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The Influence of Factors on the Intention to Purchase Life Insurance Products: An Approach Based on the Theory of Planned Behavior (TPB)

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Abstract
According to data reported by Swiss Re, the life insurance participation rate in developed countries such as the UK, the US, and Japan is about over 90%; In regional countries such as Singapore, it is over 80%; Malaysia is 50%, while this rate in Vietnam by the end of 2017 is only about 10%. Also, the insurance association's comprehensive report on life insurance penetration rate calculated based on total insurance premiums compared to GDP shows that the insurance penetration rate (insurance premium revenue/GDP) of ASEAN has a trend that has gradually improved in recent years. However, it is still at a low level (3%). Although Vietnam's market is still growing well, the market penetration rate of Vietnam's insurance industry is still meager compared to other countries in the region, only at 2% of GDP. In comparison, the rate in Thailand is 5.5%, and Singapore is 14%. Accordingly, this study examines the factors influencing the intention to purchase life insurance products based on theoretical overview research. On that basis, analyze and synthesize the impact of attitude, subjective norms, and perceived behavioral control based on Ajzen's (1991) [2] theoretical model of planned behavior as a basis for predicting the intention to participate in life insurance of Vietnamese people in the current context.

Keywords: Intention, Life Insurance, TPB, Vietnam

JEL CODE: G00, G02, G22

1. Introduction

Life insurance is one of the types of insurance that was born quite early with the initial purpose of insuring customers' life and death events. Today, with essential characteristics of savings and risk and based on traditional products, life insurance products in businesses are increasingly diverse and rich to meet participants' different purposes regarding consumption, savings, and risk.

There has been a lot of research on life insurance in general and the intention to buy life insurance, as well as surveying the demand for life insurance. Still, research on life insurance is not a widespread variable. These studies also show that many factors affect customers' intention to buy life insurance: Economic, psychological, or sociocultural factors. The common point of these studies is that they focus on exploiting the market aspect of life insurance products in general. Some recent studies have focused on mining from the perspective of individual behavior but are not based on a fixed theoretical framework. Accordingly, this study aims to examine the factors that affect the intention to purchase life insurance products based on Ajzen (1991) [2] theory of planned behavior to clarify the process of forming customers' purchase intention customers for special financial service products such as life insurance.

2. Literature review

Life insurance

Life insurance is a way to deal with risk and savings method for consumers. It also plays essential psychological and social roles. As Hofstede (1995) [22] put it: "The main function of life insurance is to protect against financial loss from the loss of human life. As well as including the risk of death, it also includes the risks of disability, serious illness and superannuation." In general, life insurance aims to provide peace of mind by ensuring that financial loss or hardship will be reduced or eliminated

in the event of the insured's death or death due to work or illness. Life insurance is therefore developed on the value of human life (Sayin, 2003) [27].
The value of human life approach focuses on the economic components of human life. Any event that affects an individual's ability to earn money impacts the value of a person's life. This event can be premature death, disability, retirement, or unemployment (Black and Skipper, 2000) [11]. The concept of the value of human life provides the scientific basis for life insurance, which is a product designed to protect individuals against two different risks: Premature death and pensions (Browne and Kim, 1993) [15]. Thus, while death is not a risk, the timing of death is. For most people, death at any age can be considered premature when a person dies before being fully prepared for the future financial requirements of dependents. Life insurance thus becomes a mechanism to ensure a continuous flow of income for beneficiaries (Black *et al*., 2000) [12]. In this regard, life insurance can be considered as a means of savings, financial investment, or way of dealing with risks (Oscar Akotey *et al*., 2013, Boadu *et al*., 2014, Owusu-Frimpong *et al*., 2011) [25, 13, 26].

Theory of planned behavior (TPB)

Theory of planned behavior (TPB) (Ajzen, 1991) [2] is developing and improving the theory of reasoned action. TPB theory Ajzen (1991) [2] extended the TRA theory model to overcome limitations in explaining out-of-control behavior. This theory has been supplemented by Ajzen since 1991 by proposing an additional factor of cognitive behavioral control, such as an individual's beliefs related to the ability to perform the behavior and how difficult or easy it is. Or the more resources and opportunities will mean more or less constraints and the greater the perceived control over behavior will be. This control factor can come from within the individual (determination, ability to perform) or external to the individual, such as time, opportunity, and economic conditions.
The theory of planned behavior (TPB) posits that human behavior is guided by three considerations: Beliefs about possible consequences or other attributes of the behavior (behavioral beliefs). vi), beliefs about the normative expectations of others (normative beliefs), and beliefs about the presence of factors that may support or hinder the performance of the behavior (control beliefs). In their respective sets, behavioral beliefs create a favorable or unfavorable attitude toward the behavior; Normative beliefs result in social pressures or subjective standards; control beliefs increase perceived behavioral control, the perceived ease or difficulty of performing the behavior (Ajzen, 1991) [2]. As explained earlier, the TPB was developed with the addition of perceived behavioral control as a variable that controls beliefs and represents the ease or difficulty of performing the behavior. It is a belief about possessing the necessary resources and opportunities to perform a specific behavior. For example, when people are not equipped with enough resources or information to initiate a behavior, the intention to perform the behavior may be lowered even if they have favorable attitudes and subjective norms to perform behavioral performance (Madden *et al*., 1992) [23]. In other words, individuals are likely to engage in certain behaviors if they believe they have the resource capacity and confidence to perform the behavior. Behavioral control is also thought to influence intentions directly and may reflect actual behavior (Madden *et al*., 1992) [23]. A significant relationship between behavioral control and intention has been found in many studies, such as (Armitage and Conner, 2001, Armitage, 2005, Fen and Sabaruddin, 2009, Shah Alam and Mohamed Sayuti, 2011) [10, 9, 18, 28]. Combining attitudes toward the behavior, subjective norms, and perceived behavioral control leads to forming a behavioral intention, which in turn reflects actual behavior.
Based on the analysis of overall research results and consideration of the appropriateness of theoretical foundations, the author finds that the application of the theory of planned behavior (Ajzen and Fishbein, 2005, Ajzen and Cote, 2008, Ajzen, 2008) [8, 6, 5] with the most recent versions related to the link between attitudes, intentions, and behavior is most suitable for studying the intention to purchase life insurance products. Accordingly, behavioral intention and perceived behavioral control will predict the decision or behavior to buy life insurance. Behavioral intention can be explained by factors including attitude towards the behavior, subjective norms, and behavioral control factors. Along with suggestions and general insights from domestic and foreign research, the authors hope to answer research questions by proposing a model to research factors affecting the intention to buy life insurance as follows:

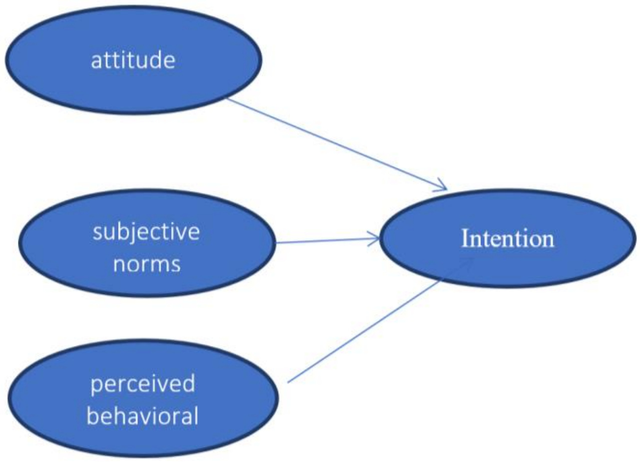

Fig 1: Research Model

3. Results

Based on the composition of variables in the model, the intention to purchase life insurance products will include:

Influence of attitude

Attitude is defined as a set held in a person's memory towards an object that may be a positive or negative evaluation of that object, and the strength of the attitude is equivalent to the strength of the set in this case (Fazio, 1990) [17]. Therefore, automatic attitude activation occurs when a strong association between a positive attitude object or a negative evaluation has been established in memory. The stronger the attitude, the more likely it is to be automatically activated and ordinarily accessible from memory.
According to Fishbein and Ajzen (1980) [19], attitude toward a behavior is an essential factor affecting the intention to perform a behavior. It is understood as an individual's positive or negative feelings about performing a behavior based on the individual's assessment of the consequences of these behaviors. If an individual has a positive attitude

toward the predicted outcomes of performing a behavior, they will have a greater intention to execute it.

Therefore, the attitude toward buying life insurance focuses on what results (positive or negative) the individual thinks buying insurance brings, such as buying life insurance is useful or buying life pension insurance is a waste of money (Ejye Omar and Owusu-Frimpong, 2007, Omar, 2007, Owusu-Frimpong *et al*., 2011) [16, 24, 26].

According to a review of research, attitudes towards purchasing life insurance have been shown to influence their purchase intention positively (Fletcher and Hastings, 1984, Hastings and Fletcher, 1983, Omar, 2007) [20, 21, 24].

The influence of subjective norms

According to the theory of reasoned action and planned behavior, subjective norms can be explained by knowledge of the person's beliefs that some influential people think the subject should or should not act dynamically. Fishbein and Ajzen (1980) [19] emphasized the situational aspects of behavior and the effects of a person's perception of what others think he should do to influence behavior.

The construct of subjective norms is the perceived social pressure to engage or not engage in a behavior (Ajzen, 2008) [5]. It is assumed that subjective norms are determined by the total number of attainable normative beliefs related to the expectation of a significant referent. Normative implications can be elicited by asking which groups of people would approve or disapprove, support or disapprove of an individual performing specific actions.

The influence of subjective norms on life pension insurance has been proposed in many studies using the buying behavior theory. According to Ajzen (1991) [2], subjective norms can be described as an individual's perception of social pressures related to performing or not performing a behavior. In life insurance, subjective norms reflect the customer's perception of the influence of reference groups on the likelihood of purchasing life pension insurance. Previous studies all suggest a positive influence of subjective norms on people's intention to buy insurance (Ejye Omar and Owusu-Frimpong, 2007; Omar, 2007; Fletcher and Hastings, 1984) [16, 24, 20].

The influence of perceived behavioral control

Perceived behavioral control: Represents the degree to which individual feels about the ability to perform a specific behavior, related to the perception of how easy or difficult it is to perform the behavior. Control factors can be internal (skills, knowledge) or external (time, opportunity) (Ajzen, 1991) [2]. We tend to perform behaviors that are within our control, and conversely, when we are unable to control the behavior, the performance of the behavior will be hindered, even if the attitude toward performing the behavior and the impact of those around them is positive (Ajzen, 1985, Ajzen, 2003, Ajzen, 2006, Ajzen and Fishbein, 1977) [1, 3, 4, 7].

In the theory of planned behavior, perceived behavioral control is determined by the sum of the achieved control set of factors that may facilitate or hinder the performance of the behavior. Specifically, the strength of each control belief is weighted by the perceived strength of the control elements and products aggregated (Ajzen, 2006) [4]. According to the review of research from the theories presented previously, behavioral control is believed to influence intentions directly and may reflect actual behavior (Madden *et al*., 1992) [23]. Significant relationships between behavioral control and intentions have been found in many studies, such as (Brahmana *et al*., 2018, Fletcher and Hastings, 1984, Omar, 2007) [14, 20, 24].

4. Discussion

Based on the analysis of theories of buying behavior in life insurance along with a review of related theoretical documents, the author finds that in addition to general theories of decision-making based on risk, or Behavioral theory in general, the behavioral theory of insurance has several unique characteristics that make it a topic of particular interest in behavioral economics and behavioral finance. Two important factors contribute to this interest in the insurance sector:

- First, insurance markets constitute a specific institutional environment, which requires research in their own right. Insurance contracts have exceptional features.
- The second important factor is psychological and economic evidence showing that individuals may react differently to decisions made in the insurance sector than those made in other sectors.

An important role of insurance behavior is to explain some of the differences found in studies of insurance markets through new behavioral theories or modifications of classical theories. Another important reason why it is important to study insurance from a behavioral perspective is that, to some extent, insurance decisions differ in essential ways from decisions involving risky options other than stocks or betting. Therefore, research on the influence of these factors needs to be clarified in future experimental studies.

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