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INVESTIGATING THE FACTORS OF CONSUMERS' PURCHASE INTENTION TOWARDS LIFE INSURANCE IN BANGLADESH: AN APPLICATION OF THE THEORY OF REASONED ACTION

Marzia Nomi[1] and Md. Mahiuddin Sabbir[2*]

[1]Department of Economics, Faculty of Social Sciences, University of Barishal, Barishal-8200, Bangladesh
[2]Department of Marketing, Faculty of Business Studies, University of Barishal, Barishal-8200, Bangladesh

[*]Corresponding author: mmsabbir@bu.ac.bd

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ABSTRACT

This study aims to examine the factors that influence consumer purchase intention towards life insurance. The study included religiosity, risk aversion motives, saving motives, and financial literacy with classical Theory of Reasoned Action (TRA), therefore extending the model. A convenience sampling method was employed to collect data from 315 respondents working in different public and private institutions in Bangladesh. Collected data were analysed using the structural equation model (SEM). The results revealed that attitude, subjective norms, risk aversion motives, saving motives, and financial literacy have a significant positive impact on consumer purchase intention towards life insurance. Moreover, religiosity was found to have a negative impact on purchase intention. In addition, saving motives was found as a mediator in the relationship between risk aversion motives and purchase intention, as well as between financial literacy and purchase intention. Since attitude and subjective norms were found to have the most effect on purchase intention, the study implicated that marketers should emphasise company image, reputation, and the credibility of the agents, together with the significant others to whom we often turn

to before making any financial decision. Finally, the study offered directions for further research after divulging several limitations.

Keywords: life insurance, TRA, religiosity, financial literacy, Bangladesh

INTRODUCTION

It is said that the only obvious thing about human life is death. Yet, people make plans for the future, having no idea about how long they are going to live (Yaari, 1965). Besides, people regularly deal with different types of risks, hazards, and uncertainties. In this process, most people try to avoid or take precautions against these uncertainties. Accordingly, protection or precaution against uncertainties is important in life. The term "insurance" means hedging against future uncertainties and ensuring financial security (Omar & Owusu-Frimpong, 2007). Besides, life insurance is the type of insurance that provides monetary security to a person or his/her family if there should be an occurrence of danger, accident, or sudden death of only earning member of a family (Chaudhary, 2016).

The emerging Asia Pacific countries are continually leveraging the benefits of insurance for economic growth and development (Rahman, 2019). Indeed, the aging population, government encouragement of inclusive financial schemes, and increased income are several factors that fuel the rising demand for life insurance in countries of emerging Asia. It is reported that almost 50% of people in Malaysia are under the coverage of life insurance policy, and yet the government is attempting to expand the percentage (Zakaria et al., 2016). On the other hand, Bangladesh has a rising middle class, young entrepreneurs with big dreams and aspirations, and newly established businesses with a more global orientation, indicating a good potential for both the life and non-life insurance business (Rahman, 2019). However, the penetration rate of life insurance in Bangladesh was 0.2% in 2016, which is quite low compared to other Asia Pacific countries. According to World Bank data, merely 4 out of 1,000 individuals have life insurance policies in Bangladesh, which is one of the lowest in the world (Islam, 2019). These data are quite upsetting; however, this signifies a new and bigger opportunity for life insurance marketers to expand their businesses by penetrating currently unexplored market areas. In this context, further extensive research is required to comprehensively comprehend the factors that influence these consumers' purchase intentions toward life insurance.

Moreover, making the insurance business as one of the profitable and viable ones requires extensive market coverage by building mass awareness and creating more demand for insurance among the clients. In order to do this, policy-makers need

a comprehensive market-oriented and customer-specific plan. However, most of the studies conducted in this area overlooked this issue. Yaari (1965) was one of the first authors who conjectured that the demand for life insurance is a function of wealth, expected income over a person's lifetime, interest rates, the cost of life insurance policies, and leaving an inheritance for dependents. Alongside other studies, most repeatedly cited studies by Beck and Webb (2003), Browne and Kim (1993), and Outreville (1996) applied econometric models to explain factors that cause variations in life insurance demand. In the context of Malaysia, past studies identified that financial literacy, saving motives, and religiosity are significant in influencing consumers' intention to purchase "takaful" or life insurance (Zakaria et al., 2016), demographic variables and saving motives are important determinants of life insurance demand (Mahdzan & Victorian, 2013).

Extant findings on consumers' purchase intention towards life insurance cannot be entirely generalised in a country like Bangladesh, as there are several cultural, social, political, and financial differences among countries. However, in the context of Bangladesh, past studies addressed the problems and prospects of the insurance business (e.g., Mamun, 2013; Khan & Uddin, 2013), as well as the ethical standards of the life insurance business (Mamun, 2014). Only a few researchers (e.g., Islam & Mamun, 2017; Islam, 2019) studied the factors influencing consumer purchase behaviour of life insurance. Most of these past studies highlighted the consumers' actual purchase behaviour rather than purchase intention. However, it is also essential to understand an individual's intention, as most human behaviours are determined by intentions (Godin, 1994). Moreover, Islam and Mamun (2017) and Islam (2019) reported that lack of awareness, strong religious belief against life insurance, lack of proper marketing policy, and more focus on "push method" as opposed to "pull method" are major factors that deter people from buying a life insurance policy in Bangladesh. Thus, to address such issues (e.g., individual's religiosity, financial literacy, knowledge), policy-makers need a more consumer-centric approach and proper understanding of drivers that shape consumers' purchase intention toward life insurance. This calls for further empirical study in this area that will make an incremental contribution to existing literature by adding more knowledge with regard to consumer purchase intention.

In addition, extant studies on life insurance seem to have several limitations. Firstly, almost all past studies conducted within or across countries and examined determinants of demand for life insurance at the country level with a combination of several macro-environmental indicators (Souiden & Jabeur, 2015). Secondly, past authors emphasised more on policyholder's rational decisions and primarily assumed that an individual's rationality cause variations in demand for life insurance (Buzatu, 2013; Park & Lemaire, 2012). However, life insurance is

a complex and abstract financial product (Park & Lemaire, 2012), meaning an individual might lack sufficient financial literacy, required time, and effort to make a planned purchase decision in this context (Buzatu, 2013). Thus, at the individual level, purchase intention towards life insurance involves considerations for several psychological (e.g., religiosity) (Dash, 2018) and behavioural (e.g., risk aversion motives, saving motives) factors. These aspects are quite scarce in the existing literature (Buzatu, 2013). Though few recent studies (Jahan & Sabbir, 2018; Mahdzan & Victorian, 2013; Souiden & Jabeur, 2015; Zakaria et al., 2016) have attempted to abridge this gap, yet it requires further specifications. Thirdly, most of the existing studies have been paying attention to cross-country studies or well-established markets (Hwang & Gao, 2003).

This study aims to address the mentioned research gaps, and make at least three contributions to extant life insurance literature. Firstly, this study will examine the factors at the individual level to explain variations in purchase intention towards life insurance. Secondly, from a theoretical perspective, this study will empirically extend and test the Theory of Reasoned Action (TRA) by incorporating religiosity, risk aversion motives, saving motives, and financial literacy as additional factors. To the best of authors' knowledge, no extant study has yet integrated religiosity, risk aversion motives, saving motives, and financial literacy in the TRA to predict purchase intention towards life insurance. Thirdly, as the factors will be examined in the context of Bangladesh, the findings of this study will facilitate in making generalisations about customers from other developing countries.

LITERATURE REVIEW

Consumer Purchase Intention towards Life Insurance

Since 1960, research in investigating demand for life insurance has been gaining attention (Hwang & Gao, 2003). Afterwards, several researchers had studied the determinants of demand for life insurance, including family income (Beck & Webb, 2003; Browne & Kim, 1993), inflation (Beck & Webb, 2003; Outreville, 1996), insurance price (Browne & Kim, 1993; Outreville, 1996), culture (Chui & Kwok, 2008), demographic variables (Mahdzan & Victorian, 2013), and religion (Souiden & Jabeur, 2015).

Addressing the problems and prospects of the insurance business in Bangladesh, past studies pinpointed several problems such as human resource, operational, marketing, and ethical problem (Mamun, 2013), lack of awareness, lack of government supervision, lack of promotional program (Khan & Uddin, 2013),

negative image of life insurance (Nekmahmud et al., 2017), strong religious belief against life insurance, lack of diversified products, unethical practices of insurers, and more focus on "push method" rather than "pull method" (Islam & Mamun, 2017; Islam, 2019). Besides, the prospect areas include economic, operational, new entrants, and industry growth (Mamun, 2013). In line with this, Huda (2018) posited that creative internal marketing practices, consumer-oriented offerings, and digitalisation of the insurance management system are essential for the sustainable life insurance business in Bangladesh. Furthermore, Jahan and Sabbir (2018) concluded that socio-demographic variables, financial literacy, saving motives, and risk aversion motives are significant variables for understanding consumer purchase intention toward life insurance.

Theory of Reasoned Action

TRA (Fishbein & Ajzen, 1975) postulates that intention to adopt a particular behaviour is predicted by an individual's attitude toward executing the given behaviour, and the influence of significant others (e.g., family members, friends, colleagues) upon the performance of the behaviour. TRA has been demonstrated practical in explaining behaviours with regard to financial decision making that involves planned and rational decisions. In this context, past studies exemplified the robustness of attitude and subjective norms, two basic variables of TRA, in explaining an individual's acceptance of Islamic insurance (Amin, 2012; Rahim & Amin, 2011), acceptance of *qarḍḥasan* financing (Amin et al., 2010), intention to donate cash *waqf* (Pitchay et al., 2015), and decision on home financing (Taib et al., 2008). Besides, Omar and Owusu-Frimpong (2007) explicitly validated the TRA model in elucidating Nigerian consumers' purchase intention toward life insurance.

An individual's actual behaviour is significantly determined by intention; thus, the application of TRA in investigating consumers' purchase intention towards life insurance deems reasonable. Chuah et al. (2016) opined that TRA is one of the original theories in behavioural psychology. Moreover, as illustrated, for quite a while, TRA has been pretty robust in explaining consciously intended behaviours, including financial decision making (Ajzen & Fishbein, 1980; Law, 2010; Omar & Owusu-Frimpong, 2007). In this regard, Ajzen (1991) suggested the extension of the TRA model in some particular research areas to strengthen its explanatory ability. Regardless of its universality in explaining behaviours under volitional control, the application of extended TRA is yet to be tested in the context of life insurance. Therefore, drawing on past studies and the aforementioned logic, it is argued to be reasonably appropriate to use an extended TRA model in investigating consumers' purchase intention towards life insurance.

TRA has been criticised for excluding perceived behavioural control that refers to individual beliefs of the ease or difficulty of undertaking a particular behaviour (Ajzen & Madden, 1986). However, past studies reported that perceived behavioural control is not particularly important in predicting intentions to purchase construction insurance (Liu et al., 2018) and life insurance (Giri, 2018). In the context of insurance purchase (e.g., construction, life), it requires the necessary skills to measure risks and choose a suitable policy for which a consumer typically seeks assistance from insurance agents and legal advisors (Beloucif et al., 2004; Sammon, 2002). Thus, in this study, it is assumed that to indicate purchase intention towards life insurance, consumers do not require any purchasing ability except for their attitude towards insurance, required financial capability (i.e., resources), and financial literacy. Besides, it would appear that life insurance policies in Bangladesh are quite affordable for people of different professions, age clusters, and income ranges (Metlife, 2020). For example, in the case of a personal pension scheme, a popular product of Jibon Bima Corporation (a state-owned insurance corporation of Bangladesh), monthly premium ranges from BDT 38.80 to BDT 2047.20 to get a monthly pension of BDT 100 from the age of 55 (JBC, 2020). In addition, the economic growth of this country has empowered general people with increased purchasing ability (Rahman, 2019). It is, therefore, assumed that the respondents of this study would be financially capable of purchasing life insurance if they so intend. Moreover, to investigate whether an individual's financial literacy has an impact on purchase intention, financial literacy was added to the classical TRA model.

Further, to test the significance of particular psychological and behavioural factors in predicting purchase intention towards life insurance alongside attitude and subjective norms, religiosity, risk aversion motives, and saving motives were included in the classical TRA model. Past studies have reported the robustness of religiosity, risk aversion motives, saving motives, and financial literacy as direct antecedents of life insurance demand (Mahdzan & Victorian, 2013), and purchase intention towards life insurance (Buzatu, 2013; Jahan & Sabbir, 2018) and Islamic life insurance (Zakaria et al., 2016). However, the integration of such factors within the classical TRA model is quite unlike in extant literature. In this context, empirical support for an extended TRA model pertaining to purchase intention towards life insurance has important implications for policy-makers. That is, the empirical findings of this study will facilitate the policy-makers to devise promotional programs that appeal to an individual's psychological and behavioural aspects in addition to rational aspects.

Theoretical Background and Hypothesis Development

Attitude (ATT)

TRA (Fishbein & Ajzen, 1975) and Theory of Planned Behavior or TPB (Ajzen, 1991) conceptualised attitude towards a behaviour as a significant predictor of an individual's behavioral intention. An attitude can be defined as an individual's approach to react positively or adversely to an item, person, institution, incident, or any other distinguishable characteristic of human life (Ajzen, 1991).

Attitude has been found influential in predicting individual intention to purchase luxury fashion goods (Salem & Salem, 2018). Accordingly, former studies on financial decisions illustrated attitude as a significant predictor of an individual's intention. For example, attitude is reported as a significant positive determinant of *qarḍḥasan* financing (Amin et al., 2010), Islamic home financing (Alam et al., 2012), withdrawal of deposits from banks (Abduh et al., 2011), and acceptance of Islamic insurance (Amin, 2012; Rahim & Amin, 2011). Therefore, drawing on the fundamental logic of TRA and abovementioned studies, this study hypothesises that:

H_1: Attitude has a significant and positive effect on the intention to purchase life insurance.

Subjective norms (SN)

Subjective norms is defined as an individual's perception of how most people who are important (e.g., relatives, close friends, coworkers) to them think they should or should not undertake a particular behaviour (Fishbein & Ajzen, 1975; Venkatesh & Davis, 2000). The influence of subjective norms on social behaviours becomes higher in workplaces, where people value maintaining their group belongingness and personal relations (Husted & Allen, 2008).

In explaining complex consumer behaviour, a few past studies (e.g., Cheng et al., 2006; Salem & Salem, 2018) have clearly indicated the impact of subjective norms. Such subjective norms have also been identified as a primary influencer on acceptance of *qarḍḥasan* financing (Amin et al., 2010), life insurance purchase in Nigerian context (Omar & Owusu-Frimpong, 2007), and acceptance of Islamic insurance (Amin, 2012; Rahim & Amin, 2011). This has led this study to propose that:

H_2: Subjective norms have a significant and positive effect on the intention to purchase life insurance.

Risk aversion motives (RAM)

Generally, the idea of risk consists of two components: the uncertainty of an outcome and the significance of negative consequences related to the outcome of an action (Rousseau et al., 1998). As their willingness to incur risk varies, different people react differently within the same given risky situation (Outreville, 2014). This predisposition towards risk is regarded as risk aversion that represents an individual's inclination for certain outcomes over a probabilistic one (Qualls & Puto, 1989).

At a macro-economic level, a positive link has been predicted between risk aversion and insurance consumption of a nation (Hofstede, 1995; Schlesinger, 1981; Szpiro, 1986). Further, it is posited that an individual with a risk aversion motive will always prefer less risk (Ofoghi & Farsangi, 2013; Outreville, 1998), indicating an individual's proclivity towards purchasing insurance (Chiappori & Salanié, 2000; Emamgholipour et al., 2017; Jahan & Sabbir, 2018). In line with this, the following hypothesis is put forward in this study:

H_3: Risk aversion motives have a significant and positive effect on the intention to purchase life insurance.

Saving motives (SM)

Related to complex socio-psychological and psychological processes (Furnham & Argyle, 1998), saving refers to the task of putting aside some assets for future expenses (Canova et al., 2005), retirement period (Modigliani, 1986), or as an inheritance for dependents (Friedman, 1957).

Some previous studies identified a few more motives of saving, including saving for emergencies like ill-health or unemployment (Katona, 1975), investing in a house (Harris et al., 2002), or medical care (Webley et al., 2000). It appears that all of these mentioned motives for saving are related to an individual's inclination to averse future risk. However, testing the impact of risk aversion motives on saving motives remains unexplored in the extant literature. Therefore, the following hypothesis is postulated:

H_4: Risk aversion motives have a significant and positive effect on saving motives.

Life insurance facilitates safety and security as well as encourages savings (Chaudhary, 2016) by offering different types of investment-linked policies (Mimović et al., 2017). In this regard, several past studies in the Malaysian context identified saving motives as a significant and positive determinant of demand for life insurance (Mahdzan & Victorian, 2013; Zakaria et al., 2016). In line with this, the following hypothesis is proposed in the current study's context:

H_5: Saving motives have a significant and positive effect on the intention to purchase life insurance.

Financial literacy (FL)

Financial literacy is imperative for sound financial decision making (Lusardi et al., 2010; Ramlee et al., 2019). Theoretically, financial literacy refers to an efficient financial plan that is reflected in an individual's saving, maintenance, and proper distribution of wealth for the later stage of life (Lusardi & Mitchell, 2008 ; Mahdzan & Victorian, 2013).

In the context of this study, past studies have illustrated a significant and positive impact of financial literacy on wealth accumulation (Lusardi & Mitchell, 2008) and individual saving behaviour (Delafrooz & Paim, 2011; Hsu, 2016). Therefore, in this study, it is speculated that:

H_6: Financial literacy has a significant and positive effect on saving motives.

Several former studies have also reported that financial literacy is closely related to an individual's demand for life insurance (Lin et al., 2017; Mahdzan & Victorian, 2013) and purchase intention toward Islamic life insurance (Zakaria et al., 2016). Thus, in this study's context, it is hypothesised that:

H_7: Financial literacy has a significant and positive effect on the intention to purchase life insurance.

Religiosity (RLG)

Religion is an internal belief (Alam et al., 2011) about the existence of God, which is reflected in human character by his/her holiness and religious enthusiasm (Zakaria et al., 2016). Religion is a social teaching institution that offers a set of principles to lead a life, and influences the regular activities of its believers both at the societal and individual levels (Bowen, 1998; Mokhlis, 2009).

Past studies have reported religiosity as a significant determinant of individual buying behaviour (Fam et al., 2004; Kotler & Armstrong, 1999; Shaari & Afirin, 2010; Souiden & Jabeur, 2015), and workplace behaviour (Adnan et al., 2019). Religiosity is also found as a negative influencer of private saving (Goi et al., 2019) and an individual's preferences for risk (Eck & Nizovtsev, 2011). In many Muslim countries, people with strong Islamic religious beliefs or religiosity are less likely to purchase conventional life insurance (i.e., non-Islamic life insurance) (Chui & Kwok, 2008; Souiden & Jabeur, 2015; Zelizer, 1979), holding a belief that purchasing life insurance is disapproving of God's will (Beck & Webb, 2003). Moreover, conventional life insurance is based on interests and assumptions that are strictly precluded in Islamic religious beliefs (Farooq et al., 2010; Karich, 2004). Such predisposition is also ubiquitous in Bangladesh as most people believe that the future is uncertain, and it is at the will of his/her creator (Islam & Mamun, 2017; Islam, 2019). Thus, these people are less likely to insure their life in exchange for money. This discussion has led this study to propose the following hypothesis:

H_8: Religiosity has a significant and negative effect on the intention to purchase life insurance.

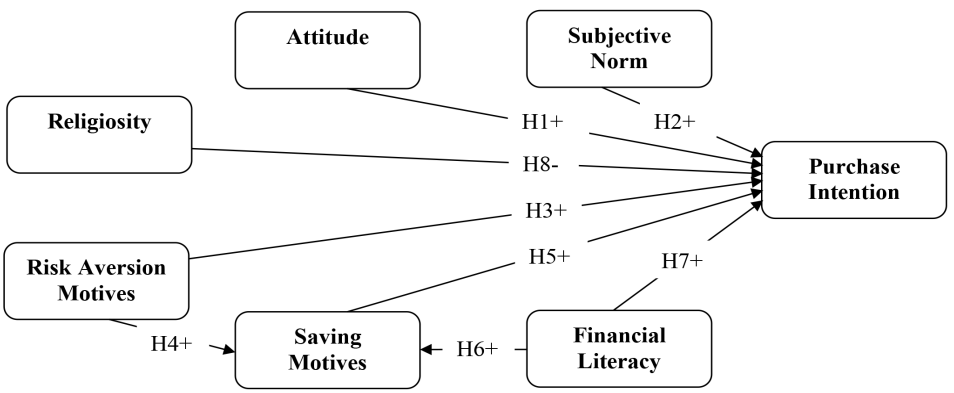

Figure 1. Proposed model of the study

METHODOLOGY

Research Design

This study followed a descriptive research design, and as data has been gathered only once from a group of individuals, so it is a part of single cross-sectional research design.

Data Collection and Analysis

Both the primary and secondary sources of data have been used for the study purpose. Secondary data have been gathered from past journals, published reports, and materials within and across Bangladesh. The survey approach has been followed for collecting primary data (Ranaweera & Neely, 2003). A 5-point Likert type scale (1 = strongly disagree, 2 = disagree, 3 = neither disagree nor agree, 4 = agree, 5 = strongly agree) has been used to measure items of the questionnaire (Jahan & Sabbir, 2018; Mahdzan & Victorian, 2013). Collected data were primarily analysed by descriptive statistics and exploratory factor analysis using SPSS. Later, structural equation modeling (SEM) was carried out using AMOS 23 since SEM can measure the causal relationships between constructs with multiple measurement items (Hair et al., 2009).

Sampling

The target population was all potential buyers of life insurance policy in Bangladesh. Data has been collected from people working in different public and private institutions in Bangladesh. More specifically, employees of three educational institutions, in particular, the University of Dhaka, Jagannath University, and Jahangirnagar University, and five randomly selected private banks located in Dhaka, were used as the sampling frame. The data collection area was Dhaka city, as it is the capital city of Bangladesh and a hub of almost all financial and commercial offices (Mamun, 2013; Khan & Uddin, 2013). A convenience sampling strategy has been adopted as a sampling technique (Souiden & Jabeur, 2015). In the case of same size determination, Israel (1992) recommended several approaches such as using the entire population as a sample, using suggested formulas, or replicating a sample size of similar studies. In this study, among the disbursed 520 questionnaires to the target population, only 315 were usable responses. This sample size is analogous to past studies (Islam & Mamun, 2017; Jahan & Sabbir, 2018; Mahdzan & Victorian, 2013; Mamun, 2013). Moreover, Tabachnick and Fidell (2014) suggested that it is safe to have 300 samples for exploratory factor analysis. Besides, a size of 100 samples is required to perform confirmatory factor analysis (CFA) (MacCallum et al., 1999).

Common Method Bias

Common method bias (CMB) is likely to occur when data for the predictor and criterion variables are gathered from a single source, and the predictor and criterion variables are assessed in a similar context (Podsakoff et al., 2003). Performing Harman's Single Factor, it was confirmed that this study is free from significant

CMB as the estimated single factor accounts for only 37.27% of the variance, which is less than the suggested value of 50% (Podsakoff et al., 2003).

Instrument and Measures

A questionnaire, frequently used type of instrument, was used for data collection (Hair et al., 2000). The questionnaire had two parts. The first part was used to collect basic information regarding respondents' characteristics. The second part included the measurement items of the constructs. The constructs and measurement items alongside references are provided in Appendix.

ANALYSIS AND RESULTS

Descriptive Analysis

Table 1 describes the demographic profile of the respondents.

Table 1
Demographic profile of the respondents

		Frequency	Percentage
Age	Under 35 years old	188	59.7
	35–45	69	21.9
	46–55	35	11.1
	56–65	21	6.7
	Above 65	2	0.6
	Total	315	100.0
Occupation	Job holder (public sector)	223	70.8
	Job holder (private sector)	92	29.2
	Total	315	100.0
Income	< BDT 25,000	39	12.3
	BDT 25,000–49,999	190	60.4
	BDT 50,000–99,999	84	26.7
	> BDT 1,00,000	2	0.6
	Total	315	100.0

(*continued on next page*)

Table 1: (*continued*)

		Frequency	Percentage
Education	Secondary	7	2.2
	Higher secondary	14	4.5
	Graduate	90	28.6
	Postgraduate	196	62.2
	Above postgraduate	8	2.5
	Total	315	100.0
Gender	Female	94	29.8
	Male	221	70.2
	Total	315	100.0
Marital status	Single	101	32.1
	Married	214	67.9
	Total	315	100.0
Number of Dependents	None	111	35.2
	1	33	10.5
	2	77	24.5
	3	94	29.8
	Total	315	100.0

Exploratory Factor Analysis

Before proceeding to the SEM for testing the proposed model and hypotheses, exploratory factor analysis (EFA) was performed to comprehend the underlying relationship of the factors.

Table 2
Kaiser-Meyer-Olkin (KMO) and Bartlett's Test for EFA

KMO measure of sampling adequacy		0.919
Bartlett's Test of Sphericity	Approx. Chi-Square	8281.537
	df	378
	Sig.	0.000

In EFA, KMO and Bartlett's Test of Sphericity were calculated to indicate the acceptance level of sampling adequacy. While the KMO index ranges from 0 to 1, 0.60 is suggested as a minimum for good factor analysis (Tabachnick & Fidell, 2014). This study has a KMO value of 0.919 (see Table 2), which is well above the

suggested value. Besides, Bartlett's Test of Sphericity is significant (0.000 < 0.05) (see Table 2) for the factor analysis to be considered as fitting (Hair et al., 2014).

Table 3
Results of EFA

Construct/indicator	Item	Factor loading	Eigenvalue	Percentage of explained variance	Cronbach's alpha α
Risk aversion motives	RAM1	0.831	10.434	37.265	0.930
	RAM2	0.864			
	RAM3	0.869			
	RAM4	0.848			
	RAM5	0.824			
Religiosity	RLG1	0.892	4.230	15.107	0.941
	RLG2	0.881			
	RLG3	0.908			
	RLG4	0.917			
	RLG5	0.888			
Attitude	ATT1	0.826	2.612	9.330	0.953
	ATT2	0.848			
	ATT3	0.857			
	ATT4	0.835			
Saving motives	SM1	0.850	2.069	7.390	0.884
	SM2	0.744			
	SM3	0.797			
	SM4	0.785			
Purchase intention	PI1	0.723	1.612	5.756	0.959
	PI2	0.776			
	PI3	0.818			
	PI4	0.791			
Financial literacy	FL1	0.900	1.261	4.505	0.903
	FL2	0.898			
	FL3	0.880			
Subjective norms	SN1	0.791	1.067	3.811	0.931
	SN2	0.846			
	SN3	0.825			

Notes: Extraction method = Principal component analysis; Rotation method = Varimax with Kaiser normalisation.

Table 3 represents the results of the EFA containing factors with an eigenvalue greater than 1. As identified by Hair et al. (2014), factor loadings greater than 0.70 are indicative of distinct factor structure; thus, this study used 0.70 as a cutoff value for factor loadings. The analysis extracted seven factors explaining 83.16% of the variance. On the other hand, alpha values are well above the widely accepted rule of thumb of 0.70 (Nunnally, 1978), representing good internal consistency among the items.

Measurement Model

Measurement model assessed construct reliability, convergent validity, and discriminant validity. The analysis measured 28 items of 7 constructs. Though Hair et al. (2014) posited an acceptable threshold for standardised factor loadings is 0.50, however, cutoff criterion of 0.70 was used since a factor loading value of 0.70 or more facilitates achieving convergent validity (Malhotra & Das, 2019).

As of Table 4, all the constructs have composite reliability (CR) and Cronbach's alpha greater than 0.70, satisfying the criteria for constructs' reliability (Straub, 1989). Besides, factor loadings (λ) range from 0.761 to 0.961, composite reliability ranges from 0.886 to 0.959, and average variance extracted (AVE) ranges from 0.661 to 0.855 (Table 4). All of these values are well above the recommended value for meeting the conditions of the convergent validity of measurement scales, as suggested by Fornell and Larcker (1981) and Hair et al. (2014).

Discriminant validity was assessed using Fornell and Larcker (1981) criteria. According to them, the square root of the AVE by constructs should be greater than the correlation coefficients between those constructs for adequate discriminant validity. Table 5 is the correlation matrix of constructs, where non-diagonal elements represent correlation among constructs, and diagonal elements represent the square root of average variance extracted by that construct. As of Table 5, all seven factors are different from each other as well as all diagonal elements exceed inter-construct correlation coefficients fulfilling Fornell and Larcker's (1981) criteria for discriminant validity.

Table 4
Construct reliability and convergent validity

Construct/indicator	Item	Factor loading λ*	CR	AVE	Cronbach's alpha α
Risk aversion motives	RAM1	0.829	0.930	0.728	0.930
	RAM2	0.881			
	RAM3	0.887			
	RAM4	0.844			
	RAM5	0.822			
Religiosity	RLG1	0.874	0.941	0.763	0.941
	RLG2	0.850			
	RLG3	0.879			
	RLG4	0.898			
	RLG5	0.865			
Attitude	ATT1	0.865	0.953	0.834	0.953
	ATT2	0.870			
	ATT3	0.953			
	ATT4	0.961			
Saving motives	SM1	0.856	0.886	0.661	0.884
	SM2	0.761			
	SM3	0.838			
	SM4	0.793			
Purchase intention	PI1	0.891	0.959	0.855	0.959
	PI2	0.933			
	PI3	0.939			
	PI4	0.935			
Financial literacy	FL1	0.898	0.904	0.758	0.903
	FL2	0.867			
	FL3	0.846			
Subjective norms	SN1	0.877	0.932	0.822	0.931
	SN2	0.942			
	SN3	0.899			

Note: *All factor loadings (λ) are significant at $p < 0.001$

Table 5
Square root of AVE (in bold on diagonal) and constructs correlation coefficients

	Mean	SD	Purchase intention	Financial literacy	Saving motives	Subjective norms	Attitude	Risk aversion motives	Religiosity
Purchase intention	3.064	1.021	**0.925**						
Financial literacy	3.256	0.918	0.370	**0.871**					
Saving motives	3.648	0.953	0.565	0.276	**0.813**				
Subjective norms	3.115	0.988	0.644	0.284	0.541	**0.907**			
Attitude	3.348	1.067	0.686	0.294	0.517	0.597	**0.913**		
Risk aversion motives	3.347	0.985	0.514	0.195	0.420	0.414	0.422	**0.853**	
Religiosity	4.046	0.825	–0.094	0.069	0.137	–0.001	–0.059	0.014	**0.873**

Note: SD = Standard deviation

The overall goodness of fit of the measurement model was evaluated through different model fit indices represented in Table 6.

Table 6
Goodness-of-fit indicators in the measurement model

Measure	Estimate	Recommended value	Interpretation
χ^2/df	1.330 (χ^2 = 437.4, df = 329)	Between 1 and 3 (Hu & Bentler, 1999)	Excellent fit
GFI	0.912	> 0.80 (Doll et al., 1994)	Acceptable fit
AGFI	0.892	> 0.80 (MacCallum & Hong, 1997)	Acceptable fit
CFI	0.987	> 0.95 (Hu & Bentler, 1999)	Excellent fit
TLI	0.985	> 0.95 (Hu & Bentler, 1999)	Excellent fit
IFI	0.987	> 0.95 (Hu & Bentler, 1999)	Excellent fit
RMSEA	0.032	< 0.06 (Hu & Bentler, 1999)	Excellent fit
SRMR	0.031	< 0.08 (Hu & Bentler, 1999)	Excellent fit

Notes: GFI = goodness of fit; AGFI = adjusted goodness-of-fit index; CFI = comparative fit index; TLI = Tucker-Lewis index; IFI = incremental fit index; RMSEA = root mean square error of approximation; SRMR = standardised root mean residual.

All the model fit indices are within the recommended range suggesting a satisfactory model fit of the measurement model.

Structural Model

Upon establishing a satisfactory measurement model, the study further analysed the structural model as part of the confirmatory factor analysis (CFA). As of goodness of fit indices presented in Table 7, the proposed model was found to fit the data.

Table 7
Goodness-of-fit indicators in the structural model

Measure	Estimate	Recommended value	Interpretation
$\varkappa^2$/df	1.521 ($\varkappa^2$ = 505.1, df=332)	Between 1 and 3 (Hu & Bentler, 1999)	Excellent fit
GFI	0.900	> 0.80 (Doll et al., 1994)	Acceptable fit
AGFI	0.878	> 0.80 (MacCallum & Hong, 1997)	Acceptable fit
CFI	0.979	> 0.95 (Hu & Bentler, 1999)	Excellent fit
TLI	0.976	> 0.95 (Hu & Bentler, 1999)	Excellent fit
IFI	0.979	> 0.95 (Hu & Bentler, 1999)	Excellent fit
RMSEA	0.041	< 0.06 (Hu & Bentler, 1999)	Excellent fit
SRMR	0.074	< 0.08 (Hu & Bentler, 1999)	Excellent fit

Notes: GFI = goodness of fit index; AGFI = adjusted goodness-of-fit index; CFI = comparative fit index; TLI = Tucker-Lewis index; IFI = incremental fit index; RMSEA = root mean square error of approximation; SRMR = standardised root mean residual.

The findings of the structural model with path coefficients are presented in Figure 2, illustrating all the hypotheses as significant.

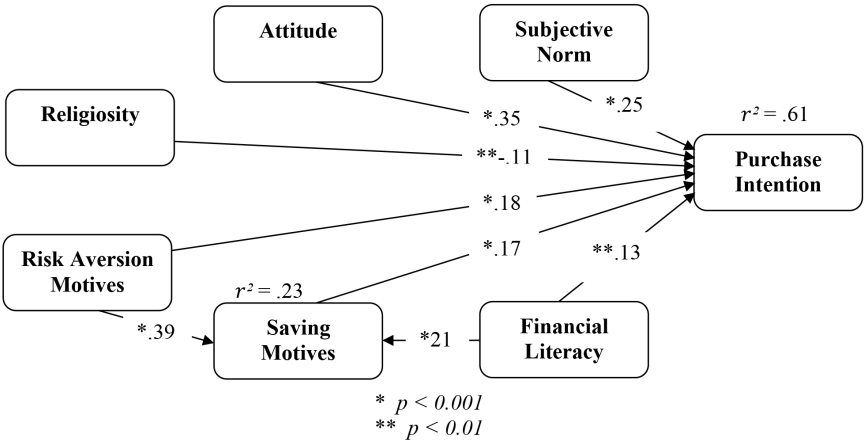

Figure 2. Results of structural modeling analysis

Figure 2 shows that the predictors in the model explain 61% ($r^2 = 0.61$) variations in purchase intention, and risk aversion motives and financial literacy explain 23% ($r^2 = 0.23$) variations in saving motives. The attitude is found to have a significant and positive influence on purchase intention toward life insurance with the highest coefficient ($\beta = 0.35$, $p < 0.001$) that is subsequently followed by subjective norms ($\beta = 0.25$, $p < 0.001$), risk aversion motives ($\beta = 0.18$, $p < 0.001$), saving motives ($\beta = 0.17$, $p < 0.001$), and financial literacy ($\beta = 0.13$, $p < 0.01$). Besides, as hypothesised, religiosity is found to have a significant and negative impact ($\beta = -0.11$, $p < 0.01$) on purchase intention.

Moreover, risk aversion motives ($\beta = 0.39$, $p < 0.001$) has a higher impact on saving motives than financial literacy ($\beta = 0.21$, $p < 0.001$). Furthermore, risk aversion motives ($\beta = 0.065$, $p < 0.01$; 95% CI, [0.031, 0.115]) and financial literacy ($\beta = 0.035$, $p < 0.01$; 95% CI, [0.012, 0.076]) are found to have indirect effects on consumer purchase intention toward life insurance. As the 95% confidence intervals of risk aversion motives and financial literacy did not include zero, thus it can be surmised that these constructs have significant indirect effects on consumer purchase intention through saving motives.

DISCUSSION

The results posit that cumulatively all the predictors significantly explain 61% variation of the dependent variable. Among the predictors, the attitude is found as a significant positive predictor with the highest coefficient ($\beta = 0.35$, $p < 0.001$). This confirms the previous findings (Amin et al., 2010; Omar & Owusu-Frimpong,

2007). It implies that people with a positive attitude toward insurance, perceive life insurance as useful, beneficial, and advantageous, which consequently results in buying more life insurance policy and vice versa. Secondly, as hypothesised, subjective norms has been found as a significant positive predictor of purchase intention. This is also in line with previous findings (Abduh et al., 2011; Omar & Owusu-Frimpong, 2007). This implicates that similar to other financial behaviour, life insurance purchase behaviour can significantly be influenced by colleagues or someone influential whom a person holds dear. Moreover, one of the prime motivations of life insurance purchase is ensuring the safety of family members. Hence, these influential and significant other groups should be considered carefully by insurance marketers.

Thirdly, risk aversion motives influence consumers' purchase intention towards life insurance that confirms the predictions by Schlesinger (1981) and Szpiro (1986). A similar finding is also revealed by Jahan and Sabbir (2018). Thus, people who usually seek to avoid taking chances, uncertain situations, and outcomes, and prefer situations that have foreseeable outcomes are more likely to end up purchasing life insurance. Fourthly, saving motives is found as a significant positive predictor of purchase intention, which corresponds to previous findings (Jahan & Sabbir, 2018; Zakaria et al., 2016). Thus, now it is possible to assume that people with saving motives for securing their retirement period, for emergency purposes, and for ensuring continuity of income upon his/her death, prefer to have a life insurance policy as a package that offers such benefits.

Fifthly, results reveal that financial literacy has a positive impact on consumers' purchase intention towards life insurance. Previously, several authors (Jahan & Sabbir, 2018; Mahdzan & Victorian, 2013; Zakaria et al., 2016) have divulged a similar finding. Therefore, if marketers make terms and conditions regarding life insurance policy more simple and easy to understand, then it would create more interest among the general people in purchasing it. Finally, as hypothesised, religiosity is found as a negative predictor of purchase intention. That is, people with more religious orientation are less interested in purchasing a life insurance policy. In addition, since risk aversion motives has more effect on saving motives than financial literacy, policy-makers should appeal to people with high-risk aversion motive to encourage more savings even if they have low financial literacy. Furthermore, risk aversion motives and financial literacy have indirect effects on purchase intention toward life insurance. Thus, an important finding of this study is that saving motives is playing a mediating role in the relationship between risk aversion motives and purchase intention, as well as between financial literacy and purchase intention. Moreover, the means of risk aversion motives (M = 3.347, SD = 0.985), financial literacy (M = 3.256, SD = 0.918), and purchase

intention (M = 3.064, SD = 1.021) were greater than 3, indicating that individual with risk aversion motive and financial literacy has a high degree of purchase intention toward life insurance. So, insurance marketer can direct their promotional campaigns to people with financial literacy by entailing life insurance as savings against future uncertainty.

THEORETICAL CONTRIBUTIONS

TRA is a validated theory in investigating consumers' purchase intention towards financial products or services. In line with this, this study employed the classical TRA model and extended it by incorporating an individual's religiosity, risk aversion motives, saving motives, and financial literacy within the model. To the best of authors' knowledge, this is one of the first studies that empirically tested the extension of the TRA in analysing consumers' purchase intention towards life insurance in Bangladesh. Moreover, in investigating factors of consumers' purchase intention towards life insurance, this study has gone beyond an individual's rational factors by incorporating and analysing several psychological and behavioural factors at an individual level. In this process, this study presents a general understanding of consumers of developing countries since the study tested the model in the context of Bangladesh. In doing so, it extends the findings of Omar and Owusu-Frimpong (2007), who tested the TRA model in the context of Nigeria.

Furthermore, this study complements and extends the findings of Souiden and Jabeur (2015) and Mokhlis (2006) as it showed that religiosity has a significant impact on purchase intention toward life insurance. Finally, the study presents saving motives as a mediator in the association between risk aversion motives and purchase intention, and between financial literacy and purchase intention.

MANAGERIAL INSIGHTS

The findings of the study have several implications for the life insurance marketer in Bangladesh. For instance, as attitude has a significant impact on purchase intention, marketers should come up with more appealing campaigns that will shape a positive attitude towards life insurance. In this regard, company image, reputation, the credibility of the agents, and money-back guarantee will play a vital role (Athma & Kumar, 2007). Notably, Mamun (2013) posited that people in Bangladesh hold negative perceptions towards insurance companies. However, a

well planned and implemented marketing campaign, some policy reformulations, and a group of skilled employees might flip the coin.

Moreover, people more often turn to their friends, family members, and colleagues in making decisions about purchasing life insurance. Therefore, contacting and encouraging these significant others could be an important starting point for life insurance marketers. Furthermore, people with life insurance can be used as a vital medium or invisible promoter to spread positive talks about life insurance. Consequently, targeting people with life insurance, marketers should persuade them to do accordingly. When devising marketing strategies, marketers should also highlight life insurance as a tool to avoid future uncertainties. Accordingly, people with no retirement benefits or any kind of financial assistance (e.g., pension) from their employer should receive special attention by the insurance marketer as this segment is more prone to financial uncertainties. In addition to that, currently, with some investment-linked type policies, life insurance is not only providing safety and security against uncertainties but also encouraging savings. Bangladeshi insurance marketer should promote such benefits of life insurance. Besides, marketers should explain the short terms, phrases, and symbols specific to life insurance in a more understandable way so that potential customers might find it easy to make decisions on purchasing life insurance. Mass awareness-building programs are also required to reduce ignorance of general people regarding risks of death, illness, or disability.

In a country like Bangladesh, where most people hold Islamic beliefs, it is a typical finding that religiosity negatively influences consumer purchase intention towards life insurance. In this regard, marketers should segment the market and devise marketing strategy specific to people who hold Islamic beliefs and those who hold other than Islamic beliefs. Moreover, people with firm Islamic beliefs and people with low Islamic beliefs could be another base of segmentation for life insurance marketers.

LIMITATIONS AND DIRECTIONS FOR FURTHER RESEARCH

This study is one of the few studies that investigated predictors of purchase intention for life insurance, unlike predictors of life insurance demand. However, as the data were collected from the capital city of Bangladesh using a convenience sampling method, one should be careful about generalising the results to all Bangladeshi people. Besides, current findings could be suffered from the cultural orientation of Bangladeshi people. In this regard, future researchers can incorporate national culture as a moderating variable to the current model. Moreover, the inclusion of the

household's net worth as an additional variable and the respondents' demographics (e.g., age, gender, income) as external variables in the model could increase the model's explanatory power. Thus, such inclusion should be reflected in further studies to examine whether respondents' purchase intentions or actual purchase behavior vary with regard to the household's net worth and their demographics (e.g., age, gender, income). However, this study employed the TRA with some added variables to predict consumers' purchase intention toward life insurance, which can be tested further in other country's context. Behavioural aspects are also related to financial decision making; therefore, aspects like heuristics could be added to the existing model.

CONCLUSION

The sale of a well-developed product or service is mostly dependent on the alluring promotional campaign with proper communication about its value. Realising that, the life insurance marketer should come up with more popular features and promotional campaigns. The insurance sector is one of the promising sectors and a major contributor to national gross domestic product (GDP). Notably, many people have misconceptions and negative perceptions about the life insurance policy in Bangladesh (Mamun, 2013). Overcoming those perceptions is a significant challenge for the current insurance marketer. Authors expect that the findings of this study will be useful at times for facing those challenges.

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APPENDIX

Measurement items

Construct	Item	Wording	Reference
Attitude (ATT)	ATT1	I have a positive opinion about life insurance	Marakarkandy et al. (2017); Alam et al. (2012)
	ATT2	I like the life insurance policy because of the advantages it provides	
	ATT3	I think life insurance is good for me	
	ATT4	I think life insurance is beneficial to me	
Subjective norms (SN)	SN1	Most people who are important to me think I should purchase a life insurance policy	Han et al. (2010)
	SN2	My friends who are important to me would want me to purchase a life insurance policy	
	SN3	My colleagues/peers whose opinions I value would prefer that I purchase a life insurance policy	
Risk aversion motives (RAM)	RAM1	I do not feel comfortable about taking chances	Mandrik and Bao (2005)
	RAM2	I prefer situations that have foreseeable outcomes	
	RAM3	Before I make a decision, I like to be absolutely sure about how things will turn out	
	RAM4	I avoid situations that have uncertain outcomes	
	RAM5	I feel nervous when I have to make decisions in uncertain situations	
Saving motives (SM)	SM1	I save money for securing my retirement period	Mahdzan and Victorian (2013)
	SM2	I save money for emergency purposes	
	SM3	I save money because I want to ensure continuity of income upon my death	
	SM4	I save money because I want to leave it as an inheritance	
Financial literacy (FL)	FL1	I understand the life insurance policy	Mahdzan and Victorian (2013); Hassan (2014)
	FL2	I know about other financial products that might satisfy my financial needs	
	FL3	I understand the financial phrases and symbols of life insurance policy	

Construct	Item	Wording	Reference
Religiosity (RLG)	RLG1	I regularly pray	Kashif et al. (2017)
	RLG2	I have a great sense of God's presence	
	RLG3	It is important for me to spend more time on religious activities	
	RLG4	I live my life according to my religious beliefs	
	RLG5	I follow a religion because it gives me comfort in times of trouble and sorrow	
Purchase intention (PI)	PI1	Purchasing a life insurance policy will provide me future surety which I need most for my inheritance	Jahan & Sabbir (2018); Han et al. (2010)
	PI2	I am willing to purchase a life insurance policy	
	PI3	I plan to purchase a life insurance policy in the future	
	PI4	I will make an effort to purchase a life insurance policy	