

**A STUDY ON THE FACTORS THAT AFFECT THE
EXPECTATION AND BUYING BEHAVIOUR ON PURCHASE OF
MOTOR INSURANCE POLICY IN BATTICALOA DISTRICT.**



VIJAYAKUMAR - NEERAJAN
(Specialization in Marketing Management)



**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

2011

ABSTRACT

In today evolving competitive market place, customer expectation and buying behavior becoming more critical issue for any type of organization. Because customer expectation and buying behavior are shaped rapidly due to the immediate and frequent technology improvement. Customer needs and expectations stimulate to purchase goods and services for meeting their needs with the changing expectation as a result of several market practices.

It is a vary difficult to marketers to satisfied the customer expectation. Because of expectation and buying behavior of person are vary from person to person, from organization to organization and service philosophy to service philosophy. The reason for vary may be from personal though or else. The quality of service offering customer expectation and buying behavior pattern are changing in service sectors. Specifically Motor Insurance sector it is openly seen because introduction and changing the Motor Insurance policy and claim policy and premium which are different from one to another company enormously shape customer's expectation and buying behavior pattern.

In order to elaborate this research, 150 samples are randomly selected from four companies (Ceylinco insurance, Sri Lanka insurance corporation, Janashakthi insurance and Union Assurance)

The four factors (Internal factors, External factors, Situation factors and Firm produced factors) which influence customer expectation and buying behavior on purchase the motor insurance policy were taken for this research among them. Service philosophy of internal factors, Social context of External factors, Customer Mood of Situation factors, Service personal of Firm produced factors mostly influence customer expectation and buying behavior.

CONTENTS

	Page No
Acknowledgement	i
Abstract	ii
Abbreviation	iii
Table of Contents	iv
List of Tables	viii
List of Figures	ix

CHAPTER -1 INTRODUCTION

1.1 Background study	1
1.2 Problem statement	4
1.3 Research Questions	5
1.4 Objective of the study	5
1.5 Significant of study	6
1.6 Scope of the study	6
1.7 Assumption of study	7
1.8 Outline of the Study	7
1.9 Summary	8

CHAPTER -2 LITERATURE REVIEW

2.1 Introduction	9
2.2 Customer Expectations	9
2.3 Buyer behavior for financial service	11
2.4 Antecedents of consumer Expectations	14
2.4.1 Internal Factors	15
2.4.2 External Factors	18
2.4.3 Situation Factors	22
2.4.4 Firm-produced Factors	24
2.5 Definition of Insurance	29
2.6 Insurance industry in Sri Lanka	30
2.7 Insurance company in Sri Lanka	30
2.8 Important of Motor insurance policy	31
2.9 Summary	34

CHAPTER - 3 CONCEPTULIZATION AND OPERATIONALIZATION

3.1 Introduction	35
3.2 Conceptualization	35
3.2.1 Internal factors	36
3.2.1.1 Past Experience	37
3.2.1.2 Service Philosophy	37
3.2.1.3 Individual Needs	38
3.2.2 External Factors	38
3.2.2.1 Competitive Option	38
3.2.2.2 Social Context	39
3.2.2.3 Word of mouth	39
3.2.3 Situation Factors	40
3.2.3.1 Reason for purchase	40
3.2.3.2 Customer Mood	41
3.2.3.3 Time Constraints	41
3.2.4 Firm-produced Factors	42
3.2.4.1 Promotion	42
3.2.4.2 Price	42
3.2.4.3 Distribution	43
3.2.4.4 Service Personal	44
3.2.4.5 Firm Image	44
3.3 Operationalization	45
3.4 Summary	47

CHAPTER - 4 METHODOLOGY

4.1 Introduction	48
4.2 Study Setting & Design	48
4.2.1 Study Setting	48
4.2.2 Study Design	49
4.3 Sample size and Frame work	49
4.3.1 Sampling	49
4.4 Method of Data Collection	50
4.4.2 Primary data	50
4.4.2 Secondary data	50

4.5 Structure of the Questionnaire.....	51
4.6 Data presentation and analyse.....	52
4.6.1 Method of data presentation.....	52
4.7 Method of Data Evaluation.....	53
4.8 Summary.....	54

CHAPTER - 5 DATA PRESENTATION AND ANALYSIS

5.1 Introduction.....	55
5.2 Personal information.....	55
5.2.1 Age.....	55
5.2.2 Gender.....	56
5.2.3 Civil status.....	56
5.2.4 Emplacement.....	57
5.2.5 Type of Policy.....	57
5.2.6 Insurance Companies Name.....	57
5.3 Research information.....	58
5.3.1 Internal Factors.....	58
5.3.1.1 Variable view.....	58
5.3.2 External Factors.....	63
5.3.2.1 Variable view.....	63
5.3.3 Situation Factors.....	67
5.3.3.1 Variable view.....	67
5.3.4 Firm – Produced Factors.....	71
5.3.4.1 Variable view.....	71
5.4 Dimensions view.....	78
5.5 Cross tab Analysis.....	79
5.5.1. Insurance Company * customer Expectation & Buying Behavior Cross tabulation.....	79
5.6 Summary.....	80

CHAPTER - 6 DISCUSSIONS

6.1 Introduction.....	81
6.2 Discussion on Personal information.....	81
6.3 Discussion on Research Information.....	82
6.3.1 Internal Factors.....	82
6.3.1.1 Past Experience.....	82

6.3.1.2 Service Philosophy.....	83
6.3.1.3 Individual need.....	84
6.3.2 External Factors	84
6.3.2.1 Competitive Option.....	84
6.3.2.2 Social Context.....	85
6.3.2.3 Word of Mouth	86
6.3.3 Situation Factors.....	86
6.3.3.1 Reason for purchase.....	86
6.3.3.2 Customer Moods.....	87
6.3.3.3 Time Constraints.....	87
6.3.4 Firm Produced factors.....	88
6.3.4.1 Promotion.....	88
6.3.4.2 Price	89
6.3.4.3 Distributions.....	89
6.3.4.4 Service Personal.....	90
6.3.4.5 Firm Images.....	90
6.3. Holistic view	92
6.4 Summary	92

CHAPTER- 7 CONCLUSIONS AND RECOMMENDATION

7.1 Introduction.....	93
7.2 Conclusion.....	93
7.3 Recommendation.....	94
7.3.1 Internal factors	95
7.3.2 External Factors.....	95
7.3.3 Situation Factors	95
7.3.4 Firm produced Factors.....	96
7.4 Limitations.....	96
7.5 Implications of the Research	97

References

Appendices

Appendix I - Survey Questionnaire