

ABSTRACT

A low percentage of Macau residents have purchased life insurance. This research explored factors that influence customers' intentions to buy life insurance. Five factors have been identified that affect customers' intentions to purchase life insurance. The first factor is customers' risk perception of life insurance which is found to have a significant negative correlation with customers' purchase intentions regarding life insurance. The remaining four factors include customers' product knowledge of life insurance, customers' attention to life insurance advertising, customers' perceived credibility of life insurance companies, and customers' perception of the expertise of the life insurance salespersons. These four factors have a significant positive correlation with customers' intentions to buy life insurance. In order to increase customers' purchases of their products, it is recommended that the management of life insurance companies undertake measures to reduce customer's risk perception of life insurance. They should develop ways and means of: increasing customers' life insurance knowledge; improving customer's perception of the credibility of life insurance companies; paying more attention to life insurance advertising and improving the public's perception of the expertise of life insurance agents/salespersons. In addition, it is suggested that management consider other factors, for example, customers' income level, the peer affect of word-of-mouth (WOM), the gender of the salesperson, the relationship with the life insurance salesperson, government's enforcement of life insurance law and unpredictable events. This will provide them with a more comprehensive understanding of customers' and of their purchasing intentions of life insurance.