



EXAMINING CONSUMER PERSPECTIVES ON HEALTH INSURANCE PRODUCTS: AN IN-DEPTH ANALYSIS OF FACTORS INFLUENCING PERCEPTIONS

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Abstract

This study, titled "Examining Consumer Perspectives on Health Insurance Products," aims to analyze factors influencing consumer perceptions. Employing a mixed-methods approach integrating qualitative and quantitative methodologies, data was collected from 200 respondents in Haryana, utilizing both primary and secondary sources. The study focused on variables such as Cost and Affordability, Customer Service and Support, Trust and Reputation, and Premiums and Deductibles across demographic categories. Findings indicate that Age significantly impacts perceptions of Cost and Affordability, highlighting the complexity of factors influencing consumer perspectives on health insurance. The study contributes to the understanding of consumer behavior in the health insurance sector, emphasizing the need for nuanced considerations in tailoring insurance products to individual preferences. The mixed-methods approach enhances the reliability and depth of the study's insights.

Keywords: Influencing, Perceptions, Health, Insurance, Products, Factors.

Overview of Health Insurance Products

Health insurance products are financial instruments designed to provide coverage and financial protection against the costs of medical expenses and healthcare services. These products typically come in the form of insurance policies offered by various providers, including private insurers and government-sponsored programs. Health insurance plans vary widely in terms of coverage, cost, and specific services included. They may cover hospital stays, prescription medications, preventive care, and other medical services, helping individuals manage the potentially exorbitant costs associated with healthcare.

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Different types of health insurance products cater to diverse needs, including individual plans, family plans, and group plans provided by employers. Insurance policies may also differ in terms of network options, with some plans restricting coverage to a specific network of healthcare providers, while others offer more flexibility in choosing doctors and hospitals.

Importance of Understanding Consumer Perspectives

Understanding consumer perspectives on health insurance products is crucial for several reasons.

a. Informed Decision-Making:

Consumer perspectives play a pivotal role in shaping individuals' choices when selecting health insurance. A nuanced understanding of these perspectives empowers consumers to make informed decisions about their healthcare coverage, ensuring that the chosen plan aligns with their specific needs and preferences.

b. Impact on Access and Utilization:

Consumer perceptions directly influence how individual access and utilize healthcare services. Positive perceptions may encourage regular healthcare utilization, preventive care, and timely medical interventions, contributing to overall health and well-being.

c. Industry Responsiveness:

Insight into consumer perspectives enables the health insurance industry to adapt and innovate. By addressing consumer concerns and preferences, insurers can tailor their products to better meet the evolving needs of the population, fostering a more responsive and customer-centric industry.

d. Policy Design and Regulation:

Understanding consumer perspectives informs policymakers and regulators about the effectiveness of existing health insurance policies. It provides valuable input for designing regulations that protect consumers, ensure fair practices, and promote affordability and accessibility in the healthcare system.

Comprehensive vs. Limited Coverage:

Health insurance plans offer varying degrees of coverage, with a critical distinction between comprehensive and limited coverage. Comprehensive plans encompass a wide range of medical services, including hospitalization, prescription medications, preventive care, and specialty treatments. In contrast, limited coverage plans may exclude certain services or have caps on coverage for specific medical expenses. Consumers weigh the breadth of coverage against their individual healthcare needs and financial considerations when selecting an insurance plan.

Perception of Essential Benefits:

Consumer perceptions of health insurance plans are significantly influenced by their understanding and assessment of essential benefits. Essential benefits are the core medical services that a plan must cover, often mandated by regulations or industry standards. These may include preventive care, maternity services, mental health treatment, and prescription drugs. The perception

of essential benefits shapes how consumers evaluate the adequacy of coverage and assess whether a plan aligns with their healthcare needs. Clear communication about these essential benefits is crucial for insurers to manage and shape consumer expectations, ensuring transparency and facilitating informed decision-making in the complex landscape of health insurance. The alignment between perceived essential benefits and the actual offerings of a health insurance plan plays a pivotal role in determining its attractiveness to consumers and, consequently, its success in the competitive healthcare insurance market.

Factors influencing consumer perceptions of health insurance products:

1. Cost and Affordability:

The primary factor influencing consumer perceptions of health insurance products is cost. Consumers assess not only the premiums but also out-of-pocket expenses such as deductibles, copayments, and coinsurance. Affordability is a critical aspect, and individuals often weigh the overall financial impact against the perceived value of coverage.

2. Coverage and Benefits:

Consumers closely evaluate the comprehensiveness of coverage and the benefits offered by health insurance plans. The extent to which a policy covers essential services, preventive care, and specialty treatments significantly influences perceptions. Clear communication about covered services and limitations is vital for shaping consumer expectations.

3. Provider Networks:

Access to preferred healthcare providers and the adequacy of the network are pivotal factors. Consumers value the ability to choose doctors, specialists, and hospitals within a convenient and extensive network. Limited provider options may negatively impact perceptions, emphasizing the importance of network adequacy in shaping consumer views.

4. Customer Service and Support:

Quality of customer service and support significantly impacts consumer satisfaction. Prompt responses to queries, effective communication, and efficient claims processing contribute to positive perceptions. A lack of support or difficulties in navigating the system can lead to dissatisfaction and negatively shape the overall consumer experience.

5. Trust and Reputation:

Consumer perceptions are influenced by the trustworthiness and reputation of both the insurance provider and the broader industry. Trust is built on factors such as transparent communication, fair claim settlements, and a positive track record. Reputation, encompassing reviews and ratings, plays a crucial role in shaping consumer trust and confidence in the chosen health insurance product.

Review of literature:

A review of literature is a comprehensive examination and synthesis of existing scholarly works, research articles, and other relevant sources on a specific topic. It provides an overview of the current state of knowledge, identifies gaps or controversies, and helps contextualize the significance of the proposed research within the broader academic landscape.

Patel and Desai (2018) focused on the broader insurance industry, Patel and Desai critically examine outdated approaches in premium collection. The study assesses the impact of traditional premium collection methods on customer satisfaction and industry competitiveness, providing insights into the need for modernization in premium payment structures.

Kumar and Chatterjee (2016) investigated the market retention strategies adopted by insurance corporations, both public and private, in the post-liberalization era. The study evaluates how companies aimed not only to retain market share but also to sustain growth, providing valuable insights for organizations navigating competitive transformations in the insurance sector.

Sharma and Verma (2014) explored how investor perceptions influenced LIC's market leadership during and after industry liberalization. The study analyzes the strategies employed by LIC to position itself as a realistic and reliable entity in the minds of common investors, shedding light on the interplay between market perception and leadership.

Gupta et al. (2012) provided a comparative analysis of the growth trajectories of both state-owned and private insurance firms post-liberalization. Gupta and colleagues assess the performance indicators, market share dynamics, and growth strategies adopted by different players, offering insights into the competitive landscape.

Rao and Singh (2010) study delved into the regulatory changes that facilitated the collaboration between private players and international conglomerates in the Indian insurance industry. It explores how these changes impacted the competitive landscape, prompting state-owned entities to adapt and thrive in the evolving market.

Kapoor and Mehra (2008) Examined the challenges faced by the Life Insurance Corporation of India (LIC), Kapoor and Mehra focus on time constraints and inflexible premium structures. This study analyzes how LIC navigated these challenges during the competitive transformation, shedding light on the dynamics of premium collection in the post-liberalization era.

Research Gap:

The research gap in the study "Examining Consumer Perspectives on Health Insurance Products" lies in the limited exploration of specific and nuanced factors influencing consumer perceptions. While the objective is to analyze factors impacting consumer perspectives, existing literature may lack an in-depth examination of variables such as cultural influences, personalized communication strategies, or the role of emerging technologies. Addressing these gaps can provide a more comprehensive understanding of the multifaceted dynamics shaping consumer perceptions in the context of health insurance products.

Objectives:

The aim of this study is outlined as follows:

- To analyze factors influencing consumer perceptions

Research Methodology:

Research methodology refers to the systematic framework employed to conduct a study. In this investigation, a mixed approach integrating qualitative and quantitative methods was adopted.

Both primary and secondary sources were utilized to gather comprehensive data. The study focused specifically on Haryana, collecting information from 200 respondents. This dual-method approach allows for a more nuanced and well-rounded understanding of the research topic by combining the strengths of qualitative exploration and quantitative analysis. The utilization of diverse sources and a substantial sample size enhances the reliability and depth of the study's findings.

Data Analysis and Interpretation:

Data analysis involves systematically processing collected information to uncover patterns, trends, and insights. Interpretation is the comprehension and explanation of these findings, extracting meaningful implications. In research, this step is crucial for drawing valid conclusions and contributing to the understanding of the studied phenomena.

Demographic Analysis of Respondents:

The demographic analysis of respondents involved examining characteristics such as gender, age, and monthly family income. This comprehensive evaluation provides insights into the composition of the study sample, facilitating a nuanced interpretation of research findings.

Table: Frequency Analysis of Demographic Variable

Demographic Variables		Frequency
Gender	Male	116
	Female	84
	Total	200
Age	18-30	96
	30-40	56
	40-50	35
	50 and above	13
	Total	200
Monthly Family Income	Less than 20,000	104
	20,000-25,000	40
	25,000-30,000	32
	30,000 and above	24
	Total	200

Source: Researcher's Compilation

The demographic profile of the surveyed population (n=200) reveals a gender distribution of 58% males and 42% females. In terms of age, the majority (48%) falls within the 18-30 age range, followed by 30-40 (28%), 40-50 (17%), and 50 and above (7%). Regarding monthly family income,

52% report less than 20,000, 20% fall in the 20,000-25,000 range, 16% in the 25,000-30,000 range, and 12% earn 30,000 and above. This comprehensive demographic breakdown provides insights into the characteristics of the sample, facilitating a nuanced analysis of health insurance perceptions.

Factor Analysis

Factor analysis is a statistical technique that identifies underlying factors within a set of observed variables, reducing data complexity and revealing patterns of association among variables.

Table Case Processing Summary			
		N	%
Cases	Valid	200	100.0
	Excluded ^a	0	.0
	Total	200	100.0
a. Listwise deletion based on all variables in the procedure.			

Source: Researcher's Compilation

The case processing summary indicates that all 200 cases are valid, with no exclusions based on the listwise deletion method. This implies that the entire dataset has been retained for analysis, ensuring a complete and comprehensive examination of the variables.

Table Reliability Statistics	
Cronbach's Alpha	N of Items
.908	20

Source: Researcher's Compilation

The reliability statistics reveal a high Cronbach's Alpha of .908, indicating strong internal consistency among the 20 items measured in the study. This suggests robust reliability.

Table KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.875
Bartlett's Test of Sphericity	Approx. Chi-Square		3260.775
	df		190
	Sig.		.000

Source: Researcher's Compilation

The Kaiser-Meyer-Olkin (KMO) measure is 0.875, indicating high sampling adequacy. Bartlett's Test of Sphericity is significant ($\chi^2 = 3260.775$, $df = 190$, $p < 0.001$), suggesting that the variables are interrelated, supporting the suitability of the data for factor analysis.

Table Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.790	38.950	38.950	7.790	38.950	38.950	4.326	21.628	21.628
2	2.651	13.253	52.203	2.651	13.253	52.203	3.867	19.336	40.964
3	2.320	11.598	63.801	2.320	11.598	63.801	3.274	16.370	57.334
4	1.829	9.147	72.948	1.829	9.147	72.948	3.123	15.614	72.948
5	.825	4.127	77.075						
6	.769	3.847	80.922						
7	.609	3.047	83.969						
8	.496	2.479	86.448						
9	.487	2.435	88.883						
10	.366	1.830	90.713						
11	.341	1.707	92.420						
12	.283	1.415	93.835						
13	.245	1.223	95.058						
14	.213	1.064	96.122						
15	.204	1.022	97.144						
16	.173	.866	98.010						
17	.139	.697	98.706						
18	.127	.637	99.343						
19	.073	.366	99.710						
20	.058	.290	100.000						

Extraction Method: Principal Component Analysis.

Source: Researcher's Compilation

Table Rotated Component Matrix^a				
	Component			
	1	2	3	4
Cost and Affordability:				
I find the premiums for my health insurance plan affordable.	.876			
The overall cost of my health insurance is reasonable.	.876			

The deductibles in my health insurance plan are manageable for my budget.	.872			
I believe the value I receive from my health insurance justifies the cost.	.865			
The out-of-pocket expenses associated with my health insurance are reasonable.	.804			
Customer Service and Support:				
Overall, I am satisfied with the level of customer service provided by my health insurance provider.		.890		
Customer support efficiently addresses and resolves my concerns.		.870		
I feel well-informed about my health insurance benefits and coverage.		.864		
The communication channels provided by my health insurance are convenient.		.857		
I am satisfied with the responsiveness of customer service when I have inquiries.		.664		
Trust and Reputation:				
The reputation of my health insurance company positively influences my confidence in them.			.894	
I trust my health insurance provider to fulfill its commitments.			.890	
The company's track record influences my perception of their reliability.			.720	
Overall, I have confidence in the trustworthiness of my health insurance provider.			.710	
I believe my health insurance provider acts ethically and transparently.			.668	
Premiums and Deductibles:				
I consider the trade-off between premiums and deductibles when choosing a health insurance plan.				.858
I understand the relationship between premiums and the coverage provided.				.804
The premiums for my health insurance plan are reasonable compared to similar plans.				.775
The flexibility in choosing deductibles is an important factor in my health insurance decision-making.				.680
The deductible amount in my health insurance plan aligns with my financial expectations.				.633
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 6 iterations.				

Source: Researcher's Compilation

The Rotated Component Matrix reveals the factor loadings after Varimax rotation with Kaiser Normalization. In the Cost and Affordability factor (Component 1), all items demonstrate high loadings, indicating a strong association with this component. Customer Service and Support

items (Component 2) also exhibit strong loadings, suggesting coherence within this factor. Trust and Reputation (Component 3) showcase substantial loadings, emphasizing their shared variance. Premiums and Deductibles (Component 4) demonstrate notable loadings, reflecting their collective influence. The high factor loadings across all components indicate distinct and coherent underlying constructs. The overall reliability and validity of the measurement model are supported, providing a robust foundation for analyzing factors influencing consumer perspectives on health insurance.

T-Test and ANOVA:

T-Test and ANOVA are statistical methods used to analyze factors influencing consumer perceptions by comparing means across groups. T-Test assesses differences between two groups, while ANOVA analyzes variations among multiple groups, providing valuable insights into the impact of various factors on consumer perspectives.

Ho: There is no significant influence of factors on consumer perceptions across various demographic variables.

Factors	Demographic Variable	F	Sig.	Hypothesis Acceptance/ Rejection
Cost and Affordability	Gender	2.302	.131	Accepted
	Age	3.031	.030	Rejected
	Monthly Family Income	.241	.868	Accepted
Customer Service and Support	Gender	.890	.347	Accepted
	Age	1.072	.362	Accepted
	Monthly Family Income	.325	.807	Accepted
Trust and Reputation	Gender	.002	.969	Accepted
	Age	1.309	.273	Accepted
	Monthly Family Income	1.233	.299	Accepted
Premiums and Deductibles	Gender	.249	.618	Accepted
	Age	1.093	.353	Accepted
	Monthly Family Income	1.178	.319	Accepted

Source: Researcher’s Compilation

The analysis aimed to assess the influence of factors (Cost and Affordability, Customer Service and Support, Trust and Reputation, Premiums and Deductibles) on consumer perceptions across various demographic variables (Gender, Age, and Monthly Family Income) using ANOVA. The results indicate that for Cost and Affordability, there is a significant influence on consumer perceptions based on Age (F = 3.031, p = 0.030), leading to the rejection of the null hypothesis. However, no significant differences were found for Gender and Monthly Family Income. In Customer Service and Support, Trust and Reputation, and Premiums and Deductibles, no significant influences were observed across Gender, Age, and Monthly Family Income, supporting the acceptance of the null hypothesis. Overall, the findings suggest that demographic variables do not

consistently impact consumer perceptions, except for a notable influence of age on Cost and Affordability perceptions.

Conclusion:

The objective of analyzing factors influencing consumer perceptions aimed to uncover patterns and relationships among variables such as Cost and Affordability, Customer Service and Support, Trust and Reputation, and Premiums and Deductibles across demographic categories of Gender, Age, and Monthly Family Income. The results suggest that while Age significantly influences consumer perceptions of Cost and Affordability, other demographic variables do not exhibit consistent patterns of impact across the analyzed factors. Theoretical implications indicate that age-related considerations may play a more prominent role in shaping perceptions of cost-related aspects of health insurance. However, the overall lack of significant differences across demographic variables underscores the complexity and multi-faceted nature of factors influencing consumer perspectives on health insurance, urging further exploration and nuanced consideration of individual preferences and experiences.

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