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Motivational and Perceptual Factors Determining Individual Preferences for Investment-Linked Insurance Products: An ISM–MICMAC Analysis

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Abstract

Buying life insurance means creating a financial safety net for a family during tough times. In India, where most people belong to middle- and lower-income groups, having enough extra money to buy insurance is often seen as a privilege. Many adults do not view it as a priority, and some see it as an ineffective investment option since traditional insurance policies do not provide any return if the policyholder survives the term. For people with limited income, this creates a dilemma: should they put money towards essential financial goals or spend it on life insurance? To solve this issue, Investment-Linked Insurance Plans have been created in which at a time two benefits are offered. Additionally, the government has introduced various initiatives and incentives to improve insurance access across different socio-economic groups and regions. Despite these efforts, the decision-making process is still complicated as different motivational and perceptual factors influence buying decisions directly and indirectly, and overall insurance penetration remains low. So, it is important to understand the factors which drive the buying decision. In this research article, fifteen such factors are identified, and Interpretive Structural Modelling (ISM) and MICMAC analysis is used to analyze and structure different variables which influence decisions for buying investment-linked insurance plan. The findings of the study reveal that Age of the Insured and Tax Benefit are the foundational drivers, and all other remaining factors act as dependent variables. The study contributes to the Insurance and Financial Services literature by mapping consumer decision factors and may help insurers to design insurance products by strategizing the product position and marketing of the ILI products more effectively.

Keywords: Insurance, Investment, MICMAC, Interpretive Structure Model.

Introduction-

Among the various financial tools that improves quality of life, promote equality, and boost financial stability, Investment-Linked Insurance (ILI) plays an important role. ILI combines life insurance protection with long-term investment opportunities based on the market. This combination increases financial resilience and encourages inclusive economic growth. In developing countries like India, it is vital for more people to think about buying ILIs as it provides both a financial safety net and promotes consistent saving for building assets. To make investments in ILIs more appealing, the Government of India has introduced several incentives. These include allowing policy premiums to qualify for tax benefits and placing these insurance products in the zero-tax category within the GST 2.0 framework (Kumar, K. M et al.,2025). These actions intend to lessen the financial burden on policyholders and promote wider use of long-term insurance-investment products. Despite these advantages, insurance penetration rate is still very low (Giné, X et al., 2019) and choice to buy multipurpose ILIs products depends on many factors (Dragos, S. L. et al., 2020). So, understanding such motivating and perceptual factors is important for policymakers and insurers who want to improve the uptake of ILIs and boost household financial resilience.

Psychologically, consumer preferences are strongly influenced by the insurer's brand reputation (Basri, S., & Shetty, A., 2023), the speed and reliability of service (Basri, S., & Shetty, A., 2023; Kautish, P et al., 2022) and claim settlement ratio. However, a broader look at the literature indicates that these are not the only factors for forming their perception. Customers also consider service quality, lock-in periods, and the availability of tax benefits (Bhatia, S., & Jain, R. 2021). Additionally, since ILIs serves as both a protection and investment tool, purchasing decisions are also influenced by investment-related factors such as past fund performance, liquidity features, and the policy's flexibility or duration. Beyond these logical factors, behavioral influences also play a significant role. Research shows that people often depend on social cues and cognitive biases when choosing financial products. Peer recommendations for perceived social norms, and behavioral tendencies like the fear of missing out (FOMO) significantly affect decision-making (Sahi, S. K., 2012)[Error! Bookmark not defined.]. These influencing factors often lead consumers toward or away from certain insurance investment products.

In this study we have recognised fifteen such factors which shapes buying decision directly or indirectly. As the number of factors are more, we tried to understand decision making system using Interpretive Structural Modelling (ISM) (Sage, A. P., 1977; Singh, M. D., & Kant, R., 2008). ISM helps to identify and organize relation among complex variables, the method breaks down large unstructured problem into well-defined hierarchical model by understanding which factor drives others and also helps to understand which factors are dependent (Attri, R., et al., 2013)[Error! Bookmark not defined.]. In this study authors found hierarchical relationships among different variables considered for decision making (Warfield, J. N., 1974). Along with ISM, MICMAC analysis (Cross Impact Matrix Multiplication Applied to Classification) is also used for further identifying driving and dependence power of variables which helped to detect stable drivers and unstable linkage (Bianco, G., Santoro, G., & Bertoldi, B., 2023; Mishra, A. R et al., 2021). This type of approach has been widely applied to study management, services, and consumer decision systems (Singh,M. D., & Kant, R., 2008; Mishra, A. R et al., 2021).

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Lieterature Riview-

(Mude, G., & Wankhede, P., 2021) in this literature review authors studied Indian investors behavior and study reveals that Investment-Linked Insurances are perceived as goal based and discipline enforcing saving product, the dual nature i.e. insurance along with investment plan attracts middle class, urban investors. (Gaikwad, A. S., & Vibhute, S. G., 2013), in this research article it is shown that popularity of Investment-Linked Insurances is increasing rapidly as this plan includes investment along with insurance. In this article, it is also highlighted that in recent years better service and broader product offerings are available from private insurers. (Olekar, R., & Bendigeri, M., 2013) found that compared to traditional plans Investment-Linked Insurances gave reasonably more returns. The study also highlights that investment preference in this type of scheme is influenced by recommendations from financial advisor, and it is mostly done by seeing tax benefits. (Kumar, M., and Bharath, B., 2022) did empirical study survey and found that Indian investors choose Investment-Linked Insurances due to dual advantages of benefits and also provides facilities of fund switching as well as partial withdrawal in case of occurrence of any emergency. Along with this finding, authors also highlighted that awareness and financial literacy among investors need to be increased as Investment-Linked Insurances is a complex product. (Vaidheeswaran, S., & Baskaran, P., 2022) did survey-based study which helps to understand buying Investment-Linked Insurances decision is dependent on factors like age, occupation, income. It is also found that educated, salaried investors view Investment-Linked Insurances more favorable than other traditional plans. (Bahekar, P. N., & Sudame, P. W., 2015) found that brand image of insurance companies boosts investors' confidence. They have also studied correlation between brand reputation and switching funds within Investment-Linked Insurances and concluded that stronger brand image reduces fund switching tendency. Authors also studied relationship between the socio-economic variables of the respondents such as Marital Status, Age, Educational Qualification, Nature of employment & family type and the Primary financial goal for opting a particular Investment-Linked Insurances plan. (Kumar, S. A., Murali, R., & Bharath, S., 2011) the study analyses preferable factors considered while investing in Investment-Linked Insurances and found that tax benefits, fund switching option and life-risk coverage are most influential drivers.

Research Gap

After conducting an in-depth literature review authors identified various motivational factors which affect consumer's perception and decision making of a particular Investment-Linked Insurances policy, however structural interdependence of various identified motivational factors remain underexplored. The ISM and MICMAC analysis map these interrelationships and identify the deepest root causes influencing decisions to buy certain insurance products.

Objectives of The Study

i. Identify various motivational and Perceptual Factors for buying Investment linked Insurance Product.
ii. Identify and construct a conceptual model depicting the importance of various factors which affect buying decision of Investment-Linked Insurances.
iii. Identifying interconnections between motivational factors which shapes the consumer decision in investment-linked insurance products.

Data Collection:

The study is based on primary data, the nature of study require researcher to interact with domain experts. Responses were collected from fifteen experts comprising Insurance Advisors, Financial Planners, Investment Advisors, Academicians through structured questionnaire using google form.

Methodology and Data Processing

Collected data is processed and analyzed applying Interpretive Structural Modelling and MICMAC using SmartISM program.

Result-

Researchers have identified various motivational and perceptive factors through extensive review of published literature and interaction with domain experts playing an important role in buying decisions of Investment linked Insurance Product.

Motivational And Perceptual Factors-

TABLE 1 : Motivational and Perceptual Factors

Sr No	Factor	Description	Author/Citation
1	Claim Settlement Ratio	High ratio of claim settlement measures insurer company's ability to pay out claims to policyholders i.e. company is having good financial performance. According to study claim settlement ratio reflects assurance for policyholders which boost confidence in new policy buyer.	Yadav, R. K., & Mohania, S., 2018
2	Service speed	In this article structural equation modeling is used to assess how service speed i.e. responsiveness affects customer's satisfaction and behavioral intentions. It is found that with good service speed customer continue relationship with insurer company.	Ramamoorthy, R., Gunasekaran, A., Roy, M., Rai, B. K., & Senthilkumar, S. A., 2016.
3	Reputation or brand name or Favourable rating by a rating agency	In this research article authors identified brand trust, and reputation is major factor due to which customers buy such complex product for long term. Giri M, studied comprehensive behavirol analysis of how buyers make purchase decision of a particular insurance policy. According to study companies' reputation is a major driving factor for initial buying and continuation of policy.	Tsai, C.-C., et al., 2024. Giri, M., 2018.
4	Age of Insured	Authors studied effect of age on investing in Investment-Linked Insurances and found that youngers prefer Investment-Linked Insurances as their risk appetite is more compare to older age people.	Vaidheeswaran, S., & Baskaran, P., 2022.
5	Investment strategy of the Product (Dual benefit motivation)	In this article authors highlights that though Investment-Linked Insurances are complex products investors prefer this as it gives dual benefit of life insurance along with growth of money.	Kumar, M., & Bharath, B., 2022.

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6	Lock in Period	According to this study while investing investors prefer schemes with lower or no lock in period in addition to this buyers also prefer schemes with partial withdraw facilities.	Kumar, M., & Bharath, B., 2022.
7	Tax benefits	In this study author founds that financial influencer gives recommendation for investment in this plan is mostly due to dual benefit insurance and long-term investment along with tax benefit. According to this study investors main motivation to buy ILI compare to other plan is tax benefit	Olekar, R., & Bendigeri, M., 2013. Kumar, M., & Bharath, B., 2022Error! Bookmark not defined..
8	Recommendation from Friend or Financial Influencer (Professional advice and or peer influence)	According to this study investment in unit linked plan is done by the most of the investors due to recommendations from influencer. In this research article authors conducted survey of Investment-Linked Insurances buyers and found that as these products are complex buying decision is mostly depend on insurance agents or recommendation from influencers.	Olekar, R., & Bendigeri, M., 2013. Basri, S., & Shetty, A., 2023.
9	Minimum amount of Policy	Peer-reviewed research on this topic is lacking, as mentioned above in introduction, their is sizable penetration gap between middle class and low income class so if policy with lower amounts are introduced then it may help to decrease the gap.	Author's own contribution
10	Minimum Premium Payable	In this economic times article it is mentioned that Investment-Linked Insurances with lower annual premium are appealed affordable to middle income range people. In this doctorate thesis it is highlighted that premium amount and tenure of payment are two major factors which significantly affect buying decisions. This is a dedicated study to understand how insurance prices affect purchase decision. In this study, the author noted that higher premiums are often misunderstood as higher product risk.	The Economic Times., 2018, May 5. Giri, M., 2018Error! Bookmark not defined.. Reiner, J. et al., 2025.
11	Expecting Guaranteed Return	This review article studied behavior in investment avenues and noted that investor's choice for Investment-Linked Insurances scheme is based on guaranteed return.	Mude, R. 2021.
12	Tenure of policy	In this doctorate thesis it is mentioned that in India while buying a policy customer usually check for tenure of policy, people in India prefer policy with longer tenure.	Giri, M., 2018.
13	Tenure of payment	According to studies made in a doctorate thesis, people generally go with a policy which gives low tenure options.	Giri, M., 2018.
14	FOMO	The study shows how psychological and neurological factors affect investment decisions. This challenges the traditional belief that investors always act rationally. It points out that investor behavior is influenced by financial information, emotions, mental shortcuts, and brain activity.	Sahi, S. K., 2012.
15	Investment Horizon/ Investment goals	According to authors, an investment horizon and/or investment goal must be clearly defined before buying any mid-long-term Investment-Linked Insurances, as these plans will be helping them to get some lumpsum money upon completion of policy tenure.	Authors own contribution.

Table 1 lists fifteen motivational and perceptual factors that directly or indirectly influence the buying decision of a specific ILI plan. The table also shows how each factor impacts the buying decision, along with references to relevant peer-reviewed articles.The fifteen motivational and perceptual factors are seen as variables. Codes from V1 to V15 are assigned to these variables are coded as shown below for further development of Structural Self-Interaction Matrix (SSIM).

Table 2 : Codes Assigned To The Variable

Sr. No	Variable Name	Code
1	Claim Settlement Ratio	V1
2	Service Speed	V2
3	Reputation of the Insurance Company	V3
4	Age of Insured	V4
5	Investment Strategy of the Company	V5
6	Lock in Period	V6
7	Tax Benefits	V7
8	Recommendations from Trusted Source	V8
9	Minimum Policy Amount	V9
10	Minimum Premium Payable	V10
11	Expectations of Guaranteed Return	V11
12	Tenure of Policy	V12
13	Tenure of Payment	V13
14	FOMO	V14
15	Investment Horizon and Goal	V15

The development of Structural Self-Interaction Matrix (SSIM) is the first step and provides the foundation of the ISM process. It captures the contextual relationships among the identified variables; it is based on expert opinions and logical judgments of the researchers. All variables were compared pairwise and directional symbols (V, A, X, O) were used for identifying the relation. Among the variables. If one influences the other indicated by 'V' or vice versa indicated by 'A' or whether the relationship between variables is mutual, and it is indicated by 'X' or non-existent indicated by 'O'. The coded relations are subsequently converted into binary values to form the Reachability Matrix. In this study, the SSIM highlights that **Tax Benefits (V7)** and **Age of the Insured (V4)** have significant driving influence on others. It indicates that

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demographic and policy-related incentives have a role in shaping individuals' investment-linked insurance choices. The hierarchical structure developed in the ISM model is based on empirically grounded relational judgments which are ensured by this step.

TABLE 3 : Directional symbols (V, A, X, O), for comparing variables pairwise using Structural Self-Interaction Matrix.

Variables	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
V1		X	X	O	A	O	O	V	O	O	O	O	O	O	O
V2			X	O	A	O	O	V	O	O	O	O	O	O	O
V3				O	X	A	O	X	O	O	X	O	O	V	X
V4					O	O	O	O	V	V	V	V	V	V	V
V5						A	O	V	O	O	X	A	A	V	X
V6							A	V	O	V	X	X	V	O	V
V7								O	O	O	O	V	V	O	V
V8									A	A	X	A	O	A	A
V9										X	A	A	O	O	A
V10											X	X	V	V	A
V11												X	V	X	A
V12													V	V	A
V13														O	X
V14															O
V15															

The development of Structural Self-Interaction Matrix (SSIM) is the first step and provides the foundation of the ISM process. It captures the contextual relationships among the identified variables, it is based on expert opinions and logical judgments of the researchers. All variables were compared pairwise and directional symbols (V, A, X, O) were used for identifying the relation. Among the variables. If one influences the other indicated by 'V' or vice versa indicated by 'A' or whether the relationship between variables is mutual indicated by 'X' or non-existent indicated by 'O'. The coded relations are subsequently converted into binary values to form the Reachability Matrix. In this study, the SSIM highlights **Tax Benefits (V7)** and **Age of the Insured (V4)** have significant driving influence on others. It indicates that demographic and policy-related incentives have a role in shaping individuals' investment-linked insurance choices. The hierarchical structure developed in the ISM model is based on empirically grounded relational judgments which are ensured by this step.

TABLE 4 : Final Reachability Matrix to understand presence or absence of influence among variables.

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Driving Power
V1	1	1	1	0	1*	1*	0	1	1*	1*	1*	1*	1*	1*	1*	13
V2	1	1	1	0	1*	1*	0	1	1*	1*	1*	1*	1*	1*	1*	13
V3	1	1	1	0	1	1*	0	1	1*	1*	1	1*	1*	1	1	13
V4	1*	1*	1*	1	1*	1*	0	1*	1	1	1	1	1	1	1	14
V5	1	1	1	0	1	1*	0	1	1*	1*	1	1*	1*	1	1	13
V6	1*	1*	1	0	1	1	0	1	1*	1	1	1	1	1*	1	13
V7	1*	1*	1*	0	1*	1	1	1*	1*	1*	1*	1	1	1*	1	14
V8	1*	1*	1	0	1*	1*	0	1	1*	1*	1	1*	1*	1*	1*	13
V9	1*	1*	1*	0	1*	1*	0	1	1	1	1*	1*	1*	1*	1*	13
V10	1*	1*	1*	0	1*	1*	0	1	1	1	1	1	1	1	1*	13
V11	1*	1*	1	0	1	1	0	1	1	1	1	1	1	1	1*	13
V12	1*	1*	1*	0	1	1	0	1	1	1	1	1	1	1	1*	13
V13	1*	1*	1*	0	1	1*	0	1*	1*	1*	1*	1*	1	1*	1	13
V14	1*	1*	1*	0	1*	1*	0	1	1*	1*	1	1*	1*	1	1*	13
V15	1*	1*	1	0	1	1*	0	1	1	1	1	1	1	1*	1	13
Dependence Power	15	15	15	1	15	15	1	15	15	15	15	15	15	15	15	

(Source : Primary Data)

The Final Reachability Matrix (FRM) is made from the SSIM, it is done by replacing qualitative relationships with binary indicators (1s and 0s). This identifies the presence or absence of influence among the variables. It is further refined to ensure **transitivity**. The FRM is the step before calculating level partitioning; it provides the analytical base and classification of variables into **driving** and **dependent** categories. In the current study, the FRM identifies that **Tax Benefits (V7)** and **Age**

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of the Insured (V4) have the highest driving power and variables such as **Claim Settlement Ratio (V1), Service Speed (V2)**, and **Guaranteed Return Expectations (V11)** has greater dependence. This matrix provides confirmation to the hierarchical interconnections shaping the consumer's decision-making in investment-linked insurance products.

TABLE 5 : Level Partitioning among different motivational and perceptual factors.

Elements (Mi)	Reachability Set R(Mi)	Antecedent Set A(Ni)	Intersection Set R(Mi)∩A(Ni)	Level
1	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
2	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
3	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
4	4,	4,	4,	2
5	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
6	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
7	7,	7,	7,	2
8	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
9	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
10	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
11	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
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13	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
14	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1
15	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,	1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15,	1

Level partitioning is focused on organizing variables systematically into hierarchical layers based on their reachability and FRM. Variables having identical reachability and intersection sets are placed at the same level, it signifies their position is at the top of the ISM hierarchy. In this study, **Age of the Insured (V4)** and **Tax Benefits (V7)** identified as foundational drivers at the base level, it influences a set of dependent factors which collectively form the decision structure. The subsequent higher level includes variables which are directly shaped by these drivers, such as **Service Speed (V2), Reputation (V3)**, and **Investment Strategy (V5)**. This classification of variables into hierarchy facilitates a clearer view of the **cause–effect chain** among the influencing variables. It is capable of guiding strategic interventions for insurers focusing on to design attractive investment-linked products.

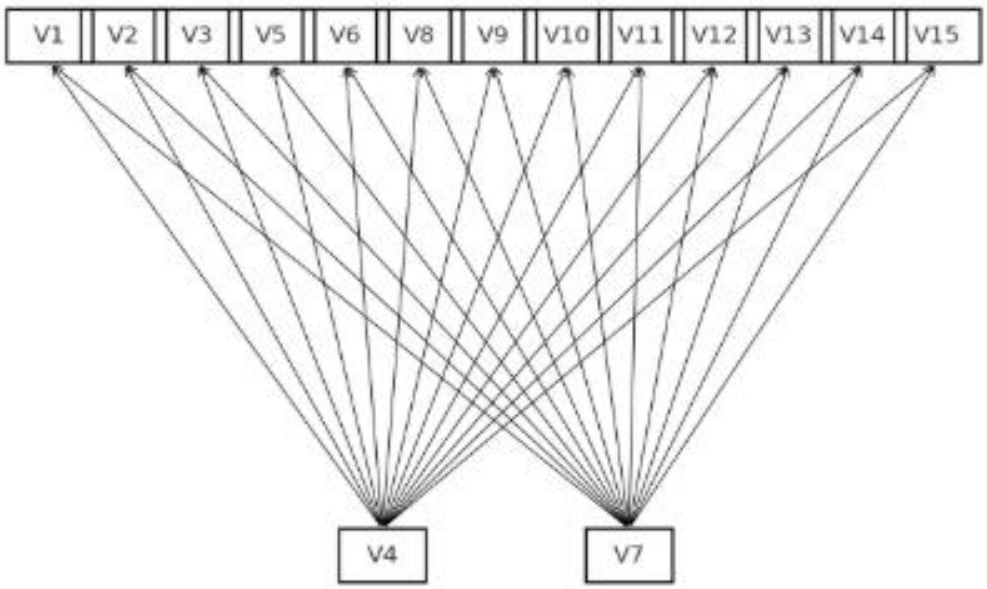

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FIGURE 1 : ISM Model

Fig. 1. Shows hierarchy structure among 15 motivational and perceptual factors responsible for buying decision. Fig 1 depicts the hierarchy structure of variables considered by an individual before taking decision to buy an investment linked Insurance Product. It is divided into 2 levels as explained below.

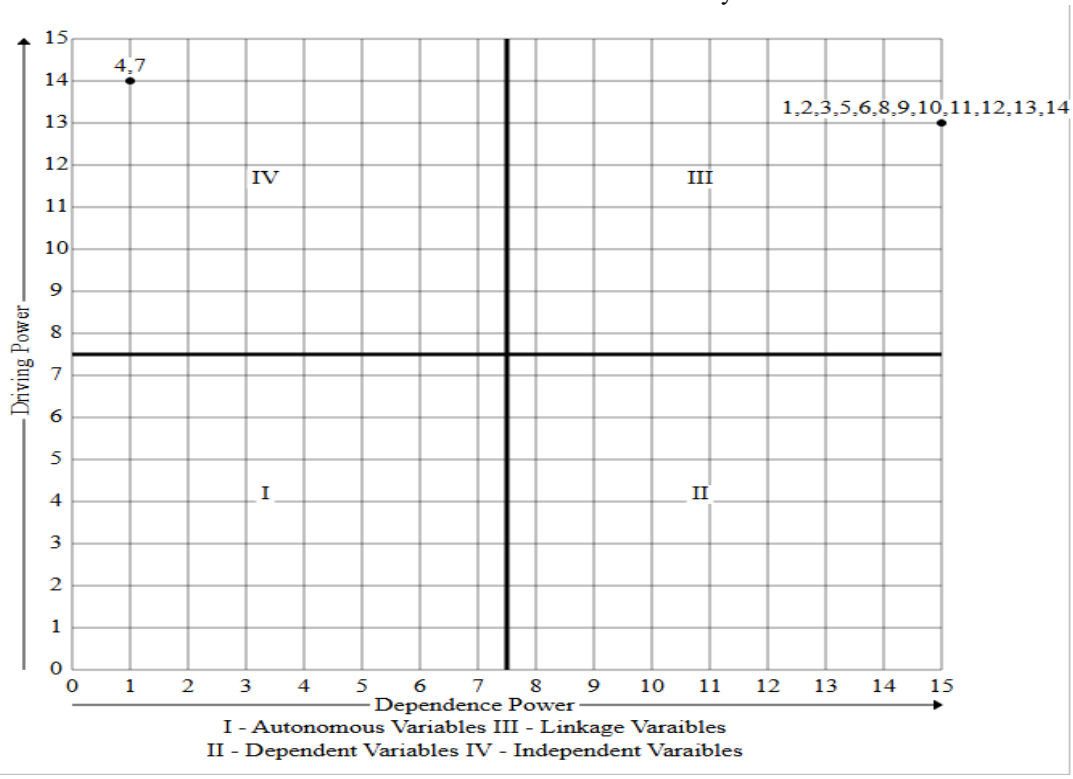
Level 1 (Drivers / Bottom of model): Two variables are placed at this level, they are V4 Age of insured **and** V7 Tax Benefits, both these variables **are responsible for driving the entire system.**

Level 2 (Dependents / Top of model): All other thirteen variables are placed at this level, they are V1, V2, V3, V5, V6, V8, V9, V10, V11, V12, V13, V14, V15. These are dependent variables do not have an individual capability to affect the system.

The ISM hierarchy placed Age of Insured **and** Tax Benefits as the foundational drivers. This placement reassures the established findings that life-cycle needs and tax incentives strongly predict life-insurance demand (Outreville J.L., 2023). Influence of these two variables on product-level variables such as tenure, premium, expected returns is aligned with empirical ILIs studies (Mitra & Singh, 2020).

The dependent and linkage variables which consist of company reputation, claim settlement ratio, and service speed — factors which were long recognized as cornerstone to trust formation in insurance. Emotional and behavioural drivers such as FOMO and recommendations play role of additional reinforcement for decision making process, it is consistent with behavioral finance research which shows strong peer influence in financial decisions.

FIGURE 2 : MICMAC Analysis



The MICMAC analysis classifies, and place variables based on its driving and dependence power. All non-driver variables identified are placed in the **linkage** quadrant. The Drivers are placed in independent variables quadrant. The above pattern matches what MICMAC analysis is intended to reveal i.e. few elements with **leverage** and many **symptoms** or **outcomes** (Ahmad et al., 2024; Bianco et al., 2023).

The MICMAC scatter plot (figure 2) shows: **V4, V7**: **High Driving / Low Dependence i.e. Independent (drivers).** It guides the managers to treat these variables as **policy-design anchors** as changes in these variables can propagate system-wide shock. **V1, V2, V3, V5, V6, V8–V15** are **High Dependance and moderate driving i.e. Linkage/Dependent zone variables.** It indicates that these are **responsive** variables, and do not have the capability to affect entire system; therefore, they are valuable for positioning and service operations.

The results obtained through this study perfectly align with theories of behavioural finance which states that fundamental investment intent is shaped by demographic predispositions and incentive structures and product-level and service-related factors influence final purchase behaviour. The findings also echoed prior insurance literature elaborating that the tax benefits and life-cycle considerations play a dominant role in purchasing decisions of insurance. The study is helpful for practioners as it highlights the importance of comprehensive engagement approach, segment-specific communication, tax-driven positioning strategies that address both rational and behavioural consumer concerns.

Discussion of result outcome-

The study offers actionable insights to insurance companies, financial service providers, and financial intermediaries who operates in Asian markets. The study offers a structured understanding of motivational factors, particularly foundational drivers of Age & Tax Benefits, to support a more targeted business strategy. This is highly relevant given the heterogenous

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nature of Asian markets in terms of income levels, regulatory environments, and financial literacy. This study helps in the following ways.

1. Product Design based on Age Group

The study identifies age of insured person as a foundational driver which is helpful for insurance companies to design age specific insurance plans catering to different needs of age groups. Based on age groups, different plans can be designed, for example for young individuals insurance products helping the individual in wealth accumulation offering high flexibility could be offered. A middle-aged person will be more inclined to insurance plans offering tax savings, long term security and goal-based planning. Senior individuals may like to have more stable and low risk funds. This customization is helpful to attract more people.

2. Tax-Benefit Positioning in Marketing Campaigns

Irrespective recent amendments in Income Tax offering alternative tax regime. Tax incentives is still a critical motivator for availing insurance products in emerging Asian economies. Insurance companies can plan their marketing campaigns highlighting tax benefits.

3. Strengthening Trust, improve customer engagement, market expansion, and consumer education.

The study identified other factors which also play important role in decision making. Various factors such as Brand reputation, service speed, and claim settlement efficiency can be highlighed for strengthening trust on the insurance company. Behavioural factors such as peer influence, agent recommendation and FOMO provides insight into decision making process which can be helpful in increasing customer engagement.

Insurance premium amount and goal based saving plan is highly important for further market penetration and expansion by designing micro insurance policies with low premium and desiging insurance products in collaboration with other players offering goal based products.

Summary

The hierarchical structure of motivational and perceptual factors put forth in this study highlights where Asian insurers and financial service providers attention should be concentrated. Insurers should align marketing, product development, advisory practices with the identified drivers and accelerate the adoption of investment-linked insurance products across diverse Asian demographics.

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