

Evaluating the Influence of Socio- Demographics in Determining Health Insurance Purchase Intention of Women

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ABSTRACT

Health insurance plays a vital role in safekeeping the individuals and households from the unexpected financial distress of medical expenses. Understanding consumer behavior helps insurers and policymakers improve products, customer experiences, and market segmentation. Positive consumer perceptions influence buying intentions and decisions. This study explores the influence of socio-demographic factors on the health insurance purchase intention of women in Kanjirapally Taluk. As women increasingly contributes to household decision making and financial planning, it is inevitable to understand the determinants influencing their health insurance preferences, which is vital for policymakers and insurance provider in developing marketing strategies. Drawing upon a structured questionnaire served to 100 female respondents selected on the basis of convenience sampling method. The study analyses variables such as Age, Education, Occupation and Income. Along with awareness also studied. One way ANOVA was used to study the relationship between variables. The findings revealed that age and occupation status have a significant effect on intention, while education and income has no effect on it. Implications for targeted marketing strategies and inclusive insurance policy design are discussed, contributing to more equitable health care access for women across socio-demographic segments.

Keywords: Health Insurance, Purchase intention, Socio- demography, Age, Education, Occupation and Income.

Introduction

The Indian health system is distinguished by a massive unused public health infrastructure and a largely uncontrolled private market that responds to a higher need for curative care. High out-of-pocket (OOP) health costs are a barrier to health care access. The disastrous consequence of OOP health care cost pushes over 25% of individuals hospitalized below the poverty level. Furthermore, health care expenses are rising as a result of epidemiological, demographic, and socioeconomic changes. As a result, risk sharing is essential (Shankar prinja et al). The consumer's choice to acquire a product is determined by whether the thing purchased has a value based on the price or sacrifice made by the customer Andaleeb & Conway, 2006; Dipin& Ashish, 2014 ;Nursiana et al., 2021). The consumer will acquire an insurance company product that is high in value and low in risk; in other words, insurance product purchases are tied to product quality and risk (Nursiana et al., 2021). Theoretically, the purchase of health insurance is determined by many factors. The purchasing decisions for health insurance are affected by their purchasing intention and purchasing

ability(Sun et al., 2023). Thus a thorough inquiry on penetration of health insurance among people to be made and also to identify factors influencing purchase intention which in turn influences consumer behaviour in availing health insurance services.

Research Objectives

The objective of the study is to identify whether socio- demographic variables contributes towards influencing the health insurance purchase intention of women in Kanjirapally Taluk. Also to identify factors influencing purchase intention.

Scope

The main aim of this research is to study whether socio- demographic factors influence the health insurance purchase intention of women. Socio- demographic variables are considered to check if the purchase intention vary according to these variables. The population under this study is the potential women in kanjirapally Taluk.

Research Methodology

For the purpose of the study a sample of 100 women were selected. The samples were collected from Kanjirapally Taluk in kottayam District. Convenience sampling method was used for sample selection. The study is descriptive in nature. The current study analyses the influence of socio-demographic variables on purchase intention. A questionnaire was developed to collect data from the sample unit. The questionnaire includes items based on 5 point Likert scale to test the hypothesis. Data was collected in the natural settings of the respondents through a questionnaire adapted from earlier studies. The sampling criteria was female potential customers. SPSS version 29 was used to analyze the data. To evaluate and interpret the data, inferential and descriptive statistics were utilized.

In order to study the effect of Socio- demographic variables (Age, Education, Income, and occupation) on Health insurance purchase intention, it is considered appropriate to run one- way ANOVA, as there were more than two groups for each independent variable.

Research Problem

Earlier, the importance of health insurance premiums was driven by 'group policies' or MNC's and other major organizations in order to cover their employees. In the post pandemic period, a noticeable increase in, individuals buying insurance policies occur, where the premium paid on individual policies increased by 34% in the second and third quarter of 2020 (Kamat A. et al, 2021). Since, the increasing trends of health care expenditure will simultaneously increase the out of pocket expenditure which is considered as least efficient and inequitable in managing financial health care. If medical costs rise to the point that receiving care becomes expensive, the problem will get worse. Patients are more prone to transfer the risk to the insurance company in order to protect themselves from having to pay out of pocket. For their financial security, many will therefore prefer to get health insurance (Aliza N. 2010). Consumer behaviour need to be analysed to predict health insurance demand. Consumer behaviour are influenced by various factors, which are carefully identified and analysed to create demand for health insurance as well. To understand the market better and penetrate the health insurance market, insurance providers need to consider the demographic variables while designing a health insurance product. It is found that both psychographic and demographic factors were related to the purchase of health insurance (Li et al. (2007);Wilfred .V, 2020). The various demographic variables considered generally for segmentation in the modern services industry include gender, age, profession/occupation, income, education, geographical region, social class, religion, and so on. This is due to customer needs, wants, preferences, and usage rates of products and services are typically associated with demographic variables. Demographic variables have the potential to help insurers identify unique segments. (Farooq et al.) From the review of existing literature studies were conducted to identify the influence of other economic and behavioural factors on purchase intention. Socio- Demographic factors need to be identified and studied to while developing insurance products (Farooq et.al).

Literature Review

The marketing mix of product, price, place, and promotion influences consumer attitude and, as a result, customer purchase intention. As a result, insurance companies must carefully craft their marketing mix in order to enhance sales (Lim P G et.al 2020). Through the development of consumer profiles socio- demographic and psychographic components Khan & Zahid re-examined the determinants of Consumer Behavior. The study also looked at the factors that influence

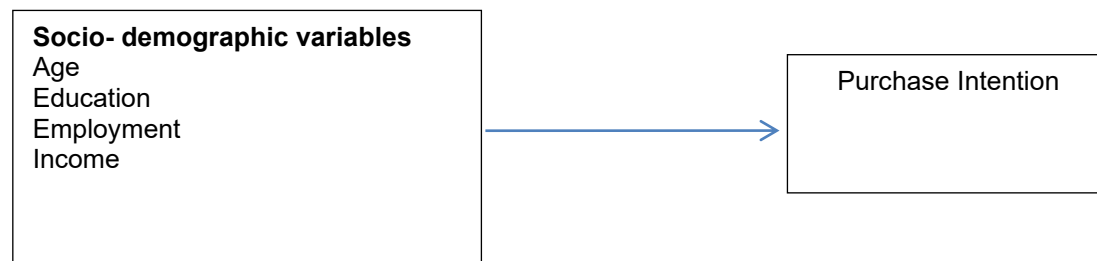
effective purchasing behaviour through Purchase Intention from prior studies. Researchers performed an online survey for this purpose and determined that psychographic characteristics are more essential in describing Consumer Behaviour than demographic data.

Sun et al., 2023 investigated and revealed that brand equity has a large beneficial impact on the Purchase intention of health takaful customers in the UAE. The findings indicate that education moderates the relation between Brand equity and Purchase intention, although age, income, and religion do not. The non significant moderating influence of religion was shown to be a novel discovery in this study. Education is a key demographic variable which can influence the behaviour of a subject. Omar et al. (2016) studied how demographic factors affect purchase intention of organic products in Malaysia. Education level showed a positive correlation with intention, thus concluded educated consumers more likely to be informed about the benefits of organic products and thus develop a positive intention. Wang et.al (2020) analysed the effect of age on green behavioural intention and found a significant negative correlation with intention, interpreted that young consumers being more proactive in sustainable choices as compared to older one. Darwin et. al (2024) evaluated the effect of demographics and other factors influencing health insurance purchase intention and concluded that demographics have a significant and positive influence on Generation Z's attitude and intention.

Conceptual Framework

Variables Considered under Study

- **Independent Variables**
 - Socio- demographic variables
- **Dependent Variables**
 - Purchase Intention



Data Analysis and Findings

Profile of the Respondents

Descriptive Statistics							
	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Age of respondents	100	1.1396	.19063	.792	.241	1.095	.478
Income of respondents	100	1.1396	.19063	.792	.241	1.095	.478
Education of respondents	100	1.4598	.15816	1.900	.241	3.326	.478
Occupation of respondents	100	1.1435	.18244	.741	.241	.850	.478
Awareness of respondents	100	1.0181	.07185	3.762	.241	12.401	.478
Purchase intention	100	1.2077	.13993	.834	.241	1.331	.478

Source: Primary Data.

It has been concluded that the majority of the current study's respondents, i.e., 61 percent, are under the age of 25. It has been determined that 56% of respondents are graduates, and are aware of health insurance, and 54% of respondents are employed. It has been shown that 31% of respondents in the research area are private sector employees, and 35% of respondents earn between Rs. 10,000 and 25,000 per year. Majority of the respondents are intended to buy health insurance.

Purpose for Buying Health Insurance

Sl. No.	Reasons	No.of Respondents	Percentage (%)
1	To protect from unexpected hike in health care cost	27	27%
2	Expecting health problems in near future.	16	16%
3	Tax benefits for premium paid.	6	6%
4	Ensure Better health care for family	17	17%
5	Attractive schemes are available	3	3%
6	Coverage for medical and related expenses	31	31%
	Total	100	100

Source: Primary Data.

Referring to the above table, 48% of the 100 respondents inquired are aware of the coverage for substantial medical costs by health insurance plans, which is indicated as the key factor which drove them to own a health insurance policy.

Hypothesis Testing

Analysis of Variances (ANOVA) was used to test hypothesis.

- **Hypothesis 1:** Socio- Demographic variables (Age, Education, Occupation and Income) positively affect health insurance purchase intention.

One-Way ANOVA

One-way ANOVA has been performed for the demographic variables such as Age, Education, Occupation and Income. On analysing the age of respondents with intention to purchase health insurance, it is found that for between groups, $F(3,96) = 3.422$, $P(p \text{ value}) < 0.05$. As the p value 0.02 is less than 0.05 it means that age has a significant influence on purchase intention. While analysing the Education Level of respondents and health insurance Purchase Intention, it is found that for between groups, $F(4,95) = 1.620$, $P(p \text{ value}) > 0.05$. As the p value 0.02 is greater than 0.05, which shows that there is no statistically significant difference in Purchase Intention among different educational qualification of respondents. That is the education level of respondents does not have any significant influence on purchase intention. One-way ANOVA was performed between Occupation and health insurance purchase intention, found to be between groups, $F(4,95) = 3.507$, $P(p \text{ value}) < 0.05$, which is significant. That means there is statistically significant difference in purchase intention among respondents with various employment status. That is the occupation level of respondents has significant influence on purchase intention. Analysis was performed for testing the relation Income and purchase intention, found that for between groups $F(2,97) = 2.792$, $P(p \text{ value}) > 0.05$ which is not significant. It implies that Income of respondent has no influence on developing purchase intention.

ANOVA showing effect of Age, Education, Occupation and Income on health insurance Purchase intention.

ANOVA						
Variables	Source	Sum of Squares	DF	Mean Square	F	SIG.
Age	Between Groups	1.298	3	.433	3.422	.020
	Within Groups	12.142	96	.126		
	Total	13.440	99			
Education	Between Groups	.858	4	.215	1.620	.176
	Within Groups	12.582	95	.132		
	Total	13.440	99			
Occupation	Between Groups	1.729	4	.432	3.507	.010
	Within Groups	11.711	95	.123		
	Total	13.440	99			
Income	Between Groups	.732	2	.366	2.792	.066
	Within Groups	12.708	97	.131		
	Total	13.440	99			

Hence, it is concluded from the above analysis that socio- demographic variables such as age and occupation contribute towards purchase intention of women in Kanjirapally Taluk.

Findings

According to the findings of this study, socio- demographic characteristics such as Education and income of respondents do not have a significant relationship with health insurance purchase intention while Age and Occupation level influence the health insurance purchase intention of women. This is in agreement with the findings of an earlier research study in which concluded that brand equity has direct impact on purchase intention but the socio- demographic variables except education, does not make any contribution to the brand equity and purchase intention (Rizwan et al., 2021). Another study in confirmation with same findings mentioned that age and employment has no influence on the perception of customers towards personal well being, which in turn influences health insurance purchase decision (Khan & Zahid,). From the analysis it is quite understandable that Age forms a major factor in creating intention to purchase health insurance. Respondents in the age group of 31- 40 years are found to have more intention, which shows middle aged women exhibits a positive attitude in having health insurance to meet high unexpected out of pocket expenses and intended to purchase it. While young women are yet to think about having health insurance and shows a moderate intention towards it. In addition to this, private employees are likely to have stronger purchase intention, which shows their concern about financial burden due to high medical expenses in future, if they are deprived of their regular income.

Conclusion

According to the study, not all Socio- demographic factors are shown to be significantly associated with health insurance purchasing intentions. Age and occupation of women were discovered to be significant, prompting insurers to consider why older age group and those employed in other than private sector, on average, do not develop an intention to purchase health insurance. In the geographical space under study, it is clear that income has no significant effect on creating intention to purchase health insurance among women. This is possible since the premium amount charged by insurance providers could exceed their expectations and budget. This was in accordance with the previous study (Paul.S & Sarkar.S., 2023). Furthermore, insurers should construct health insurance policies differently for the people, taking into account many other factors, rather than merely concentrating socio-demographic factors.

Health insurance is emerging as a key instrument for funding health care expenditures, and to capitalize on the industry's potential, insurers, health care providers, regulators (IRDAI), and the government must devise methods to provide coverage to the nation's uninsured middle-income population. In terms of coverage, India's health insurance penetration percentage is less than 1% of the country's GDP. The proportion of the population that spends more than 10% of household consumption or income on health care. O-O-P (Out of pocket) health care spending in India was 17.331 percent (as per the 2011 census), and O-O-P health care expenditure drove 4.14 percent of India's population below the poverty line. In these circumstances, the study is relevant since it highlighted the association of socio- demographic and purchase intention of respondents, which policymakers and practitioners must carefully address in order to enhance the prevalence of health insurance among Kerala middle-income group.

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