

Investigation and Research on the Decision-Making Factors of People in Providing Family or Life Insurance

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Abstract

One of the major developments of the economic structure of developed countries, by development in globalization its scope extends to non-industrialized countries, is the increasing role of services in GDP. Growth in the service sector in the global economy will continue as a process, so that now over a quarter of the international exchange is related to this sector and increasing the share of services in GDP is an indicator of development. On the other hand, there is a relationship between development and demand for insurance. A study among 32 countries on GDP relationship with insurance demand shows that Swiss people with the highest levels of GDP per capita, have the highest costs associated with purchasing insurance, while in developing countries such as Morocco, Indonesia and Thailand less expenses are associated with the purchase of insurance. Since humans are faced to various problems and exposed to several dangers every day and actually are facing an uncertain future, being covered by insurance policies that made them immune and remove their concerns in order to provide financial resources in the future may seem necessary. Life insurance supports insured, in order to keep the whole family and people who are dependent on their financial issues. Even if people do not have any financial dependent, some types of insurance will be helpful to them. In this study, the purchase of life and savings insurances in Mashhad has been studied. 100 questionnaires were distributed after the final approval in Mashhad. After reviewing the data, all hypotheses were accepted and the most influential factor on the purchase of life and savings insurances, were determined as the existence of social classes and religious beliefs. After interpreting the results of data analysis, practical suggestions are provided for agencies and advertisers.

Keywords: Life insurance, consumer behavior, buyer

1. Introduction

One of the major developments of the economic structure of developed countries, by development in globalization its scope extends to non-industrialized countries, is the increasing role of services in GDP. Growth in the service sector in the global economy will continue as a process, so that now over a quarter of the international exchange is related to this sector and increasing the share of services in GDP is an indicator of development. On the other hand, there is a relationship between development

and demand for insurance. A study among 32 countries on GDP relationship with insurance demand shows that Swiss people with the highest levels of GDP per capita, have the highest costs associated with purchasing insurance, while in developing countries such as Morocco, Indonesia and Thailand less expenses are associated with the purchase of insurance. (Ahmadi, M. , 2001)

Insurance companies, through the "manage the signs and symptoms" which has an organized and detailed approach in providing real symptoms consistent and honest about their capabilities to customers, can become their customers good loyal customers, can take advantage of them as very powerful for their services . (Karimi, A. , 2007)

2. Recognizing the Insurance Industry

The insurance is so-called industry. The industry term meaning the use of raw materials and convert them into other objects to make a fortune and income. According to the above definition, it can be inferred that consolidated assets and property insurance to replace items that are subject to damage or loss is essential .(Bazangany, A. , 2004)

Investment institutions and individuals, maintain Institutions that are working in the industry and production, and prevent interruption of production. We know that a delay in a production unit affects the activity of many other institutions, and this, in market supply and demand affect the prices of manufactured goods. So insurance is an instrument at the service of industry and economy .(Rezayian, A. , Rezazadeh, H. , 2008)

That is why Insurance is one of the factors of production, and its name is referred to as an industry. In the explanation of the insurance can be stated that Insurance is a risk transfer mechanism through which the risks and potential economic losses resulting from the occurrence of damage, from a person or business that has been exposed to such a risk, is transferred to another person who is willing to take risks and bear the potential losses. The cost of risk transfer, is a premium that is transferred to the acceptor. So insurance as a means to transfer risk, is not only cheap, but also cost-intensive. (Kordi, M. , 1996)

3. Life and Savings Insurance

The insurance policies have redemption value. It also can be insured for at least two years after the start of the insurance policy to get a loan from your savings and benefits of participation in profits, a 75 percent interest in the company. Also, all of the insurance premium can be paid as a. In this case, the lump sum premium compared to total annual premiums will be very low. Part of the insurance policies can be concluded in group.

Insurance purposes

Major Payments paid from life insurance contracts and individual savings payment are as follows:

- 1) Capital redemption
- 2) the loan payment from the insurance store
- 3) Capital paid in case of death of the insured
- 4) restitution of funds provided life . (Karimi, A. , 2007)

4. Types of Life and Savings Insurance

4.1 Mixed Savings Life Insurance

In this type of insurance, if the insured dies during the term insurance, insurance Plus embodied in capital investment to date is provided in the interests of the company, will be paid to beneficiary. And if insurance policy continue to the end of term, Capital embodied in policy in addition to capital contributions plus interest, provided that the location will be paid to the beneficiary.

4-2 mixed life insurance with doubles investment in the term (if the insured is alive)

In this type of insurance, if the insured dies during the term insurance, insurance Plus embodied in capital investment to date is provided in the interests of the company, will be paid to beneficiary. And if insurance policy continue to the end of term, Capital embodied in policy in addition to capital contributions plus interest, provided that the location will be paid to the beneficiary.

4.3 mixed life insurance with double investment in death

In this type of insurance, if the insured dies during the term insurance, two times of capital investment plus the capital to date is provided in the interests of the company, will be paid to beneficiary. And if insurance policy continue to the end of term, Capital embodied in policy in addition to capital contributions plus interest, provided that the location will be paid to the beneficiary.

4.4 Twosome Life Insurance (savings)

In this type of insurance, the insurer if the insured is alive, at the end of the term investment stated in the insurance policy is equally paid to the insured or the insured. In case of death of the insured during the term of the contract, other insurance assets will be paid to the other insured. Score this type of insurance, it is a very good couple or two people sharing, because in case of the death of the one of insured parties, other financial assets of life insurance paid will be compensated by the company.

4.5 Life and savings insurance (new plan)

In this type of insurance, if the insured dies during the term insurance, if a premium is paid to the date of death, insurance Plus embodied in capital investment to date is provided in the interests of the company, will be paid to beneficiary. And if insurance policy continue to the end of term, Capital embodied in policy in addition to capital contributions plus interest, provided that the location will be paid to the beneficiary. If you are interested, at the end of insurance term, capital as the subject of insurance can be computed as monthly pension and be paid to the insured.

4.6 Life and savings insurance advantages

Basically, the insurance industry has a direct relationship with a country's development. And life and savings insurance has benefits that if being epidemic, the socio-economic situation of individuals and households and ultimately macroeconomic indicators and will have a positive influence that some of them are mentioned below:

1) to provide retirement pension: The insured through life and savings insurance can have safe and appropriate savings for the aging, retirement or disability or getting it continually as a pension to be more confident about the future in that period of life . (QodratPour, B. , 2004)

2) provide for the risks of death: in the modern civilized world "theory in the world after my death the mirage sea" is totally unacceptable ,and clear thinking and as providence in the course of his life working for the welfare of family members. After the death of his family are concerned (particularly untimely death), life and savings insurance to investment having proper, reduces many of these concerns.

3) In the event that more people have life and savings insurance , inappropriate social norms resulted from poverty of households with no head would be much reduced and the gap would be decreasing.

4) Savings through life insurance can be used for specific purposes in the future, such as scholarships for children, grants, dowry and similar uses. During that period, there is usually a need for families to find the plan .
(Alsan, M. , 2003)

5) the sale of life and savings insurance due to absorbing liquidity, acts as anti-inflationary. Large cash deposits formed from the side with the insurance companies, can be used in the production of capital stock or other ways to contribute to the prosperity of the country . (HassanzadehMoghimi, A. , 2009)

6) Life insurance and other fringe benefits savings associated with such as lending policies during the period of storage, insurance and return capital to redemption prior to maturity of the policy, cover

non-payment of premium in case of disability of the insured, the cost of providing death cover mortgage payments, cover the costs of higher education, using Life Insurance in Business, sponsored by the insured in case of incurable disease, and provide funds for specific purposes (these funds can be used for charity after death such as the establishment of clinics, schools, mosques and arrest the poor to be allocated).

7) Given the positive effects of economic and social life and savings insurance at micro and macro levels of society, tax legislation enacted in 1366, life insurance has certain tax benefits, including:

- Life insurance premium tax credits;
- Exemption from income tax on life insurance investment;
- Not entitled to life insurance inheritance tax on capital.

Above are some of the numerous benefits of life insurance, and show the importance and necessity of expanding the field of insurance in society. (Alsan, M. , 2003)

Changes in the technical aspects of life and savings insurance and loan some notable inclusion The new policy is more attracted to this field. For example, lending life insurance savings after a few years of this facility is to provide a dowry. Initiatives such as that, in order to effectively help promote indigenous cultures and Iran would be grown. Since the use of life and savings insurance services, in our country, especially in the city of Mashhad in Iran is higher than other life insurance policies, people and most people for the benefits and advantages of life and savings insurance are more inclined to purchase life and savings insurance.

Professor Adel Sabzevari, the founder of technical computing of life and savings insurance in the insurance industry in Iran, has written many books about life insurance, and believes that after the Islamic Revolution of Iran, the importance is given to life insurance in two forms; One, the officials recommended the strengthening of life and savings insurance, and another, inviting experts from abroad to introduce the benefits of life and savings insurance. New initiatives are implemented in this regard. For example, in the year 1375 the Iran Insurance Company has done the first plan. Among them, the most important are: Project "life and savings insurance and investment capital to tackle rising depreciation" and project "life and savings insurance against the risk of death". (Hassankhany, Z. , 2009)

5. Research Hypotheses

Hypothesis 1: The sufficient information and social knowledge of people in Mashhad has impacts on use of life and savings insurance.

Hypothesis 2: Public confidence of people in Mashhad to insurance companies has impacts on use of life and savings insurance.

Hypothesis 3: recognition of People in Mashhad from suppliers of life insurance has impacts on use of life and savings insurance.

Hypothesis 4: The amount of premium has impacts on use of life and savings insurance.

Hypothesis 5: Social Class in Mashhad has impacts on use of life and savings insurance.

Hypothesis 6: personal characteristics has impacts on use of life and savings insurance.

Hypothesis 7: Mashhadi's religious beliefs has impacts on use of life and savings insurance.

Hypothesis 8: Family's life cycle has impacts on use of life and savings insurance.

6. Research Methodology

The research in terms of goal is applied and in terms of way of collecting and processing data is a descriptive in category of surveys. It is applied because it is about an issues of organization of life insurance providers and its findings can help managers in Decision-making process of these organizations. This is a descriptive one, since researcher did not interfere with the data values and variables that the and only identifies and studies the situation.

7. Population

In this study population is, "life and savings insurance services to all customers in the city of Mashhad".

8. Sample

In this research, sample is "all available buyers Life and savings insurance services in the city of Mashhad use".

9. Data Analysis Method

9.1 One sample T-test

In one sample T-test assumes that the data are a sample from a population with a specific distribution. This test examines the null hypothesis and determine whether or not specimens with an average population. (Ghiasvand, A. , 2008) We assume that if the mean of characteristics related to each of the seven elements other than price, is higher than 3, it has been operating as an effective factor.

9.2 Wilcoxon test

In this case, the only data that will be used is its Signs and symptoms. It is better to use all the information hidden in the data, it is possible to perform an evaluation. In this case, not only the sign of Zi, but also the absolute value of their rank, is also used. (AqaMohseniFashami, A. , 2009)

9.3 Friedman test

Friedman test is a nonparametric tests, which is equivalent to the parametric variant of the case (repeated measures). The test is used for comparing 3 or more than 3 dependent samples, with the ratings to measure levels. (Ghiasvand, A. , 2008) In this study the rankings of the seven marketing mix Friedman technique is used.

10. The Results of Data Analysis and Research Hypotheses

1) in rating the elements, it was found that elements of social knowledge and information has no impact on the purchase of life and savings insurance, as is expected. This shows that insurance companies should take the necessary measures for promotion and prepare and make public relations with strong buyers to help people understand the need to create the types of insurance services.

2) accounted for by the low level of public trust in insurance companies, and its impact on the purchase of life insurance policies that people like to buy life and savings insurance and in their view, the type of company they are not very different in their decision. Although some governmental insurance companies, including, Iran, Asia, and Danainurance... are more trustable. But surveys show that gathers the sort of company does not matter so much to people.

3) in this study, to test the knowledge of the supplier company life and savings insurance at Mashhad Researcher used three questions and the validity of the title insurance company, the supplier, the supplier company dating Insurance, and state or non-state providers and insurance companies, have been used in the questionnaire. Responders believed that the company provides life and savings insurance services is the most important element.

4) on the amount of premium, in the purchase of life insurance premiums, it must be said that this element was not significant. This suggests that individuals must first find complete information on the feature insurance service and then apply it to the purchase price as well. So until finding enough recognition, the people do not buy.

5) the amount of income, education, occupation, type of housing and residential area are examples of factors that will determine the status of social classes. And we can say that the type of classes, as well as the needs and desires change. How to deal with different classes of important factors that insurance marketers should pay attention to it. Time, place and manner of acquisition of each category may vary in other classes; That's why the decision about the product and its features, conditions and pricing strategies, distribution channels, advertising methods and effective communication with

customers should have paid more attention to uphold the values and beliefs of each class will be attracted to their satisfaction.

6) Since the questionnaires were distributed among the different classes of Mashhad, it was found that employees and self-employed individuals equally had the same position. Employees because of their organizations are covered by life insurance, in terms of comfort and security, their future can be guaranteed. But people who are self-employed, because their jobs are less secure, through the purchase of life insurance policies and savings try to secure their future for their families.

7) Because Mashhad is a holy city of, is considered as the intellectual capital of Iran. Therefore, according to the principles of faith in this city than other cities of the country, people believe that taking recourse to the inmate, has a great influence on their fate. In other words, the purchase of life insurance in people of Mashhad has been a great influence by their religious beliefs.

8) the family life cycle has minimum impact on buying life and savings insurance, because for people of all ages and circumstances the Peace and security is a need to understand and plan for their future. Therefore, to achieve their goals, despite the benefits of investment are at the top of their agendas.

11. Suggestions

1) effective education of marketers and making research groups, as the culture of research and investigation to be institutionalized. Insurers are not familiar with the rules and regulations and this often cause conflicts between insured and insurance policyholders.

2) Life insurance, especially life and savings insurance are Somewhat unknown among individuals, communities and entire countries (citing prior research). Therefore, the importance and necessity of more publicity in this area is felt by insurance companies.

3) Usually, life insurance are designed for a long period, which makes the specific problems for the insured people. When insurance policy is long-term, the forecasts will be logic and economic. It is better to prepare for short-term insurance policies.

4) consent of the insured, as the insurance company's external customers, largely depends on satisfaction of employees as internal customers of insurance companies. Caring to company's marketing needs, especially sales personnel as the front line, improved education and its importance andUltimately leads to increased satisfaction for the insured.

5) low levels of income and economic failure, have mutual effect on the fact that people do not appreciate life insurance. The insurance industry is a parallel component of the industrial economy and life and savings insurance is one of the most important indicators of development.

6) the public, due to the improper introduction life insurance, do not consider this product as their demands, and lack of trust towards such investments will stop buying the product by clients.

7) The customer is always faced with cost-benefit equation. He wants to obtain greater value in return for charges paid for the use of life insurance and savings. A variety of life insurance and savings, and aligning all types of insurance with our traditional culture, utilization rates decline with capital life insurance, increased technical rate in life insurance and freedom of applicants for life insurance policies in terms of insurance duration can be effective in satisfying customers. Inclusion of a series of impressive new facilities such as loans, dowry, etc. will encourage people to buy life insurance and overall lead to coordination of the cultural needs of today's insurance industry can help the role of this industry in the marketing to achieve their goals.

8) Create strategy of making a stable image of the brand's of life insurance, is the first step in penetrating the minds of the audience. This strategy should be implemented with care, patience and in good way. All activities in association of corporate with customers must be performed in such a way that together, appears the right and good image in the customers' mind. It should be remembered that the sustained image of life insurance brand has a very strong relationship with a number of insurance policies sold.

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