

THE INFLUENCE OF SERVICE QUALITY, BRAND IMAGE, AND PRICE OF THE PRODUCT ON CHOICE OF CHANNEL IN MULTI-CHANNEL DISTRIBUTION IN BUYING HEALTH INSURANCE

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Abstract

This study was conducted with the goal of determining the elements of service quality, Brand image, Price of the product that influence the decision to purchase health insurance policies choice of channel. dissemination via multiple channels, The Internet is transforming the way clients interact with financial service providers, but conventional channels remain crucial, especially in the case of insurance goods, according to Insurance services categorised into traditional channels and self-service technology. Medical insurance will provide vital financial protection, and most insurance companies are going toward multi-channel distribution. This study finding of how Service quality, Brand image, and Product Price would influence consumer choice of channel in purchasing health insurance. The purpose of this study is to demonstrate how the service quality of a health insurance product, brand image, and product pricing influence channel selection in a multi-channel distribution system. In the study, there are a total of 50 valid entries in questionnaire. Structural equation modelling was used for empirical testing. The data show that there is a considerable relationship between service quality, brand image, and product price in this scenario. have a positive impact on channel selection in multi-channel distribution when purchasing health insurance.

Key word: Distribution Channels, Health insurance, Service quality, Brand image, Price of the product

1.Introduction

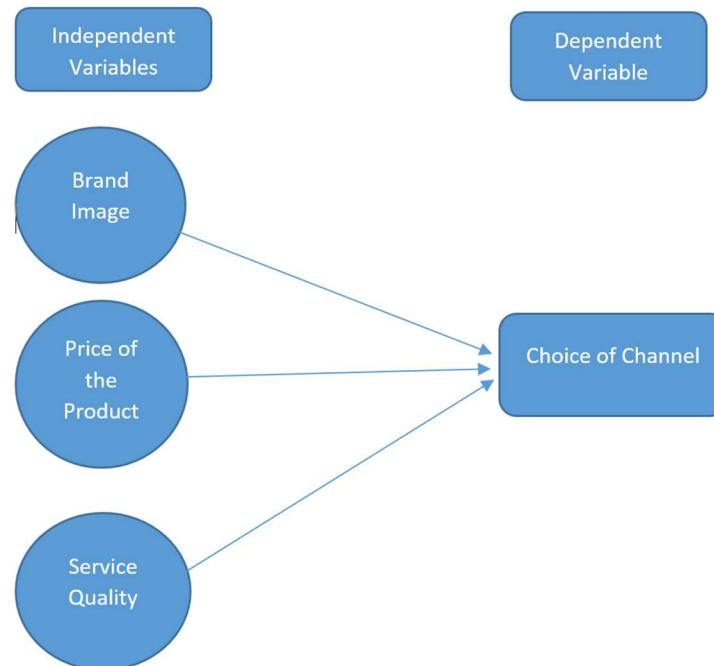
In these uncertain times, it is critical to safeguard yourself and your family from unexpected medical emergencies. During this pandemic, we've seen first-hand how expensive emergency medical treatment and hospitalisation can be. As a result, purchasing health insurance policies may be the finest investment you can make to protect your future, fighting medical emergencies can be financially difficult in India, where medical inflation is increasing at a quicker rate. In the event of a medical emergency, medical insurance will give the essential financial protection, Multi-channel distribution is the way most of the insurance companies are moving into as marketing strategy to penetrate the market, this study is finding the results of how Service quality, Brand image, and Price of the product will influence consumer choice of channel in buying health insurance

2.Literature Review

Customers' changing lifestyles and purchasing power will determine future distribution models,

which will be based on a balance of traditional distribution methods and models that involve internet sales. (Angelevska Najdeska, 2014) Exceptional distribution system is key for any organization successful business (Dominique-Ferreira, The key role played by intermediaries in the retail insurance distribution. , 2018) here a link between having various access points and having more success, due to different marketing strategies to penetrate in the market in the multi-channel distribution choice of channel is playing critical role, through high levels of service quality Price of the product and Brand image and satisfying customer requests for accomplishing sustainable business operations in today's highly competitive business market, maintaining and existing consumers is easier than recruiting new ones effortlessly and quickly! (Chao, (2015).) The evidence presented in this article suggests that this is the case. When 3-5 channels are used, for example, and these are used frequently, channels there has been an improvement in overall performance as well as sales. When the usage of 3-5 channels is compared to the use of only one channel, there are some notable changes. (Easingwood, 1996) in this pandemic after various external and endogenous affecting elements should be considered. It has been determined that the future distribution model should include: digitalization of distribution channels, expansion of partner channels, creation of insurance ecosystems, and modernization of insurance products for online sales with introduction of a remote “client path”; concentrate on big data Multi-Channel distribution is a term that refers to the distribution of content over many channels. Customer self-service points are being developed. (Prykaziuk, 2021, May) Intermediary influence with client satisfaction, claims management, and the purchase process in the retail insurance distribution channels (premium acceptance). (Dominique-Ferreira, The key role played by intermediaries in the retail insurance distribution., 2018). Brand image is investigated as having a potential moderation role (Hsieh, 2008) Brand name, the first phrase or image that comes to mind for customers is the image of the brand. The goal of paying attention to brand image is to ensure that consumers have the right attitude about the company. The brand image is made up of elements including suitability, services, brand, variety, quality, and atmosphere. (Deheshti, 2016) along with brand image price also having significant influence the numerous components involved in life insurance policy like pricing: price level, payment terms, customer's own projected value, policy quality and price comparison, differentiation, flexibility, and differentiation are impacting decision of buying and channel selection (Dash, 2012) Price fairness is the element having influences and plays significant impact. (Wu, 2011) Incentives and reductions Price of life insurance contract components, particularly integrated investment guarantees, affects consumer perceptions of those products, Consumer experience and price perception, however, yield a significant moderating effect. (Huber, (2015)) (Dominique-Ferreira, The key role played by intermediaries in the retail insurance distribution., 2018)

3. Conceptual Frame Work



Hypothesis:

H01: Brand Image does not have any positive relation on choice of channel in buying health insurance in multi-channel distribution system

H02: Service Quality does not have any positive relation on choice of channel in buying health insurance in multi-channel distribution system

H03: Price of the Product does not have any positive relation on choice of channel in buying health insurance in multi-channel distribution system

4. Results : According to (Nunnally, 1978) Cronbach's is lower than 0.05, it should be rejected. When ranged between 0.5 and 0.7, it's acceptable. If the letter is greater than 0.7, reliability is high. In this study below mentioned in Fig (1) are reliability of variable

Reliability Statistics	
Measured Variables	Cronbach's Alpha
Brand Image	0.773
Quality of service	0.697
Premium charge	0.751

Fig (1)-Reliability Statistics of each variable

Correlations

	Service Quality of the channel	Product Quality	Price of product influence choice of channel
Service Quality of the channel	1	.852**	.843**
Product Quality		1	
Price of product influence choice of channel			1

	Sig. (2-tailed)		.000	.000
	N	29	29	29
Product Quality	Pearson Correlation	.852**	1	.816**
	Sig. (2-tailed)	.000		.000
	N	29	37	37
Price of product influence choice of channel	Pearson Correlation	.843**	.816**	1
	Sig. (2-tailed)	.000	.000	
	N	29	37	37

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation coefficient r measures the strength and direction of a linear relationship between two variables and its value are recommended within the range of perfect negative correlation - 1 and 1 perfect positive correlation ((Asuero, 2006)

Analysis with SPSS

In Summary, the study contains 1 Observed, endogenous or dependent variables that is Choice of channel 3 observed exogenous or independent variables includes Service Quality of the channel, Product Quality, Price of product influence choice of channel

Exploratory Factor Analysis

Exploratory Factor Analysis (EFA) is used by the researcher to determine the extent to which observable variables are linked to their underlying latent components (Matsunaga, (2010).) There are two basic principles that must be understood before conducting exploratory factor analysis. It must be determined whether the data is sufficient for EFA. In order to do this, the researcher Kaiser Meyer Olkin (KMO) and other well-known commonly used procedures are used Sphericity analysis with Bartlett's test.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.761
Bartlett's Test of Sphericity	Approx. Chi-Square	83.486
	df	3
	Sig.	.000

Source: Survey data

Therefore, according to the above assumption, the KMO value of sampling adequacy for this data is 0.761 with a significant value of Bartlett's 0.000 and which enable to conduct the next

factor analysis. In factor analysis, the eigenvalues which is greater than 1 is taken as a factor and if its value is less than one means, it results little contribution to the total explanation of the variances.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.739	91.304	91.304	2.739	91.304	91.304
2	.175	5.835	97.139			
3	.086	2.861	100.000			

Extraction Method: Principal Component Analysis.

Note: As there is only one component was extracted, the solution cannot be rotate

4. Discussion on Hypothesis

H01: Brand Image does not have any positive relation on choice of channel in buying health insurance in multi-channel distribution system

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Brand Image	29	3.90	1.047	.194

One-Sample Test

	Test Value = 0		Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
	t	df			Lower	Upper
Brand Image	20.043	28	.000	3.897	3.50	4.29

Conclusion: As significance value is less than 0.05 concluding as Brand image has positive relation with Choice of channel, which means Service quality influence choice of channel

H02: Service Quality does not have any positive relation on choice of channel in buying health insurance in multi-channel distribution system

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Service Quality influence choice of channel	37	4.08	1.064	.175

Test Value = 0

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Service Quality influence choice of channel	23.331	36	.000	4.081	3.73	4.44

Conclusion: As significance value is less than 0.05 concluding as Service Quality has positive relation with Choice of channel, which means Service Quality influence the choice of channel

03: Product Price does not have any positive relation on choice of channel in buying health insurance in multi-channel distribution system

One-Sample Test

Test Value = 0

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Product Price	23.331	36	.000	4.081	3.73	4.44

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error
Product Price	37	4.08	1.064	.175

Conclusion: As significance value is less than 0.05 concluding as Price of the Product has positive relation with Choice of channel, which means Price of the Product influence choice of channel

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