

# FACTORS INFLUENCING ON CUSTOMERS' PREFERENCES TOWARD LIFE INSURANCE PRODUCT: A STUDY OF UNION ASSURANCE PLC IN VAVUNIYA DISTRICT.

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## Abstract

The customer's preference toward an insurance policy varies according to age, sex, income, culture and social standard. Insurance companies provide life cover with most benefits such as accident cover, medical cover, critical illness cover etc. The present study explores the factors influencing on customers' preferences toward life insurance product in Vavuniya District, Sri Lanka. The main objective of this study is to analysis the relationship between factors – Cultural, Social, Personal, and Psychological – and customers' preferences of Union Assurance Private Limited Company. Data is collected from the customers under a sales representative in a Vavuniya Town area. The sample size is 100. The questionnaire is issued to the different customers of a sale representative. For the purpose of evaluating hypotheses, the questionnaire data are entered in the SPSS package. The results are indicated that the personal factors, psychological factors are significantly related to customers' preferences ( $\beta=0.417, p<.01$ , and  $\beta=0.464, p<.01$ , respectively). The relationship between social factors and customers' preferences has negatively significant ( $\beta=-0.372, p<.01$ ), and no correlation is found between cultural factors and customers' preferences. Finally the results demonstrate that the personal factors and psychological factors have significant effect on the customers' preferences of the life insurance product of Union Assurance PLC in Vavuniya District.

**Keywords:** Cultural factors, Customers' Preference, Personal Factors, Psychological factors, Social Factors.