

A Study On Factors Influencing The Selection Of Insurance Policy For Two Wheeler

Dr. T. Thirupathi¹ C. Balamurugan²

¹Head and Associate Professor, PG & Research Department of Commerce, Govt. Arts College Autonomous, Salem, Tamil Nadu, India.

²Research Scholar, PG & Research Department of Commerce, Govt. Arts College Autonomous, Salem, Tamil Nadu, India.

How to cite this paper as: Dr. T. Thirupathi C. Balamurugan, (2024) A Study On Factors Influencing The Selection Of Insurance Policy For Two Wheeler. *Library Progress International*, 583-590

ABSTRACT

Two wheeler automobile market of India is one of the most competitive markets in the world. The feeling of freedom and being one with the nature comes only through riding a two wheeler. People in Indian prefer the two wheelers because of their small manageable size, low maintenance, pricing, and easy loan repayment. Motorized two wheelers are seen as a symbol of status by the populace. The study aims to identify the factors which influencing the selection of insurance policy for two wheeler. The study has been done based on convenient sampling techniques using interview schedule with a sample of 415 respondents. The statistical tools used in the study are percentage analysis, factor analysis, friedman rank test and independent sample t-test. The present study is proposed to analyze the factors influencing the selection of insurance policy for two-wheelers.

KEYWORDS

Factor Influencing, Two Wheeler, Insurance Policy

1. INTRODUCTION

India automobile industry, especially the two wheeler segment has undergone tremendous changes from the earlier times i.e. two wheelers were more or less about the scooters and bikes were the odd one out. Over the years, consumer behaviour has changed drastically and it has become more dynamic and changing on a regular basis. These changes exhort the organizations to understand the impact of consumer behaviour on marketing plans and strategies. If the same is left out, then it can lead to a dangerous situation. With this, the automobile industry is moving at a rapid pace whereby increasing the number of vehicles on roads which includes all the four wheelers, three wheelers and two wheelers. India is a global major in the two wheeler industry producing motor cycles, scooters and mopeds principally of engine capacities below 200cc. The two wheeler industry in India has grown at a compounded annual growth rate of more than 15% during the last five years and the Indian two wheelers comply with some of the most stringent emission and fuel efficiency standards maintained worldwide. Motorcycle is basically a two-wheeler mechanism with an engine used basically for the purpose of conveyance. It is not only the consumer itself, but there is also a lot of internal and external stimuli, including demographic factors, economic factors, and sociological factors and psychological factors etc. which resemble the complete picture of consumer behaviour. The feeling of freedom and being one with the nature comes only for riding a two wheeler. Indians prefer the two wheelers because of their small manageable size, low maintenance, and pricing and easy loan repayment. Motorized two wheelers are seen as a symbol of status by the populace. The marketing concept is consumer oriented and it emphasizes more on the consumer rather than on the product. The essence of modern marketing lies in building of profit along with creating meaningful value satisfaction for the costumers, whose needs and desires have to be coordinated with the set of products and production programmes. Therefore, the success of marketing of an enterprise depends

upon its ability to create a community of satisfied consumers. All the business activities should be carried out in ways which are directed towards the satisfaction of the consumer needs³.

¹ Head & Assistant Professor, PG & Research Department of Commerce, Government Arts College (Autonomous), Salem -7.

² Ph.D (Full Time) Research Scholar, PG & Research Department of Commerce, Government Arts College (Autonomous), Salem -7.

³ **Balakrishna Swarna et.al., (2018)** "A Study on Factors Influencing on Consumers Buying Behaviour towards Two-Wheelers in Prakasam District, Andhra Pradesh", *International Journal of Latest Engineering and Management Research*
Library Progress International | Vol.44 No.6 | Jul-Dec 2024

2. Research Gap

There are plethora of studies has been conducted in the area of general insurance industry such as the factors which influence the decisional pattern of the policy. But, no study has identified about the factors which influencing the selection of insurance policy for two wheeler in Salem division. Hence, a modesty attempt has been made with a sample 415 respondents in the present study.

3. Need for the Study

A Large number of new players have entered the market and are trying to expand market share in this swiftly improving marketplace. The current Insurance Industry in India has seen a remarkable expansion by leveraging LPG (Liberalization, privatization, Globalization) initiative. It has endured a major face-lift and surfaces with conspicuous developments. At this juncture, this study aims to identify the factors influencing the two wheeler insurance policy selection. Even today, many people are considering two wheeler insurance as an investment option,

4. Objectives of the Study

1. To study the factors influencing two wheeler insurance policy selection.

5. Hypothesis

1. There is no significant difference between gender, age group, educational qualification, place of residence and occupation of the respondents and the factors influencing two wheeler insurance policy selection

6. Methodology

The Research design adopted by the researcher is descriptive in nature. A survey was conducted on various factors which influencing the two wheeler insurance policy selection in Salem division. Primary data has been collected by framing interview questionnaire. 415 respondents have been taken by considering non-probability convenience sampling method. This research use both primary and secondary data. To analyses the data, different statistical tools like Percentage analysis, Factor analysis, Friedman Rank Test and independent sample t-test analyze have been used.

7. Literature Review

Ms. Babita Yadav et.al., (2012) “A Study on Factors Affecting Customers Investment towards Life Insurance Polices”, These studies found that there are many factors which affect customer’s investment decision in life insurance and from the study it has been concluded that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies.

Dr. Dipin Mathur et.al. (2014) “Factors Influencing Customer’s Choice For Insurance Companies- A Study Of Ajmer City”, This study analysis the factor analysis applied on the 29 factors summarizes them into 9 key factors that are proximity, company services and infrastructure, convenience security/privacy, technology, responsiveness, reputation, image, ownership. The values of variances have been derived which entails that the first factor is more important than second, factor 2 is more important than the third and so on. Thus, the company should focus more on factors like location, branch network which the customers perceive as most important factors.

Dr. D. Baskar et.al., (2015) “A Perception Analysis on the Determinant Factors for the Selection of an Insurance Company”, The study brings to the fore that the top factors in choosing the insurance company is Safety, Product, Service and Price. The promotional factor and accessibility factor occupies the mid phase ranking. As for the infrastructure, service or brand loyalty factors, it occupies the low ranking signifying less importance by the respondents. Hence, the management and policy makers of an insurance company can concentrate and formulate appropriate policies by giving more weight age to these main factors to conquer the prospective market.

Ajay Suneja et.al., (2015), “Factors Influencing Choice of A Life Insurance Company”, These studies find that factors are-promotional activities, image of company, customer convenience, financial and non-financial facilities, and premium and procedural formalities.

Dr. Mehul P. Desai & Ms. Nikita M. Kahar (2016) “Factors Affecting Customer Satisfaction in General Insurance With Respect To Vehicle Insurance: A Study of Surat City”, This stud find that the factor analysis shows that six factors namely ‘attention to customer’s need’, ‘administrative service’, ‘employee service’, ‘convenient service’, ‘physical features’ and ‘facilities’ have lead to customer satisfaction in general insurance companies in Surat city. It can be concluded that policy holders of general insurance companies are satisfied with services of companies.

Dhiraj Jain, et.al., (2018), “A Study of Factors Influencing Consumer Choice of Life Insurance Products”, The study aims at the awareness level as well as the current scenario of Life Insurance in the state of Rajasthan & also to evaluate the consumer choice of Life Insurance Products offered by different players. The arrival of private players in the market has given a explosive growth to the Insurance Industry & the need of tailor made policy was felt.

8. Data Analysis

Demographic profile of Respondents towards selection of insurance policy for two wheelers in Salem division

Factors	Variables	Respondents	Percent	Total Respondents
Gender	Male	314	75.7	415
	Female	101	24.3	
Age group	Young Age	119	28.7	415
	Middle Age	174	41.9	
	Senior Citizen	122	29.4	
Educational /Qualification	Illiterate	21	5.1	415
	Below SSLC	22	5.3	
	SSLC	55	13.3	
	HSC	48	11.6	
	Under Graduate	127	30.6	
	Post Graduate	80	19.3	
	Any others	62	14.9	
Place of Residence	Rural	277	66.7	415
	Urban	138	33.3	
Occupation	Self Employee	54	13.0	415
	Govt. Employee	152	36.6	
	Private Employee	124	29.9	
	Businessman	17	4.1	
	Professional	11	2.7	
	Agriculture	25	6.0	
	Others	32	7.7	

The above tables explain that majority of the respondents 75.7% of male, 41.9% of respondents are belonging to age group of middle age, 30.6% of respondents were belonging to under graduate, 66.7% of respondents were belonging to rural residence and 36.6% of respondents were belonged to the occupation of government employee towards selection of insurance policy for their two wheeler. The implication is that the majority of two wheeler insurance policy selection customers are in the middle age group followed by senior citizen age group. Further, the rural respondents are more than the urban respondents and the government employee are higher than that of any other occupational level of the respondents in selecting the insurance policy for their two wheelers.

9. Factor analysis

The present researcher selected the following state the 15 variables based on the review of literature. This 15 variable grouped into 4 factors based on the following table.

Factors analysis of the study variables

Factors	Variables	KMO Measure of Sampling Adequacy	Initial Eigen values	Rotation Sums of Squared Loadings	Factors Loading
Dealers Influence	Referred by colleagues	0.862	32.979	17.807	0.810
	More advertisement				0.802
	Introducing innovative schemes				0.557
	Influence of the sales people				0.523
Minimum Expenses	Premium Amount		9.448	16.206	0.793
	Promote Service of the company				0.724
	To replace vehicles				0.578
	Company Name				0.534
	Min Processing Cost				0.509
Government Norms	Regulation of the government		8.134	12.202	0.772
	Reference by Family/Friends				0.548
	Legal situations				0.517

Brand Trust	Reliability		7.119	11.466	0.768
	Company Reputation				0.658
	Highly satisfied service				0.535

Inference

The result shows that KMO (Kaiser-Mayer-Olkin) Measure of Sampling Adequacy value is 0.862 which indicates that data were adequate for factor analysis. Four factors have been extracted. On the basis of Cattell (1996) and Hair et.al. (1998) criterion, factor with eigen values greater than 1.0 and factor loadings that are equal to or greater than 0.50 were retained. Result of the factor analysis indicated the existence of four significant factors with eigen values greater than one. According to factors loading all the variables fit well in factor solution as all factors have value more than 0.50. The result of factor analysis exhibits that the instrument used is appropriate for measuring the variables of factors influencing two wheeler policy selection and allows to proceed for data collection.

10. Friedman Rank Test

Factors Influencing two wheeler insurance policy selection

Factors	No. of Policy's	SD	Mean Rank	Rank
Dealers Influence	415	3.134	2.92	2
Minimum Expenses	415	3.421	3.86	1
Govt. Norms	415	2.357	1.78	3
Brand Trust	415	2.245	1.43	4

Inference

The present table clearly explains that mean rank, minimum expenses is 3.86, the most dominating factors for factors influencing two wheeler policy selection followed by dealers influence with mean rank of three factors.

Gender and Factors Influencing Two Wheeler Insurance Policy Selection

H₀: There is no significant difference between gender of the respondents and their factors influencing the two wheeler insurance policy selection

Factors	Gender	No. of Policy	\bar{x}	SD	Computed T- Value	P- Value	H ₀ Accepted /Rejected
Dealers Influence	Male	314	14.53	3.124	0.444	0.658	Accepted
	Female	101	14.37	3.177			
	Total	415					
Minimum Expenses	Male	314	18.66	3.474	0.503	0.615	Accepted
	Female	101	18.47	3.264			
	Total	415					
Govt. Norms	Male	314	11.25	2.383	0.358	0.720	Accepted
	Female	101	11.15	2.282			
	Total	415					
Brand Trust	Male	314	10.43	2.300	3.466	0.001	Rejected

Inference

This table shows that Dealers Influence, Minimum Expenses and Government Norms of P value is 0.659, 0.615 and 0.720. Since P value is more than 0.05, the null hypothesis is accepted at 5% level of significance. Hence, it is concluded that there is no significant difference between gender of the respondents and their factors influencing the two wheeler insurance policy selection. The Brand Trust of P value is 0.001. Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence, it is concluded that there is significant difference between gender of the respondents and their factors influencing the two wheeler insurance policy selection.

Age group and Factors Influencing Two Wheeler Insurance Policy Selection

H₀: There is no significant difference between age group of the respondents and their factors influencing the two wheeler insurance policy selection

Factors	Age Group	No. of Policy's	\bar{x}	SD	Computed F – Value	P – Value	H ₀ Accepted /Rejected
Dealers Influence	Young Age	119	13.63	3.377	6.745	0.001	Rejected
	Middle Age	174	14.71	3.109			
	Senior Citizen	122	15.01	2.756			
	Total	415					
Minimum Expenses	Young Age	119	17.74	3.683	5.876	0.003	Rejected
	Middle Age	174	19.09	3.165			
	Senior Citizen	122	18.79	3.375			
	Total	415					
Govt. Norms	Young Age	119	10.65	2.615	5.542	0.004	Rejected
	Middle Age	174	11.56	2.264			
	Senior Citizen	122	11.30	2.123			
	Total	415					
Brand Trust	Young Age	119	9.86	2.398	2.200	0.112	Accepted
	Middle Age	174	10.39	2.189			
	Senior Citizen	122	10.34	2.146			
	Total	415					

Inference

This table shows that Dealers Influence, Minimum Expenses and Government Norms of P value is 0.001, 0.003 and 0.004. Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence, it is concluded that there is significant difference between age group of the respondents and their factors influencing the two wheeler insurance policy selection. The Brand Trust of P value is 0.112. Since P value is more than 0.05, the null hypothesis is accepted at 5% level of significance. Hence, it is concluded that there is no significant difference between age group of the respondents and their factors influencing the two wheeler insurance policy selection.

Place of Residence and Factors Influencing Two Wheeler Insurance Policy Selection

H₀: There is no significant difference between place of residence of the respondents and their factors influencing the two wheeler insurance policy selection

Factors	Place of Residence	No. of Policy	\bar{x}	S D	Computed T – Value	P – Value	H ₀ Accepted /Rejected
Dealers Influence	Rural	277	14.46	3.156	0.260	0.795	Accepted
	Urban	138	14.54	3.100			
	Total	415					
Minimum Expenses	Rural	277	18.85	3.205	1.980	0.048	Rejected
	Urban	138	18.14	3.787			
	Total	415					
Govt. Norms	Rural	277	11.23	2.440	0.070	0.944	Accepted
	Urban	138	11.21	2.190			
	Total	415					
Brand Trust	Rural	277	10.36	2.165	1.827	0.068	Accepted
	Urban	138	9.93	2.381			
	Total	415					

Inference

This table shows that Dealers Influence, Government Norms and Brand Trust of P value is 0.795, 0.944 and 0.068. Since P value is more than 0.05, the null hypothesis is accepted at 5% level of significance. Hence, it is concluded that there is no significant difference between place of residence of the respondents and their factors influencing the two wheeler insurance policy selection. The minimum expense of P value is 0.048. Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence, it is concluded that there is significant difference between place of residence of the respondents and their factors influencing the two wheeler insurance policy selection.

Educational Qualification and Factors Influencing Two Wheeler Insurance Policy Selection

H₀: There is no significant difference between educational qualification of the respondents and their factors influencing the two wheeler insurance policy selection

Factors	Educational Qualification	No. of Policy	\bar{x}	SD	Computed F – Value	P – Value	H ₀ Accepted /Rejected
Dealers Influence	Illiterate	21	14.57	2.580	1.033	0.403	Accepted
	Below SSLC	22	15.45	3.334			
	SSLC	55	14.25	3.175			
	HSC	48	14.40	3.469			
	Under Graduate	127	14.68	3.448			
	Post Graduate	80	13.90	2.703			
	Any others	62	14.76	2.726			
	Total	415					
Minimum Expenses	Illiterate	21	18.62	2.459	0.953	0.457	Accepted
	Below SSLC	22	18.73	4.038			
	SSLC	55	18.49	3.220			
	HSC	48	18.67	3.497			
	Under Graduate	127	18.86	3.461			
	Post Graduate	80	17.88	3.207			
	Any others	62	19.10	3.754			
	Total	415					
Govt. Norms	Illiterate	21	10.67	2.153	1.391	0.217	Accepted
	Below SSLC	22	10.77	2.369			
	SSLC	55	10.75	2.196			
	HSC	48	11.29	2.287			
	Under Graduate	127	11.57	2.284			
	Post Graduate	80	11.03	2.261			
	Any others	62	11.48	2.792			
	Total	415					
Brand Trust	Illiterate	21	9.48	1.537	0.578	0.748	Accepted
	Below SSLC	22	10.36	2.647			
	SSLC	55	10.11	2.678			
	HSC	48	10.04	2.396			
	Under Graduate	127	10.37	2.257			
	Post Graduate	80	10.29	2.045			
	Any others	62	10.26	2.008			
	Total	415					

Inference

This table shows that Dealers Influence, Minimum Expenses, Government Norms and Brand Trust of P value is 0.403, 0.0457, 0.217 and 0.748. Since P value is more than 0.05, the null hypothesis is accepted at 5% level of significance. Hence, it is concluded that there is no significant difference between educational qualification of the respondents and their factors influencing the two wheeler insurance policy selection.

Occupation and Factors Influencing Two Wheeler Insurance Policy Selection

H₀: There is no significant difference between occupations of the respondents and their factors influencing the two wheeler insurance policy selection

Factors	Occupation	No. of Policy	\bar{x}	SD	Computed F – Value	P – Value	H ₀ Accepted /Rejected
Dealers Influence	Self Employee	54	12.81	3.326	4.885	0.001	Rejected
	Govt. Employee	152	14.95	2.661			

	Private Employee	124	14.70	3.469			
	Businessman	17	15.24	2.137			
	Professional	11	15.73	3.133			
	Agriculture	25	14.84	2.897			
	Others	32	13.19	3.031			
	Total	415					
Minimum Expenses	Self Employee	54	17.85	3.794	4.146	0.001	Rejected
	Govt. Employee	152	19.07	3.151			
	Private Employee	124	18.63	3.594			
	Businessman	17	20.65	1.272			
	Professional	11	20.18	3.995			
	Agriculture	25	17.48	2.600			
	Others	32	16.97	3.450			
	Total	415					
Govt. Norms	Self Employee	54	10.06	2.831	6.795	0.001	Rejected
	Govt. Employee	152	11.45	2.077			
	Private Employee	124	11.69	2.376			
	Businessman	17	12.29	1.490			
	Professional	11	12.36	1.629			
	Agriculture	25	9.96	2.208			
	Others	32	10.31	2.132			
	Total	415					
Brand Trust	Self Employee	54	10.17	2.739	1.621	0.140	Accepted
	Govt. Employee	152	10.31	2.027			
	Private Employee	124	10.42	2.376			
	Businessman	17	10.59	2.238			
	Professional	11	10.64	2.203			
	Agriculture	25	9.36	1.350			
	Others	32	9.44	2.228			
	Total	415					

Inference

This table shows that Dealers Influence, Minimum Expenses, and Government Norms of P value is 0.001. Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence, it is concluded that there is significant difference between occupation of the respondents and their factors influencing the two wheeler insurance policy selection. The Brand Trust of P value is 0.140. Since P value is more than 0.05, the null hypothesis is accepted at 5% level of significance. Hence, it is concluded that there no is significant difference between occupation of the respondents and their factors influencing the two wheeler insurance policy selection.

11. Limitation

- This study is limited to the selection of insurance policy for two wheelers. Hence, the results cannot be generalized to the other vehicles such as four wheelers and three wheelers.

12. Conclusion

The present research has been conducted to analyze the factors which influencing the selection of insurance policy for two wheeler. It is an attempt to analyses the various factors influencing the two wheeler insurance. Through the Factor analysis, it has been identified that four factors likely 'dealers influence', 'minimum expenses', 'government norms', and 'brand trust'. The general insurance companies should focus to provide prompt services to customers. The companies should try to keep promise to do the work accurately and timely, should solve customer's problem sincerely, should provide different kinds of service to satisfy the customer fully.

13. Scope for Future Research

Future research can be carried out by comparing public and private general insurance companies in India with regards to factors such as gross premium, claims, insurance policy, and financial statement of them.

14. REFERENCES

- [1] **Balakrishna Swarna et.al., (2018)** "A Study on Factors Influencing on Consumers Buying Behaviour

towards Two-Wheelers in Prakasam District, Andhra Pradesh”, International Journal of Latest Engineering and Management Research (IJLEMR)ISSN: 2455-4847www.ijlemr.com || Volume 03 -Issue 02 || February 2018 || PP. 25-36.

- [2] **Ms. Babita Yadav et.al., (2012)** “A Study on Factors Affecting Customers Investment towards Life Insurance Policies”, International Journal of Marketing, Financial Services & Management Research Vol.1 Issue 7, July 2012, ISSN 2277 3622.
- [3] **Dr. Dipin Mathur et.al. (2014)** “Factors Influencing Customer’s Choice For Insurance Companies- A Study Of Ajmer City”, IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 16, Issue 2. (Feb. 2014), PP35-43.
- [4] **Dr. D. Baskar et.al., (2015)** “A Perception Analysis on the Determinant Factors for the Selection of an Insurance Company”, IJEMR – September 2015 - Vol 5 Issue 9 - Online – ISSN 2249–2585 Print - ISSN 2249-8672.
- [5] **Ajay Suneja et.al., (2015)**, “Factors Influencing Choice of A Life Insurance Company”,https://www.researchgate.net/profile/Kirti_Sharma15/publication/265351618_Factors_Influencing_Choice_of_A_Life_Insurance_Company/links/551263170cf270fd7e329bf8/Factors-influencing-Choice-of-A-Life-Insurance-Company.pdf
- [6] **R. A. S. Weerasiri and A. S. M. G. Mendis (2015)** “Factors Affecting Purchase Decision for Indian Two Wheelers in Sri Lankan Market”,
- [7] **Dr. Mehul P. Desai & Ms. Nikita M. Kahar (2016)** “Factors Affecting Customer Satisfaction in General Insurance With Respect To Vehicle Insurance: A Study of Surat City”, Indian Journal of Applied Research, Volume : 6 | Issue : 4 | April 2016 | ISSN - 2249-555X | IF : 3.919 | IC Value : 74.50.
- [8] **Dr. Krishna Banana & Balakrishna Swarna (2018)** “A Study on Factors Influencing on Consumers Buying Behaviour towards Two-Wheelers in Prakasam District, Andhra Pradesh”,
- [9] **Dhiraj Jain, et.al., (2018)**, “A Study of Factors Influencing Consumer Choice of Life Insurance Products”, IJMRS’s International Journal of Management Sciences, Vol. 01, Issue 02, June 2012, ISSN: 2277-968X.