Investigating the Motivational Factors Affecting Women in the Delivery of Health Programs in Tamil Nadu: A Case Study

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Abstract

As unforeseen risks have become the norm, people from all over the world are becoming more and more aware of the significance of health insurance policies. In order for marketers and decision-makers to effectively engage women as consumers of health insurance policies, it is important that we have a thorough grasp of the elements that affect women's decisions to purchase health insurance. The health insurance market offers a considerable opportunity, particularly for the underserved women's market. Data were gathered from 200 respondents via a questionnaire, and the results of the EFA show five elements, including quality of service, promotional factors, financial factors, benefits and coverage, and convenience, that affect women's purchasing decisions for health insurance in Tamil Nadu.

Introduction

Health insurance in India is a growing segment, yet it hasn't taken off fully and several measures are needed to improve and expand insurance coverage. In addition to physical illness, accidents and emergencies in the form of natural calamity demand for protection and well-being of human life at all times. Although health insurance is a mandatory in developed countries, developing countries are yet to impose regulations on its purchase. Despite the fact that the role of women in household management is now changing, there are not many studies focused on their insurance behavior. A better understanding of women buying behavior of health insurance would surely facilitate better market penetration in the women segment, but there is lack of knowledge in this section of study. This research is oriented towards the study of purchase intention of health insurance policy among women. While there have been several approaches to study consumer behavior, there is little evidence of a study which explains the purchase intention of women towards insurance. This research evaluates the significance of purchase intention on buying behavior of women. The purpose of this research is to examine health insurance purchase intention among women in India. By determining which factors most influence women's health insurance purchase decisions, the current study can be instrumental in helping insurance providers to design more effective programs for

potential women consumers of health insurance.

Review of Literature

Many studies have been conducted to understand the growth of health insurance in Indian health insurance industry and to measure the customer awareness, satisfaction and perception towards buying health insurance products from insurers. Socio economic development and health of the citizens of a country go hand in hand. Undoubtedly India is progressing on the economic development front but health system in India needs a lot of improvement and health insurance penetration can play an important role in it (Miller et al. 2004).

Mavalankar and Bhat (2000) analyzed the healthcare setup in India. According to them, India still lags behind many of the developing nations in the healthcare sector. In India, health insurance is a newer term and there is a plenty of scope for this sector.

(Ellis et al. (2000) identified the existing pattern of healthcare financing in India mainly focusing on the implication of financial burden on consumers in India and analyzing the strengths and weakness of the Indian healthcare system.

Sharma (2011), in his paper, stated that both Indian and Chinese economies have a huge potential for health insurance since 45% of world population lives in these two countries.

Patil et al. (2002) found that 75% of health resources and health infrastructure is concentrated in urban area where only 27% of the population lives. In India, knowledge and awareness about health insurance are important factors for health insurance purchase decision. An inducing factor to go for health insurance was that a small amount of money was paid every year for the assurance of free medical treatment when required.

Bawa and Ruchita (2011), with reference to Tamil Nadu, opined that while deciding to go for health insurance people expected comprehensive coverage with least cost, contribution by employer, least formalities and purchase or suggestions by friends and relatives. Some studies have tried to analyze reasons for low penetration of health insurance in India (Wadhawan, 1987; Ellis et al., 2000, Mavalankar and Bhat, 2000). Problems faced by insurance policy holder were terms and conditions stated by the company formalities during claims, a smaller number of hospitals, poor service, rate of premium, poor response from agents at the time of claims, misstatements given by agents less than expected sanctioned amounts and delay in claim settlement. Studies on the determining factors that influence consumer behaviour towards insurance products have been conducted by Arpah et al. (2012) and Sen (2008). These studies observed the linkage between the economic and demographic variables and the demand for insurance services. The study by Arpah et al is regarded as a pioneer in this area. Literature related to the domain of insurance also identifies factors like the extent of loss, probability of loss, risk aversion of till• buyer and insurance premium charges which impact buying

of insurance-based products like health insurance (Mossin, 1968; Cameron et al., 1988; Schlesinger 1999). To understand the consumer behavior towards insurance products the study of factors like product characteristics, consumer characteristics and marketing actions is required (Chen et al., 2009). Although quite a few studies have been carried out with regard to health insurance, yet they are mainly male oriented. The driving factors that propel women to purchase health insurance might not be the same. It is therefore of vital significance to identify and study the determinants which affect the purchase decision of health insurance by women especially in a country like India where women are relegated to playing the second fiddle to men in the family. Therefore, the objective of this study is to identify the factors which determine the purchase decision of health insurance.

Research Methodology

The study is based on both primary and secondary data and the existing literature will be used to determine the factors influencing buying decision of women regarding health insurance. The study was conducted in the state of *Tamil Nadu* among the female respondents of four main cities of the state: Nagercoil, Tirunelveli, Madurai and Tuticorin. These cities are selected on the basis of population and density.

Population: The study was conducted among female respondents above 18 years of age. The data of respondents was collected on the basis of purposive sampling method as only females who have not yet purchased health insurance were included in the study. A pre-tested structured questionnaire was used as an instrument of data collection. Sample size for the study was 200. Due to ambiguous and missing data in somecases, 232 questionnaires were used for the analysis.

The present study is an effort to determine the underlying factors for purchase behavior in women. In this study non-user women of health insurance of four cities of Tamil Nadu state were taken as sample unit. The female respondents surveyed in this study were above 18 years of age, who have never bought any health insurance policy. Table 1 describes the demographic profile of the sample. From 200 respondents, majority (37.7%) were from 31- 40 yrs age group and 39.4% were postgraduate. Among the occupation categories majority respondents (31.8%) were employed in private organizations and 27.6% were homemakers. 55.9% of respondents were married and 61.6% were in a nuclear family structure. Majority of respondents had one family member dependent on them and 29.5% were earning 20,000 to 30,000 rupees per month.

Factor Analysis

In the present study, non-user women's attitude and perception towards health insurance was measured to know the determinant factors for their purchase decision. Factor analysis is a data

reduction tool which helps in reducing large number of variables into fewer dimensions. Therefore, in this study factor analysis is used to identify underlying dimensions and reducing the variables for summarization based on their correlation with each other. Relationships among interrelated variables were examined and reduced in few underlying factors in this study

KMO Measure of sample adequacy

Kaiser-Meyer-Olkin (KMO) measure is an index used for checking the sample adequacy before factor analysis. This test compares the magnitudes of observed correlation coefficients to the magnitudes of the partial correlation coefficients (Malhotra and Dash, 2009). KMO test value below 0.5 indicates that the correlation between pairs of variables cannot be explained by other variables and factor analysis may not be appropriate. In this study KMO test value is 0.935 which verifies the sample adequacy. Bartlett's test of sphericity Chi square (352) is 6219.617, $p<0.001$, which indicates sufficiently large correlation between items for conducting principal component analysis.

33 statements were used in measuring underlying factors for purchase decision making. Principal component analysis conducted on these 33 items with varimax rotation (orthogonal) found that five factors have Eigen

values of more than 1 (Kaiser's criteria) and explained 58.18% of variance in total. The Scree plots break between the steep slope and gradually trailing off from the sixth component, the line is getting flat which shows five prominent factors to represent most of the variance.

After rotation items made cluster on five factors as per their correlation values. A varimax rotation was used for this extraction. In varimax, factors are minimized with higher loading on them. These were factors of quality of service, promotional factors, financial factors, benefits and coverage, and convenience which determine the purchase behavior of women. To measure reliability of factors, Cronbach's alpha test was applied, which reflects homogeneity among a set of items, varying from O to 1**.** However, a good reliability should produce at least a coefficient value of 0. 7 (Hair *et al*., 1995), and it has come out to be more than 0.7 for five components i.e. factor 1 (0.896), 2 (0.880) 3 (0.874), 4 (0.826) and 5 (0. 756). It shows high reliability for factors.

Findings of the Study

Following five factors were extracted from the results of factor analysis:

Factor1: Quality of service

In several studies quality of service has been indicated as a key factor in affecting purchase decision. Service quality is antecedent to customer satisfaction and then customer satisfaction is

antecedent to customer loyalty (Buttle, 1996; Caruana, 2002). In health insurance each process, accessibility, faster claim settlement and quickcustomer service are critical factors which influences the buying behavior. In this study this factor representsthe majority of variance (36.28%). The high Cronbach alpha (0.896) also found this factor to be reliable in theanalysis.

Factor 2: Promotional factor

Advertisement is termed as an effective tool to emotionally motivate consumers to buy a product (Moore, 2004) and help in influencing consumer's attitudes toward the brand until their purchase intent (Goldsmith andLafferty, 2002). Health insurance companies undertake various initiatives to promote their policies and to build positive brand perception. It is found in this study that promotion factors such as advertising, agent persuasion, branding, attractive schemes and word of mouth publicity affect the purchase decision. This factorexplains second highest variance (9. 736) for this study and Cronbach alpha value (0.880) also justifies the reliability of this factor in purchase behavior.

Factor 3: Financial factor

Varghese (2013) also linked cost and purchase relationship in his study. Utility of purchasing and paying premium for insurance policies and fear of hidden charges are major concern before buying health insurance therefore financial aspects also play an important role in determining purchase behavior. This factor contributes 5.969 % of variance and Cronbach alpha value (0.874) validates its reliability.

Factor 4: Benefits and Coverage

The study of Bawa and Ruchita (2011) found that in opting for health insurance people prefer policies with comprehensive coverage and least cost. In addition to these, attractive features of policies can be a vital factorin determining consumer's attitude about purchase decision. Consumers expect that their health insurance plan should cover critical illnesses and cover the expense at the time of emergencies so that there would be no burden on their pocket. Therefore, benefits and comprehensive coverage are amongst important factors in influencing their purchase. In this study this factor explains 3.886% variance and high Cronbach alpha value (0.826) finds it to be to be reliable.

Factor 5: Convenience

In prior available literature convenience of approach, less paperwork and formality are listed as important factors in developing a positive perception towards buying insurance policies (Anita, 2008; Aami and Ahmad,2013). Ease of approach facilitates smooth buying experience; hence this

factor is found to be important in purchase decision process. For this study, this factor explains 3.314% variance and Cronbach alpha value (0.756) finds this factor to be reliable.

Discussion

The concept of health insurance especially among women is at a nascent stage. The women consumers are under-served and under-covered in terms of health insurance. From the point of view of practitioners and academicians it is important to understand the factors which determine the purchase decision of women towards health insurance. In the present study quality of service has come out to be a predominant factor which influences the purchase of health insurance among women. The other two factors which have come up significantly from the study are promotional factors and financial factors. Chen et al. (2009) also observed that the awareness created by promotional efforts of the companies impact purchase decision of the buyers. Financial factors like hidden costs involved in the policy, reimbursement procedure and cost of the policy hold a lot of significance. The fourth factor concluded from the study i.e., coverage and product benefits provided by the health insurance policies like critical illnesses covered and availability of preventive health packages, also need to be considered by the marketers. The convenience factor lays emphasis on less formalities involved in the policy and better health care of the family members.

Conclusion

Life styles are changing resulting in new disease patterns that call for long term and costly medication, and such rising medical expenses can plunge a household into the depth of poverty and indebtedness. Beyond a level, the government cannot cover individual health care costs due to fiscal constraints. But it is not easy to convince people when they are healthy to spend money on health insurance and be prepared for future contingencies. It can be due to lack of awareness regarding health insurance and some other complex factors which influence their buying decision. The empirical study of these factors conducted under this research can

give direction to the marketers in designing their marketing mix strategies and policy makers in increasing awareness in the context of health insurance.

The study also makes an effort in the direction of understanding a very under-served consumer segment of health insurance i.e. women who have very unique Medicare needs. Moreover, in spite of the fact that the role of women in household management is now changing and statistical evidences are suggesting the importance of female participation in financial decisions of families required for inclusive growth, there are not many studies focused on their insurance behavior. A

better understanding of women buying behavior of health insurance would surely facilitate better market penetration in the women segment as well as improving overallhealth insurance coverage.

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