WHAT DRIVE THE SECOND PURCHASE OF MALAYSIA INSURANCE CONSUMERS?

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BANKING AND FINANCE**

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DECLARATION

We hereby declare that:

(1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the research project.

(4) The word count of this research report is <u>9996 words</u>.

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First and foremost, a thousand thank of gratitude to Universiti Tunku Abdul Rahman (UTAR) by giving us a chance to take part in this final year project. Besides, UTAR provided us facilities such as library and internet lab which eased our process in completing the final year project.

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DEDICATION

This paper is dedicated to Universiti Tunku Abdul Rahman for providing us a platform and opportunity to enhance and apply knowledge of banking and finance that we had learned in the past years.

Next, we would like to dedicate this paper to Mr Cheah Chee Keong, our Research Project supervisor. He showed great support and encouragement throughout the process of completing this research paper.

Moreover, this paper is also dedicated to our families, friends and course mates for their mental and physical supports towards our research project.

We would also like to dedicate this paper to future researchers who wish to do research in insurance field. We hope that this research paper serves as a helpful tool for future researches.

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PERFACE

This research paper is submitted in partial fulfilment of requirement for Bachelor of Business Administration (HONS) Banking and Finance. Ms Cheah Chee Keong is our supervisor for this research. The final year project is completed solely by the authors based on others' researches and resources quoted as in references.

The main focus of this research is to analyse the customer loyalty among Malaysia citizens. We wish to provide a better insight and guideline to the management of the insurance through this research paper. By developing a better understanding towards the elements that may probably affect customer loyalty, the bank's management are capable to compose a better outcome.

We have learned extra knowledge by completing this research paper although the process was difficult. We believe that the knowledge we gained in this research paper will help us in our future career.

ABSTRACT

This research is used to analyse the customer loyalty among Malaysia citizens. The independent variables are product quality, service quality, social influence and media influence. However, the dependent variable in this research is customer loyalty/second purchase of Malaysia insurance consumers. The empirical result showed that product quality and media influence are significantly and positively in affecting customer loyalty. Another two variables include service quality and social influence have insignificant and negative relationship with customer loyalty/second purchase of Malaysia insurance consumers.

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CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

The objective for this research is to determine what drive the second purchase of Malaysia insurance consumers. This chapter's flow is to show to the readers about what is the overview outline of the research's study contents. In chapter one, it explains the research background, problem statement, research objectives, research questions and understand the significance of hypothesis accordingly, study the significance, chapter layout and concluding remarks.

1.1 Research background

Insurance is a risk management mechanism which written as contract between an individual with insurance company. The insured pay a premium to the insurance company, while the insurance company collects the premium together into a fund pool which provides financial protection to the particular individual against financial losses. In other words, the premium payer or the insured pay premium to transfer financial risks to the insurance company or the insurer.

Generally, there are four types of insurance commonly heard in Malaysia, which are, auto insurance, life insurance, health insurance, and property insurance.

Auto insurance is a contract between insurer and insured to protect insured against financial losses due to accident. It comprises properties, liabilities and medicals coverage. Property claims happens when damage to or theft of insured car. Medical claims are to cover the cost of treating injuries and lost wages and funeral expenses. Liability coverage is to pay for other party's bodily injury and property damage.

Property insurance is an insurance which cover the financial reimbursement to the renters or owners of a property and its content if happen damage or theft. It consists of homeowners insurance, renters insurance, and flood and earthquake insurances.

Health insurance covers the risk of incurring medical expenses. Health Insurance Association of America define that the insurance provided the payment and benefit for people who get losses from that accidents, disability, any illness and disease or injured from accident. All will cover by insurance included death in an accident and also dismemberment.

Life insurance is a contract between life assured and life assurer of the insurance whereby the life assurer will paid a lump sum of money to a beneficiary or beneficiaries in exchange with premium, upon the death or total permanent disability of the insured.

In short, auto insurance and property insurance are to protect against the financial losses in the event of incidents happens on the premium payer's vehicles and properties respectively. These type of insurance are forced to be paid before renewing road taxes of vehicles or buying a new house in Malaysia. While health insurance and life insurance are to cover the medical expenses and provide monetary benefits for the beneficiary in the event of any incidents happen on the premium payer.

In Malaysia, there are several insurance companies that we can found out. There are included Great Eastern Life Assurance (Malaysia) Berhad, AIA Berhad, Prudential Assurance Malaysia Berhad, Allianz Life Insurance Malaysia Berhad, Manulife Insurance Berhad, MCIS Insurance Berhad, Hong Leong Assurance Berhad and etc. The Malaysian government intervened Insurance Act 1963 in the early 1960s to regulate the insurance industry. In the late 1990s, government replace Insurance Act 1963 with Insurance Act 1999, made some changes in legislative framework to improve supervision in the industry in term of operational and financial discipline, transparency of policies, and practices and protection of the policy owners. Bank Negara Malaysia then repealed the Insurance Act 1999 with Financial Services Act 2013, consolidates the regulation for Malaysia's banking and finance industries.

1.2 Problem statement:

This research is mainly focus on what drive the second purchase of Malaysia insurance consumer. Insurance is one of the best tool for risk management. Based on research from Life Insurance Association of Malaysia (LIAM), the insurance penetration rate in Malaysia in 2016 is 56% compared with year 2014 only 42%. Although there are growth in Malaysian insurance penetration rate, compared with Japan insurance penetration rate of over 400% and Taiwan over 200%, Malaysia is still having a large negative gap. Therefore, this research study why do people in Malaysia proceed to second purchase of insurance.

1.3 Research objectives:

The purpose of the research is to study what are the driving factors affecting second purchase decision of insurance in Malaysia. Based on LIAM, the first half year of 2016 recorded that there are increasing 20.8% of the new business weighted premium. Compared to first six month of 2015, the new business weighted premium reached RM 2.44 billion in year 2016, from RM 2.02 billion in year 2015. Statistic showed that insurance sectors are growing steadily with the GDP of first half year of 2016 only recorded 4.25 averagely. This research is to study what drive the second purchase of Malaysia insurance consumer.

1.4 Research Question

The main research questions of this research are to analyze the second purchase of insurance among Malaysia citizens. Besides that, this research bring out the some of the research questions:

➢ What is the interconnection among the second purchase of life insurance and product quality?

➢ What is the interconnection among the second purchase of life insurance and service quality?

➢ What is interconnection among the second purchase of life insurance and social influence?

➢ What is the interconnection among the second purchase of life insurance and media influence?

1.5 Hypothesis of the Study

The hypothesis develops in this research are as below:

Hypothesis 1 (Product Quality)

H0: There is no interconnection among product quality against the second purchase of insurance.

H1: There is an interconnection among product quality against the second purchase of insurance.

Hypothesis 2 (Service Quality)

H0: There is no interconnection among service quality against the second purchase of insurance.

H1: There is an interconnection among service quality against the second purchase of insurance.

Hypothesis 3 (Social Influence)

H0: There is no interconnection among social influence against the second purchase of insurance.

H1: There is an interconnection among social influence against the second purchase of insurance.

Hypothesis 4 (Media Influence)

H0: There is no interconnection among media influence against the second purchase of insurance.

H1: There is an interconnection among media influence against the second purchase of insurance.

1.6 Significant of the study

According to (Thomas & Znaniecki, 1918), research showed that attitude it is important, because it was a key that to let people understanding human behavior. This research is to study the second purchase of insurance, which is a human behavior. The empirical result of this study provides the ability to understand different people will have different buying behavior, and to measure the attitude towards consumption of insurance.

Besides, this research provide better understanding on the needs of insurance of Malaysia citizens to assist the company to have better knowledge on the trend of demand of the insurance in Malaysia. So that, helping the insurance company in developing new products suitable for Malaysian. Furthermore, this research shall provide some information to the insurance agent to understand the needs of Malaysia insurance consumer. Thus, they can provide the best financial planning solution to meet their customers' needs. This is to prevent the miss-selling of insurance which cause decline of the confidence and trust of people towards insurance.

1.7 Chapter Layout

In the research, it including five chapters there are introduction, literature review, research methodology, data analysis & discussion and conclusion.

1.7.1 Chapter 1

In chapter 1, there is a brief introduction about the background of this research, problem statements, objective and questions of the research, hypothesis and significance of study which discuss in the following chapters.

1.7.2 Chapter 2

In chapter 2, developmental of conceptual or theoretical framework foundation is provided by literature review for future investigation. Past researchers had been use empirical research to carry out relevant work for this project topic.

1.7.3 Chapter 3

In chapter 3, research methodology is overviewing which involve information on research methodology and how to move on the research evaluation. There are in three term including research design, data collecting method and also sampling design.

1.7.4 Chapter 4

Data analysis is used to show the result of descriptive analysis, and inferential analysis in pattern, graph and scale measurement in the chapter 4.

1.7.5 Chapter 5

In chapter 5, we draw a conclusion from the study by summarizing and discussion on major findings, study's limitation and implication and also the future research's recommendations.

1.8 Conclusion

Investigation the relationship between second purchase and those independent variable will be aim in this study after determining the problem statement, research questions and its objectives. In chapter 2, relevant literature reviews were used to determine the relationship between customer second purchase of Malaysia insurance consumers and those independent variables.

Dependent variable: Second purchase of Malaysia insurance consumers.

Independent variable: Product quality, service quality, social influence, and media influence.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter will discuss the factors that affect second purchase of insurance. The past literatures of previous researcher related to the topic discussed will studies in this research. This chapter includes a proposed conceptual framework and hypothesis developed will be tested in chapter three.

2.1 Review of the literature

2.1.1 Second purchase of Insurance

The second purchase is important as it represent the intention of the consumer to consume the product or service again. The insurance is not a product but services. Thus, the consumer will not get any tangible item but financial protection provided. The journal of Lyu, & Barré, (2017) has linked the purchase decision with willingness to pay in insurance. The customer will make the second purchase decision by paying the insurance the premium in free consented.

Consumers could not feel the insurance as insurance is a service. The service is hard to seen and evaluate as the intangibility and inseparability of the service characteristic (Burton, 1990). The information searching could provide better understanding about the insurance policy before they purchase the insurance (Lin, & Chen, 2006). The consumer will tend to buy insurance when they are in the risk situation (Brody, Highfield, Wilson, Lindell, & Blessing, 2016).

2.1.2 Product Quality

Product quality in this research are refer to the coverage, premium payment mode, claiming process, simplicity and also the information provided in the insurance policy. Scheneider & Bowen (1999) mentioned that, service businesses should build reciprocal relationship by safeguarding customer security, fairness and self-esteem, in order to retain customer loyalty, make the customer to have second purchase and maintain profit.

Product quality is an important factor affecting the second purchase of insurance in Malaysia as the more clearly and specific details given by the insurance company in their policies, the less likely will be the information wrongly delivered to the customer. Therefore, the asymmetric information will be less likely to occur. (Guillen, Nielsen, & Pérez-Marín, 2008)

According to Scheneider & Bowen (1999), security (besides of self-esteem and justice) is one of the three needs of a customer in a service industry. Contract specifics are a form of providing security to the customer. The security is important for the insurance company or any other service industries to build trust of their customers. According to Woolthuis, Hillebrand & Nooteboom (2005), the trust and formal contracts are related. Both of them will affect a relationship between the buyer and seller. In a logical thinking of it, the more detailed and transparent of the contract, the stronger the trust of the customer towards the seller as the buyer feel it is more secure and less risky.

According to Guillen et al., (2008), customer loyalty monitoring system will help to retain customers in insurance and lead to second purchase of insurance. In the third stage of monitoring system, the multiline data set was done by combining all contracts into one set of data. Product quality like term coverage, protection coverage, clarity of contract, are one of the part of multiline data set which is important for the customer loyalty monitoring system.

2.1.3 Service Quality

The after sales services is a crucial factor that directly influence the demand of second purchase of insurance as well as the loyalty of customer towards an insurance company. A well performed after sales services will boost the chance of the second purchase of insurance and will also strengthen the loyalty of the insurance customer. By referring to several journals, in which showed that good before-sales services, on-sales services, after-sales services, and good quality of insurance products will generate positive relationship on insurance customers' loyalty and also increase the chance of second purchase of insurance. Khurana (2013) indicated that customer's perception toward tangibility dimension of service quality has the greatest impact on customer satisfaction followed by competency and credibility. Tangibility dimension of service quality includes quality of products, modern technology used, and quick and easy claim of insurance. Competency includes services offered, and after-sales services. Credibility includes characteristics and knowledge of agents. Besides, Siddiqui & Sharma (2010) stated that service quality influence customer satisfaction with agents, functional services, company, and ultimately enhance the overall satisfaction, which, in turn, boost the loyalty of the insurance customers. Moreover, Melia (2016) showed that the higher the quality of services the higher customer satisfaction in insurance. Srivastava (2015) finds that if customer's expectations on quality of product and services provided are met through a certain insurance agent, it will affect their purchasing decisions positively. Jazi & Mirahmadi (2016) stated that good services or good after-sales services will increase customer satisfaction and thus increase the loyalty of the customer. Singh, Sirohi & Chaudhary (2014) suggested that the life insurers can take care of improving service quality through various factors which will positively enhance customer loyalty and increase sales of their products.

2.1.4 Social Influence

Social influence in this research is referring to human-to-human interaction, such as family, friends, and agents. Through this human-to-human interaction, a father can influence his son to buy insurance because son trust his father's word. Besides, friend is also a factor of social influence. Due to the trust of a guy on a friend, when friend suggest that insurance is important, the guy will believe and ultimately buy the insurance. Furthermore, agent is also another social influence. Insurance agent is a professional person who possesses the knowledge of insurance product and provides professional advisement to customers. With his professional view and knowledge, customer tends to believes and trust that agent. Thus, increase the chance of second purchase.

According to K. Uma et.al. (2011), we can find out that agents of insurance are the essential wellspring of data like radio, companions and TV can make awareness about life insurance. The agent's behavior integrity and advice it is important, because the customer more prefer to those agents with good behavior and given high value (Zeithaml et al., 1993). Rajkumar and Kannan (2014) founded that most of the consumer's purchase decision of insurance product was affected by the agents. Tam and Wong (2001) finds that if insurance agents enhances their relationships with customers, the customer satisfaction will improve and in turn lead to life insurance repurchase. Srivastava (2015) finds that if customer's expectations are met through a certain insurance agent, which affect their purchasing decisions positively. Besides, agents is a good source for people to boost their product knowledge on insurance products (Tan, Wong & Law, 2009) which in turn will encourage the demand of various insurance products. (Ofoghi & Farsangi, 2013).

According to Whaples and Buffum (1991), the social influence such as family member, friends, and colleague and so on it will affected the individual purchase insurance. According to Nguyen and Gizaw (2014), word of mouth (WOM) from families or

friends it will slight influenced purchase decision. The advertising and word of mouth (WOM) it can affect individuals making second purchase decision on buying insurance (Rajkumar and Kannan, 2014).

Based on Ulbinaite, Kucinskiene and Moullec (2013), the result shown that the decision making for second purchasing the insurance will affected by family member and the total children that a family have. According to Li and Weagley (2008), the more of the children that the household have will tend to increase the demand of insurance by the household. The social influenced and demand for insurance is positively relationship (Ulbinaite, Kucinskiene and Moullec, 2013). It mean that, if one person demand for the insurance, their peer, family's member, friend, and colleague and so on will also follow to make second purchasing for the insurance.

2.1.5 Media Influence

According to Neza and Myftaraj (2016), the researcher found that advertisement on media including television advertising, online advertising, newspapers and radio advertising is one of the best ways for insurance company to create brand awareness and brand memory in consumer decision making. There are 94% of the respondents from the research able to recall the insurance company's advertising content and also have a long lasting impact in the minds of consumers through the television advertising. Rajkumar and Kanan (2014) also said that advertising is a very relevant factor among peoples to selecting an insurance company like print media, television commercials or other electronic media.

Media advertising help insurance company in the brand recall especially huge impact of these advertisements for their customer to stay with same brand and also choose back the brand when purchase additional insurance products. Insurance company uses the media advertisements provide customers with sufficient knowledge about the insurance

products to affect their future purchasing insurance decision. The researchers also clearly state that brand of insurance company will come into the mind of their customers in the competitive market through media advertising. (Suman Si&Mansi Kapoor, 1999).

Based on Gharibi,Danesh &Shahrodi (2012), the researchers using AIDA model to explain the effectiveness of advertising. They found out that Media advertising of insurance company has been effective in attracting the attention of people to influence their opinions, attitudes or behavior by using AIDA model. Ardenstani,Mirabi,Kazemi and Far(2014) hypothesised that advertisement of media will contributed a huge impact on the consumer's perceived quality of their brand awareness and also brand loyalty. The research was done on 429 consumers by using random sampling method to measure it. In the research, the effect size of advertisements on the brand loyalty of insurance industry in Iran is 0.94 which mean there is a highly positive relationship between advertisement and brand loyalty of insurance industry. By using propaganda including mass media, insurance company able to efficiency increase the awareness and loyalty of customers towards their insurance products which in turn encourage second purchase of insurance.

2.2 Review of Relevant Theoretical Model

Figure 2.1 Second purchase of Malaysia insurance consumer model

2.2.1 Loyalty Business Model Theory

Loyalty business model theory is a theory used by strategic management level of a company to increase the level of loyalty of customers towards the company or the brand. Customer loyalty is an important factor to trigger second purchase and increase the profit of the organization.

In insurance field, loyalty is an important factor in order to have customer to make a second purchase decision. Product quality and service quality are the internal factor which related to the loyalty business model theory so that Malaysian insurance consumer will have loyalty or second purchase. Storbacka, K., Strandvik, T., & Grönroos, C. (1994) further the loyalty business model theory with service quality theory which provide more information than loyalty business model but deliver the same conclusion of the previous model. The journal brought out an outcome on how service quality influence the customer satisfaction and loyalty which in turn affect the profitability. Besides, Storbacka et.al (1994) also mentioned that there is a moderate but blur relationship between service quality and second purchase.

2.2.2 Cultivation theory

Cultivation theory refers to the examination of long-term effects of media which effect on second purchase. This theory means, the more the people spend their time in social media, they will more rely on the information provided by media. This could relates to the media influence on the second purchase of the Malaysia insurance consumer. Ardestani, Mirabi, Kazemi, & Far (2014) showed that there is a positive relationship of the second purchase with the media influence.

2.2.3 Word-of-mouth theory

Word-of-mouth theory is mean that passing of details through oral communications. This theory is a two side's blade whereby negative word of mouth will give negative impact and positive word of mouth will have positive impart. Word of mouth is a kind of social influence. As stated above, the word of mouth or social influence has positive relationship to the second purchase of Malaysia insurance consumer. Storbacka et.al (1994) indicates that, word of mouth which is a kind of relationship strength have a positive relationship with the dependent variable of our research.

2.3 Proposed Theoretical/ Conceptual Framework

What drive the second purchase of Malaysia insurance consumer?
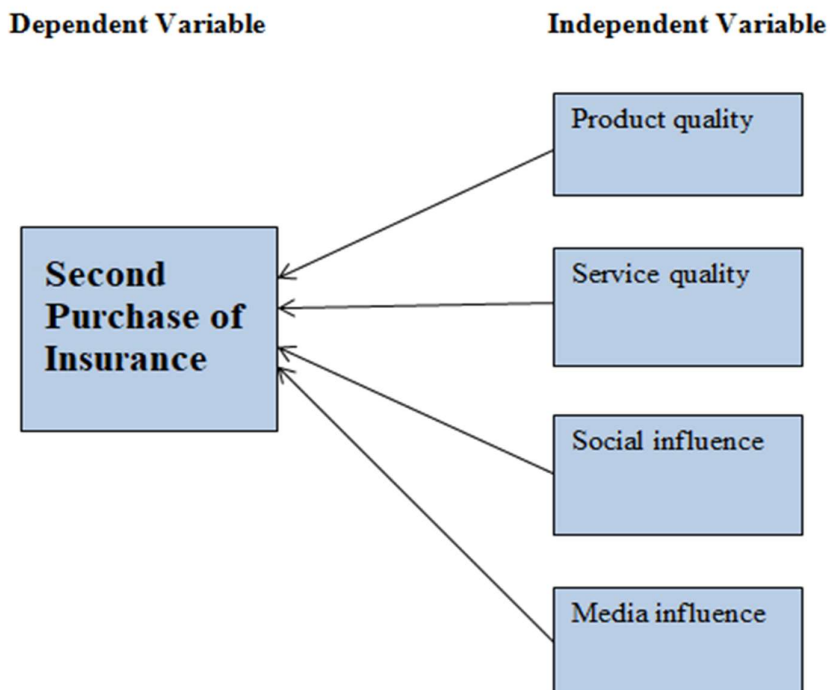
Figure 2.2 Proposed of theoretical framework

2.4 Hypothesis Development

Hypothesis 1

H_0: Product quality has no significant interconnection on second purchase decision of insurance.

H_1: Product quality has significant interconnection on second purchase decision of insurance.

Guillen, Nielsen, & Pérez-Marín (2008) say that more clearly and specific detail of insurance given by insurance company, less likely the information deliver to the customer wrongly.

Hypothesis 2

H_0: Service quality has no significant interconnection on second purchase of insurance.

H_1: Service quality has significant interconnection on second purchase of insurance.

Srivastava show that it will affect their second purchasing decisions positively if customer's expectations on quality of product and services provided are met through a certain insurance agent.

Hypothesis 3

H_0: Social influence has no significant interconnection on second purchase of insurance.

H_1: Social influence has significant interconnection on second purchase of insurance.

Ulbinaite, Kucinskiene and Moullec (2013) show that there is a positive relationship between the social influenced and second purchase for insurance.

Hypothesis 4

H_0: Media influence has no significant interconnection on second purchase of insurance.

H_1: Media influence has significant interconnection on second purchase of insurance.

Ardenstani,Mirabi,Kazemi and Far(2014) show that there is a highly positive relationship between advertisement and second purchase of insurance industry.

2.5 Conclusion

Previous literatures done by previous researchers examine how independent variables affect the buying decision of insurance. Meanwhile, the theoretical framework and conceptual have provided in this chapter. Methodology will be discussed by the researcher in chapter three.

CHAPTER 3: METHODOLOGY

3.0 Introduction

Research methodology is clearly introduced in this chapter in order to perform a successful research study. Besides, this chapter will also discuss about the definition of the methodology used.

3.1 Research Design

Research design is a detailed outline on how to conduct a research. A research design involved how to collect data, what instruments should be use and which instrument is suitable to analyze the data collected.

The objective for this study is to study the factor affecting second purchase on insurance of Perak citizen and the relationship of product quality, service quality, social influence, and media influence. Thus, quantitative research is used because it emphasize on objective measurements, numerical analysis and questionnaires or surveys. Williams, C. (2007) stated quantitative research method involves a numeric or statistical approach to research design.

Survey method is suitable for this research because this is a descriptive research. Ponto, J. (2015) stated that survey research allows for a variety of methods to, collect data, and utilize various methods of instrumentation by using quantitative research strategies such as using questionnaires. By using questionnaire, the relationship of product quality, service quality, social influence, and media influence towards the second purchase on insurance of Perak citizen can be accurately explain.

3.2 Data Collection Methods

3.2.1 Primary Data

In order to administer this research and also the data collecting procedures, primary data was exercised.

Primary data is the data that is collected for a specific research problem, using procedures that fit the research problem best (Hox, J. J. & Boeije, H. R. 2005). Primary data can be collected by using various methods, such as Face to Face Survey, Email Questionnaire, and Online Questionnaires through Social Media. Among these methods, face to face survey is the best method because respondent will answer the questionnaire honestly and practically compared to other method because the respondent will not give improper answer to the agent in front of them as they can ask the agent when they did not understand a question. Unlike online and email questionnaire, respondent might not fully understand what the question is asked, which in turn influence them to give improper answer. Szolnoki, G. & Hoffmann, D. (2013) stated that face to face survey provide better results in terms of representativeness in the answers and the uncontrolled online survey showed a much more biased result.

3.3 Sampling Design

3.3.1 Target population

According to the Australian Bureau of Statistics which is the statistical agency of Government of Australia, population is any complete group with at least one characteristic in common. The target population for this research is Malaysian. According to the department of statistics Malaysia, in year 2016 Malaysia total population is 31.7 million. Penetration Rate of Life Insurance in Malaysia 2016 is 55.30%.
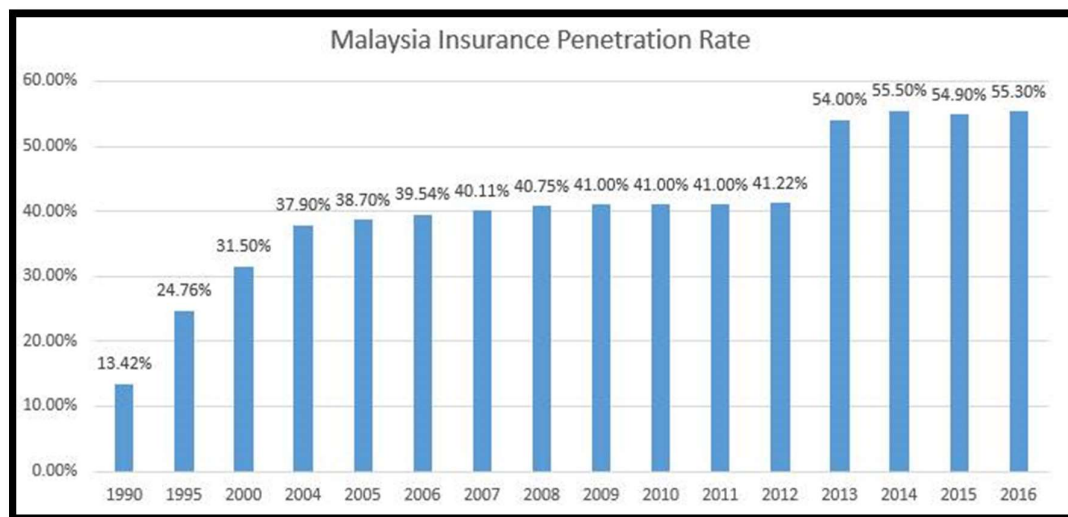
Table 3.1: Penetration Rate of Life Insurance in Malaysia 2016

3.3.2 Sampling Size and Sampling Location

The sampling size is total of respondent that we have collected from respondent by questionnaires. The sampling size for this study is 300, this mean that we had collect 300 sets of questionnaires at the stage of data collection. The respondent choose and focus by us is Malaysian. The sampling location of the questionnaire is set to Peninsular Malaysia especially Perak, Johor, Selangor, Pahang and Penang.

3.3.3 Sampling Elements

The objective for the research is to examine the factors affecting Malaysian's second purchase of insurance. Thus, the target respondents are from different qualification and different income level and also different living area. It is because the people with different qualification, income level and living area will having different respondent and requirement for the insurance. Moreover, more different type of respondent will have more accuracy data for analysis and collect.

3.3.4 Sampling Methods

In this study, simple random sampling is chosen. The reason for choosing this sampling method is because the location chosen is only a state. By using simple random sampling, the data collection process will be done quicker compared to other methods which involve complex procedures.

3.3.5 Sampling Size

This study involved 300 questionnaires which are distributed to Malaysian hand by hand. Faber, J. & Fonseca, L. M. (2014) stated that very small samples undermine the internal and external validity of a study. Besides, Nayak, B. K. (2010) stated that very large sample size is a waste of time and money when an answer can be accurately found from smaller sample. Moreover, the controlling for the sample size allows the researcher to avoid any problem arising from too small of sample size and too large of sample size (Biau, D. J., Kernéis, S. & Porcher, R., 2008).

3.4 Research instrument

The questionnaire is the research instrument that we have used to collect and gather the data, analyze and also interpret that data that we have collected from different groups of target population. The questionnaire that included a lot of the questions that created from our research variables. Besides that, according to McColl et al., (2001) the questionnaire also a ways that used to collect primary data, the questionnaire purpose is to capture legal, predictable, fair data from different groups of target population. The questionnaire is a way that highly efficient to collect data and information that we need to use for research.

The survey questionnaire of our research that divided into two section. There are section A and section B. The questions that included in section A is the demographic questions. The demographic question that included gender, education, income, age and other (Li, Kuo and Russell, 1999). Section B question that included that the question created by independent variable and also dependent variable. The dependent variable for the questionnaire is second purchase for demand insurance and independent variable are understanding on insurance, premium, age, gender, insurance agent, brand and peer influence.

In additions, the method that we distributed the survey questionnaire to the respondents by network and distributed survey questionnaire face by face. The respondent that can choose the favorable way to help us done the survey questionnaire by face to face on hard-copy with paper and pen or on web site (Batinic et al., 1999). For the online respondent that, we have created the Google form to let people completed survey questionnaire online. We will send the Google form to people by sending the link through social network such as Facebook, email, messenger, and so on.

3.4.1 Questionnaire Design

The survey questionnaires that design by us included three sections, there are Section A, B, and C. The total question that involved 33 questions. Section A in the questionnaire is about the respondent demographic profile information. In this section have 5 of questions, there are included respondents' information such as age, gender, income level, living area and education level. Section B of the questionnaire consists of 3 general information questions. There are which of the insurance agency that prefer by respondent, how much of the health and life insurance policies that hold by respondent and which type of the health and/ or insurance that holding by respondent. Besides that, Section C of the questionnaire consists of 20 questions for independent variable and 5 question for dependent variable. The dependent variable for the questionnaire is second purchase on insurance and independent variable included product quality, service quality, social influence and media influence. The dependent variable and independent variables will use the 5-point multiple choice grid.

3.5 Constructs Measurement

Scale is used as a standard measurement for a system of marks which is set at fixed intervals. Steven (1946) say the measurement scales preserve under a wide variety of transformations in some sense deliver less information than those is preserved by only a restricted class of transformations. Thus, nominal, ordinal and interval scale is the type of scales can be implemented in the questionnaire.

3.5.1 Nominal Scale

Nominal scale is scales that do not have order. Nominal scale assigns them to categories so that it can describe the differences between things. Individuals may be categorized into "male" or "female" which put in the research question.

3.5.2 Ordinal Scale

Ordinal scales are a scale that can rank order things. Ordinal scales measures the non-numeric concepts like satisfaction, happiness, discomfort from highest to lowest or from top to bottom.

3.5.3 Interval Scale

Interval scale measure the order and the difference between points on the scale. Based on the researcher, the questions are based on interval scale which is in the form of multiple choice grid. There are five different points of scales used in multiple choice grid which put in the research question such as strongly disagree, disagree, neutral, agree and strongly agree.

3.6 Data Processing

In the research, we use latest version of Statistical Package for Social Sciences (SPSS) version 24 to interpret the data after collecting the data of questionnaire from the participate respondents. We had been distributed 330 sets of questionnaires to the respondents in Malaysia but there is only 300 sets of questionnaires had been collected. There are four steps process that we need to undergo after the data collected from the survey including questionnaire checking, second transcribing, third data coding and the last will be data editing.

3.6.1 Data Checking

Researcher will checked the questionnaire answer and interview quality of data collected is being endured. In addition, we will check the questionnaire to minimize the unacceptable questionnaires including questionnaire's answer is incomplete. This process is important for our research to influence the research's objectives because it will help researchers to find out what error is occurring and a quickly corrective actions are able to undergo.

3.6.2 Data Editing

Data editing process is a process used to examine questionnaire survey's collected raw data in order to detect the omission and errors. Correction or edition action will be taken promptly to prevent any unnecessary event occurs during the data processing if there is any errors and omission detected.

3.6.3 Data Coding

Coding can be explained when data is transform into a form that can used SPSS software to understand. Normally, SPSS software able to assign a code with numbers to allocate the reaction within the certain question. Moreover, there is designated place to enter the data record and coding. Every variable and questions are needed to develop. It will more convenient for us to interpret the data and interpretation of research objective will be easier when the questionnaire answers are categorized by each group.

3.6.4 Data Transcribing

Data cleaning is the process of transferring all the collected data into the computer. It is detection and correction process of faulty or fraudulent records. Moreover, it is a broad verification for consistency and also rectify for the missing data. Identification of incompatible with logical, range exceeded and extreme value is checked consistency in the process of data cleaning.

3.7 Data Analysis

In this sub-chapter, we are going to evaluate the collected data from the questionnaires by examining the data components to analyze whether each part are in logical reasoning. The following part will discuss on the statistical techniques for example; descriptive analysis, scale measurement and inferential analysis to be applied in our research.

3.7.1 Descriptive Analysis

Descriptive analysis is a statistical technique which used to describe a given set of data in a summarized form. According to (Zikmund, 2003, pp. 55), descriptive analysis is a process of arranging raw data into a form of descriptive information that could be easily understood and manipulated. It can be either a sample or populatio9n. According to (Zikmund, Babin, Carr and Griffin, 2010), the descriptive analysis could measure the characteristic of a population based on a sample data. Descriptive analysis is not the same with inferential analysis as descriptive analysis is only describe the data collected in a more simple and summarized way, while inferential analysis is to infer the data given and make a conclusion based on the data provided.

3.7.2 Scale Measurement

3.7.2.1 Normality Test

The scale measurement in our research is referring to reliability test. The reliability test data is a prior vital data to solve the research question. The data collected through questionnaires are used to conduct reliability test to make sure the consistency and reliability of the data sets. According to Zikmund, Babin, Carr and Griffin (2010), there are 4 different stages of reliability. If the coefficient alpha value is from 0.80 to 0.95, it is a very good reliability, meanwhile, the coefficient alpha value of 0.70 to 0.80, 0.60

to 0.70, and less than 0.60 have good reliability, fair reliability and poor reliability respectively.

3.7.2.2 Reliability test

Data reliability from the survey can be determined by using Cronbach's alpha. 0.3 Cronbach's alpha indicate that it is at the threshold, around 0.5 or more than 0.5 indicate that adequate and 0.7 or more than 0.7 mean high (Griffe, 2012).According to the George and Mallery (2003), less than 0.5 indicate that undesired, poor was indicated by higher than 0.5, questionable was indicated by higher than 0.6, acceptable was indicated by higher than 0.7, overall good was indicated by higher than 0.8 and perfect was indicated by higher than 0.9.3.7.3 Inferential Analysis

As refer to above 3.7.1, inferential analysis is differ from descriptive analysis as inferential analysis infer the data given and make conclusion. This type of analysis can conclude a result of an entire group from a sample group. Although inferential analysis is suitable for both population and sample data, most of the researchers prefer to use sample data as collecting data from entire population is nearly impossible. In this sub-chapter, we will also discuss on Pearson's Correlation Coefficient and Multiple Linear Regression.

3.7.2.3 Pearson Correlation Coefficient

Pearson Correlation is a measurement of relationship which measure how strong the variables are related. It could indicates the significant, direction, and strength of the bivariate relationship among the variables. The significant level is 0.05 while the confidence level is 95%. The hypothesis will be accepted once the p-value outcome is less than 0.05.

3.7.2.4 Multiple Regression Analysis

The function of multiple regression analysis is used to analysis the interconnection among the second purchase against the independent variables. Besides, Multiple Regression Analysis also can used to collect information about all independent variable which are needed in the research. This analysis also can used to explain the variance in the independent variables.

In this research, the multiple regression model is expressed as:

$$Y = C + \beta X1 + \beta X2 + \beta X3 + \beta X4$$

Where,

Y   = second purchase of Malaysia insurance consumer

C   = constant

β   = slope coefficient

X1   = product quality

X2   = service quality

X3   = social influence

X4   = media influence

3.8 Conclusion

The research discuss on the methodology of research used. The research method solve the problems mentioned in research questions. In this chapter, we had discussed the sampling method, research instruments, construct measurement, data processing process, and data analysis of this research. This part also discuss on how to construct questionnaire. In the coming chapter 4, data analysis results will be presented.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

The result of the research is reported in the chapter 4. There are 330 sets of survey questionnaire has been distributed to the respondent but only 300 sets of survey questionnaires are collected and can be used. IBM SPSS Statistics 24 is used to review and analyse the data collected. The outcome shown in the table represent the interrelationship between demographic factor and loyalty or second purchase of insurance.

4.1 Pilot test

4.1.1 Normality Test

Skewness and Kurtosis was included in the normality test. George and Mallery (2005) stated Skewness and Kurtosis test's passable level is ±2.

Table 4.1 Outcomes of Normality Test

Variable	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
Product Quality	-.640	.141	.968	.281
Service Quality	-.423	.141	.048	.281
Social Influence	-.634	.141	.374	.281
Media Influence	-.268	.141	-.557	.281
Second Purchase	-.878	.141	2.698	.281

Source: Developed for research

All variable's Skewness and Kurtosis are within ±2 range. It prove that the data of pilot test can be said normally distributed by referring to the table 4.1.

4.1.2 Reliability Test

Table 4.2 Reliability Analysis Result for Pilot Test

Variables	Cronbach's Alpha
Product Quality	0.981
Service Quality	0.981
Social Influence	0.981
Media Influence	0.981
Second Purchase	0.983

Source: Developed for research

In this study, Cronbach's Alpha test is used to conduct the reliability test which showed by table 4.2. The coefficient Cronbach's Alpha for this research's variables was ranging between 0.981 and 0.983. Value of Cronbach's Alpha is 0.9 is considered as excellent reliable (George and Mallery, 2003). In this research, all of the variable including product quality, service quality, social influence, media influence and second purchase were excellent reliable. In a nutshell, the survey questionnaire is reliable and used for targeted respondents.

4.2 Descriptive Analysis

The demographic profile of respondent is analysed into several terms including age, gender, and income level, living area and education level. It will be displayed in the Appendix (questionnaire).

4.2.1 Demographic Profile of the Respondents

4.2.1.1 Age

Figure 4.3: The Percentage of Respondents based on Age in Malaysia
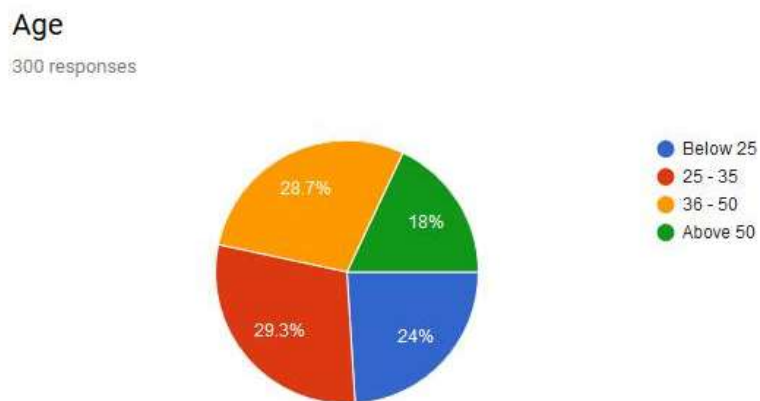
The pie chart above shows that a total of 301 respondent's demographic profile in Malaysia based on age. Majority of the respondents, 88 (29.3%) fall into the age group of 25-35 years old and respondents from age group of 36 – 50 years old are 86 (28.7%). There are 72 respondents or 24% of respondents aged below 25 years old while respondents from age group of above 50 years old are 54 respondents or 18%.

4.2.1.2 Gender

Figure 4.4: The Percentage of Respondents based on Gender in Malaysia

Gender
300 responses
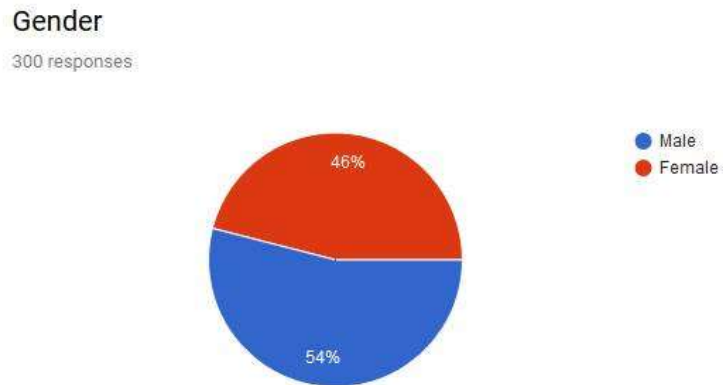
According to the Figure 4.4, male respondents are more than female respondents in our survey questionnaires. There were 162 participate respondents (54%) are male while the females were 138 which consist of 46%.

4.2.1.3 Income Level

Figure 4.5: The Percentage of Respondents based on Income Level in Malaysia

Income Level
300 responses
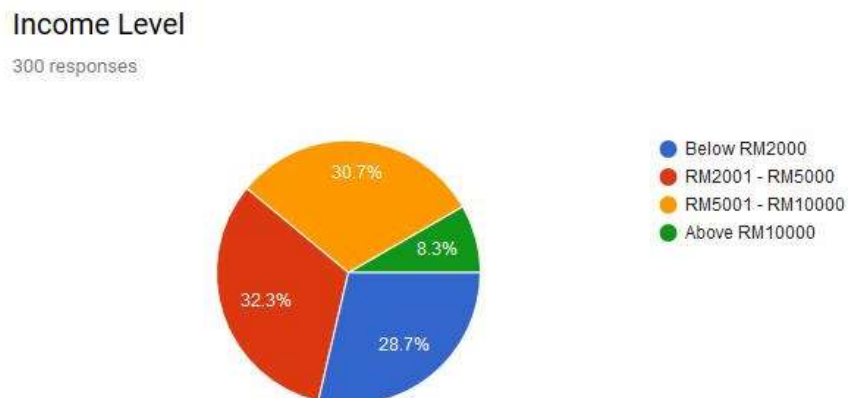
Pie chart show the percentage of respondents based on income level in Malaysia from 301 respondents in the research. There are 32.3% or equivalent to 97 respondents of the research fall into the category of RM2001 – RM5000 income level. For the category of RM5001 – RM10000 income level, we have the figure of 30.7% or equivalent to 92 respondents become the second high percentage of respondents based on income level in Malaysia. Besides, 86 (28.7%) respondents have the monthly income level of below RM2000.There are 25 respondents (8.3%) fall into the category level income of above RM10000.

4.2.1.4 Living Area

Figure 4.6: The Percentage of Respondents based on living area in Malaysia
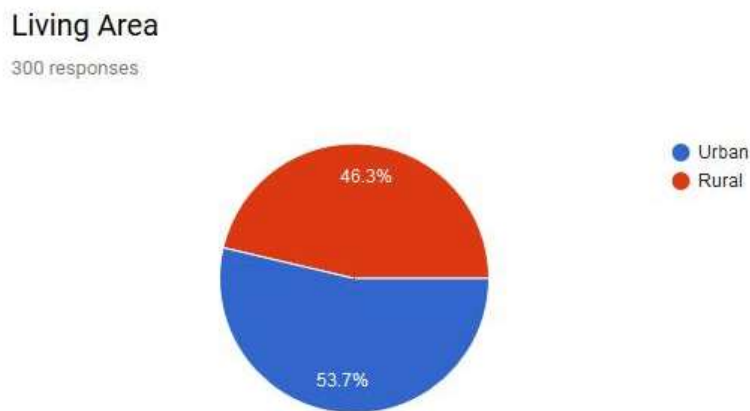
According to the above pie charts, majority of the respondents live in urban area of Malaysia are 53.7% or 161 respondents. From 300 respondents, there are 46.3% or 139 respondents who live in rural area of Malaysia.

4.2.1.5 Educational Level

Figure 4.7: The Percentage of Respondents based on Educational Level in Malaysia

Educational Level

300 responses
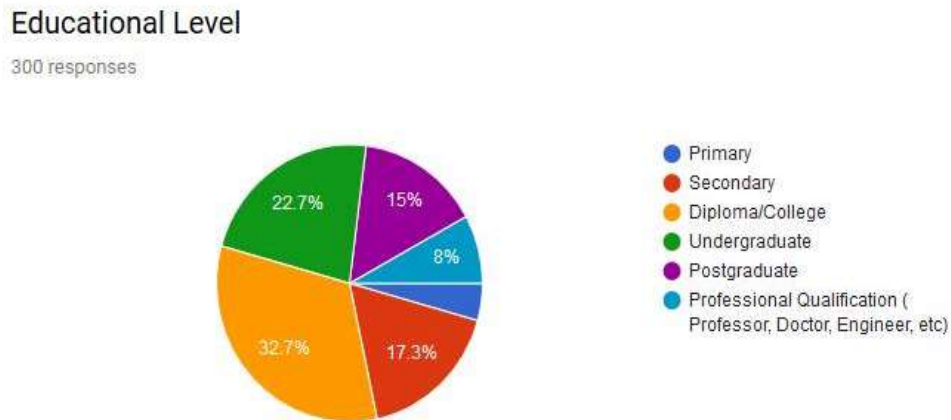
According to the pie chart, it show that the percentage of respondents based on educational level in Malaysia. Majority of the respondent's educational level are diploma/college (32.7%) and followed by undergraduate educational level (22.7). There are 17.3% of respondents with their educational level of secondary while 15% of the respondents with their educational level of postgraduate. There are 8% only of respondents with professional qualification. The minority 4.3% of respondents with primary educational level.

4.2.1.6 Which insurance agency do you prefer?

Figure 4.8: Which insurance agency do you prefer?

Which Insurance Agency do you prefer?
300 responses

Agency	Value
Prudential	74 (24.7%)
AIA	86 (28.7%)
Allianz	100 (33.3%)
Great Eastern	140 (46.7%)
Manulife	34 (11.3%)
eTiQa	23 (7.7%)
None preferred	4 (1.3%)
None peferred	1 (0.3%)
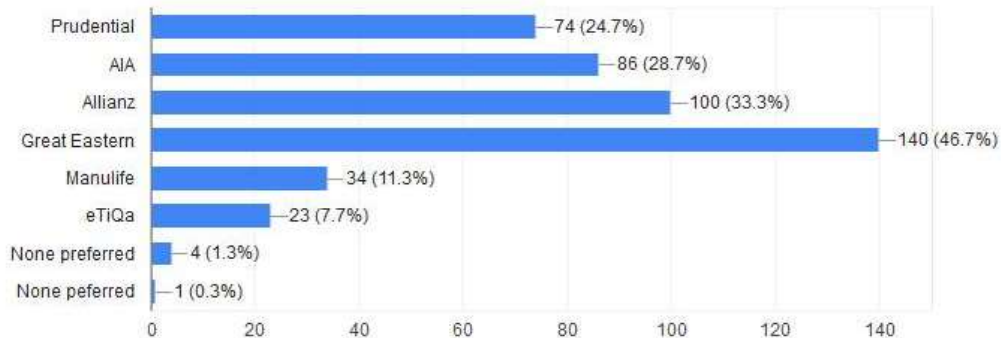
Figure 4.8 show that there are 46.7% or 140 respondents from 300 respondents prefer Great Eastern agency. However, there are 33.3% or 100 respondents prefer Allianz agency. There are 28.7% or 86 respondents prefer AIA agency while 24.7% or 74 respondents prefer Prudential agency. There are 11.3% or 34 respondent prefer Manulife agency while 7.7% or 23 respondents prefer eTiQa agency. There are 1.6% or 5 respondents prefer other agency.

4.2.1.7 How many health and life insurance policies do you hold?

Figure 4.9: How many health and life insurance policies do you hold?

How many health and life insurance policies do you hold?

300 responses

● 1 - 2
● 3 - 4
● More than 4

16.3%

80.7%
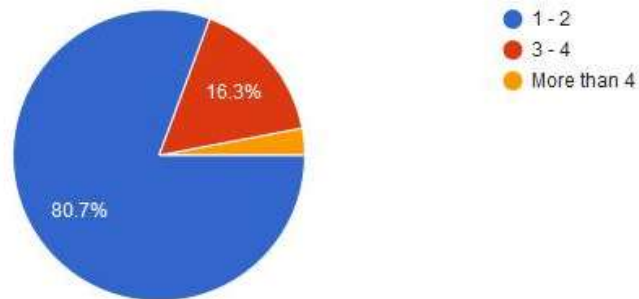
Figure 4.9 shows that there are 80.7% or 242 respondents hold 1-2 health and life insurance policies. There are 16.3% or 49 respondents hold 3-4 health and life insurance policies while 3% or 9 respondents hold more than 4 health and life insurance policies.

4.2.1.8 Which types of health and or life insurance are you holding?

Figure 4.10: Which types of health and or life insurance are you holding?
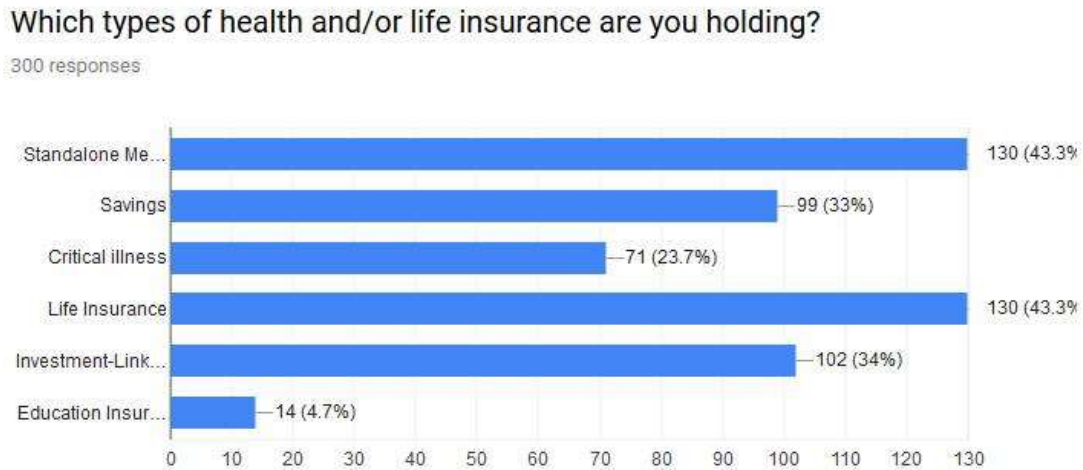
Figure 4.10 show that 43.3% or 130 respondents are holding Standalone medical card and life insurance respectively. 34% or 102 respondents are holding investment linked insurance while 33% or 99 respondents are holding savings.23.7% or 71 respondents are holding critical illnesses while 4.7% or 14 respondents are holding education insurance.

4.2.2 Central Tendencies Measurement of Constructs

Measurement of central tendencies is to show the highest and lowest of mean score and standard deviation of the construct.

Table 4.1: Central Tendencies Measurement of Constructs

Variables	Construct	Mean	Standard deviation
DV	Second purchase of insurance	4.01	0.672
IV 1	Product quality	3.92	0.760
IV 2	Service quality	3.92	0.791
IV 3	Social Influence	3.77	0.856
IV 4	Media Influence	3.30	1.034

Source: Developed for the research

Referring to the table, the mean score of the 5 variables has value range from 3.30 to 4.01.The highest mean score 4.01 is second purchase of insurance (DV) while the lowest mean score 3.30 which is media influence (IV 4).

Furthermore, the standard deviation of the 5 variables has value range from 0.672 to 1.034.The highest standard deviation score 1.034 is media influence(IV 4) while second purchase of insurance (DV) score the lowest standard deviation of 0.672.

4.2.2.1 Product quality

Table 4.2: Product quality

	Mean	Ranking
My decision on second purchase is influenced by the term coverage of insurance.	4.16	1
My decision on second purchase is influenced by whether the insurance clarity in explaining policy term & condition.	4.03	2
I think that the protection coverage is more important than maturity / survival benefit.	3.95	3
I think that the premium paid to the respective protection coverage is reasonable.	3.86	4
I think that there is innovativeness in new products.	3.58	5

Table shows the mean and ranking of product quality on second purchase of insurance .From the result, the highest mean value is 4.16 rank number 1 which is"My decision on second purchase is influenced by the term coverage of insurance". The mean value of "My decision on second purchase is influenced by whether the insurance clarity in explaining policy term & condition is 4.03 rank number two. Rank number 3 with the mean value of 3.95 is "I think that the protection coverage is more important than maturity / survival benefit". Rank number 4 with mean value of 3.86 is "I think that the premium paid to the respective protection coverage is reasonable". The lowest mean value 3.58 rank number 5 is "I think that there is innovativeness in new products.

4.2.2.2 Service quality

Table 4.3: Service quality

	Mean	Ranking
I would like to do a second purchase if the claiming settlement is prompt & efficient.	4.15	1
I would like to do a second purchase if the agent provides good after sales services.	4.10	2
I would like to do a second purchase if the call center able to solve my problem or inquiries.	3.90	3
I would like to do a second purchase if it has simple & less time consuming procedure.	3.90	3
I would like to do a second purchase if my area of living provide accessible location of the branch.	3.66	5

Table shows the mean and ranking of service quality on second purchase decision of insurance. From the result, the highest mean value is 4.15 rank number 1 which is "I would like to do a second purchase if the claiming settlement is prompt & efficient". Followed by mean value is 4.10 rank number 2 which is "I would like to do a second purchase if the agent provides good after sales services. Mean value 3.90 rank number 3 is "I would like to do a second purchase if the call centre able to solve my problem or inquiries" and "I would like to do a second purchase if it has simple & less time consuming procedure" respectively. The lowest mean value 3.66 rank number 5 which is "I would like to do a second purchase if my area of living provide accessible location of the branch".

4.2.2.3 Social influence

Table 4.4: Social influence

	Mean	Ranking
I often consult my family member to decide whether to buy insurance.	4.06	1
I often receive information from friends to help me decide which insurance company provide best products.	3.83	2
I often discuss with social media insurance group to decide which insurance should buy.(FB group, Twitter group,Wechat group)	3.29	5
I often consult other people who have experience on the usage of insurance to help me choose the best insurance product.	3.77	3
I often get opinion from colleague to help me decide which insurance should buy.	3.75	4

Table shows the mean and ranking of social influence on second purchase decision of insurance. From the result, the highest mean value is 4.06 rank number 1 which is "I often consult my family member to decide whether to buy insurance". Followed by "I often receive information from friends to help me decide which insurance company provide best products" which mean value is 3.83.The mean value of 3.77 rank number 3 is "I often consult other people who have experience on the usage of insurance to help me choose the best insurance product". The mean value of 3.75 rank number 4 is "I often get opinion from colleague to help me decide which insurance should buy". The lowest mean value is 3.29 rank number 5 which is "I often discuss with social media insurance group to decide which insurance should buy".

4.2.2.4 Media Influence

Table 4.5: Media Influence

	Mean	Ranking
I believe that the billboard advertisement could encourage second purchase.	3.32	2
I consider that the newspaper could promote second purchase.	3.32	2
I think that the internet advertisement could raise the chance of second purchase.	3.26	4
I feel that the television advertisement is one of the method which could boost second purchase.	3.37	1
I assume that the marketing campaign in shopping mall could persuade second purchase.	3.17	5

Table shows the mean and ranking of media influence on second purchase decision of insurance. From the result, the highest mean value of 3.37 rank number 1 which is "I feel that the television advertisement is one of the method which could boost second purchase". The mean value of 3.32 rank number 2 is "I believe that the billboard advertisement could encourage second purchase" and "I consider that the newspaper could promote second purchase" respectively. Followed by mean value is 3.26 rank number 4 which is "I think that the internet advertisement could raise the chance of second purchase". The lowest mean value of 3.17 rank number 5 which is "I assume that the marketing campaign in shopping mall could persuade second purchase".

4.2.2.5 Second purchase on Insurance

Table 4.6: Second purchase on Insurance

	Mean	Ranking
I would like to do a second purchase.	4.12	1
I understand that insurance is important, thus second purchase is necessary.	4.04	2
My existing policy`s coverage is enough to insure me.	3.95	4
I will suggest my friends and family to buy insurance.	3.95	4
I will pay more when doing second purchase.	4.00	3

Table show the factor of second purchase on insurance. From the result, the highest mean value of 4.12 rank number 1 which is "I would like to do a second purchase. Followed by mean value of 4.04 which is "I understand that insurance is important, thus second purchase is necessary". The mean value of 4.00 rank number 3 which is "I will pay more when doing second purchase". The lowest mean value of 3.95 rank 4 is "My existing policy`s coverage is enough to insure me" and "I will suggest my friends and family to buy insurance" respectively.

4.3 Hypotheses Testing

4.3.1 Multiple Linear Regression Analysis

Hypothesis H1, H2, H3 and H4 were tested by applying Multiple Linear Regression analysis in this research. Whereby it test on the collected data's demographic data.

H1: There is an interconnection among Product Quality against Second Purchase.

H2: There is an interconnection among Service Quality against Second Purchase.

H3: There is an interconnection among Social Influence against Second Purchase.

H4: There is an interconnection among Media Influence against Second Purchase.

4.3.2 Correlation Coefficient

Table 4.7: Correlation Value

Correlation for All Variables

		Product Quality	Service Quality	Social Influence	Media Influence	Second Purchase
Correlation	Product Quality	1.000	0.945	0.911	0.888	0.309
	Service Quality	0.945	1.000	0.910	0.882	0.335
	Social Influence	0.911	0.910	1.000	0.877	0.347
	Media Influence	0.888	0.882	0.877	1.000	0.400
	Second Purchase	0.309	0.335	0.347	0.400	1.000

Source: Developed for research

Table determined the correlation level between the independent variables (product quality, service quality, social quality, media quality) and the dependent variable (second purchase). Result shown that all of the variables included dependent and independent variables are positively correlated to each other. The correlation between each variables falls between the ranges of 0.30 to 0.99, which includes moderate, strong, and very strong relationship. Based on the results, all of the independent variables is significant correlated with each other, in which all of the variables will affect each other in value.

4.3.3 Multiple Regression Equation

Second Purchase = 3.441 – 0.351PQ + 0.107SQ + 0.108SI + 0.339MI

PQ = Product Quality

SQ = Service Quality

SI = Social Influence

MI = Media Influence

Table 4.8: Model Summary of Multiple Regression Model

Model Summary of Independent Variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.419	0.176	0.164	0.614

a. Predictors: (Constant), MediaInfluence, SocialInfluence, ServiceQuality, ProductQuality
b. Dependent Variable: SecondPurchase

From this table, the R Square is 0.176 (17.6%). It showed that the 17.6% variance had been clarified by the 4 independent variables. The remaining 82.4% are committed by other variables.

Table 4.9: ANOVA of Multiple Regression Model

Anova of Independent Variable

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.708	4	5.927	15.715	0.000
	Residual	111.262	295	0.377		
	Total	134.970	299			

a. Dependent Variable: SecondPurchase

b. Predictors: (Constant), MedianInfluence, SocialInfluence, ServiceQuality, ProductQuality

According to the ANOVA table, the P-value is less than 0.001, which mean it is statistically high significance. It elaborates the 4 independent variables are capable to foresee the second purchase.

Table 4.10: Coefficients of Multiple Regression Model

Coefficient of Independent Variable

Model		Unstandardized Coefficient		Standardized Coefficient Beta	t	Sig.
		B	Std.Error			
1	(Constant)	3.441	0.218		15.756	.000
	Product Quality	-0.351	0.159	-0.398	-2.215	.028
	Service Quality	0.107	0.150	0.126	.710	.478
	Social Influence	0.108	0.113	0.137	.956	.340
	Media Influence	0.339	0.081	0.522	4.177	.000

a. Dependent Variable: SecondPurchase

From this table, the independent variables: Product Quality and Media Influence are composing a significant unique contribution to the expectation of second purchase whereby the P-value is less than 5%. On the other hand, the significant value for Service Quality (0.478) and Social Influence (0.340) are greater than 0.05, 0.10, and 0.15

significant level. Thus they do not contribute a significant unique contribution to the expectation of second purchase. The standardized Beta value for the independent variables indicated that media influence contribute the most. Besides, the unstandardized value for Media Influence (B=0.339) has a positive interconnection against the second purchase. However, the unstandardized value for Product Quality (B= -0.351) has a negative interconnection against the second purchase. Therefore, the interconnection between second purchase, and the other 4 independent variables can be illustrated by established the equation:

Second Purchase = 3.441 – 0.351PQ + 0.339MI

By depending the above result, the H1 and H4 are accepted but H2 and H3 are rejected.

4.4 Summary of Hypothesis Testing Results

Table 4.11: Summary of Hypothesis Testing Results

Summary of Hypothesis Testing Results

Hypothesis	Supported (p<0.05)	Not supported (p>0.05)
H1: There is an interconnection among Product Quality against second purchase.	/	
H2: There is an interconnection among Service Quality against second purchase.		/
H3: There is an interconnection among Social Influence against second purchase.		/
H4: There is an interconnection among Media Influence against second purchase.	/	

Source: Developed for research

4.5 Concluding Remarks

Details on interpretation of quantitative analysis had presented in this chapter. According to the analysis done, the hypothesis testing on examining the direct outcome to the second purchase are completed. These results are confirmed to be carry out in the next chapter in order to further inspect for cause and effects.

CHAPTER 5: DISCUSSIONS, CONCLUSION AND IMPLICATIONS

5.0 Introduction

Collection survey data from Malaysia's insurance consumers are carrying out in our research. Conclusion for this research had been developed by examination and discussion of the survey data. Additionally, the managerial viewpoint had resolved the research ramification. There are several recommendations was applying for future research improvement according to the existing limitation appeal in this research.

5.1 Statistical Analysis Summary

5.1.1 Descriptive Analysis

5.1.1.1 Demographic Profile of the Respondents

In order to perform this research, there is a total of 330 sets of questionnaires assigned respectively. Luckily, a total of 300 sets are successfully collected. Thus, the responding yield was 91%.

Most of the respondent are from the age group of 25 – 35 years old. Besides, most of the respondents are male in which 24 person more than female with the average income of RM2001 – RM5000. Moreover, most of the respondents live in urban area and possess a college certification.

5.1.2 Scale Measurement

5.1.2.1 Normality Test

The normality test results indicated that all of the variables' Skewness and Kurtosis value were at intervals at ±2 range, in which indicated that the data was normally distributed.

5.1.2.2 Reliability Test

The Cronbach's Alpha test for this research falls between 0.981 and 0.983 only, meaning that it is excellent reliable. All in all, the questionnaire results are mostly reliable.

5.1.3 Inferential Analysis

5.1.3.1 Correlation Analysis

The correlation analysis provides evidence that there is positive interconnection between independent variables and dependent variable. The independent variables included product quality, service quality, social influence and media influence whereas dependent variable is the only one second purchase. However, not all of the hypothesis are sustained because social influence and service quality have their p-values more than 0.05.

5.1.3.2 Multiple Regression Analysis

Result of the regression analysis indicated that the R Square is 0.176. This means that there is 17.60% of the variation in second purchase are suited to explain product quality, service quality, social influence and media influence. However, service quality and social influence are not significant in this research. Thus the equation of multiple regression is developed as follows:

Second Purchase = 3.441 – 0.351P + 0.339M

The variable service quality and social influence has been removed from this equation. By referring to this equation, whenever there is an increment, product quality will suffer a drop by 0.351 whereas media influence will increase by 0.339 respectively, holding other variables fixed.

5.2 Results

From our results obtained, we found out that product quality has negative relationship with second purchase. This problem exist is because of people do not have enough product knowledge. Some people just give trust to the agent's professional opinion and bought the insurance without further obtaining more insurance knowledge. Besides, we also founded that the social influence, and service quality is not significant. For social influence, some people have a very strong will on not letting others to know their confidential information, thus they don't want to listen to their family or their friends opinion. For service quality, some existing policy holders might had a bad experience on agent's bad services causes them not to trust agent's services. Thus, they choose to find insurance information and do second purchase by themselves.

5.3 Implication of the study

Based on the result of this research, we found out that, one of the internal factor, product quality and one of the external factor, media influence are significant to the second purchase of Malaysia insurance consumer. On the other hand, service quality and social influence are less important to the second purchase of Malaysia insurance consumer.

5.3.1 Managerial Implication

By knowing product quality and media influence are important in second purchase of insurance in Malaysia, this result could benefit to finance sector and insurance companies. Finance sector or insurance companies may improve their product quality for example improve and increase more innovative new insurance products which are suitable to the society of today.

Besides, this research gives contribution to government sector and central bank. According to Life Insurance Association of Malaysia, LIAM, Malaysia are looking for 75% of insurance penetration rate in year 2020. Bank Negara Malaysia, BNM can make use of this research as this research provide the factor affecting second purchase of insurance. BNM could make some implication to insurance company to reduce the premium of insurance to a relatively lower rate and increase the protection coverage of the insurance to attract Malaysian to have more purchase on Insurance.

Furthermore, this research may give contribution to general public as well. This research give a highlight that why people will go for the second purchase of Insurance. Through this research, public may gain knowledge on the importance of Insurance on risk management and why people who have insurance will seek for the second purchase. With this awareness, public may gain knowledge on their personal financial management and may seek for financial planner to help them to solve their financial risk by meeting their own financial needs.

5.4 Limitation of the Study

5.4.1 Sample bias

The sample collected for this research is only categorized as people who bought insurance before or insured person. Thus, the data collected cannot be used to determine thoroughly why does other people do not want to be life assured.

5.4.2 Weak R^2

According to our research result, the R^2 of the model is at very week level ($R^2 = 0.176$). Range of R^2 is from 0 to 1 and $R^2=0$ indicates that there are no one variation in the dependent variable (Weil et al, 2007). In addition, Mezick (2007) expressed R^2 that extended from 0.04 to 0.24 is viewed as frail, while a direct R^2 is run from 0.25 to 0.64 and 0.65 to 0.80 considered modestly solid. Consequently, there is still much opening for our model change.

5.4.3 Sample Size

There are 330 sets of survey questionnaires distributed to the targeted respondents either in urban and rural area Malaysia. Nonetheless, around 90% of the aggregate arrangements of surveys being circulated to the two territories may bring about an inclination. It occurred because population of urban and rural area in Malaysia had a huge difference. The collected data will be unreliable because 150 sets of survey questionnaire were distributed in both urban and rural in Malaysia.

5.4.4 Unreliable Data from Respondents

Unreliable data was collected from the participate respondents due to few reasons. Some of the respondent may attempt to answer in the ways that satisfy researchers. Furthermore, the respondent might not look through the question carefully before answer the question. Sometimes they might not understand what the question asks. Thus some of the data might have some problem.

5.5 Recommendation for Future research

There are some suggestions for the future researchers, which is they can conduct their research for not only on one type of consumer but on many type of consumer such as, uninsured person, and insured person. Due to this research was conducted only in Malaysia and on particular person which is insured person, the data collected cannot be used to determine uninsured person. Besides, there is regional behaviour on any country, even in Malaysia northern people act, speak, and think different from southern people, west Malaysian act, speak, and think different from east Malaysian. So, research includes whole Malaysia and every category of person is recommended to be conduct by future researchers.

Apart from that, future researchers are suggested to conduct their research on factor affecting person not to buy second insurance policy. This may help the government to understand why Malaysia insurance penetration rate are low, which, in turn initiate new method to boost Malaysia insurance penetration rate. Besides, it may also boost the profit of insurance company if more and more people demand for insurance. This may improve Malaysian economic growth.

5.6 Conclusion

In conclusion, this research able to show the significance of product quality and media influence on the second purchase decision of Malaysia insurance consumer. However, there are two insignificant factors of this research, which are, service quality and social influence. Future researchers may do research in order to show that service quality and social influence are important to the second purchase of insurance. In addition, there are some limitations of this research which are listed in the Limitation part, future researchers may take note on it and overcome the particular limitations.

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APPENDIX

Universiti Tunku Abdul Rahman

What drive the second purchase of Malaysia insurance consumer?

Survey Questionnaire

Dear Respondent,

We are final year undergraduate students of Bachelor of Business Administration (HONS) Banking and Finance, Universiti Tunku Abdul Rahman (UTAR). The purpose of this survey is to conduct a research to investigate how factor affected the customer loyalty on purchase insurance. Please answer all questions to the best of your knowledge. There are no wrong responses to any of these statements. All responses are collected for academic research purpose and will be kept strictly confidential.

Thank you for your participation

Instructions:

1) There are THREE (3) sections in this questionnaire. Please answer ALL questions in ALL sections.
2) Completion of this form will take you less than 5 minutes.
3) The contents of this questionnaire will be kept strictly confidential.

Voluntary Nature of the Study

Participation in this research is entirely voluntary. Even if you decide to participate now, you may change your mind and stop at any time. There is no foreseeable risk of harm or discomfort in answering this questionnaire. This is an anonymous questionnaire; as such, it is not able to trace response back to any individual participant. All information collected is treated as strictly confidential and will be used for the purpose of this study only.

I have been informed about the purpose of the study and I give my consent to participate in this survey.
YES ( )   NO ( )
Note: *If yes, you may proceed to next page or if no, you may return the questionnaire to researchers and thanks for your time and cooperation.*

Section A: Demographic Profile

Please place a tick "√" in the blank for each of the following:

<u>APPENDIX I Questionnaires</u>

SECTION A: DEMOGRAPHIC PROFILE

Please tick (√) the appropriate answer or fill in the details in the box provided.

Personal Characteristics

Age	Below 25	( )	Gender	Male	( )
	25-35	( )		Female	( )
	36-50	( )			
	Above 50	( )	Income Level (monthly)	Below 2001	( )
				2001-5000	( )
				5001-10000	( )
				Above 10000	( )
Living Area	Urban	( )	Educational Level	Primary	( )
	Rural	( )		Secondary	( )
				Diploma/College	( )
				Undergraduate	( )
				Postgraduate	( )
				Professional Qualification	( )

FYP vi-xviSECTION B: GENERAL INFORMATION

Which Insurance Agency do you prefer?	**Prudential**	( )
	AIA	( )
	Allianz	( )
	Great Eastern	( )
	Manulife	( )
	eTiQa	( )
	Others:	_____

How many health and life insurance policies do you hold?	**1-2**	( )
	3-4	( )
	More than 4	( )

Which types of health and/or life insurance are you holding?	**Standalone Medical Card**	( )
	Savings	( )
	Critical Illnesses	( )
	Life Insurance	( )
	Investment Linked Insurance	( )
	Education Insurance	( )

Section C:

Please tick (√) the appropriate answer or fill in the details in the column provided. Please indicate your degree of agreement on the following statements by circling the numbers given ranging from:

Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, Strongly Agree = 5

1. Product Quality

	SD	D	N	A	SA
1. My decision on second purchase is influence by the term coverage of insurance.	1	2	3	4	5
2. My decision on second purchase is influence by whether the insurance clarity in explaining policy term & condition.	1	2	3	4	5
3. I think that the protection coverage is more important than maturity/survival benefit.	1	2	3	4	5
4. I think that the premium paid to the respective protection coverage is reasonable.	1	2	3	4	5
5. I think that there is innovativeness in new products.	1	2	3	4	5

2. Service Quality

	SD	D	N	A	SA
1. I would like to do a second purchase if the claiming settlement is prompt & efficient.	1	2	3	4	5
2. I would like to do a second purchase if the agent provides good after sales services.	1	2	3	4	5
3. I would like to do a second purchase if the call center able to solve my problem or inquiries.	1	2	3	4	5
4. I would like to do a second purchase if it has simple & less time consuming procedure.	1	2	3	4	5
5. I would like to do a second purchase if my area of living provide accessible location of the branch.	1	2	3	4	5

3. Social Influence

	SD	D	N	A	SA
1. I often consult my family member to help me decide whether to buy insurance.	**1**	**2**	**3**	**4**	**5**
2. I often receive information from friends to help me decide which insurance company provides best products.	**1**	**2**	**3**	**4**	**5**
3. I often discuss with social media insurance group to decide which insurance should buy. (FB group, Twitter group, WeChat group)	**1**	**2**	**3**	**4**	**5**
4. I often consult other people who have experience on the usage of insurance to help me choose the best insurance product.	**1**	**2**	**3**	**4**	**5**
5. I often get opinion from colleague to help me decide which insurance should buy.	**1**	**2**	**3**	**4**	**5**

4. Media Influence

	SD	D	N	A	SA
1. I believe that the billboard advertisement could encourage second purchase.	**1**	**2**	**3**	**4**	**5**
2. I consider that the newspaper could promote second purchase.	**1**	**2**	**3**	**4**	**5**
3. I think that the internet advertisement could raise the chance of second purchase.	**1**	**2**	**3**	**4**	**5**
4. I feel that the television advertisement is one of the method which could boost second purchase.	**1**	**2**	**3**	**4**	**5**
5. I assume that the marketing campaign in shopping mall could persuade second purchase.	**1**	**2**	**3**	**4**	**5**

5. Second Purchase on Insurance

	SD	D	N	A	SA
1. I would like to do a second purchase.	**1**	**2**	**3**	**4**	**5**
2. I understand that insurance is important, thus second purchase is necessary.	**1**	**2**	**3**	**4**	**5**
3. My existing policy's coverage is enough to insure me.	**1**	**2**	**3**	**4**	**5**
4. I will suggest my friends and family to buy insurance.	**1**	**2**	**3**	**4**	**5**
5. I will pay more when doing second purchase.	**1**	**2**	**3**	**4**	**5**