customer satisfaction to the buying public.

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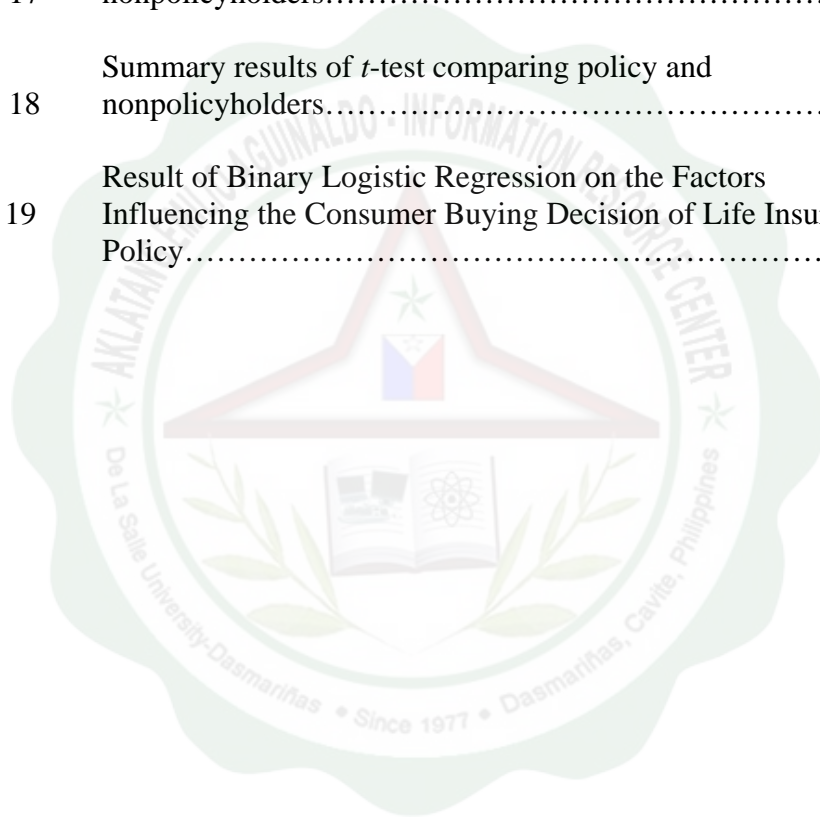


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