A STUDY ON CONSUMER'S ATTITUDE AND POST PURCHASE BEHAVIOUR WHILE PURCHASING LIFE INSURANCE POLICY IN KATHMANDU VALLEY

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CHAPTER -I

INTRODUCTION

1.1 Background of the Study

Life insurance is the concept of compensation or indemnity for any damage in life or the part of life. Since the real compensation of life is impossible, the most needed thing money is assumed as the most effective source of compensation. Risk is the basis of insurance. Generally, risk has to do with uncertainty of losing, or not gaining something of value. Insurance emphasizes the variable result of financial losses (David, 1983:19).

Insurance may be an economic system for reducing risk through transfer and pooling of losses; a legal method of transferring risk in a contract of indemnity. Life insurance in its simplest form protects against the loss of earning power causal by death of the insured. The permanent loss of current earning capacity amounts to an "economic death". From an economic standpoint, death may be (1) actual, (2) living, or (3) retirement. The first classification represents the so - called casket death. Permanent disability is "living death", while living beyond the period of earning capacity represents "retirement death" (David, 1983:21).

Life insurance comes to existence because of the human need of the economic security and the business need of people for the new way of collection of fund. The businessman takes the fund as the premium from civil in result of taking their risk of economic life. Life insurance is a type of legal contract between the insurer and insured whereby companies offer civil for acceptance in the certain terms and condition, which should be legally verified.

"Life insurance is a contract by which the insurer, will pay for certain sum of money as premium proportioned to the age, health and other circumstances of the person shall die within the period limited in the policy to the person in whose favor such policy is granted"(David, 1983:54).

Life insurance companies make offer generally in written form, with certain terms and conditions, is called policy. Hence Life Insurance Policy (LIP) is the product executed by the insurance companies for the business purpose and that may be the matter of social concern, as they take the premium from individual and group in result of taking risk of their death or handicap. LIP includes both the building up of a fund and a transfer of risk. Life insurance assists in making better society. The contribution of life insurance to the society is prevention of economic want. Because of hazard events individual's current income is socially disturbing. It refers particularly to such disturbances as are brought on by the emergencies of unemployment, old age, disability and death. Life insurance serves in all these crises either by through maturity benefits or cash values. Hence, LIP may be defined as the socially accepted goods, which delivers the economic security to individual in case of risk caused by perils under a mutual agreement certified by law. For insured individual, LIP is simple a device, which makes it possible for him to substitute a small but certain loss (premium) for the large but uncertain loss (amount of insurance) under a mutual agreement. But LIP modifies concept of loss into the building up of fund whereby after the maturity period they are compensated with large amount including bonus.

Life insurance is, in a system approach, collection of small fund by many people to bear possible risk of few people. Joseph B. MacLean stated, "Every plan of insurance is, in its simplest terms, merely a method of spreading over a large number of person a possible loss to serious to be conveniently borne by an individual"(Joseph, 1962:17). Thus life insurance can be successful after only the investment of many people.

Modern age seems more challenging. Risk and opportunities arises in everywhere because of factors like new technology, new need of the people, and new method of doing work, new trend, and new need of society. Rapid globalizations, divergent economic structure, exposure to information and opening up of media, and changing markets (product & service innovation) have greatly modified the

behaviors of consumers of Nepal. Rapid urbanization, growing population of Katmandu, women empowerment (increase in women worker), and gender equality has had a sustained impact on the social and economic structure of people residing here. Life insurance has been existing since 2029 B.S. in Nepal, but in the early period its importance had not speeded at all. From the peoples' movement of 2046 B.S., new type of problem had emerged that how to market life insurance products. The problem is prevailing till now because the marketing trend and consumer behavior in consumption and decision has changed. In the early period sensitive consumer used to purchase the product, which is new and useful. There were not wide varieties of products and different companies to offer the product. For instance, Rastriya Bima Sansthan (RBS) was single company who offer life insurance policy for more than two decades as monopoly. Now there are product varieties and many companies are operated in market to compete. Consumer purchase decision process changed vastly. In high involvement product like life insurance policy, they tend to go through need recognition, information search, evaluation, decision, and post purchase outcomes.

In spit of beautiful concept, there seems to be little concern of life insurance policy (LIP) among general people in Nepal. Five insurance companies, (1) Rastriya Bima Sansthan (RBS), (2) National Life Insurance Company (NLIC), (3) Nepal Life Insurance Company (NLIC), (4) Life Insurance Corporation Nepal (LIC), (5) American Life Insurance Company (ALICO) have proposed life insurance products in Nepal. RBS is pioneer among them, started its business under the government control.

1.2 A Brief Profile of the Life Insurance Company

Rastriya Bima Sansthan (RBS) is a government owned enterprise. It is an exception that it gives continuous profit to government. It is imperative to say that RBS has been successful to win the recognition of believable name in the area of insurance. It was first established in Pouse 1, 2024 B.S. in the form of private

company. Later in Pause 1, 2025 B.S., it was converted as government enterprise according to enterprise act 2025. After a decade of its establishment, it had launched 'life insurance' from Falgun 7, 2029. It has 2,09,305 clients (policy holders) till Aswin 30, 2067 B.S. At current, it has offered five types of life insurance products: (a) Endowment Life Assurance, covering 5% of total clients, (b) Endowment Life Assurance with Double Accidental Benefit, covering 70% of total clients, (c) Money Back Policy, containing 10% of total clients, (d) Children's Education and Marriage Endowment Life Assurance, containing 15% of total clients, and (e) Group Endowment Life Assurance Policy, covering 70 groups at present. The company has now offered 65 per-thousand bonus rates for its policyholders. The first one can be issued by two methods: by involving in profit and do not involving in profit. It has said to be endowment because one should pay the premium for fixed term. After maturation, the insured will get lump sum amount with bonus if the type is profit involvement. But in the case of death of insured person during the period, his wills get the insure amount and bonus till that period. The second one adds one special attribute on endowment policy that is accidental double benefit. In the case of accidental death, one can get extra amount up to 1 lakh depending on the contract. For the third type, one can extract for 15, 20, and 25 years as contract period and gets insure amount For the third type, one can extrac. In the fourth type of policy, the willing child gets insure amount after only death of insured person or maturity period. But s/he is waived for next premiums. The fifth one is for group that any organization can do for its group of employees but it should include more than ten employees (RBS, Brochure).

National Life Insurance Company was first established in 2044 B.S. as public limited integrating life and general both. But in 2062 B.S., the two are separated after new rules formed by Bima Committee. The company has the reinsurance contract to the Alexander Howden Re-insurance Brokers Limited, London. The company has total 70,400 policy holder till Aswin 30, 2067 B.S. the company has offered eight products to its customers: (a) Endowment Life Assurance Policy, (b)

Child's Education & Marriage Endowment Life Assurance Policy, (c) Endowment with Accidental Double Benefit Life Assurance Policy, (d) Anticipated Endowment Life Assurance Policy, (e) Level-Term Life Assurance Policy, (f) Decreasing-Term Life Assurance Policy in which risk of debtor for the debtor's family to pay the debt is considered, (g) Whole Life Assurance Policy, and (h) Child's Luck: Anticipated Life Assurance Policy. The last product has offered to parents to secure ears, 25% after ten years and 50% after maturity. In case of death of parents before the maturity period, the payment of premium is not necessary. The bonus rate for the product is 65 per thousand (NLIC Brochure).

Life Insurance Corporation (Nepal) Ltd, a joint venture of Life Insurance Corporation of India, has been run since 1 September 2001 in Nepal under the company act 2053. The company claims the success in India and striving towards success in Nepal. The company has offered the following products: (a) Endowment Policy, (b) Money Back Policy, (c) Child Love Planning, (d) Ghrihalaxmi, and (e) Jeevan Anand. The features of Ghrihalaxmi are 1) security even in the case of not payment of premium after two years, 2) free accidental benefit and permanent insolvency (physical), 3) 4% of insure amount will be back every year after 3 years of starting and 52% amount with bonus will be returned after maturity. In Jeevan Anand, client will get insure amount and bonus after maturity and lifetime risk cover without premium. So the product is the combination of endowment and lifetime. The company has also offered the term rider facility to its clients. Under this planning, the insured can get extra life insurance facility from the payment of small extra premium. The company has declared bonus rate of 65 per thousand till the date (LIC Brochure).

Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the reinsurance contract with Hanover Reinsurance Company,

Germany. The company has presented the following life insurance planning as its products: (a) Endowment Plan, (b) Anticipated Endowment for term 15 & 20 years, (c) Endowment and Anticipated Endowment with Accidental Double Benefits, (d) Mortgage and redemption plan is specially for debt that insured took for buying home or vehicle or others. If the insured died without completing the installment the company will have taken the liability. The company also has 'salary saving scheme' for employees of any organization in which at least 15 employees must include. The company has claimed that the 'Jivan Laxmi Plan' is triple benefit scheme with bonus. In the case of insured death during the period, the company will pay thrice of insure amount. The insure amount ranges from 50,000 to 1,00,000. The company also provides optional facilities. For the child's endowment premium waived benefit (PWB) and for child's anticipated endowment plan additional risk cover benefit (ARCB) is available (NLIC Brochure).

American Life Insurance Company (ALICO), a member company of American International Group, is another company doing life insurance business in Nepal. The company has almost 1,35,000 policyholders. It has offered three special products to the customers: (a) Three Payment Plan, (b) Education Protection Plan, and (c) Endowments. Three payment plans is like anticipated and accidental double benefit is optional. In the second one, face amount of the policy plus bonuses are paid on survival of child at maturity. In case of parents death all future premiums under the policy will be waived and 1% of the face amount is paid every month to the child till the maturity of the policy. The disability waiver of premium benefit may be attached to any regular life insurance policy or supplementary rider (ALICO Brochure).

Prospective consumers are the qualified people, in its sense, for the life insurance. They can be children, parents, adults etc. with current earning capacity or secured by elders. The product varieties, design, and utility scheme depend on company's policies and product scheme, which need legal permission. Consumers' acceptance of the product generally depends on his awareness, information,

product attribution, intention, and motivation. Most consumers show high involvement to take purchase decision of life insurance policy. And insurance companies make big effort to sell LIP to the individual by powerful marketing tools (they are personnel selling generally). Marketer wants to make consumer to feel problem or necessity of the product (LIP). Agents of the companies activate the need of consumers. They suggest that why the individual needs to solve their planning problem in changing environment. Marketers use advertisement, Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the reinsurance contract with Hanover Reinsurance Company, Germany. The company has presented the following life insurance planning as its products: (a) Endowment Plan, (b) Anticipated Endowment for term 15 & 20 years, (c) Endowment and Anticipated Endowment with Accidental Double Benefits, (d) Mortgage and redemption plan is specially for debt that insured took for buying home or vehicle or others. If the insured died without completing the installment the company will have taken the liability. The company also has 'salary saving scheme' for employees of any organization in which at least 15 employees must include. The company has claimed that the 'Jivan Laxmi Plan' is triple benefit scheme with bonus. In the case of insured death during the period, the company will pay thrice of insure amount. The insure amount ranges from 50,000 to 1,00,000. The company also provides optional facilities. For the child's endowment premium waived benefit (PWB) and for child's anticipated endowment plan additional risk cover benefit (ARCB) is available (NLIC Brochure).

determinant factor for CRM. In context of LIP, CRM approach is probably the best marketing approach. After the purchase of LIP, it is crucial for insurance

companies that how their clients think about the policy (product): either positive or negative, if they want to long-term survival.

1.3 Focus of the Study

No prior research has been done in the field of buyers' decision process of life insurance policy. Concerning about awakening problem of misunderstanding, the relevant concept of research in this field has been emerged. Analysis of present behavior to arrive on relevant conclusion and estimation of future behaviors and their fluctuation with respect to certain marketing input are the basic purpose of the research. The research finds consumers behaviors: factors affecting the behaviors, and different situations like psychological, economical, social, and cultural in the whole decision process as the study area. The insured clients, residing in the Katmandu valley, are the study sources. The study is organized in five chapters: introduction, review of relevant findings/books, research methodology, relevant data presentation and their analysis, and finally summary, conclusion, and recommendation of the research.

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1.4 Statement of the Problem

Marketing complexity has become the adjective of Nepalese life insurance companies. With respect to outer world, here are too low percentages of people, who have the direct involvement in insurance. Although it is good concept for the individual, group or society here seems very less awareness. People, who are insurance clients, are urban and mostly of them are taking policy because of tough motivation and persuasion by agents. Here seems vague relationship between the functions and marketing approach. What do marketers want to communicate? Are consumers really recognizing the companies' intentions? Life insurance companies are producing large number of agents. Definitely it is an effort to make more and more clients. And agents are trying to motivate and even persuade many times by different kind of psychological pressure. It is also definitely an effort to make more and more clients. Are their efforts really enhancing consumer decision? How consumers develop their engagement to the decision process? Many factors are responsible for research. Specially, consumer unwillingness to purchase the product; companies' vague marketing activities; the distance between companies and clients; less frequency of repeat purchase in spit of increase in consumers' income; low sensitivity of LIP among people; and risk management behaviors of Nepalese people have contributed to the research problem.

The following research questions will be analyzed in the study:

a.   How consumers make aware themselves to the product (LIP)?

b.   How and what type of problems are recognized by consumers?

c.   What is the attitude of consumers to the LIP and how much buying intention they have?

d.   What type of information consumers use to search in relation to the product and how extent?

e.   What is the consumers' information source about the product?

f.   How consumers come to choice decision of the product?

g.   What are the post purchase behaviors of consumers in context of LIP?

1.5 Objectives of the Study

The study has a purpose of analyzing the impact of behavior and marketing component from a viewpoint of marketer as well as consumer in a circumstance of purchase decision process of life insurance policy. The study will examine and compare the current marketing strategies to influence the purchase decision process and the real impact on consumers. To explore the major objectives, the study has following specific objectives.

a.   To study and evaluate the problem recognition process of consumers in relation to the product (Life Insurance Policy).

b.   To identify and analyze the information variety and sources of information.

c.   To examine the use of information of the product in order to evaluate the various product and their relative attractiveness by consumers.

d.   To assess the reasons behind the choice decision of particular product

e.   To identify post purchase behaviors of consumers of life insurance policy

1.6 Importance of the Study

The purpose of research is to explore the realities. It seems low readiness to consume the life insurance in Nepal. It is major challenge for the companies. But besides awareness, there are many marketing challenges confronting companies. To change these challenges into opportunities through intensive research is the goal of the study. It helps to solve marketing problem by understanding

consumers' behavior in the purchase decision process. The purpose of study is to make smooth and convenient bridge between the marketer and consumer. The study enhances the Costumer Relationship Marketing (CRM) approach among marketers. It will be guideline for marketer to design their marketing mix and formulate marketing strategy. The study also inspires consumers to understand more about LIP. They find their reaction and recommendation of desired attribute, services and expectation in the study. Thus, the study helps to clarify the misunderstanding and difficulties between clients and the company. Though the study is deep probing into the customers and their reaction to the marketing component, it helps the different group of people, who take stakes in life insurance. The study also generates new knowledge in the field of life insurance.

1.7 Limitations of the Study

Because of the nature and method of study many inherent and misleading error may overcome. The study has the following limitations:

a. The study is concentrated to the consumers of Katmandu valley. It may not consolidate the behavior of consumer outside the valley.
b. The study has the sample size of hundred people, which is small and may not generalize its findings to the whole population.
c. The sampling method is judgmental. The appropriateness of sample is depends on the researcher ability, so sampling error may overcome.
d. A strong initial positive or negative impression of a person tends to influence the ratings on all subsequent observations.
e. Respondent chosen for a research tends to feel and respond differently compared to other individual.
f. Unwillingness and inability of respondents to provide enough information.

1.8 Organization of the Study

The study has been organized into five chapters. The chapter first is the introduction, which includes general information, focus of the study, statement of

the study, objectives of the study, importance of the study and limitation of the study.

The second chapter, review of literature deals with some related matters of the study. This chapter deals about the conceptual review of life insurance policy. It addresses about meaning, definition and need of insurance policy and reviews of some related studies in Nepal.

Third Chapter covers Research methodology employed in the present study. It describes about how the study being designed and prepared, what kind of data are collected, what types of sources are used for the data collection, how these data are processed to fulfill the needs and objectives of the study.

The fourth chapter is presentation and analysis of data. It deals with the issues identified in the introduction. This is the heart of the research study. What has been analyzed, how it has been analyzed and what has been found are the concerns of this chapter. This chapter presents major findings derived from the analysis of data. The fifth or last chapter concerned with summary, conclusions and recommendations. In the summary, present study is discussed briefly. Conclusions of the study are presented here. On the basis of the study suggestions are made in this chapter

CHAPTER -II
REVIEW OF LITERATURE

2.1 Conceptual Review

To deal with the marketing environment and make purchases, consumer engages in decision process. Consumer decision process involves myriad of decision made with respect to product or service, brand, vender, buying quality, timing, and payment method. In general consumer decision process can be viewed as problem solving approach. However the range of problem solving approaches can be placed on a spectrum from routine problem solving, to limited problem solving, to extensive problem solving (Loudon and Bitta, 2003:15).

Marketing scholars have developed a stages model of buying decision process. Francisco Nicosia (1966) has postulated a model, which is viewed as representing a situation where a firm is designing communication to deliver to consumers, and consumers' response will influence subsequent action of the firm. The model contains four major components or fields: (1) the firm's attributes and consumer's psychological attributes, (2) the consumer's research for and evaluation, (3) the consumer's motivated act of purchase, and (4) the consumer's use of the product. John and Sheth (1969) have postulated another normative consumer behavior model, which is popularly called as Howard Seth model, describes the rational brand choice behavior by buyers under the condition of incomplete information and limited abilities. Four major components are involved: (1) input variables as stimuli in the environment; (2) output variables as the behavior shown by consumer like attention, comprehension, attitude, intention, or purchase; (3) hypothetical constructs as perceptual constructs dealing with information Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has

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Engel, Kollat, and Blackwell (1968) have developed a model, which was adjusted with the contribution of Miniard and called Engel-Blackwell-Miniard model. The model depicts the five stages of consumer decision process: (1) motivation and need recognition (2) search for information, (3) alternative evaluation, (4) purchase and (5) outcomes. Two level of involvement of consumers are recognized by authors: extended problem solving behavior (EPS), characterized by high level of involvement; and limited problem solving behavior (LPS), characterized by low level of involvement. The first step in the process involves exposure to marketer dominated or other stimuli that goes through attention, comprehension, acceptance, and retention of stimuli and finally consumer recognizes the need. Then consumers' memory, environmental factors, individual differences influence search process. The alternative evaluation stage involves comparing information about alternative brands that forms beliefs, attitude and intention. Unless situation intervene the process, intention will lead to actual

purchase behavior. Thereafter, two outcomes are possible: satisfaction and dissatisfaction. These results have impact on future search and belief.

Although these five stages models are useful for examining purchase decision, the process is not always as straight forward. The consumer can withdraw any stage prior to actual purchase if the need diminishes or no satisfactory alternatives are available. The stages usually are of different lengths, may overlap, and some may even be skipped. The consumer is often involved in several different buying decisions simultaneously, and the outcome of one affects the others (Etzel, Walker and Stanton, 2001:45).

Kotler (2004), in his book marketing management, states that the five stages process captures the full range of considerations that arises when a consumer faces a highly involving new purchase. The buying process starts when the buyer recognizes the problem or need. The need can be triggered by internal (hunger, thirst, sex rises to threshold level) or external stimuli. An aroused consumer will be inclined to search for information. Consumer information sources fall into four groups: personal sources, commercial sources, public sources, and experiential sources. The relative amount and influence of these information sources vary with product category and the buyers' characteristic. Through gathering information, the consumer learns about competing brands and their features. First the consumer has total set of products, services, or brands, and then he goes through reducing this set to awareness set, consideration set, choice set and finally comes to decision by analyzing the information. In the evaluation stage, the consumer Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the reinsurance contract with Hanover Reinsurance Company, Germany. The company has presented the following life insurance planning as its products: (a) Endowment Plan, (b) Anticipated Endowment for term 15 & 20

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or her experiences as filtered by the effects of selective perception, selective distortion, and selective retention. At the purchase decision stage, the consumer forms an intention to by the most preferred brand. Two factors: attitude of others and situational factors can intervene the purchase. At the post purchase stage, marketer most monitor post purchase satisfaction, post purchase action, and post product use of consumer. The buyer satisfaction is the function of closeness between the buyers' expectation and the product's perceived performance. If performance falls short of expectation, the consumer is disappointed; if it meets expectation, the customer is satisfied; if it exceeds expectation, the costumer is delighted. Satisfaction and dissatisfaction with product/service will influence costumer subsequent behavior. After the use, consumer may store, trade or sell the product.

David, Albert and Betta (2003) also indicate five stages of decisions process. According to them, problem recognition results when the consumer perceives the differences between the actual state (lower level) and desired state (higher level). The process of problem recognition means that the consumer becomes aroused and activated to engage in some purposeful purchase-decision activity. This intention may depend on two factors: the magnitude of discrepancy between the

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desired state and actual state and the importance of the problem. There may be varying types of problem recognition: routine, emergency, planning, and involving. Routine and emergency are needed at present. Planning types are bought in the anticipation of future. And evolving types involves no plan but the situation of diffusion and innovation.

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on purpose of search) and as internal or external (based on its source). If a consumer has recognized a problem, then pre-purchase search would be engage in. but ongoing search characterized as independent of specific needs. Internal search is a mental process of recalling and reviewing information stored in the memory that may relate to the purchase situation. Once recalled, the information

may be used in the evaluation process. External search refers to the process of obtaining information from other sources.

David and others (2003) state that purchase-decision is selecting a course of action based in preceding evaluation process. Purchasing processes involve not only the purchase decision but also activities directly associated with the purchase. At this stage, consumer choice store/company and brand (product or services). Different pattern of purchase behavior like loyalty and impulsive in the process may taken. Situational factors may greatly influence the purchase, which may beyond the knowledge of consumer. Consumer may purchase in home or Internet instead of store or company (for service). Brand loyalty refers to strong inclination of favorable attitudes to the brand that consumer choose in purchase. Impulse buying is the purchase that was not specifically planned.

Mowen (1990), in his book 'consumer behavior', also states five stages of consumer decision-making. He further points out that three perspectives on consumer behavior were developed: the decision-making perspective, the experiential perspective, and the behavior influence perspective. The decision-making perspective justifies that in high-involvement decision that the consumer goes through problem recognition, extensive search, extended alternative evaluation, complex choice and acquisition evaluation. According to experiential perspective, the consumer goes through problem recognition that is affect driven, search for affect-based solution, affect based choice, and acquisition evaluation. The behavioral influence perspective suggests that one should focus on behavior and contingencies of the environment that influence the behavior. Discriminate stimulus influence problem recognition, learned behavior search process, internal Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the reinsurance contract with Hanover Reinsurance Company,

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stimulation can cause the actual state to decrease below the acceptable level. Cultural, subculture, reference groups and lifestyle trends can cause a person to change his/her desired state. Consumers also create new desires because they have a capacity to, think, plan, and dream. The consumer begins a search process to acquire information about products or services that may eliminate the problem. After a problem is recognized consumer will engage in internal search prior to external search. But when the purchase processes is an experiential or behavioral influence purchase, it is likely that little or no internal search occurs. During the alternative evaluation consumer forms beliefs and attitudes regarding the decision alternatives. From a high-involvement decision making perspective, alternative evaluation will follow the standard learning model in which hierarchy of effects flows from belief formation to affect formation to behavioral intentions. From the experiential perspective, the evaluation process is viewed as affect driven. Finally, from the behavioral influence perspective, consumers are conceptualized as never consciously comparing alternatives. A concept "judgmental heuristic", focus in the factors that influence how people make judgments of probabilities (possession

of an attribute) and goodness or badness of an object. Three judgmental heuristic: anchoring and adjustment, availability, and representatives are using to estimate probabilities. First justifies that people frequently make their estimates by starting from initial value and than adjusting upward and downward to obtain final answer. The availability heuristic states that people may assess the probability of an event by ease with which the event can be brought into mind. The representative states that consumer perceives the similarities of brands stereotypically. Prospect theory and framing explain how people evaluate the Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the reinsurance contract with Hanover Reinsurance Company, Germany. The company has presented the following life insurance planning as its products: (a) Endowment Plan, (b) Anticipated Endowment for term 15 & 20 years, (c) Endowment and Anticipated Endowment with Accidental Double Benefits, (d) Mortgage and redemption plan is specially for debt that insured took for buying home or vehicle or others. If the insured died without completing the installment the company will have taken the liability. The company also has 'salary saving scheme' for employees of any organization in which at least 15 employees must include. The company has claimed that the 'Jivan Laxmi Plan' is triple benefit scheme with bonus. In the case of insured death during the period, the company will pay thrice of insure amount. The insure amount ranges from 50,000 to 1,00,000. The company also provides optional facilities. For the child's endowment premium waived benefit (PWB) and for child's anticipated endowment plan additional risk cover benefit (ARCB) is available (NLIC Brochure).

decision-making approach takes a cognitive, information processing approach to choice. From the experiential perspective, however, choice is viewed resulting

from consumers referring to their feelings about alternatives. In some cases consumer elicit from memory the overall recollection of their evaluation of an alternative. Thus rather than examining attributes or beliefs about attribute, a holistic approach is used in which consumer choose the alternative toward which they have most positive feelings. This may result a habitual purchase, brand loyalty, and impulse purchase. During the post acquisition process a consumer may show a certain type of behavior in form of consumption/usage, satisfaction/dissatisfaction, complaint behavior and disposition of product. After consumers obtain and use a product or service they will tend to develop the feelings of satisfaction or dissatisfaction. A number of factors including expectancy disconfirmation, equity attribution, performance evaluation, and affect formation may influence costumer satisfaction/dissatisfaction. Equity theory justifies that people will analyses the exchange between themselves and marketer to determine the extent to which it is equitable and fair. Attribution theory is concerned with how people identify the cause for action. According to experiential perspective, positive and negative affective association with the product/services will influence consumer satisfaction/dissatisfaction.

Antonides, Raaij and Van Horne (2003) in their book "Consumer Behavior: A European Perspective" state that consumer decision process as a cognitive learning that is a conscious mental activity of comparing and trading of factors, which plays a role in information search and the solution of (consumption) problems. They further states that an important aspect of consumer behavior is information search to select the best alternative from a set of options in a product class. First, consumer looks to solve problem internally. Consumers with little memory or experience may use external search. Consumers' search process has three characteristics: sources (where to search), intensity (degree of search) and necessity of search. Consumer forms choice set and finally make choice from their awareness set. But after the information search, the consumer's awareness set tends to increase, so do the consideration and rejection set. Consumers are motivated to search and process the information to make better decision; to reduce

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positive first impression can strongly affect subsequent information processing. This extensive search is especially true for important decision or high-involvement condition. Consumer use decision rules in order to compare alternatives. According to author, decision rules can be used in a descriptive way (how consumer make decision), in a predictive way (likely outcomes of consumer decision), and normative way. Human limitation (motivation and ability) and circumstances (opportunities) affect consumer decision-making and choice. The characteristics of consumer, the set of available and known alternatives, the presentation of information (its structure and format) and the choice situation also influenced the decision process.

Evans and Barry (1990), in their book entitled 'marketing', stated that the consumer decision process is comprised of two parts: the process itself and factors affecting the process. The decision processes consist of six basic stages: stimulus, problem recognition, information search, evaluation of alternatives, purchase and post purchase behavior. Factors affecting the process are logical characteristics. A stimulus is a cue or a drive intended to motivate a consumer. It may be commercial, non-commercial, social or physical. If stimulation occurs, consumer will go to the next step of decision process. If it does not occur, s/he will ignore the cue. Recognition of problem occurs when a consumer becomes aware of good, service, organization, person, place and idea. In many cases, the consumer is aroused by a desire to try something new. In information search consumer tends to engage in listing alternative that will solve the problem at hand and determine the characteristics of each. In evaluation process, there is enough information to select one alternative from the list of choice through the process of determining criteria, ranking their importance, and finally rank the alternatives. In the purchase process, a consumer determines their decision on place of purchase, terms, and availability. Place of purchase indicates store, location, home, work, school etc. purchase terms indicates the price and method of payment. Availability refers to Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the

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2.2 Review of Related Studies

If the satisfaction with actual state decreases, or if the level of desired state increases a problem may be recognized that propels a consumer to action. Wear out product, the product that fails to meet expectation, out of style product, negative stimulation may cause the actual state to decrease below acceptable level. The desired state tends to be influenced by factors that affect the aspiration and circumstances of consumer. Thus such things as culture, subculture, reference groups and lifestyle trends can cause a person to change his/her desired state (Mowen, 1990:28). One of the researches on problem recognition has viewed the process as being a function of the congruity between the positive or negative valance values of some perceptual stimulus and the respective positivism/negativity values for some evoked referent. Another research direction taken has been to view problem recognition longitudinally. Instead of focusing on one instance of problem recognition, the effect of repeated occurrence of similar problem is considered. For some consumers problem recognition is triggered mainly by a change in desired state (DS type). For others, a problem would rarely

be recognized unless their actual state changed (AS type). Problem recognition is more easily triggered for DS type consumers, they have greater interest in the product and enjoy shopping for it, they are easier to reach using conventional communication channels, and they perceive themselves as influential in others' shopping decision.

After problem is recognized, consumer will engage in internal search prior to external search. If the purchase process involves extensive problem solving, the consumer may actively search long-term memory for information on brand alternative (Mowen, 1990:32). Generally speaking, the consumer receives the most information about a product from commercial sources that is marketer-dominated sources. However, the most effective information comes from personal sources. Commercial information normally performs an informing function, and Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the reinsurance contract with Hanover Reinsurance Company, Germany. The company has presented the following life insurance planning as its products: (a) Endowment Plan, (b) Anticipated Endowment for term 15 & 20 years, (c) Endowment and Anticipated Endowment with Accidental Double Benefits, (d) Mortgage and redemption plan is specially for debt that insured took for buying home or vehicle or others. If the insured died without completing the installment the company will have taken the liability. The company also has 'salary saving scheme' for employees of any organization in which at least 15 employees must include. The company has claimed that the 'Jivan Laxmi Plan' is triple benefit scheme with bonus. In the case of insured death during the period, the company will pay thrice of insure amount. The insure amount ranges from 50,000 to 1,00,000. The company also provides optional facilities. For the child's endowment premium waived benefit (PWB) and for child's anticipated

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identified by a higher demographic profile (higher education level, income, occupational standing, and so on). External search is greater when prices are higher, price differences between brands are greater, style and appearance are perceived to be quite important, and it is suspected that substantial differences may exist between product alternatives. Brand loyalties reduce the search activities. When the available information is difficult to process, a consumer tends to adopt simple choice rules and significantly curtail their external search. Greater market experience with a product is associated with a lower degree of external search. Open-mindedness and self-confidence of consumers have found to be positively related to greater search activity. Marketing belief reduces the search activities. Time pressure crowded store condition, and special opportunities also reduce search amount. Consumer wants to reduce the perceived risk by searching for confidence or by making brand belief market belief (Loudon and Bitta, 2003:73).

A study has done on consumers' evaluation for choosing an airline for business and non-business travel. Although departure and arrival times, fares, and past experience are very important for both types of travel, the airline exhibits very little differences on these factors. Consequently these factors are not determinant attribute for passengers. Rather than spending heavily to promote attributes that passengers view as important but similar, airline marketers, instead, might promote a factor such as safety, on which consumers perceive significant differences. The number and type of evaluative criteria may vary by product. Consumers would tend to use more evaluative criteria for high-involvement products than low-involvement one. Evaluative criteria may also change over time. As consumers gain new experiences and information, their evaluative criteria may shift. Consumers process the information by attribute processing in early stages of the decision process, switching to brand processing approach in later stages. A research on decision rules used by consumers indicates that compensatory strategies tend to be utilized under high-involvement and few alternatives (Loudon and Bitta, 2003:74). Husbands and wives must frequently

estimate the preference of their spouse when making purchase. Studies found that anchors caused consumers and managers to bias their estimates of probabilities in the direction of the anchor (Mowen, 1990:41).

Two factors can intervene between the purchase intention and purchase decision. The more intense the other person negativism, and closeness and inclination of consumer to the other person, the more the consumer will adjust his or her purchase intention. The converse is also true. The second factor is the unanticipated situational factors. A consumer decision to modify, postpone, or avoid a purchase decision is also heavily influenced by perceived risk. In executing a problem intention the consumer may make up to five-purchase subdivision: a brand decision; vender decision; quantity decision; timing decision; and payment method decision (Kotler, 2004:46). People did two things when choosing among non-comparable alternatives. First, they tended to focus on using more abstract attributes for their comparison of alternatives. Second they use holistic approach in which overall attributes towards the alternatives were compared (Mowen, 1990:47). For the consumers' purchasing activities both personal and social motives are responsible. A situation has a demonstrable and systematic effect on current behavior, which does not follow from knowledge of personal (intra-individual) and stimulus (choice alternative) attributes. But a Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the reinsurance contract with Hanover Reinsurance Company, Germany. The company has presented the following life insurance planning as its products: (a) Endowment Plan, (b) Anticipated Endowment for term 15 & 20 years, (c) Endowment and Anticipated Endowment with Accidental Double Benefits, (d) Mortgage and redemption plan is specially for debt that insured took for buying home or vehicle or others. If the insured died without completing the installment the company will have taken the liability. The company also has

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Informal group lender and perceived risk takers have positive relationship with brand loyalty. To increase brand loyalty of present customers may necessitate better after sale service, for new customers price discount, for committed customers a catchy advertisement may effective. Impulse buying is another consumer purchasing pattern. It may activate by suggestion, remembrance and intention of purchasing (Loudon and Bitta, 2003:76).

If the consumer is satisfied s/he will exhibit a higher probability of purchasing the product again. One survey showed that 75% or Toyata buyers are highly satisfied and about 75% intended to buy again; 35% of Chevrolt buyers were highly satisfied and 35% intended to buy Chevrolt again. Dissatisfied customer may abandon or return the product (Kotler, 2004). One reason of the satisfaction/dissatisfaction is the amount of discrepancy between actual product performance and expected product/service performance. Factors influencing the formation of expectation are product/service itself, heavy promotion, other products/services and consumer characteristics. Once the consumer perceives that s/he is dissatisfied with the product or service, his complaint behavior may exist. The purpose of complaining is to recover an economic loss or rebuild the person's self-image. Cognitive dissonance occurs when a logical inconsistency exists among cognitive elements (Mowen, 1990:89). Research has uncovered several determinants, which appear to influence satisfaction, including demographic variables, personality variables, and expectations and to be more satisfied. Older consumers tend to have lower expectations and to be more satisfied. Higher

education tends to be associated with lower satisfaction. Men tend to be more satisfied than women. The more confidence one has in purchase decision-making and the more competence in a given product area, the greater one's satisfaction tends to be. There is also greater satisfaction when relevant others are perceived to be more satisfied. Higher levels of product satisfaction is also indicated by persons who are more satisfied with their lives as a whole, and persons with more Nepal Life Insurance Company (NLIC) was established under the company act 2053 and the insurance act 2049 by nit Nepali investment as a public limited company in Baisakh 21, 2058. It is the first Nepali company, who did only life insurance business. It has 93,586 policyholders till Chaitra 30, 2067. The company claims that it has secured and productive investment from the premium received. It has the reinsurance contract with Hanover Reinsurance Company, Germany. The company has presented the following life insurance planning as its products: (a) Endowment Plan, (b) Anticipated Endowment for term 15 & 20 years, (c) Endowment and Anticipated Endowment with Accidental Double Benefits, (d) Mortgage and redemption plan is specially for debt that insured took for buying home or vehicle or others. If the insured died without completing the installment the company will have taken the liability. The company also has 'salary saving scheme' for employees of any organization in which at least 15 employees must include. The company has claimed that the 'Jivan Laxmi Plan' is triple benefit scheme with bonus. In the case of insured death during the period, the company will pay thrice of insure amount. The insure amount ranges from 50,000 to 1,00,000. The company also provides optional facilities. For the child's endowment premium waived benefit (PWB) and for child's anticipated endowment plan additional risk cover benefit (ARCB) is available (NLIC Brochure).

show that consumers tell twice as many people about bad experience as good ones. Complainers tend to be more upscale socioeconomic groups rather than non-complainers. The severity of the disconfirmation or problem is positively related to complaint behavior. Complaining is more positive perception of retailer responsiveness to customer complaints. Consumer dissonance occurs when a

minimum threshold level of dissonance tolerance is passed. And the action is irrevocable. There are several major ways in which consumer strives to reduce dissonance, he may (1) change his evaluation of alternatives, (2) seek new information to support his choice, or (3) change his attitudes. And finally disposal of products often occurs in connection with the changing roles of consumer in consumption. As roles transition occurs, consumer may dispose of their possession in order to facilitate or validate both role and status changes, thus enhancing and solidifying their new self-concepts and social role identities (Loudon and Bitta, 2003:92).

2.3 Review of Thesis

Jagat Timilsina (1999) studied on "A study in buyer's behavior of Indian Gorkhas and local people". The basic objective of this study was to examine brand preferences, purchase frequency, shop awareness and purchase criteria used by Indian Gorkhas and local peoples while purchasing clothing apparels. 170 respondents were taken as sample for the study. The major findings of this study were as follows:

a.   The purchasing trends of foreign brands of clothing apparels of Indian Gorkhas and local people are lower in comparison to the other brands.

b.   The awareness level of Indian Gorkhas regarding to the shop is found to be low where as the local peoples awareness level was high in comparison to the Indian Gorkhas.

c.   The Indian Gorkhas like to purchase the clothing apparels mostly from an integrated shop but the local people prefer to go to the clothing shop.

d.   The price was the major factor of consideration before making any decision by both segments.

Dahal (2004) prepared a dissertation, on the topic "patterns of consumer decision making process while purchasing high involvement goods in Nepal". The main objectives of the study were to examine the pattern of consumer decision-making process for high involvement goods (risky and expensive) in Nepal. Motorcycle

and scooter is chosen as the sample product. Sample size of 300 recent buyer of Katmandu was taken from 3619 populations for the study. The major findings of the study were follows:

a. The Nepalese motorcycle buyers undertake information with greater emphasis upon dealer and interpersonal sources of information.
b. Nepalese motorcycle buyers have rather small-evoked set size for both the makes and models.
c. Nepalese motorcycle buyers used fine types of sources namely browsers, test drives, advertisements, interpersonal sources and dealer visits.
d. Evoked number of makes and models, shopping orientation, education and total time spent on research is negatively related with low search segment. But the factors like time pressure, months of driving experience and prior preference for dealer, manufacture and model relate positively with this segment.
e. Motorcycle buyers of Nepal were classified in two groups. One is an Indian motorcycle buyer and another is Japanese motorcycle buyer.

Palungwa (2006) did a research entitled "A study on personal computers buyer behavior". The basic objective of this study was to examine the personal computer buyer's behavior among the individual, household, corporate house and business organization. 50 units of samples are considered from Katmandu valley for the study. The major findings of the study were follows:

a. Higher the income more the buyers.
b. Educated people are prominent buyers of personal computers.
c. The main purpose of buying computer is for personal or family use.
d. The major factor affecting buying decision is quality.

Khetan (2007) did a research entitled "Motivation behind acquisition of time saving electric appliance in Nepalese household". The main objective of the study is to examine the motives behind the acquisition of electric appliance among the Nepalese households of Katmandu Valley. The major findings of the study were:

a. Most determining motive of acquiring or using appliance is convenience.

b. The interpersonal sources or social network is the most effective media of consumer awareness and probably important for motivation too.

c. Time saving is not the main motive for the acquisition of time saving electrical.

d. The main reasons for not using the appliance are high price, higher operating cost (electrical charge), operating difficulties due to lack of facilities.

Panta (2008) did a research entitled "a study on brand loyalty". The major objective of the study was to examine the brand awareness of the Nepalese consumer and to identify the correlates of brand loyalty especially in low involvement product for this purpose. Hundred respondents were taken as the sample for the study. The major findings of the study were as follows:

a. Most of the Nepalese consumers are brand loyal, however, percent showing entrenched brand loyalty is very low.

b. Brand loyalty is more in the products that are frequently needed than those, which are needed or less frequently used.

c. Brand loyalty is strongly associated with consumers' income and shop loyalty.

d. Brand loyal consumer is less influenced by special deals like free samples; discount coupons, price activities and advertisement.

Panta (2008) entitled "brand loyalty of Nepalese consumer" has the major objective to study whether or not the brand loyalty exists among the Nepalese consumer. The study was conducted among the 160 samples of respondent. The major findings of this study were as follows:

a. Brand awareness of Nepalese consumers is high.

b. Female are found to be more brand loyal than male.

c.   Families with medium size are found to be more brand loyal than large and small size.

d.   It is found that education and brand loyalty has no relation at all.

Mishra (2009) has carried out a research entitled "An examination of the role of purchase pals in consumer buying decision for sarees and suits". The basic objectives of this study were to identify the role of purchase pals in consumer decision making for sarees and suits. He concluded that 83.33% of the buyer use purchasg post purchase dissonance on price. Their role in choice of style and colors is found comparatively less important.

Lamichhane (2009) conducted research entitled "A research on family influence in buyiamics of family influence in making purchase decision in the context of urban areas or Nepal. The main findings of the study were as follows:

a.   Wife is an influential person in initiating the need and in collecting information.

b.   Most of the families have gathered information from family discussion, different dealers and their neighbors.

c.   The joint decision takes place in the evaluation and final decision stage of buying high involvement products.

A dissertation entitled "A study of consumer behavior in computer market" was carriedreference, awareness, and to compare the buying behavior of professional and students. 100 samples are taken from two groups of consumers equally of Siddarthanagar Municipality in Rupendehi. The major findings were follows:

a.   Majority of professionals purchased non-brand computers and the same purchasing tendency was found among the students. The purchasing tendency of branded computers is low in comparison to non-branded computers.

b.   The awareness level of the professionals regarding to the computer shop is higher than the students.

c. Katmandu market is the preferred location to both groups, however, almost 1/3 of both respondents made their purchase decision in local market (Bhairahawa).

d. The professionals preferred large-scale shop whereas students slightly preferred medium scale computer shop.

e. Memory capacity, reparability, size, price, and model factors were The situation of brand loyalty was very poor.

f. The professional preferred the easily assessable shop but the students paid more attention on the price factor.

g. The bargaining attitude of students was higher than professionals.

h. The professional mostly involved themselves in their buying decision where as the students would like to involve their family in their buying decision.

Sitoula (2010) conducted research entitled "Minds of the urban healthcare consumer – an exploration of the healthcare buying decisions of Katmandu residents". The broad objective of this study is to explore the decision making process of the people of Katmandu in relation to the decision-making for purchase of healthcare services and products. A total of 20 service seekers were samand one salesman from the sampled drugstores. And the total sample size was 108. The major findings were as follows:

a. Majority of respondents said that they sought curative and preventive healthcare. Majority; of respondents (58%) sought medical care only when needed. These were significant number of person (24)% who go for annual health check up.

b. Families have a major role to play in deciding to seek healthcare services. Most respondent (78%) said that they were accompanied by someone from their family when visitant the hospital.

c. Regarding the preferred place for receiving medical care, it was found that a large number of the respondents preferred going to the hospital, as evidenced by their response of 49 respondents.

d.   The reasons for choosing a particular health institution over another varied from proximity to affordability. It was found that the health post and private clinics were preferred on the basis of proximity and hospitality while hospitals were chosen because of affordability, size of the institution as well as diversity and the completeness of services they provide. Oting factor for the choice of a particular source of healthcare.

e.   Majority of the respondents said that they generally preferred to be treated by the same doctor.

f.   Most people discussed healthcare seeking issues with others. Most of the respondents sought advice from elders in the family. Their spouse largely influenced healthcare seeking decisions.

g.   Regarding the importance of affordability in seeking medical care, majority of respondents were of the opinion that it was of very high.

h.   Only 19 of the total respondents included in the study said that they had subscribed to a medical insurance policy to meet healthcare case expenses. Out of 19, only 6 respondents had purchases the policy out of their pocket. For the remaining, it was their employer who had paid for the medical insurance.

i.   Almost an equal percentage of respondents were either satisfied or unsatisfied with the services that they were receiving.

Sherpa (2010) submitted a thesis, on the topic "a study on consumer deciigh-involvement goods in Katmandu Valley. T.V. is chosen as the sample product. Sample of 120 recent television buyers of Katmandu Valley was taken for the study. The major findings of the study were follows:

b.   Twelve brands of T.V. are found to have purchased but the large majority of respondents have found to purchase renowned brands of T.V.

c.   Most of the Nepalese T.V. buyers recognize the need for buying T.V. by them.

d.	Among different sources of need recognition, own experience and product importance are those sources through which majority of respondents recognized the T.V. buying need.

e.	Sources of information available to Nepalese television buyer have five dimension namely advertisement, interpersonal sources, dealers' visits, salesperson and checking model and it is found that they give mlese T.V. buyers used advertisement most frequently while purchasing television.

f.	The majority of respondents are found to have taken purchase pals along with them while doing information search and final purchase pals by the Nepalese T.V. buyer.

g.	Among the different type of purchase pals, friends and spouse are most commonly used purchase pals by the Nepalese T.V. buyer.

h.	The Nepalese television buyers have rather small size of evoked set for both the brands and models of T.V.

i.	In the process of evaluation of alternatives, the Nepalese television buyers are found to have considered price as a most important criteria for evaluation of different brands of television. As regard to the choice behavior of the television buyers of Nepal, the majority of respondents made purchase decision by considering warranty or guarantee factors.

Khanal (2010) submitted a dissertation, entitled "consumer decision process under high involvement purchase situation" with the main objective to examine the consumer decision process in case of high involvement goods with especial reference to motorbike as sampling unit. He studied 150 groups of udy were presented below:

a.	The Nepalese motorbike buyers recognize their need of purchasing motorbike by their inner motives and own experience and by themselves.

b.	Among the different sources of need recognition own experience, inner motives and product importance are those sources through which majority of respondents recognize the need of motorbike.

c. The sources of information available to Nepalese motorbike buyer are radio ad, TV ad, visit to the dealer, friend and family member, talking to the salesperson and checking model in the showroom. And among them most of the respondents use friend and family member and visit to the dealer as the important sources of information.

d. Nepalese consumer takes more time on pre-purchase information seeking while buying motorbike.

e. The most of the respondent are found to have taken purchase pals along with them while doing information search.

f. Nepalese motorbike buyers have small size of evoked set.

g. While evaluating different alternative brand of motorbike, the cision on motorbike on the basis of warranty and guarantee factor, after sales services.

2.4 Research Gap

The review of above relevant literature has contributed to enhance the fundamental understanding and knowledge, which is required to make study meaningful and purposive. There has been lots of article published related to marketing and consumer decision making process. There are various researches conducted on marketing and consumer decision making process of consumers' product, but there is few research available on "consumer decision making process in life insurance policy". Therefore the researcher attempts to study in this area. The study of the consumer decision making process in life insurance policy will probably be the first study in the subject matter. So, this study will be fruitful to those interested person, parties, scholars, professor, students, businessman and government for academically as well as policy perspective.

CHAPTER -III

RESEARCH METHODOLOGY

This chapter discusses the procedure employed in the study leading to data collection and analysis. Consequently it deals variables used in the study. The required variables are identified and judged by the researcher for the necessary analysis. This chapter implies a systematic approach to get the research findings. It also explains the methods, used in the study including presentation of the research design.

3.1 Research Design

The research study attempts to analyze the consumer purchase decision process in life insurance policy. The study has objective to describe the process. It also tends to analyze the changing behavior caused by different marketing situation. So the research design is descriptive as well as analytical rather than experimental. It can be called a survey or a field study as it studies the relation among the attitudes, values, beliefs, perception and behaviors of individuals and groups in a purchase situation. Being descriptive study it identifies problems or justifies current marketing conditions and practices. Being a conclusive study, it clarifies the characteristics of phenomena in relation to certain conclusion. The study process is very concerned on the validity and accuracy in every part.

3.2 Population and Sample of the Study

The population for this study comprised all the insured clients belongs to different demographical, psychological values and affiliated to different companies. It includes all the policy holder of life insurance category. The nature of population is physical i.e. people. Katmandu valley is taken as the place, where sample is issued. But the selected insured clients might come from different geography. One hundred insured peoples are selected as a sample judgmentally. Judgmental sampling method may quit appropriate for the study because it needs to be a kind of sample, which represents the whole population. It is just avoiding a risk of

selecting a sample of same demography. To make findings more useful for the whole life insurance market, the sample is comprised of the clients from five life insurance companies equally representing twenty.

3.3 Data Collection Techniques

The sources of data are of basic and useful data. After filling the questionnaire sheet, they are interviewed for proofing. LIP clients may have a specific view or behavior (overt and covert) that make easy for describe the situation and finding their value towards their product. Almost all the respondents, who are approached for the questionnaire and interview, readily agreed to respond. So, the questionnaire and interview techniques are assumed as sufficient for collection of related data. The study is totally based on consumer research. Consumers' attitudes, beliefs, perception imagery all are considered during the data collection procedure. Here, the responses given by the incumbents are assumed confidential. Every respondent has been visited home or office or everywhere. No telephone and mail are used to communication because of difficulties and problems of clear understanding.

3.4 Data Analysis Tools

The responses are categorized, tabulated, processes and analyzed using different methods. Data presentathted average mean. Frequency distributions, percentages and means are calculated. Calculated data are analyzed and described in a psychological context. Analysis has been done descriptively as well as statistically.

3.5 Limitations of the Methodology

The methodology has following limitations:

a.   The research design may not comprise all the facets of its area.
b.   The sample size is too small. It is selected by researcher judgment. There is a risk of not representing the whole characteristic of its population.

c.   Questionnaire and interview procedure may not be sufficient for the relevant data collection.

d.   Data analysis tools may not enough to describe the data because of limited scope.

CHAPTER -IV

DATA PRESENTATION AND ANALYSIS
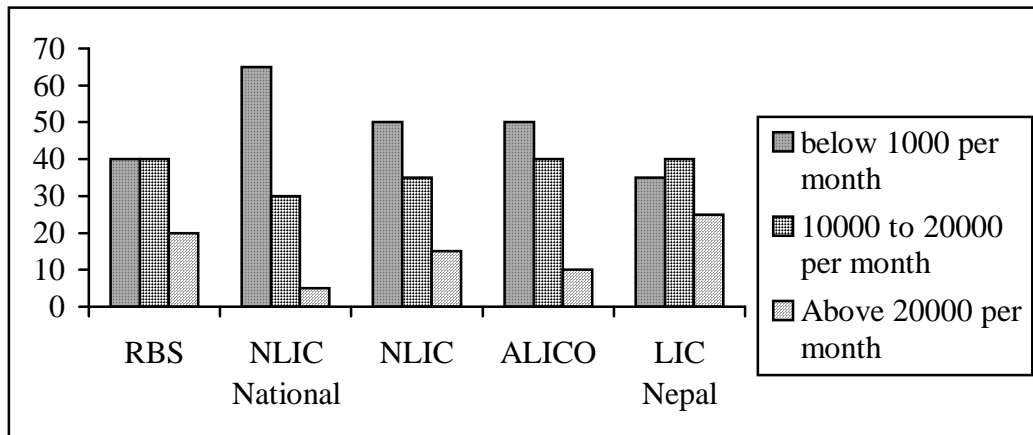
4.1 Respondents' Profile

Structured questionnaire sheets were prepared and distributed to one hundred respondents. All of them were educated and were residing at Katmandu Valley in the study period. Out of the total respondents, every twenty were from each of the five companies. The demographic profiles of the respondents are presented next, in the table and graphs.

Table 4.1 presents demographic profile of respondent. Out of one hundred respondents 83% were male and 17% were female; 71% married and 29% unmarried; 48% were possessed monthly income below ten thousands, 37% were possessed between ten to twenty thousands, and 15% were possessed monthly income above twenty thousands. The table clarifies that most of the respondents were married. Male were more than female. Most of the respondents possessed lower medium income. It is also presented in the following diagram with individual company figure.

The figure 4.1 clarifies that more respondents possessed monthly income above twenty thousands fall on ALICO and more respondents possessed below ten thousands fall on NLIC.

Figure 4.1

Monthly Income of Respondents

Table 4.1

Respondents' Profile

Demographic profile	Sex				Marital Status				Monthly Income ('000')					
Companies	Male	Percentage	Female	Percentage	Married	Percentage	Unmarried	Percentage	Below 10	Percentage	Between 10-20	Percentage	Above 20	Percentage
RBS	19	95%	1	5%	13	65%	7	35%	8	40%	8	40%	4	20%
NLIC (National)	18	90%	2	10%	16	80%	4	20%	13	65%	6	30%	1	5%
NLIC	15	75%	5	25%	16	80%	4	20%	10	50%	7	35%	3	15%
ALICO	14	70%	6	30%	13	65%	7	35%	7	35%	8	40%	5	25%
LIC (Nepal)	17	85%	3	15%	13	65%	7	35%	10	50%	8	40%	2	10%
Total	83	83%	17	17%	71	71%	29	29%	48	48%	37	37%	15	15%

Source: Field Survey, 2010

4.2 Problems Recognition

All the respondents sampled in the study were life insurance clients, who exhibit generally high involvement behavior in purchase process. So they usually go through the process of problem recognition. In this process different steps are involved, which are presented below.

4.2.1 Need Awareness

In the case of LIP, a general to become aware of their need of LIP through social trend, agent offer, self-thinking, advertisement, relative/friends' suggestions, and family recommendations, which are taken as variable for analysis.

Table 4.2

Need Awareness

Need Awareness Sours	Numbers	Percentages
Social Trend	5	5
Agents offer	26	26
Self Thinking	42	42
Advertisement	3	3
Relatives/friends' suggestions	19	19
Family recommendation	5	5
Total	100	100

Source: Field Survey, 2010

The table 4.2 presents needs awareness sources of the respondents. As in the table, 5% of the respondents were aware of their need of LIP through social trend, and similarly, 26% through agent's offer; 42% through self- thinking; 3% through the advertisements; 19% through relative/friends' suggestions; and again 5% of the respondents through family recommendations. It is also presented in the pie chart below.

Figure 4.2

Need Awareness
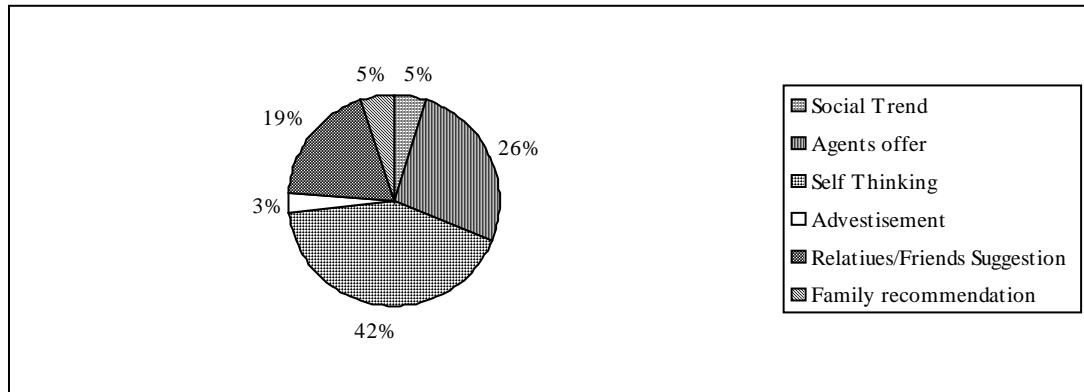
The data clearly indicates that large group of customers were aware of their need through self-thinking. This is the sign of consciousness of Nepalese consumers toward the LIP. Agent'sake aware to the customers. Very few were access to advertisement.

4.2.2 Importance of the Need

Importance of the need is assumed as the indicator of level of motivation to solve particular problem or need. Consumers were asked of their importance of LIP. And the responses are tabulated here.

Table 4.3

Importance of the Need

Importance	Numbers (a)	Descent age Percentage	Rating (b)	Score (a × b)
Extremely	5	5	5	5
Very	26	26	26	26
Some what	42	42	42	42
Not very	3	3	3	3
Not at all	19	19	19	19
Total	5	5	5	5

Source: Field Survey, 2010

The table 4.3 presents the importance of the need of LIP of hundred respondents. As in the table, 13% of the respondents perceived the need as extremely important, and similarly, 55% perceived as very important; 25% perceived as somewhat important; 7% perceived as not very important; and none of the respondents perceived as not at all important. This is presented in the figure below.

Figure 4.3

Importance of the Need
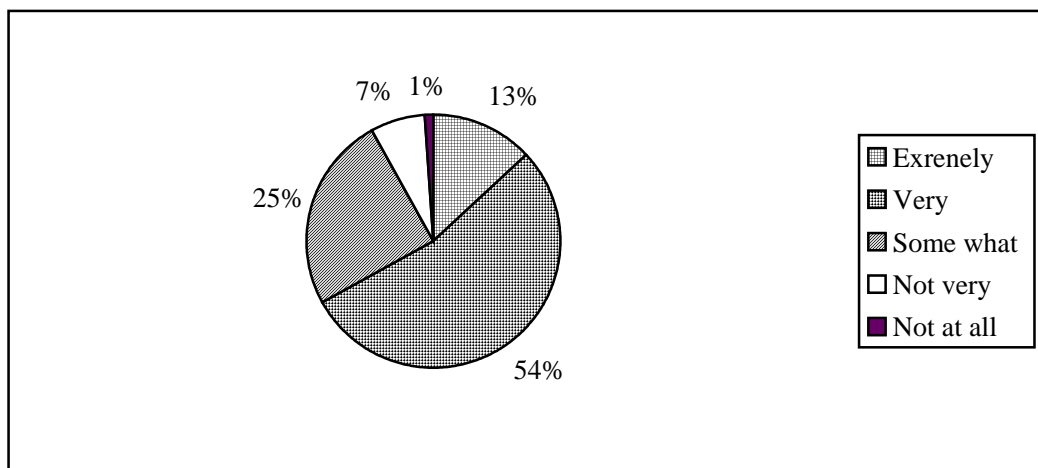
However the score summated by the weight given by the researcher, the variable very important gained the most score i.e. 110, which can be considered as the responses of the most customers. Similarly, somewhat important got 75; not very important got 28; extremely importantly got 13, and not at all important got 1 percent of the score.

This frequency clarifies that most of the life insurance customer perceived their need as very important before purchase. It is a sign that they had higher intensity to solve the problem. A significant number of customers expressed their intensity in the to some extent. None of the customers purchased the product without importance. But some purchased the product from other pressure like family, friends, relatives, and agent.

4.2.3 Need Arousal

Consumers may have problem recognition triggered in three ways: by the actual state changing, by the desired state changing, or by combination of both changing. Thus for some consumers problem recognition is triggered mainly by a change in the desired sate (DS type) and for others a problem would rarely be recognized unless their actual state changed (AS type). The respondents were asked about the cause of need of LIP, which are presented in the table below:

Table 4.4

Reasons of Need Arousal

Reasons of Need	Numbers	Percentages
For saving scheme and Security	30	30%
For certain financial future	45	45%
Both	25	25%
Total	100	100%

Source: Field Survey, 2010

Table 4.4 presents the reasons for necessity of LIP. As in the table 30% of the respondents said that they needed ve tax. Secondly, 45% of the respondents said that they needed LIP because they wanted a certain financial future. Thirdly, 25% of the respondents said both. The pie chart below presented the data too.

Figure 4.4

Reasons of Need Arousal
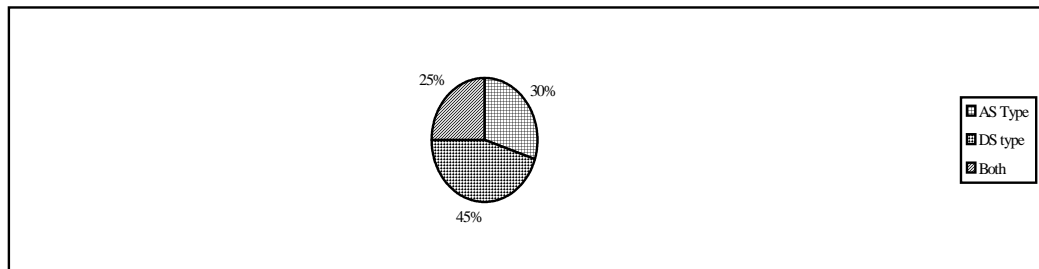
Customers in the first category were AS type customers because they felt their actual state void. Customers in the second category were DS type they felt their

desired state raising, as they wanted extra more. Both influenced the customers in the third category.

The data clarifies that in the case esired state of mind in need arousal process. However, the actual state or combination of both had significant impact on need recognition too.

4.2.4 Types of Problem

There are especially four types of problems that customers usually recognized. They are routine, emergency, planning, and evolving. In order to identify the type of problem faced by LIP clients, questions were raised. The responses are presented in the table below:

Table 4.5

Types of Problem

Type of Problem	Numbers	Percentages
Routine	30	30%
Emergency	45	45%
Plummeting	25	25%
Evolving	100	100%
Total	30	30%

Source: Field Survey, 2010

The table 4.5 presents the type of problem faced by the respondents. As in the table, 65% had the planning problem, 10% of the respondents had the emergency problem, and none of the respondents had the routine problem. The data are also presented by the figure below:

Figure 4.5

Types of Problem
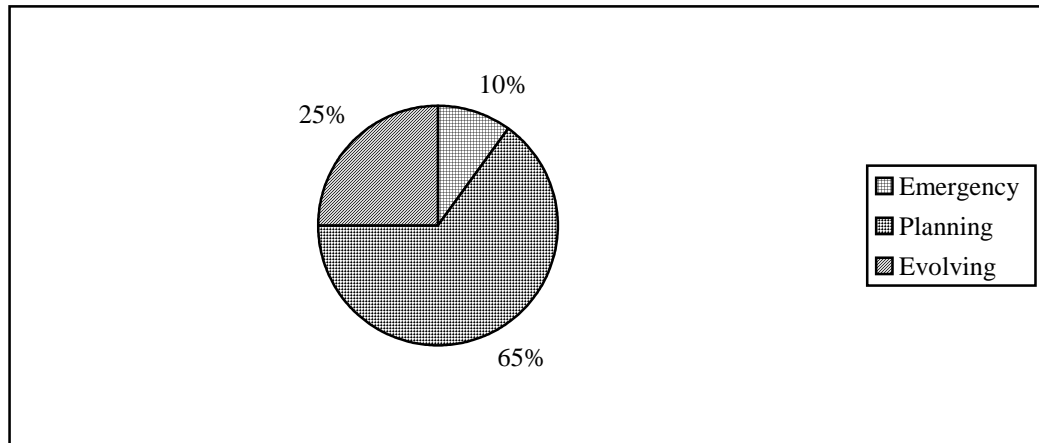
The table and figure clarifies that the problem faced by most of the customers related to LIP was planning. tmandu Valley were already aware of their necessity of LIP. However a significant group of clients were also identified as evolving in nature. They were mainly influenced by social trend, family recommendation, agent's motivation, and marketing information. Some of even had emergency to purchase because of prior knowledge.

4.2.5 Situations Leading to Problem Recognition

In the study period, numerous situations were identified that lead to consumer problem recognition. Respondents were asked about the special situation that leads them to the need recognition. Their responses are presented in the table below:

Table 4.6

Situations Leading to Problem Recognition

Situations	Numbers	Percentages
Discontentment with Present financial scheme	30	30%
Changing family structure	45	45%
Others	25	25%
Total	100	100%

Source: Field Survey, 2010

49

The table 4.6 presents the situations leading to need/problem recognition of respondents. As in the table, 42% of the respondents said discontentment with present financial scheme, which leaded them to the need recognition. Similarly, 45% of respondents said changing family structure, and 13% said others. The data are also presented in the figure below:

Figure 4.6

Situations Leading to Problem Recognition
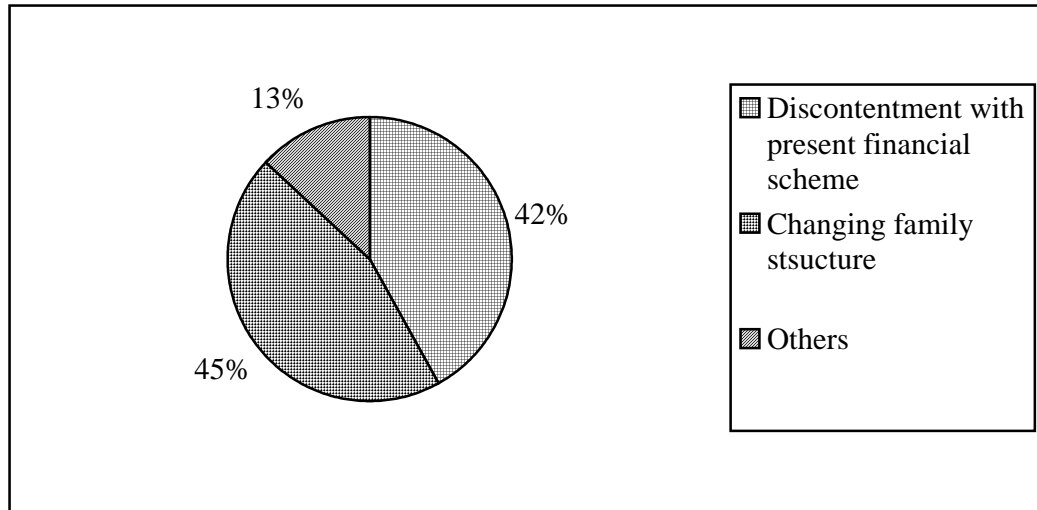
Absence of risk covering feature in present financial scheme and other banking products and hobby of new product adoption (old ps; need to save the income tax; marketing efforts and few didn't specify.

From the above data, changing family structure was identified as the climax situation that leaded to the need recognition. Spouse reference, need to protect children's education, and feeling of responsibility after marriage contributed to change the environmental circumstances as family structure. However discontentment with present financial scheme was another almost equally important situation to lead to the need recognition of LIP.

4.3 Information Search

Information search process of general consumer has been already discussed in chapter two. Here information search step in purchase process of LIP clients are presented and analyzed. The process is classified into five subtopics for simplification.

4.3.1 Types of Search Process

Life insurance clients search the information especially for the two purchases: to make better purchase decision or to accumulate or build a band of information for future use. Therefore, two types of search, pre-purchase search and ongoing search, is considered while collecting responses based on two purposes. Frequencies are presented in the table below:
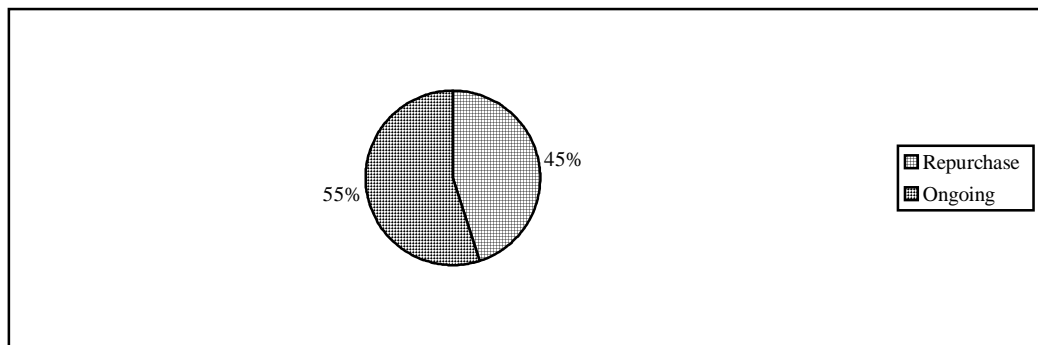
Table 4.7

Types of Search

Types of Search	Numbers	Percentages
Pre-purchase	30	30%
Ongoing	45	45%
Total	100	100%

Source: Field Survey, 2010

The table 4.7 presents the kr the pre-purchase search while the remaining 55% of the respondents collected information as ongoing search. The figure below also presented the category:

Figure 4.7

Types of Search

The respondents of pre-purchase search type engaged themselves more in the purchase situation, while ongoing type respondents involve more in the product. Pre-purchase type respondents had heavy intention of buying than ongoing type

and had increased knowledge about market and increased satisfaction with the product. However, above data conclude most of customers intended to know the LIP without proper problem recognition, while other intended to search relevant information for the selection.

4.3.2 Learning Process

It is interesting to identify the learning process of life insurance clients about LIP. Respondents were asked thlow:

Table 4.8

Leaning Process

Leaning Sources	Numbers	Percentages
Academic/company broucer/books study	33	33%
Social/Reference group	30	30%
Agent information	45	45%
Training	25	25%
Media	100	100%
Total	100	100%

Source: Field Survey, 2010

The above table presents the sources of respondents learned about LIP. As in the table, 33% of the respondents learned about LIP through academic courses or company brochures or other books, and similarly, 32% through social and reference group; 22% through agent's information; 10% through training; and remaining 3% through media. These data are presented in the figure too.

Figure 4.8

Learning Process
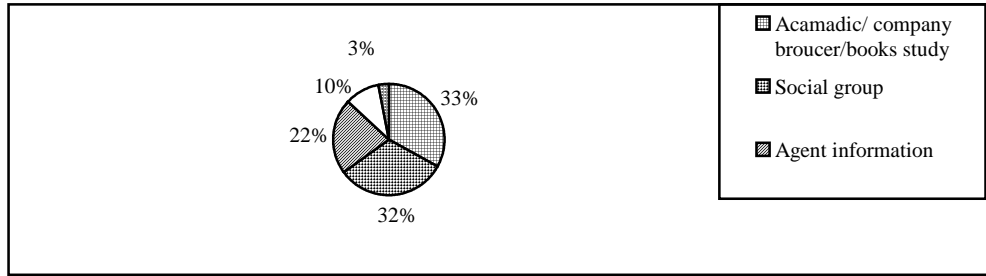
Above data clarifies that most of the customers learned through academic/company brochures/booklets, social/reference group, and agent information. These indicated three estimations: Nepalese life insurance customers are becoming conscious, life insurance has r till now. Media hadn't broadcasted more about LIP.

4.3.3 Determinants of Information Search

As the LIP comes under the high-involvement product, every customer tends to engage in extensive information search before purchase. Respondents were asked about the factors, which motivated them to engage in information search. Their responses are presented in the table below:

**Table 4.9**

Determinants of Information Search

Determinants	Numbers	Percentages
Number of company/policy	15	15%
Perceived risk	40	40%
Policy attribute	14	14%
Social/financial pressure	28	28%
Enjoyment of Knowing	3	3%
Total	100	100%

Source: Field Survey, 2010

The table 4.9 presents the determinant factors for motivating or impelling customers to search for information. Number of company/policy indicates the marketing environment. Perceived risk indicates the potential payoffs to the circumstances of the product. Policy attribuational variables. And enjoyment of knowing indicates the individual differences.

As in the table, 40% of the respondents were motivated by perceived risk; 28% by the social/financial pressure; 15% by the number of company/policy;14% by policy attribute; and 3% of the respondents motivated by enjoyment of knowing. The figure below also presents the data:

Figure 4.9

Determinants of Information Search
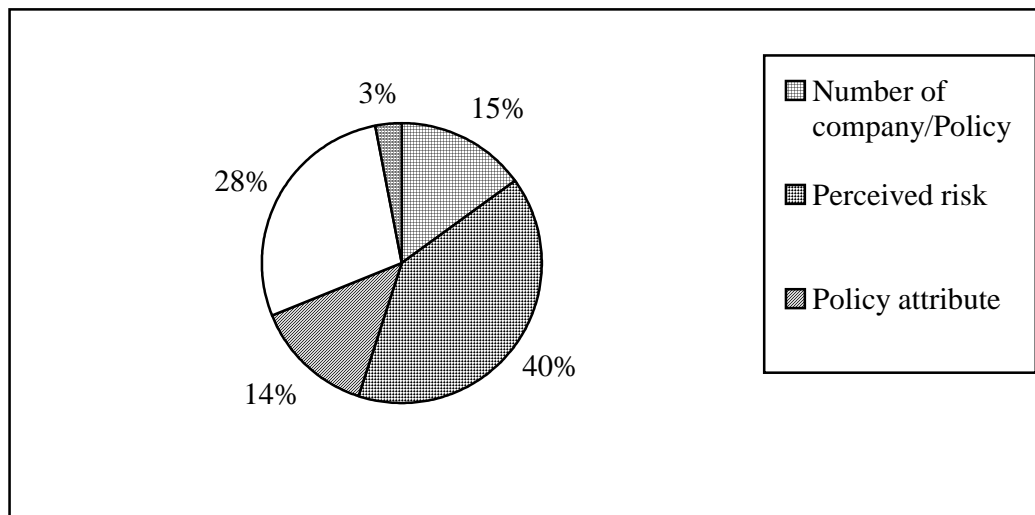
Above data clarifies that potential payoffs had greater influence to impel most clients for the information search because they wanted to weight the risk involved in the LIP such as monetary risk, functionacial pressure was another factor that motivates the customers for information search. An individual difference had no considerable impact on information search. However, market environment and product importance also had significant impact on a group customer. But customer, at first, did not want to take any risk about the product. They were seemed as seeking perfect reliable information to eliminate their skepticism and

confusion. They used to ask the information to friends, novel man, and agents for the fact.

The respondents, who took marketing environment a motivating factor, said there were number of company and their products in the market, so that they had to choose the reliable company and beneficial product. Respondents considered policy attribute said they should know price (premium), terms and condition, bonus and other financial capabilities.

4.3.4 Focus of the Information Search

Life insurance clients use to have different focus than other high-involvement goods and services. For Nepalese customers LIP is new concept and trend upcoming in the society. So they tend to be interested in the period of purchase situation. Respondents were given the five characteristics: reliability/belief; scheme/type; company; bonus; and premium of LIP to rank according to their importance during the enquiry. Usually all characteristics were considered important but to identify more important one relative weight of each characteristics was to be given. Their responses are given in the table below:

Table 4.10

Focus of Information Search

| Rating / Characteristics	1	2	3	4	5	Total
Reliability /belief	62	15	11	7	5	100
Scheme/type	20	25	27	16	12	100
Company	4	25	20	27	24	100
Bonus	12	23	28	23	14	100
Premium	2	12	14	27	45	100
Total	100	100	100	100	100	100

Source: Field Survey, 2010

The table 4.10 presents the LIP characteristics and their ranking by the respondents based on their importance. The term reliability/belief refers the

reliability of company, legality, reliability of terms and condition, belief of agent, government approve, company building/location and operation experience/trend. Scheme/type is the product planning that was offered by company containing terms and conditions. Company is especially for business reliability, financial status, origin of country, 100 respondents, for the second important category, each of 25 said scheme/type and company respectively; 23 said bonus; 15 said reliability/belief; and 12 said premium. Again, among 100 respondents, for the third category of importance, 28 said bonus; 27 said scheme/type; 20 said company; 14 said premium; and 11 said reliability/belief. Again, among 100 respondents, for the fourth category of importance, each of 27 said company and premium respectively; 23 said bonus; 16 said scheme/type; and 7 said reliability/belief. The data are presented in the figure too.

Figure 4.10

Focus of Information Search
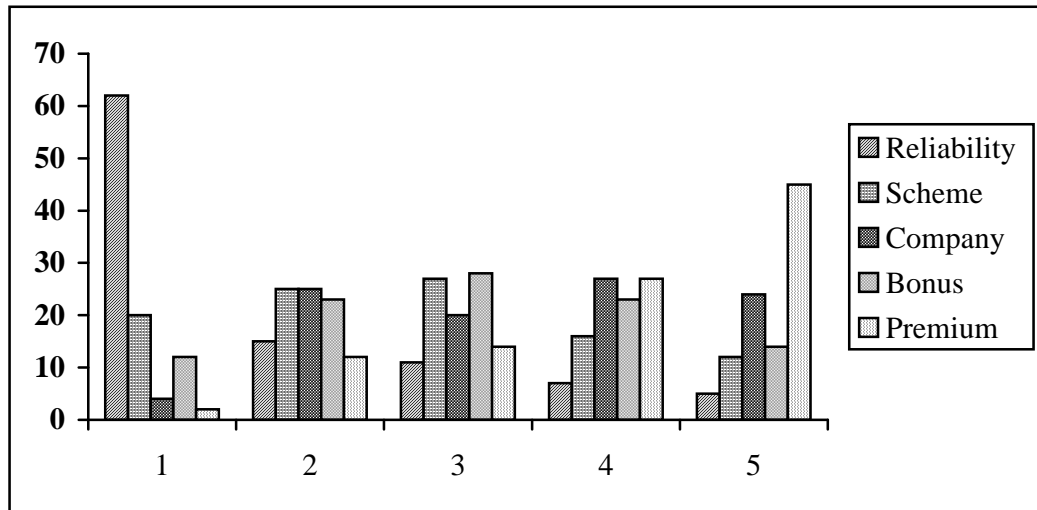
In appendix 'B' there is calculation of weighted average mean. Reliability/belief has the mean of 11.87, similarly, scheme/type has 18.33; company has 22.8; bonus has 20.27; and the premium has 26.73.

The analysis of above data and calculation of weighted average mean clarifies that reliability/belief was the characteristics that stimulated the most customer the feeling of curiosity. It can be said that most of the customers were skeptic. They

wanted to examine the validity. Similarly, second important characteristic was scheme/type; third was bonus; fourth was company and fifth and last was premium. Thus it can be concluded that premium was not considered characteristic so importantly.

4.3.5 Sources of Information

The sources of information in the case of LIP are slightly difference than other product and services. In the Nepalese society, even in Katmandu Valley, agent and reference groups /reports were given to the respondent for ranking based on their importance with the appropriate weight. The responses are presented in the table below:

Table 4.11
Sources of Information

| Ranking / Information sources	1	2	3	4	5	Total
Your memory/experiences	62	15	11	7	5	100
Family/ Friends/ acquaintances	20	25	27	16	12	100
Agent	4	25	20	27	24	100
Advertisement	12	23	28	23	14	100
Media/ Publication reports	2	12	14	27	45	100
Total	100	100	100	100	100	100

Source: Field Survey, 2010

The table 4.11 presents information sources and their ranking by respondents. The memory/experience is the consumer's own experiential source. Consumers may have experience or not. Family/friends/acquaintances is personal source of information with which consumer can get the role of reference group. Agent is the sales man who plays the role of mediator between the company and the prospective customer with legal approval. Advertisement and agent both are the marketing sources of information, which can be influenced by the companies in a full-fledged manner. Media/publication/reports is the public source of

information, where messages and information to be transmitted, published and announced for public purposes.

As in the table, among 100 respondents, for the first priority in terms of reliability and importance, 42 said memory/experience; 34 said family/friends/acquaintances; 14 /reports; 15 said memory/experiences; and 10 said advertisement. Again for the fourth priority, among 100 respondents, 33 said media/publication/reports, other 33 said advertisement; 14 said agent; 12 said memory/experiences; and 8 said family/friends/acquaintances. Again, for the fifth or last priority, among 100 respondents, 48 said advertisements; 21 said agent; 18 said media/publication/reports; 10 said your memory/experiences; and 3 said family/friends/acquaintances. These are also presented in the figure below:

Figure 4.11

Sources of Information
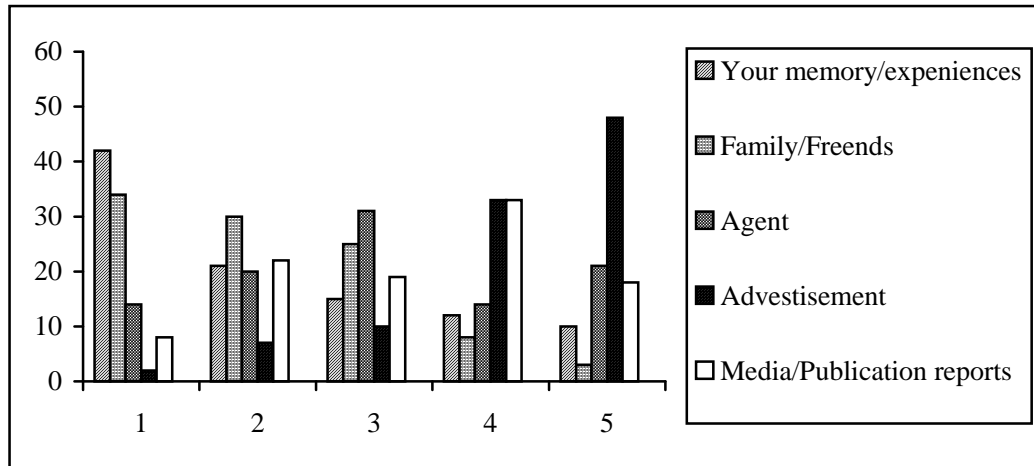
In appendix 'C' there is calculation of weighted average mean. Memory/experiences have the mean of 15.13, and similarly, family/friends/acquaintances have 14.4; agent has 20.53; advertisement has 27.87; and media/publication/reports have 22.06.

The analysis of above data clarifies that memory/experiences was the source that the most customer had taken as the most reliable and important, however, the calculation of weighted average mean shows that family/friends/acquaintances was the most important source for reliability and information amount. Memory/experiences considered as the second priority as shown by weighted average mean. Advertisement was not so important source for the both information amount and reliability. Agent was the more important sources than media/publication/reports.

The respondents, who did not prefer memory/experiences, said that they didn't have enough information in their memory. The respondents, who didn't preferred media/publication/ Thus, it can be concluded that personal sources along with experiential sources were most preferred and reliable information sources of life insurance clients, while agent plays catalyst role.

4.4 Evaluation of Alternatives

After the information search, the life insurance clients tend to develop the evaluative criteria for the evaluation of alternatives. In the information search period, they understand the major characteristics of product and available alternatives. Agents and reference group help them to such activities. In the evaluation period, they tend to go through examining important criteria in the alternatives.

4.4.1 Choice Criteria

On the basis of total knowledge, life insurance clients select the important criteria for the evaluation of alternatives. In order to identify these criteria, eight options were given to the respondents for ranking based on their priority as presented in the table below:

Table 4.12

Choice Criteria

| Ranking / Criteria	1	2	3	4	5	6	7	8
Reliability	62	15	11	7	5	100	62	15
Premium	20	25	27	16	12	100	20	25
Bonus	4	25	20	27	24	100	4	25
Risk Cover	12	23	28	23	14	100	12	23
Financial benefit	2	12	14	27	45	100	2	12
Different scheme	62	15	11	7	5	100	62	15
Excess (Pros unity)	20	25	27	16	12	100	20	25
Physical facility	4	25	20	27	24	100	4	25
Total	100	100	100	100	100	100	100	100

Source: Field Survey, 2010

Among the criteria presented in the table 4.12, premium; bonus; risk cover; financial benefits; and different scheme are the product attribute. And, access; physical facilities; and reliability are company attribute, which depended upon the

company location; its client servicing policy; and belief and legality of the company.

The table along with the figure 4.12 presents that among 100 respondents, 42 respondents gave first priority to reliability. And similarly, 31; 10; 10; and 7 gave first priority to risk cover; bonus; financial benefits; and premium respectively. None of them gave third priority for premium; bonus; financial benefits; reliability; risk cover; different scheme; access; and physical facilities respectively. Similarly, 36; 15; 13; 12; 11; 8; 3; and 2 gave fourth priority to financial benefit; risk cover; premium; reliability; bonus; different scheme; physical facilities; and access respectively. Similarly, 26; 25; 17; 12; 7; 4; and 3 gave fifth priority for different scheme; premium; financial benefits; bonus; reliability; access and physical facilities respectively. Similarly, 30; 21; 15; 12; 10; 6; 3; and 3 gave the sixth priority for different scheme; premium; physical facilities; bonus; access; risk cover; financial benefits; and reliability respectively. Similarly, 58; 22; 14; 4; 1; and 1 gave seventh priority for physical facilities; access; different scheme; risk cover; bonus; and premium respectively. Similarly, 60; 19; 15; 3; 2; and 1 gave last priority to access; physical facilities; different scheme; reliability; risk cover; and premium respectively.

Figure 4.12

Choice Criteria
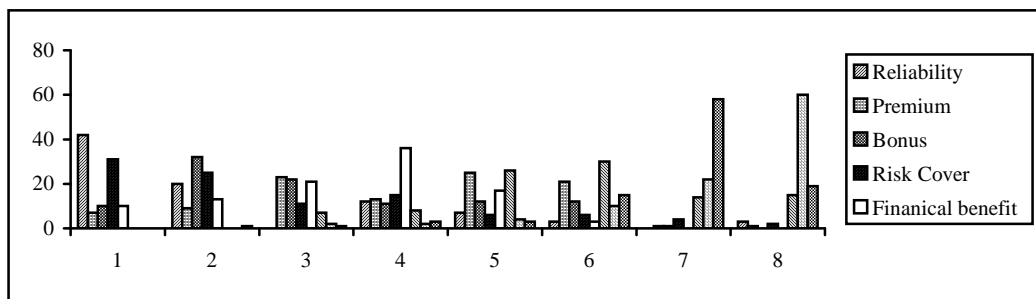
Most of the customers gave higher and first priority to reliability with importance. That indicated the belief and legality was the most concerned subject among LIP customers. They first wanted to be confident about the psychological risk associated with the product. Customers more favourally evaluated the product, which appeals this factor. Then customers tend to go for risk cover, the major

attribute that specifies the concept of life insurance. Premium; bonus; financial benefits; and different scheme were also average important criteria. But, access and physical facilities were the criteria, which were less concerned by customers for the evaluation.

The weighted average mean

Reliability was the most important criteria. After the evaluation in terms of risk cover, the customers tended to go for bonus, which is the most attractive feature of saving scheme. A next important criterion was financial benefits that were in the form of more loan, discount, lower interest, more surrender value, and extra additive packages. Premium was fifth important criteria that customers consider for evaluation. Than different scheme was preferred, which refers different models and feature. Customers did not consider access as important criteria if there were enough physical facilities such as easy to pay the installment, minimum time for official work, and client servicing.

4.4.2 Determinants of Evaluation

While several evaluative criteria are important to life insurance customers, some are determinant that they are important as well as perceived to differ among the alternatives. These are critical attribute for deriving variation in the decision. In order to identify these criteria, respondents were asked if they felt any differences in criteria among the companies. The responses are presented in the table below:

Table 4.13

Determinants of Evaluation

Responses	Number	Percentage
Nothing/don't know	30	30%
Bonus	62	15
Reliability	20	25
Premium	4	25
Scheme	12	23
Risk cover	2	12
Financial benefits	62	15
Physical facilities	20	25

Source: Field Survey, 2010

In the table 4.13, it can be seen that 30% of the respondents didn't fell any differences because, they said, they didn't know about other companies except where they engaged. 15% of the respondents felt significant differences in bonus, while each of 12% felt in reliability, premium, and scheme. Similarly, each 7% felt in financial benefits and physical facilities. And, only 5% felt differences in risk cover. The figure below also presents the data.

Figure 4.13

Determinants of Evaluation
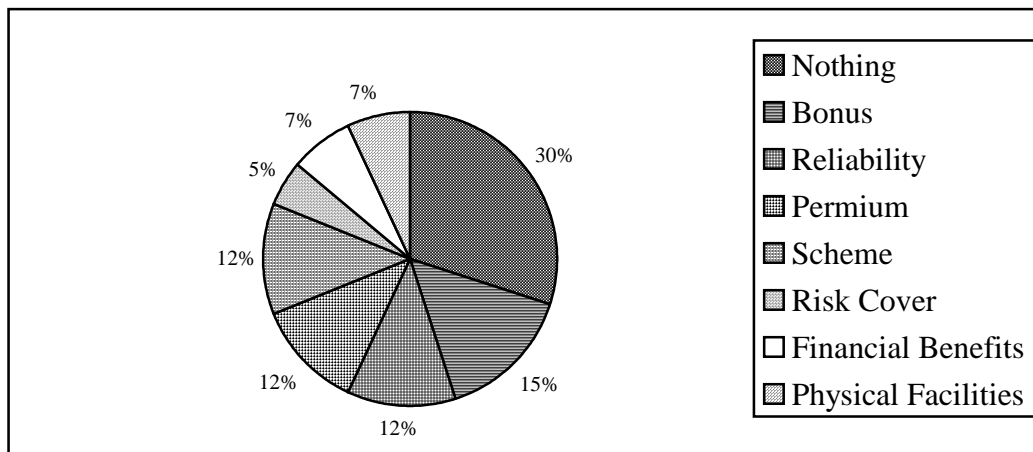
It can be said that companies have opportunities to make customer feel the differences in LIP in the favor of them. There seemed to be very few with the

most customers. They just understand and evaluated the product offered by the agent and reference group. Bonus may be the critical attribute for the evaluation. Although, it found third might be determinant to some extent, however, reliability was the most important. Scheme was not so important but customer might be interested to adopt different scheme. It was more determinant criteria than financial benefits and physical facilities.

4.4.3 Awareness Set

Life insurance customers generally assume company as the product as they tended to evaluate the company in the evaluation stage. In order to identify, respondents are asked if they were aware of all companies, if not how much they. The table below presents the awareness set of 100 respondents:

Table 4.14

Determinant of Awareness

No. of Company	No. of. Respondents	Percentage
1	14	14%
2	16	16%
3	15	15%
4	7	7%
5	48	48%
Total	100	100%

Source: Field Survey, 2010

It is noted that the total set available to customer is only five in Nepal. As in the table 4.14, 48% of the respondents were aware of all the companies, but, 16%; 15%; 14%; and 7% of the respondent were only two; three; one; and four companies respectively. It can be seen in the figure too.

Figure 4.14

Determinants of Awareness
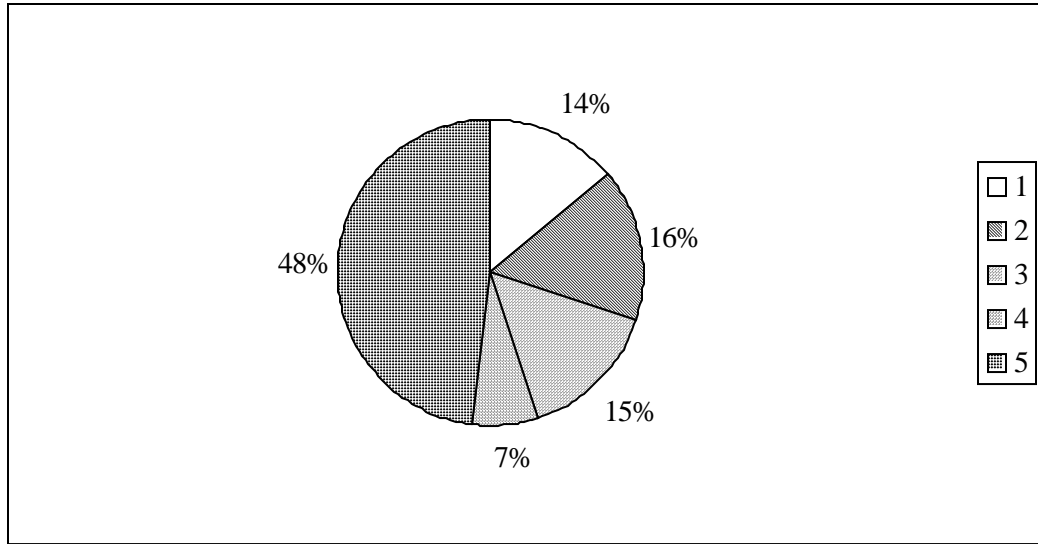
 The table clarifies that most of the customers did not know all the companies at the time of purchase. Only half customers knew all the companies before purchase. It can be said that Nepalese life insurance customer had few awareness set.

4.4.4 Evoked Set

Evoked set consists of few selected companies evaluated positively by the consumer for purchase. Here, below in the table, 100 respondents evoked set are presented, based on their positive evaluation in the purchase time.

Table 4.15
Evoked Set

No. of. Company	No. of Respondents	Percentage
1	62	15
2	20	25
3	4	25
4	12	23
5	2	12
Total	100	100%

Source: Field Survey, 2010

As presented in the table 4.15, 30% of the respondent positively evaluated all the companies. Similarly, 25%; 22%; 18%; and 5% positively evaluated one; two; three; and four companies respectively. It is presented below in the figure too.

Figure 4.15

Evoked Set
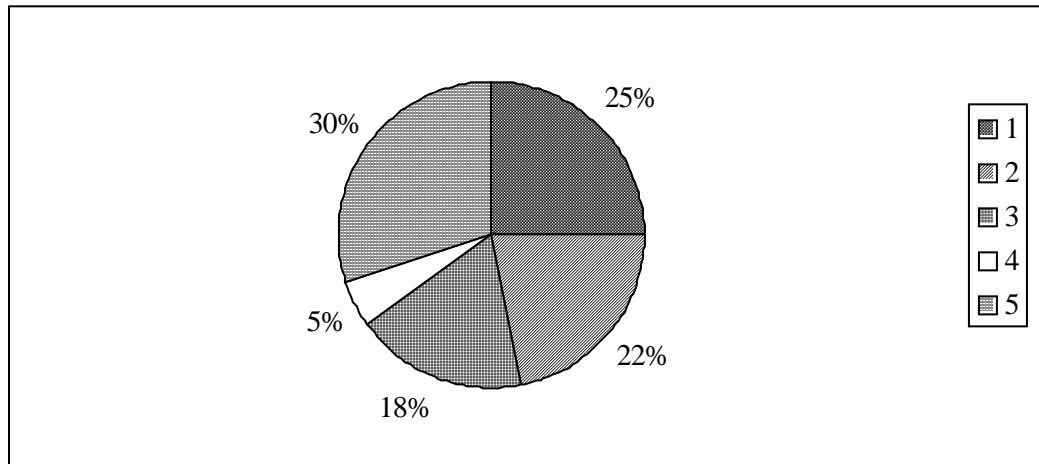
The evoked set of customers directly affected by their awareness set. There seemed little fluctuation between two sets. It can be said that by the increase in awareness set, the size of evoked set tends to be increased. However, most of the customer had rather small evoked set size. The well-informed customer had large evoked set size that met the total set because there are only few (just five) companies for the evaluation.

4.4.5 Methods of Evaluation

Likewise other customers, life insurance customers also used two methods for evaluation of alternatives in their evoked set: brand processing and attribute processing. In the brand processing the customer assesses one company at a time on different attributes, which is referred as choice by processing brand (CPB). But, in that attribute, which is referred to as choice by processing attributed (CPA). The table below presents these two methods of respondents.

Table 4.16

Methods of Evaluation

Methods	Numbers	Percentage
Brand Processing	35	35%
Attribute Processing	65	65%
Total	100	100%

Source: Field Survey, 2010

As in the table 4.16, 65% of the respondents evaluated the product by attribute processing, and only 35% of the respondents used brand-processing approach. It is presented below in the figure too.

Figure 4.16

Methods of Evaluation
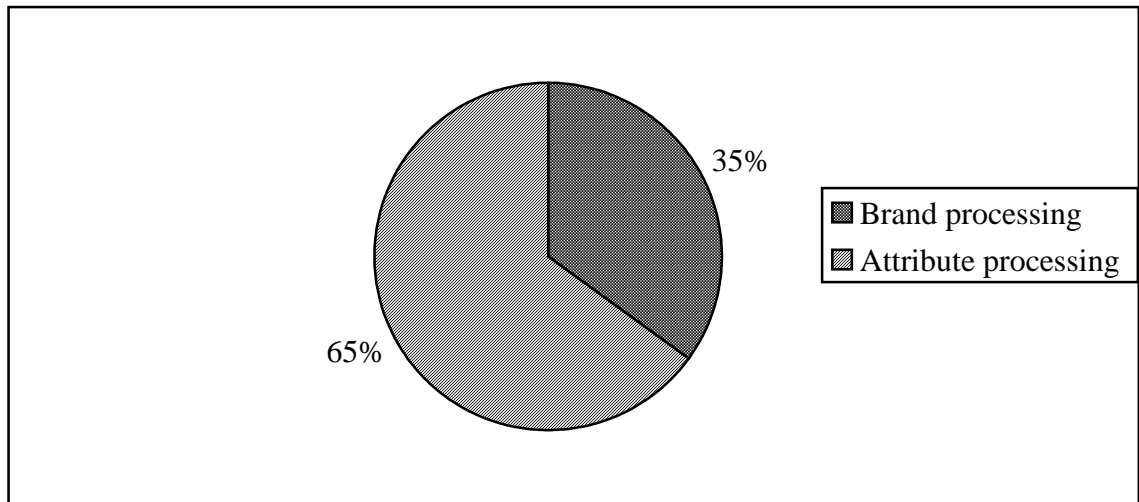
Although, a CPB approach appears to be common in general, above data clarifies that most life insurance customers used CPA approach for the evaluation. According to the concept 'those with considerable experience or knowledge regarding a product and its purchase can be expected to rely more on a brand-processing approach', the life insurance customers were seemed as having less understand the reliability, scheme, premium, bonus, and risk cover at first. And then, they tended to check up that how the company possessed these attribute. The brand-processing user had considerable knowledge about the major attributes; they tended to look up different companies in order to identify how many attributes they possessed.

4.5 Purchasing Process

It has been already discussed in chapter 2 that customer selects a course of action based on preceding evaluation in the purchase stage. The purchasing behavior of life insurance customer regarding the LIP will be discussed in this topic. The five sub-topics will follow a presentation of research findings regarding the purchase behavior of respondents.

4.5.1 Way of Purchase

Life insurance clients purchase the product from two ways: through agent and directly from the company. But according to the law LIP will not be accepted without agent's approval. In this sense, all consumers must be purchased through agent. However, here, the researcher assumes that the customer who goes to the company to purchase the product, has the motive to purchase the directly. Below in the table, the way of purchase of 100 respondents are presented.

Table 4.17

Way of Purchase

Way of Purchase	Numbers	Percentage
Directly from company	62	15
Through agent	20	25
Total	100	100%

Source: Field Survey, 2010

Figure 4.17

Way of Purchase
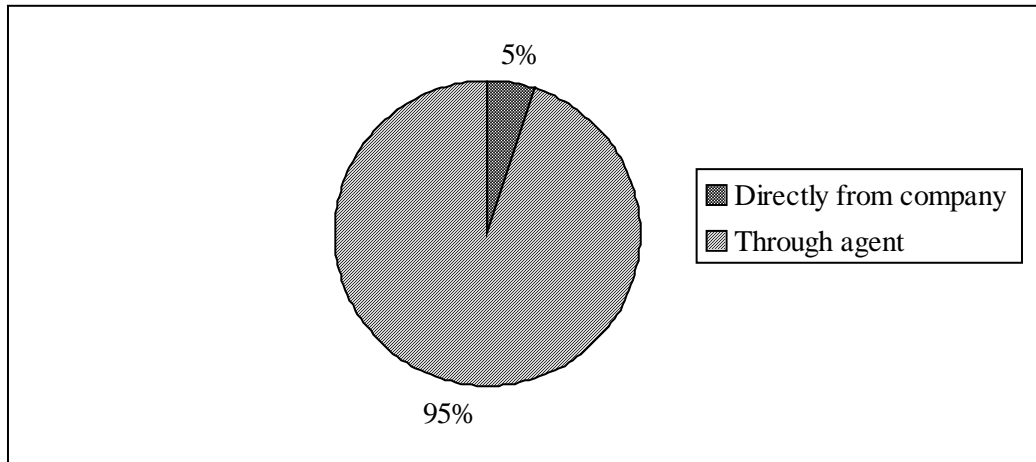
As in the table and figure, 95% of the respondents purchased the product through agent. Only, 5% of the respondents purchased directly from the company.

the agent was ass primary or secondary or complete information sources, which developed a belief and responsibility to them for the agent.

4.5.2 Factors Motivating Company Choice

There might be several factors that influence life insurance customers company choice behavior. Although the influence of each of these elements differs, the factors discussed in this topic are assumed as the general influence in the company choice of life insurance customers. They include company location; company buildings/designs; physical facilities; advertising; customer service, and clientele. Respondents were asked that whether they considered those factors when they purchased the product. The responses are presented in the table below:

Table 4.18

Factors Motivating Company Choice

Factors	Number (out of 100)	Percentage
Company location	62	15
Company building/ design	20	25
Physical facilities	4	25
Advertising	12	23
Customer service	2	12
Clientele	62	15

Source: Field Survey, 2010

As in the table 4.18, while purchasing the LIP, the highest number of the respondents, 78%, considered the factor customer service. Similarly, company location was considered by 67%, physical facilities by 62%, clientele by 34%, advertising by 26%, and company building/design by 25% respondents. These data are presented in the figure 4.18 too.

Figure 4.18

Factors Motivating Company Choice
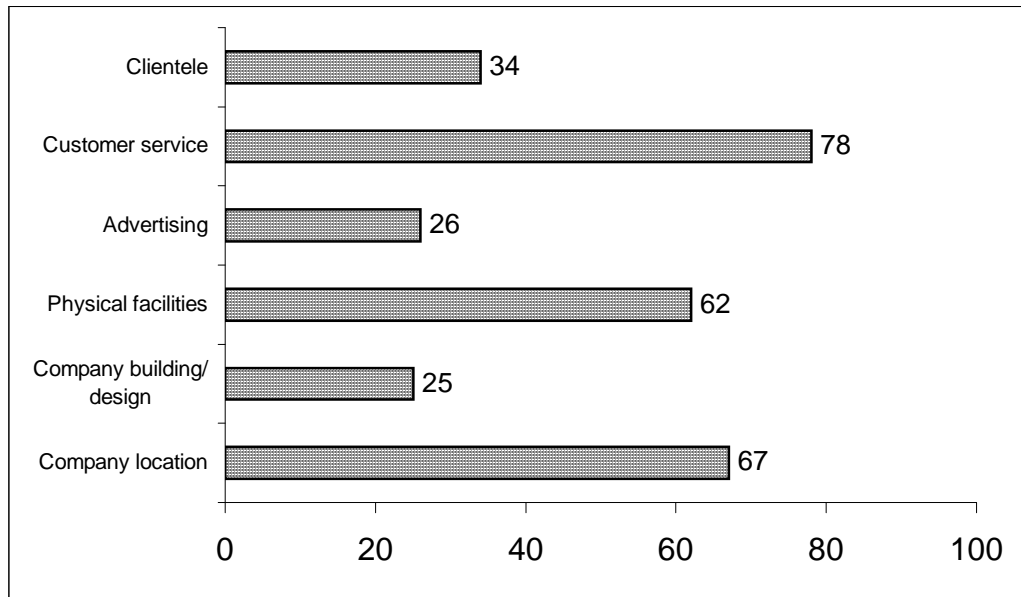
Number of Customers

It can be said that most of the life insurance customers considered the factors like customer service, company location, and physical facilities. As the customer service they stated, they would expect good personnel with hospitality, up to date information, increased company building/design and advertisement that was said to be for reliability. Some customers also considered clientele. They expected deep relationship with the company so that it should behave them as special members.

4.5.3 Persuasive Situation

Respondents were also asked about situation that persuaded them to purchase or not to purchase the product. 88% or the respondents said they did not face any kind of such situation. Very few, respondents the apposite, said official pressure; 4% analyzed it was agent's pressure; like another 2% said it was saving habit; also another 2% said it was fear of risk; plus there were 2% of respondents answering tax saving; while 1% were purchased by relative pressure. These were presented in the table below:

Table 4.19

Persuasive Situation

Situation	No.	Percentage
No.	62	15
Agent's persuasion	20	25
Official pressure	4	25
Tax saving	12	23
Saving habit	2	12
Fear of risk	62	15
Relative force	20	25
Total	100	100

Source: Field Survey, 2010

One of the most important factors influencing the choice is the situation surrounding the consumer decision. But life insurance customers did not face any persuasive situation to purchase the product with few exceptional cases. However,

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if tax savings and saving habit could be the persuasive situations, these may be positive sigh to companies to promote those factors.

4.5.4 Company Loyalty

It was important to identify whether the life insurance customers had company loyalty or not in purchasing more than one LIP. Out of total sample only 65 respondents had purchased more than one products. It is noted that the loyalty patterns are assumed to be determined by repeat purchase. So, the table below presents loyalty patterns of 65 respondents:

Table 4.20

Company Loyalty

Loyalty patterns	Number	Percentage
Loyalty	62	15
Unstable loyalty	20	25
No loyalty	4	25
Total	65	100

Source: Field Survey, 2010

The table 4.20 presents loyalty patterns of 65 respondents. Loyalty refers, purchasing the product from same company (in the sequences like AA, BB, AAA, BBB etc.). Unstable loyalty refers, purchasing the product from more than two companies in unstable pattern (in the sequences like ABB, AABB, AAAABBBB, AABBCC etc.). As in the table, 58.5% did not show any loyalty; 25% showed unstable loyalty and only 18.5% showed company loyalty. It is presented in the figure too.

Figure 4.19

Company Loyalty
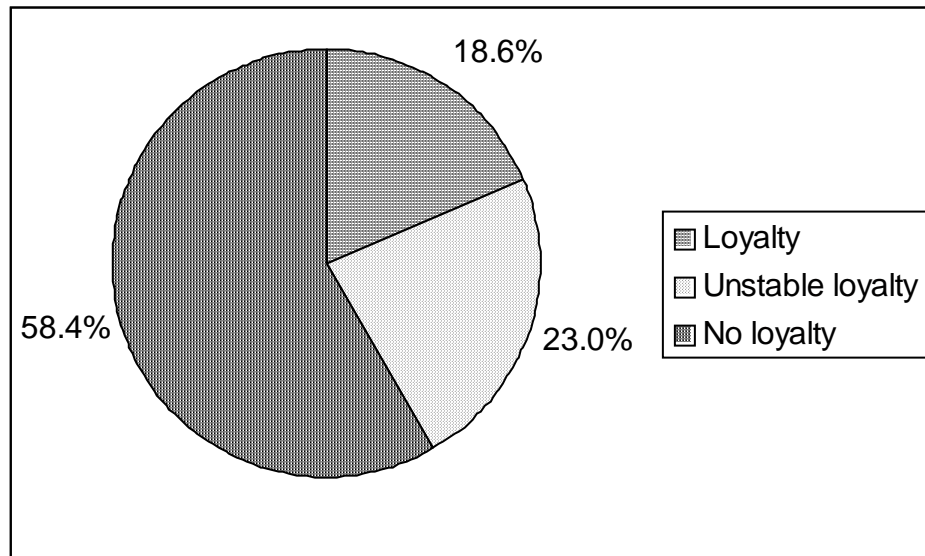
The data that were presented above clarifies that very few life insurance clients possessed company loyalty, average customers had unstable loyalty, and most of the customers did not exhibit any loyalty behavior so that they showed company in others were scheme; company goodwill; and reference group including agents' motivation. Finally, it can be said that company behavior and performance affect the consumer psychology, and in result he can be loyal or switch the company for the next purchase.

4.5.5 Paying for the Purchase

It has been already discussed that life insurance customers purchase the LIP through agent or directly. With the technological advancement, the consumers of world have access to easier way for purchase and payment of their needs. It becomes possible because of wide use of Internet, virtual store, and different nature of credit cards. The consumers will be more favorable to them, who make their purchasing activities more convenient, fast, and easy. Motivating from this trend, respondents were asked whether they thought about Internet services (virtual store) for purchase and payment of LIP. The responses are summarized in the table below:
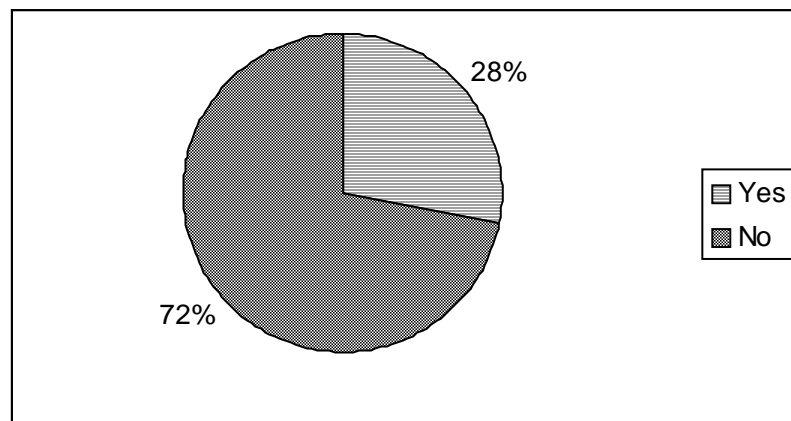
Table 4.21

Paying for the Purchase

Responses	Number	Percentage
Yes	62	15
No	20	25
Total	100	100

Source: Field Survey, 2010

As presented in the table 4.21, 72% did not think of such kind of facility (internet) for purchase and payment. However, 28% thought and welcomed the facility. It is also described in the figure below:

Figure 4.20

Paying for the Purchase

Most of the customers did not think of Internet services for purchase and payment. They said, they did not know about it and its functions. It can be said that most of the customers had conservative behavior and change may difficult. However, almost one-third customer had new improvement and new technology seeking behavior. They seemed as evolving type. They can be attracted more easily by the fashion and technology adoption.

4.6 Post Purchase Behavior

As discussed earlier, because of high involvement nature, consumer rethinks his/her purchase decision of LIP in the post purchase stage. Likewise evaluating

the alternatives before purchase, he tends to evaluate purchaser decision to examine or console himself/herself. The major outcomes of this stage are satisfaction/dissatisfaction with the product, complain, dissonance of purchase decision, and their adjustment in future purchasing strategies. The following subtopics examine the behavior of life insurance customers by presenting and analyzing the research findings.

4.6.1 Major Buying Purposes

Life insurance customer would have several hidden and strong expectations over the influenced by personality variables within the customer. In order to identify the major expectations and personality traits, respondents were asked about their major purpose of buying LIP. It was assumed that they were motivated by their hidden personality traits in inserting responses, which are presented in the table below:

Table 4.22

Major Buying Purposes

Purpose	Number	Percentage
Forced saving	24	24
Economic security in old age	26	26
Security for family members in case of your death	44	44
To please the agent	6	6
Total	100	100

Source: Field Survey, 2010

As in the table 4.22, 44% of respondents said their main purpose of buying LIP was security for family member in case of their death. 26% said the economic security in old age. 24% answered the forced saving. And only 6% said that they purchased especially to please the agent. It can be seen in the figure too.

Figure 4.21

Major Buying Purposes

Number of Customers
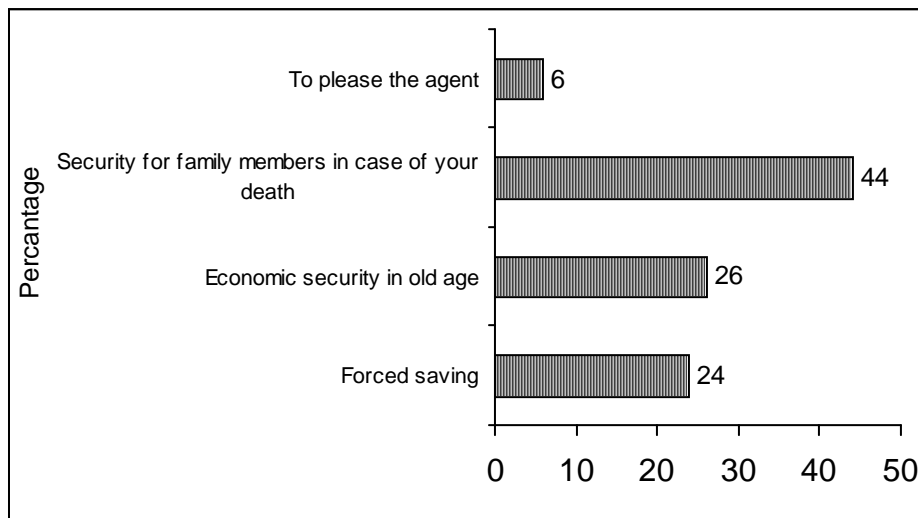
The various purposes of customers, presented in the table or graph, depict different expectations over the product along with their inner personality traits. The customers, who purchases LIP for the security of these securities of family member in case of their death, are family lovers. They are also risk averter. They

want the product because of the fear of risk, which is the realistic character of LIP. Thus, this type of customer has less chances of facing disconfirmation after the purchase because of achievable expectation. As clarified by the data, more customers fall in this group. The customers, who have the major purpose of economic. Their purpose of buying LIP was bond or anchor in order to control their extravagant nature tended to avoid future financial security. This might be lower expectation, which would to positive disconfirmation and the result mighty be fully satisfaction. These types of customers were also of considerable but less than self-lover. The customers, who had the major purpose of pleasing the agent, were affiliate to the relationship. They thought of relationship rather than product attribute. This different purpose might lead over or under expectations both. It depends upon their enduring relation. If relation find gap the result will be dissatisfaction. However very less customers were of this type.

4.6.2 Post Purchase Feeling

Prior to the feeling of satisfaction/dissatisfaction, perhaps negative feelings may arise after the purchase of a high involvement product like LIP. Life insurance clients also might have post purchase anxiety or cognitive dissonance because of imbalance or lack of harmony on cognition whether the purchaser decision was sound or unsound. To measure the dissonance level of life insurance customers, they were asked about their instant post purchase feeling. The responses are presented in the table below.

Table 4.23

Post Purchase Feeling

Post Purchasing Feeling	Number	Percentage
Positive	52	52
Uncomfortable	6	6
Secured	41	41
Negative	1	1
Total	100	100

Source: Field Survey, 2010

As in the table 4.23, 52% of the respondents felt positive when they bought the LIP. Likewise 41% of the respondents felt secured, 6% felt uncomfortable, and only 1% felt negative. The figure below also presents these data.

Figure 4.22

Post Purchase Feeling Post Purchase Feeling
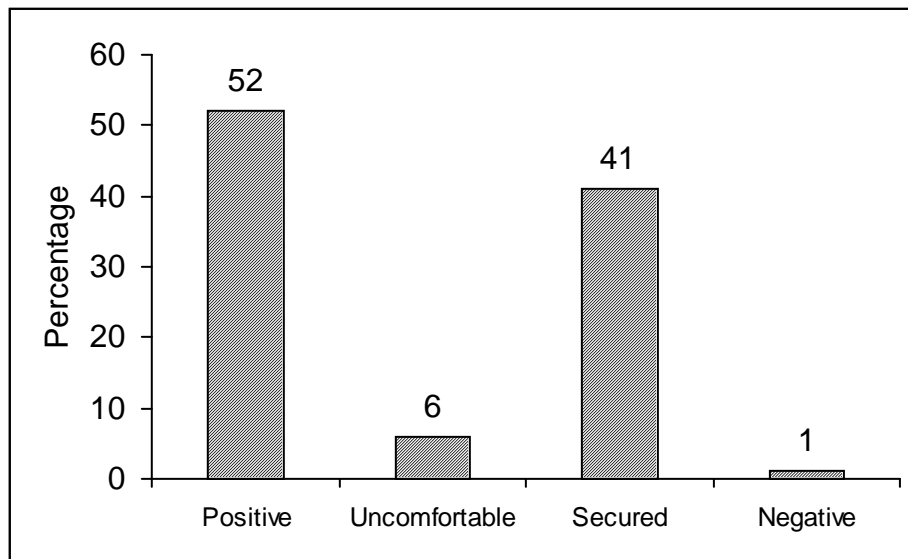
Secured feeling indicates consonance in consumers' mind. They felt their decision were quite sound. They had high confidence in purchasing. The remembrance of purchasing time/decision was pleasurable to the customers. The rumors of opposition to the LIP did not affect them. Positive feeling indicates almost absence of cognitive dissonance to the purchase decision. But customers did not have confidence like in secured feeling. Thus these type of customers needs

something extra favorable situation to support the abstract situation of buying. Moreover it can be said that in the case of LIP, customers having almost absence of cognitive of negative rumors. The reasons of cognitive dissonance were: (1) understanding of company only after the purchase (in terms of benefits, scheme, premium, and bonus); (2) suspicion in company's operation; (3) employment insecurity; and (4) confusion.

4.6.3 Consumer Satisfaction/Dissatisfaction

The LIP clients' expectation over the product prior to purchase and cognitive dissonance in the post purchase stage have already been discussed, which might have the major impact on the feeling of satisfaction/dissatisfaction. Here, it is tried to analyze the state of satisfaction/dissatisfaction of the life insurance customers. A brief description of data is presented in the table below about satisfaction/dissatisfaction of all respondents and also presented these feelings in case of demographic variable. The scale ranges from fully satisfied, satisfied, average, dissatisfied to fully dissatisfy.

As presented in the table 4.24, among 100 respondents, 30% were fully satisfied, 32% were only satisfied, 31% were average (neither satisfied nor dissatisfied), 5% were dissatisfied, and 2% were fully dissatisfied. In case of demographic variable, in terms of sex, 36% male and no female were fully satisfied; 34% male and 23% female were and below were dissatisfied 4% below and none of average and above were fully dissatisfied. The data are can be presented in the figure too.

Figure 4.23

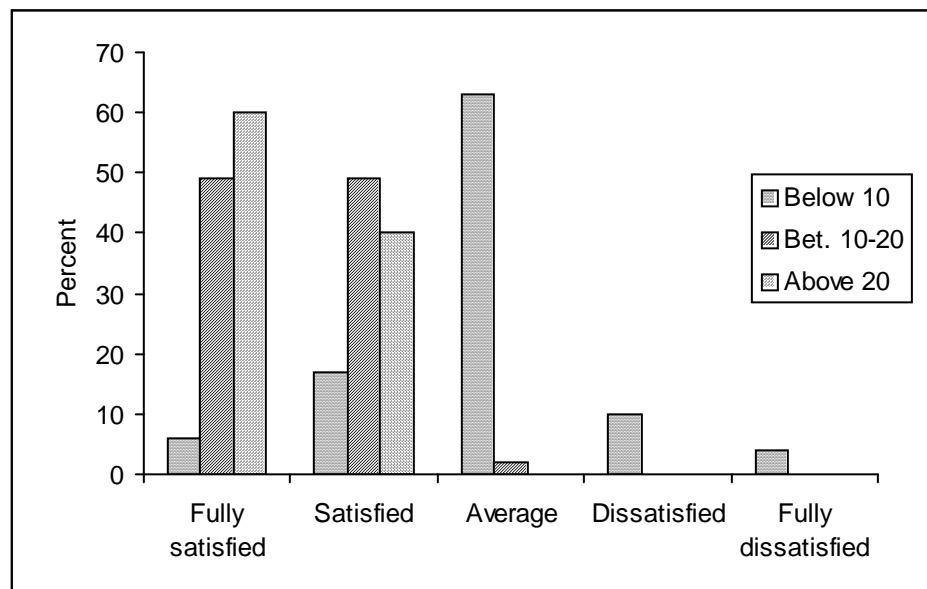**Consumer Satisfaction/Dissatisfaction**

Figure 4.23 presents satisfaction scale in terms of income. Almost equally respondents were fully satisfied; satisfied; and average. Among them, most customers, who felt confirmed their prior expectation with the product were fully satisfied, who moderately confirmed were only satisfied not full, and who confirmed lees are average. High satisfaction was because of high confidence in contract and procedures of company. The other reasons were standard scheme, continuity in the expectation of economic security, good saving belief, good and continued relationship with agent, and companies' well behavior. Only satisfied customers had not confidence but belief in agent and company. Most of them felt little cognitive dissonance after purchase. They said that they are vague or confusion whether the product has high reliability or not. Only few customers were

dissatisfied or fully dissatisfied. Confusion; lack of facts and continued flow of information; none declaration of bonus rate (for some company); suspicion in company's operation (company may seek unnecessary proof for the claim); absence of agent; employment insecurity; low income; and family rejection were the reasons of dissatisfaction. Fully dissatisfied customers said those policies; rules and regulations; and their only sought benefits were fraud. Both types of customers had high and unrealistic expectation and high cognitive dissonance, which produce negative result.

In case of LIP, according to above data, men tend to be more satisfied than women. Married were more satisfied than unmarried. High income leads to be more satisfaction. Man seemed to be assertive, having low expectation, and were informed, which might be the cause of satisfaction. Female seemed to be passive, skeptic, and having higher prior economic cost.

4.6.4 Post Purchase Attitude

After the purchase of LIP, because of its' nature that need long duration for real consumption (utility) of the product, it is important to identify the behavior during the period. Regular and irregular payment of premium may depict the attitude of costumer to the product. The table below presents pattern of payment of 100 life insurance clients.

Table 4.25

Post Purchase Attitude

Pattern of Payment	Number	Percentage
Regular	97	97
Irregular	3	3
Total	100	100

Source: Field Survey, 2010

As in the table 4.25, 97% customers paid their premium consistently. Only 3% were characterized by late payment, inconsistent, and somewhat unwilling to pay. The following pie chart presents these data in the figure.

Figure 6.24

Post Purchase Attitude

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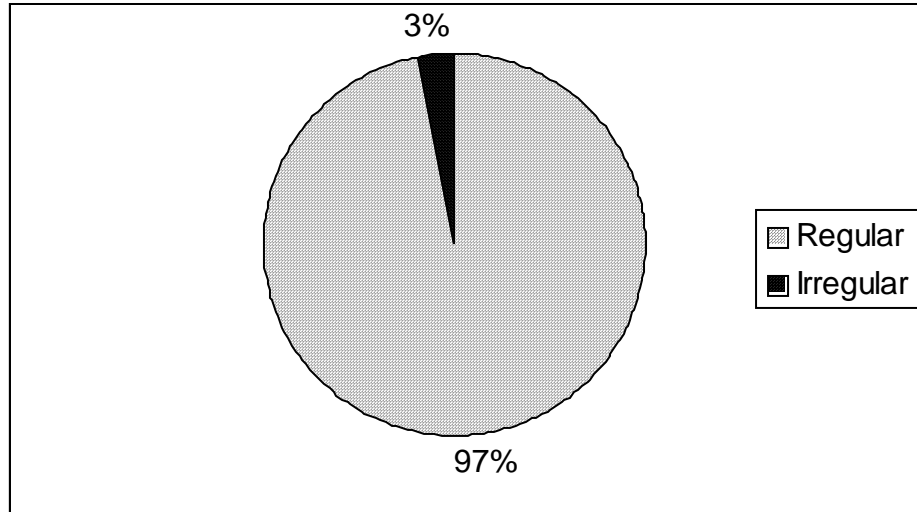
4.6.5 Repeat Purchase Intention

It has been already identified that LIP is the high involvement product so that it may have very low frequency of repeat purchase because of its nature. However, repeat purchase is the sign of total satisfaction, which mean satisfied customers have high probability to make repurchase decision. One hundred customers were asked about their repurchase intention if they were offered with suitable scheme. Following table presents their responses:
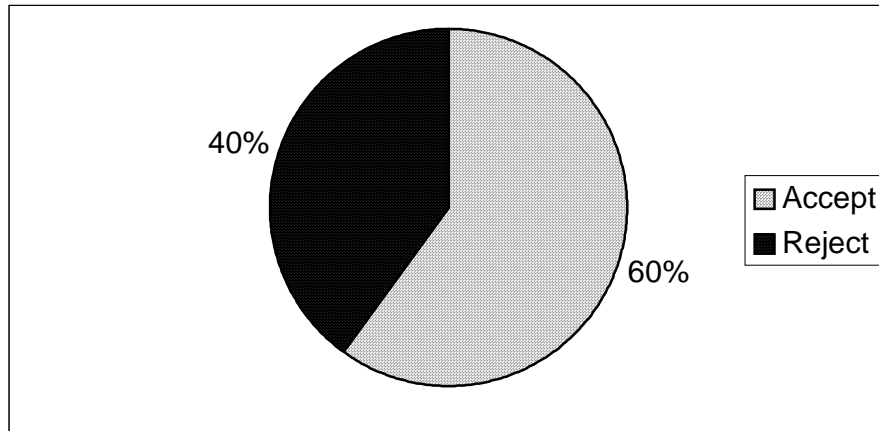
Table 4.26

Repeat Purchase Intention

Responses	Number	Percentage
Accept	62	15
Reject	20	25
Total	4	25

Source: Field Survey, 2010

The table 4.26 clarifies that 60% customers will accept the new and suitable product, but 40% customers rejected the idea of purchasing any such kind of product. It can be seen in the pie chart below:

Figure 4.25

Repeat Purchase Intention

As clarified by the table and pie chart, it can be said that most of the customers had favorable buying intention. They will accept if the suitable and matching product is available. Dissatisfied customers were afraid from new product too. But consumers, who were dissatisfied by product attributes, considered accepting if they recognized their likely attributes in the new product. Satisfied who suffer from income limitation, do not want the new product.

4.7 Major Findings of the Study

Based on the survey of the Nepalese life insurance customers residing Katmandu Valley following major findings of the study are made:

- Most of the customers are aware of their need of LIP through self-thinking. Agents offer and relative's friend's suggestion also have significant contribution in increasing the awareness level.

- Most of the customers have higher intensity or motivation to solve the problem after its recognition. But customers having less intensity and no more intensity are more than consumer having extreme intensity.

- Most of the customers are DS type as they are heavily influenced by desired state of mind in need arousal process.

- The problem faced by the most of life insurance customers is identified to be planning.

- Changing environmental circumstances, as family structure and changing financial sources are the major situation that leads the problem recognition of LIP.

- Majority of customers want to know the LIP without proper problem recognition (ongoing search), while almost equally customers search relevant information for the selection (pre-purchase search).

- Most of the customers characteristic, which stimulates the feeling of curiosity upon the majority of customers for the information search. Second important characteristic is scheme/type, third is bonus, fourth is company, and the fifth is premium.

- Personal sources as family/friends/acquaintances are the most important information sources for reliability and information amount. Experiential sources as memory and experience are another important sources for legitimating, where agent plays catalyst role.

- For the evaluation of alternatives the most important criteria is reliability. Then come risk cover, bonus, financial benefits, premium, different scheme, access, and physical facilities as important criteria respectively.

- Although bonus found third position in the ranking of importance, it is the determinant factor for evaluation of alternative as more customers feel differences in bonus among the alternatives, while reliability, premium, and scheme may be the determinant to some extinct.

- Nepalese life insurance customers have few awareness set and evoked set. By the increase in awareness set, tends to be increased.

- Most of the life insurance customers used Choice by Processing Attributes approach for the evaluation.

- Most of the clients purchased policy through agent rather than direct from the company.

- Majority of life insurance customers consider the factors like customer service, company location, and physical facilities at the purchase period.

- ers are self-lover and have high expectation.

- Life insurance customers have less cognitive dissonances of purchase decision. However it is not successful to be a consonance product.

- Almost equally life insurance clients defined their state of feeling as fully satisfied, satisfied, and average respectively. Few customers are dissatisfied from the product. Men tend to be more satisfied than women. Married are more satisfied than unmarried. High-income leads to more satisfaction.

- Life insurance customers have somewhat positive attitude toward the product during the period between purchase and final consumption.

- Majority of customers have favorable repeat buying intention. They will accept if suitable and matching products are available.

CHAPTER - V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Life insurance is an economic system for reducing risk through a legal method as a contract of indemnity. Thus it is a contract by which the insurer, for the certain sum of money, will pay the sum specified to the person in whose favor such policy is granted. Life insurance has been in existing in Nepal since 2029 B.S. Marketing trend and consumer behavior in consumption and purchase decision of LIP has changed over time. In the study period, there were five companies to compete in the market such as: RBS, NLIC National, NLIC, ALICO, and LIC Nepal. In order to market their LIP effectively, they have to develop new sense of marketing like Customer Relationship Marketing and quality strategy, which is possible through understanding consumer behavior in the purchase process of the product. Thus, the whole study centered on the consumers' purchase process in special reference to LIP. In a high involvement product like life insurance policy, they tend to go through need recognition, search, evaluation, purchase decision, and post purchase outcomes.

In the chapter II, different model of consumer behavior are studied along with the components of high involvement purchase decision process. Few researches in the area of consumer behavior in Nepal were also included.

The collected data from the questionnaire and interview were presented, analyzed and interpreted by using statistical tools in chapter IV.

According to the findings of the study, most of the LIP clients were aware of their need of LIP through self-thinking. They had high intensity to solve the problem. Most of them were influenced by desired state of mind. Their problem type was planning. Changing environmental circumstances and financial sources influenced to the need recognition. Ongoing search was their best strategy. The motivating factors for the search for information were perceived risk and social/financial pressure. In the search period they give high importance to the reliability/belief. Personal sources were the best information sources. For the evaluation of alternative the most important criteria was reliability, while the bonus was the determinant factor. Customers had fewer awareness set and

consequently evoked set. Mostly use CPA methods for evaluation. Mostly purchased the product through agent. Few customers had loyalty pattern in the more purchase. Mostly customers did not know about Internet for their service. Mostly had lower expectation, however, considerable group also had higher expectation. They faced very low cognitive dissonance. And mostly were satisfied with the product.

5.2 Conclusion

LIP is the consumers' high involvement product. Their purchase process starts from need recognition and passes through information search, evaluation of alternatives, purchase decision and the post purchase behavior. But life insurance customers have different kind of behavior when they are in the process. It is because of the nature of the product.

At the were heavily influenced by the desired state of mind in need arousal process, while some were by actual state, and others were by changing both. Many customers made plan long-term & short-term plan about the purchase. Changing family structure and changing income influenced them to do insurance.

After the need recognition, life insurance customers move to information search. But their searches were based on two purposes: to make better purchase (pre-purchase search) and to build a bank of information for future use (ongoing search). Slightly majority of customers were ongoing typo customers learned about LIP mostly through study (book/company brochure), reference group, and agent. This indicates three estimations: customers have become conscious, LIP has become essential according to society, and agent is the detail information provider. Most of the clients were risk averter as perceived risk was their motivation factor. For information search, they were skeptic about monetary risk, functional risk, social risk, and psychological risk associated with the product. Individual differences had no impact on search process. Individual differences had no impact on search process. Reliability/belief was the characteristic that stimulates the most customers the feeling of curiosity. They wanted to examine the validity. Premium was not considered characteristic, which had not impact on choice. Most customers used personal sources as reliable information sources. They had less amount of information in their memory. For the amount of information agent was preferred.

On the basis of total knowledge from the information search, life insurance clients select the important criteria for evaluation of available alternatives. Reliability, risk cover, bonus and financial benefits were important criteria but the determinant criteria for evaluation was bonus as many customers perceived differences among competitive brands. However, reliability, premium, and scheme might be determinant to some extent. The customers had few evoked set for the evaluation. They did not have acquaintances to all companies. They mostly used CPA method for evaluation. Even at the evaluation stage customers had less knowledge about LIP. Only few clients were well informed about the product.

Most of customer purchases the LIP through agent. The majority of sale is in the hand of agent. Customers association with the agent was strong, bounded with belief and responsibility. At the purchase period most customers would expect good personnel with hospitality, up to date information increased convenience, and complaint offices. Some would also expect deep relationship with the company so that company should behave them as special member. loyalty in a company, while many others thought the different scheme and financial benefits in the other companies. Majority of customers had conservative behavior and change may be difficult so that they did not think about internet for purchase and payment. Only one third were evolving in nature.

Life insurance customer rethinks his purchase decision in the post-purchase stage. Their prior expectation, personality, and cognitive dissonance are strongly associated with this stage. Most of the customers were family lover and had lower expectation, which ought to confirm. Another majority of customers were self-lover and had higher expectation, which result the situation of disconfirmation. Some were extravagant in nature and wanted the product for forced-saving characteristic, which may be the state of lower expectation and leads to positive disconfirmation. Very few had affiliated personality. Customers having almost absence of cognitive dissonance were more than customers having absolute consonance to the purchase decision. Although very few had cognitive dissonance, customers need something extra favorable to support the buying decision. Customers who felt confirmed their prior expectations were fully satisfied, who moderately confirmed were only satisfied, and who confirmed less was average. Male,

married and respondents with high income were more satisfied than women, unmarried, and with low income respectively.

Finally, it can be concluded that the international model of consumer behavior, discussed in literature review, did not perfectly satisfied with Nepalese life insurance consumer behavior. Especially, customers realized the post purchase outcomes before the real consumption of the product. Consumers tend to feel expectation confirmation/disconfirmation and satisfaction/dissatisfaction after the greater understanding about the product and the company. The nature of product that takes the gap of long time period for the consumption makes it realistic.

5.3 Recommendations

For the life insurance policy, customers are the key factors of the all marketing programs and efforts. Marketing program and structure should be directed as the behavior of the consumers. Based on the research findings of the life insurance customers, following suggestion and recommendations can be made:

- Advertisement, social trend, and family recommendations had had very low contribution to make aware of LIP to the customers. Advertisement is the excellent idea to make inform the existence of the product so the marketer releases the advertisement targeting the unaware customers. The advertisement should motivate self-thinkers, verify the agent's offer, and appeal as the reference.
- In order to attract customers for favourable, agents should be trained in presenting the product as the product has the greatest importance.
- In order to influence the problem recognition of LIP on the majority of customers, marketers can influence their desired state of mind like as certain financial future, bonus, happy and secured family. Marketers can also influence the actual state of consumers by appealing saving factor to make realization of need on some so-type consumers. Influencing both states would be fruitful for few customers.

- Marketer should appeal the immediate necessity of product for the better turnover of sales because the problem faced by the majority of the customers is planning.

- Changes in the family structure may be the important environmental situation for the marketing programs especially for the newly married couples and the family having small children. Marketers should also target the situation of discontentment of product with customer appealing the attractive feature of LIP.

- Majority of the customers engaged in ongoing search at first. Marketers have a chance to influence the need recognition as sufficient to cross the threshold level.

- Customers learn about LIP through study, reference groups, agents, and media. Marketing program should be designed as meeting these mediums for favourable information supporting to them. The programs may be heavy distribution of brochures, keeping in touch with publication, timely training of the agent and heavy advertisement.

- Under the marketing program, consumers perceived risk associated with the product should be appealed and efforts should be made for reducing monetary risk, functional risk, social risk and psychological risk by formulating believable information through different channels. These may include company goodwill, product importance and social recognition.

- Marketer must include reliability of company, legality, reliability of terms and conditions, belief of agents, government approval, company buildings/location and operation experienced/trained in their marketing campaign for the information release, then after product planning should be promoted.

- Marketers should have harmonious relationship with public and customers. The word of mouth of reference group and their own experience are important and reliable for information sources. Company should have the strategy of influencing those personal sources of information.

- Reliability, risk cover, bonus, financial benefits and premium are important criteria for evaluation of alternatives of which bonus is determinant factor that has higher impact on decision. So marketer should be strong in bonus rate and promote highly along with other important criteria.

- Promotion of company is necessary to take the place on awareness set and then after in evoked set.

- In order to influence evoked set of consumer, need of popularizing the attribute of product belongs to own company is recommended.

- Need of trained and skilled agent for better sale is recommended.

- Companies should have attention on keeping good personnel with hospitality, making increased convenience and compliant offices; and introducing up to date information system. Accessible company location is also preferred. Easy and fast with convenience payment and claim should be considered too. All have psychological impact on sale.

- Positive persuasive situation like tax saving should be promoted.

- Companies having loyal customers should keep harmonious relationship for favourable word of mouth or unpaid brand ambassador. Companies having unstable loyal customers should give emphasis on increased customer service, relationship and increased product quality. Improved product quality may switch the loyalty pattern.

- Family lover, self-lover, extravagant and affiliate personalities of customers are identified. Marketing strategies should be introduced to keep their expectation in balance, especially for the self-lover and affiliate. Confirming expectation may be the most fruitful idea if possible. Harmless exaggeration or puffery should be avoided. The realistic information should be delivered.

- Although few customers had cognitive dissonance, an effort should be forwarded to solve such problem in order to get rid of the unfavorable word of mouth communication. Companies should take regular measurements of the quality of their product and services as perceived by customers. To prevent cognitive dissonance from arising, agents would be well advised not to create unrealistic expectation in the minds of consumers.

- Confirming expectation, reducing cognitive dissonance, introducing better customer service as clientele, and reinforcing customer purchase decision, marketer may turn only satisfied and average customer into the state of fully satisfied. And result may be the repeat purchase, favourable word of mouth, and

unpaid brand ambassador. Different marketing programmes should be implemented so as to writing a reinforcing letter in the important occasion. Solving the complaints and problem after understanding the reason of dissatisfaction is the better way to handle the dissatisfied customers.

- Companies have chance to make favorable image in the market because customers have at least to favourable attitude toward the product. Companies have great opportunity to introduce the product with improved attributes with matching characteristic for the target customer. This will help to make repeat purchase among prevailing clients.

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