

A CHALLENGE TO REACH THE UNREACHED: PERCEPTIONAL VALUE OF CONSUMER ON LIFE ASSURANCE PRODUCTS

K.A.Y.S.Gunathilake¹ and D.A.M. Perera²

¹LIC Insurance (Lanka) Corporation, Vavuniya Branch; ²Department of Accountancy, Faculty of Business Studies and Finance, Wayamba University of Sri Lanka, Kuliyapitiya, Sri Lanka

Corresponding author: methsila240@yahoo.com

A successful marketer successfully identifies the consumers' expectations from products and services and concludes this by providing great level of satisfaction. This would require them to understand and gauge the behaviour of consumers by identifying the changes in consumer's attitude, perception, and interpretation of their understanding about products and services in the market. This would enable them to respond positively to these changes in a more effective manner. The present paper is an attempt to study the consumer awareness and perceptual value on life assurance products in Vavuniya district. The results of the study are based on a field survey of 121 respondents selected from Vavuniya district by using the purposive sampling technique. The results showed that the decision on the choice of insurance coverage is related to respondents' civil status ($r = .308$, $p < .001$), average income ($r = .283$, $p < .005$), age ($r = .265$, $p < .005$) and level of education ($r = .261$, $p < .005$). Most of the consumers have understood the need of life assurance when they face any kind of financial difficulties (26%). This is followed by the case of death of relatives (22%) and entering into marriage life (18%). Further, it is revealed that an irrational consumer choice exists; only 30% of the total has purchased a life assurance cover to minimize their risk of life. Surprisingly 46% of them considered life assurance cover as a saving tool, while the remaining 24% stated that they have purchased a life assurance policy as an alternative investment. The outcome of this study confirms that most of the life assurance policyholders' perceptual values are under the influence of certain irrational factors such as ambiguous promotions strategies used by the insurance companies and offers in extension-insurance coverage.

Keywords: Consumer behaviour, Life assurance, Perceptual value, Vavuniya district