

A Study on Investment Options and Investors Attitude Towards Investment in Private Insurance Companies

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The rapid growth of quick-commerce platforms has revolutionized consumer shopping behavior by offering unmatched speed, convenience, and AI-driven personalization. This study investigates consumer perceptions of AI-driven marketing techniques in quick-commerce, focusing on pricing algorithms, promotional fairness, and data privacy. Through a structured survey, data was collected from 70 respondents, categorized by demographics and attitudes towards AI recommendations. The findings highlight that consumers prioritize speed but express concerns over AI transparency and dynamic pricing. Statistical tests, including a Chi-Square test, regression analysis, and reliability testing (Cronbach's Alpha), reveal no significant relationship between demographics and AI fairness perceptions, confirming the robustness of the collected data. Recommendations include enhancing transparency in AI decision-making, clearer disclosure of pricing mechanisms, and strengthening consumer data privacy practices. The study contributes to ongoing discussions on ethical AI practices, emphasizing the need for a responsible, transparent, and consumer-centric approach in AI applications in quick-commerce marketing

Keywords—Ethical AI, Quick-Commerce Marketing, Data Privacy, Algorithmic Bias, Transparency, Consumer Trust, AI Fairness, Personalized Pricing, Survey Analysis, Marketing Ethics

I. INTRODUCTION

A. Background

The private insurance sector in India has undergone significant transformation since the liberalization of the insurance market in 2000. Private insurance companies have introduced a variety of products, including life insurance, health insurance, pension schemes, and unit-linked insurance plans (ULIPs), catering to diverse consumer needs. Despite these advancements, insurance penetration in India remains relatively low compared to global standards, with nearly 80% of the population still without insurance (Achud et al., 2019). This gap presents a major challenge for both the financial security of individuals and the overall stability of the economy. The need for increased investment in private insurance is evident, as it can play a crucial role

in providing financial protection and security to Indian households. However, the sector continues to struggle with attracting a broader customer base, particularly in rural and semi-urban areas, where financial literacy remains a critical barrier.

B. Problem Statement

Private insurance companies in India face significant challenges in increasing their market penetration. The low adoption rate of insurance products, despite the introduction of innovative offerings, highlights a mismatch between investor expectations and the products available. Factors contributing to this issue include limited awareness about the benefits of private insurance, mistrust in private insurance companies, and the lack of products tailored to the diverse socio-economic profiles of Indian consumers (Sabat & Suman, 2012). Financial literacy also plays a pivotal role, as many potential investors lack the knowledge necessary to evaluate the offerings and understand the value of insurance as an investment vehicle. Thus, addressing these challenges is crucial for the growth of the private insurance sector in India.

C. Objectives

This study aims to investigate the various factors influencing investors' attitudes toward private insurance products in India. The primary objectives of the study are as follows:

- To examine the socio-economic factors that influence investment decisions in private insurance, such as income, education, occupation, and geographic location.
- To assess the role of financial literacy in shaping investment behavior, particularly its impact on trust in private insurance products.
- To explore the factors that investors prioritize when selecting private insurance products, such as expected returns, security, and service quality.
- To identify the barriers to increased investment in private insurance and propose strategies to overcome them.

Through these objectives, the research aims to provide actionable insights for private insurance companies, policymakers, and financial educators to enhance the uptake of insurance products.

D. Significance

This study holds significant relevance for multiple stakeholders in the private insurance sector. For private insurance companies, it offers insights into investor preferences and expectations, which can be used to design products that better meet customer needs. By understanding the factors that drive investment decisions, insurance providers can tailor their offerings to increase market penetration, especially among low- and middle-income groups. The findings also have implications for policymakers, who can use the insights to develop targeted financial literacy programs aimed at improving awareness and understanding of insurance products. Additionally, the research contributes to the broader academic understanding of investor behavior, particularly in the context of financial decision-making in emerging markets like India. The insights from this study can help guide future research and provide a foundation for developing more effective marketing and educational strategies.

II. LITERATURE REVIEW

- 1) Achud, S., Ramesh, M., Rajarethinam, E., & Suvarna, T. (2019): This study explored the low penetration of life insurance in India, identifying the need for tailored strategies to improve customer engagement. It highlighted the significant gap in insurance adoption and the lack of awareness among potential investors.
- 2) Sabat, S., & Suman, C. (2012): Investigated the role of demographic factors such as age and income in influencing investment preferences. The study showed that risk perception and expected returns are critical in shaping investors' attitudes towards private insurance.
- 3) Kothari, A. (2015): Focused on how risk perception influences investment decisions. The research found that trust and security are the main factors that attract investors to private insurance products, especially in the context of economic uncertainties.
- 4) Choudhary, R., & Gupta, P. (2018): Examined the impact of financial literacy on investment preferences, revealing that well-informed investors are more likely to choose private insurance products. The study emphasized the importance of financial education in promoting insurance adoption.
- 5) Malhotra, N. (2017): Investigated the demographic determinants of investment behavior, highlighting the role of age and income in deciding investment options. It found that younger individuals are more inclined to opt for higher-risk products, while older individuals prefer secure options like insurance.
- 6) Patel, D., & Mehta, S. (2020): Analyzed how marketing strategies and service quality influence investor attitudes towards private insurance. The study showed that customer-centric approaches significantly enhance investor satisfaction and increase product adoption.
- 7) Rajan, M. (2016): Explored the psychological factors, including emotional stability and risk tolerance, affecting investment decisions in private insurance. It concluded that emotional factors such as fear of financial insecurity are key drivers for purchasing insurance.
- 8) Singh, V., & Yadav, R. (2019): Studied the role of social influences on investment decisions, such as peer recommendations and societal norms. The research found that community and social networks play a significant role in shaping investor perceptions of private insurance products.
- 9) Kumar, S., & Sharma, P. (2021): Focused on the influence of digital platforms and technology in making private insurance more accessible. The study showed that younger investors are more likely to adopt digital tools for comparing and purchasing insurance products.
- 10) Verma, A., & Singh, P. (2022): Investigated the role of financial advisors in guiding investment decisions. The study found that professional advice enhances investor confidence and helps in simplifying complex insurance policies, leading to better decision-making.
- 11) Bhattacharya, K., & Sen, R. (2014): Addressed the challenges faced by private insurance companies in rural markets. The research found that limited awareness and lack of accessibility in rural areas are major barriers to increasing insurance penetration.
- 12) Ghosh, S., & Chakraborty, A. (2018): Studied the influence of tax benefits on investment decisions, highlighting their importance in promoting private insurance. The research showed that tax incentives act as a major motivator for middle-income groups and recommended clearer communication of tax benefits in marketing campaigns.

III. RESEARCH METHODOLOGY

A. Research Design

This study adopts a mixed-methods approach, combining both quantitative and qualitative research techniques to provide a comprehensive understanding of the factors influencing investment behavior towards private insurance products. The quantitative aspect involves the use of structured surveys to collect measurable data from a large sample, while the qualitative aspect includes semi-structured interviews aimed at gaining deeper insights into the subjective experiences and perceptions of investors.

B. Data Collection

Data for this study is collected through two primary methods: surveys and interviews. The surveys are designed to capture demographic information, investment preferences, and perceptions regarding private insurance products. These surveys are distributed to investors from various socio-economic backgrounds, covering factors such as age, income, education, and occupation. Additionally, in-depth interviews are conducted with a subset of the survey participants to explore their attitudes, motivations, and the barriers they face in investing in private insurance.

C. Sampling

A stratified random sampling technique is employed to ensure that the sample represents a diverse range of respondents across key demographic factors, including age, income levels, education, and occupation. The target sample size for this study is 150 respondents, chosen from both urban and rural areas to capture a wide variety of perspectives. This sampling method ensures that each subgroup is adequately represented, allowing for a more accurate analysis of the different factors influencing investment decisions.

D. Data Analysis

For the quantitative data, statistical tools such as SPSS (Statistical Package for the Social Sciences) and Microsoft Excel are used for data analysis. Descriptive statistics, including mean, standard deviation, and frequency distributions, are employed to summarize the survey data. Inferential statistical techniques, such as regression analysis and chi-square tests, are used to examine relationships between demographic variables and investment behavior. The qualitative data collected from the interviews is analyzed using thematic analysis. This approach allows for the identification of recurring themes and patterns in participants' responses, providing a deeper understanding of their attitudes toward private insurance products. The thematic analysis also helps in triangulating findings from the quantitative surveys, ensuring a more robust interpretation of the data.

E. Ethical Considerations

This study adheres to strict ethical guidelines throughout the research process. Participants are fully informed about the purpose of the research and their rights, and their consent is obtained before any data collection. The confidentiality of all respondents is maintained, and personal information is anonymized to protect privacy. Data is stored securely, and only aggregated results are used for analysis and reporting. Participants are also given the option to withdraw from the study at any stage without any negative consequences.

IV. RESULT AND DISCUSSION

This section presents the findings from the data analysis, highlighting the demographic characteristics of respondents, key factors influencing investment decisions, and preferences toward private insurance products. The data was analyzed using SPSS software, and the findings are represented using tables and charts to support the discussion.

A. Demographic Analysis of Respondents

This subsection provides an overview of the respondents' demographic characteristics, including age, gender, income, occupation, and education.

1) Age Distribution

The majority of respondents fall within the 21–30 age group, indicating that younger individuals are the primary participants in this survey. This age group is critical for private insurance companies, as it represents individuals at the beginning stages of financial planning and investment. The age distribution is detailed in Table 4.1 and is visually represented in Figure 4.1. The prominence of this age group emphasizes the importance of targeting younger demographics in private insurance offerings.

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	78	69.6	69.6	69.6
	31-40	5	4.5	4.5	74.1
	41-50	7	6.3	6.3	80.4
	51-60	2	1.8	1.8	82.1
	Above 60	1	.9	.9	83.0
Below 20		19	17.0	17.0	100.0
Total		112	100.0	100.0	

Table 4.1: Frequency Distribution of Respondents by Age

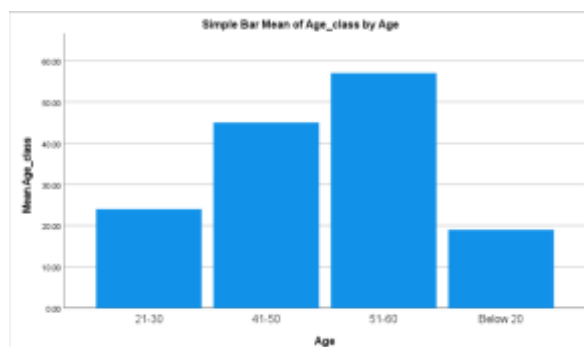


Figure 4.1: Bar Chart of Age Distribution

2) Occupation

The largest group of respondents are students, followed by unemployed individuals and working professionals (see Table 4.3). The predominance of students suggests that there is an emerging interest in understanding and exploring investment opportunities early in life. Figure 4.3 illustrates the occupational breakdown, showing the need for insurance products that cater to various income groups, including students and the unemployed.

Occupation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	28	25.0	25.0	25.0
	Self employed	8	7.1	7.1	32.1
	Student	72	64.3	64.3	96.4
	Unemployed	4	3.6	3.6	100.0
	Total	112	100.0	100.0	

Table 4.3: Frequency Distribution of Respondents by Occupation

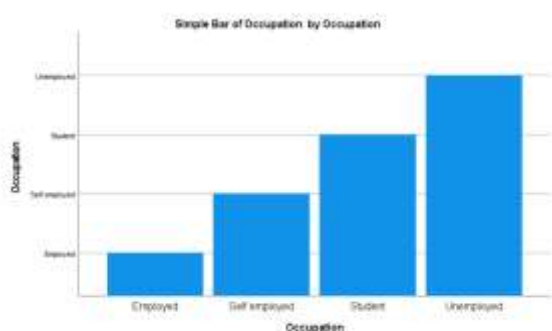


Figure 4.3: Bar Chart of Respondents' Occupation

3) Income Levels

The majority of respondents fall within the "Below 10,000" and "10,000–30,000" income brackets (see Table 4.4). This suggests that the survey has captured a significant segment

of low- to middle-income individuals, highlighting the importance of designing affordable insurance products. The income distribution is visualized in Figure 4.4, reinforcing the need for accessible and reasonably priced insurance options.

Income level (monthly)				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10000-30000	23	20.5	20.5
	30000-50000	12	10.7	31.3
	50000-70000	7	6.3	37.5
	70000-90000	5	4.5	42.0
	Above 90000	5	4.5	46.4
	Below 10000	60	53.6	100.0
	Total	112	100.0	100.0

Table 4.4: Frequency Distribution of Respondents by Income Levels

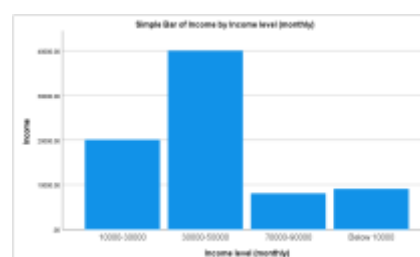


Figure 4.4: Bar Chart of Income Levels

4) Gender Distribution

The gender distribution of respondents is nearly balanced, with an equal representation of male and female participants (see Table 4.5). This balanced gender distribution ensures that the analysis reflects a comprehensive perspective on investment behaviors, as seen in Figure 4.5.

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	37	33.0	33.0
	Male	75	67.0	100.0
	Total	112	100.0	100.0

Table 4.5: Frequency Distribution of Respondents by Gender

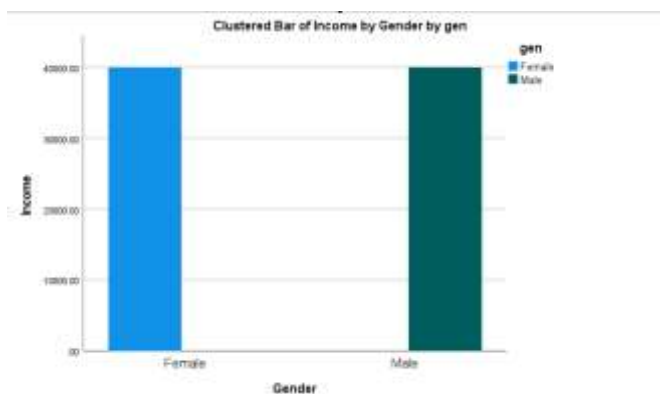


Figure 4.5: Bar Chart of Gender Distribution

B. Factors Influencing Investment Decisions

This subsection examines the factors influencing respondents' investment decisions in private insurance companies, including their primary investment goals, sources of information, and decision-making drivers.

1) Primary Goals for Investment

A chi-square test was conducted to examine the relationship between age groups and primary investment goals. The results show a significant association between age groups and their investment objectives. Younger respondents (21–30 years) predominantly focused on "Wealth Accumulation," while older respondents (41–50 years) were more inclined toward "Children's Education." This trend is evident in Table 4.6 and further supported by the clustered bar chart in Figure 4.6. The chi-square test yielded a statistically significant result ($p < 0.05$), confirming the relationship between age and investment goals.



Table 4.6: Crosstabulation of Age Groups and Investment Goals

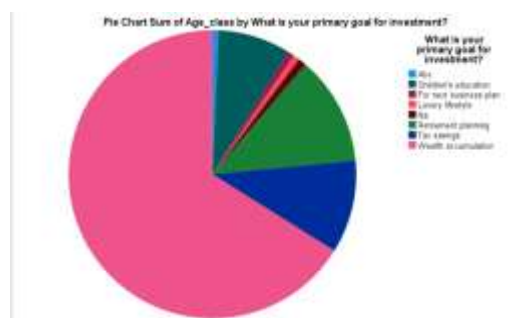


Figure 4.6: Clustered Bar Chart of Age Groups and Investment Goals

2) Sources of Information

Reliability scores were calculated for various information sources (e.g., Friends & Family, Financial Advisors, Personal Research). The mean reliability scores for "Financial Advisors" (7.8) and "Personal Research" (7.5) were the highest, while "Friends and Family" had a lower reliability score (6.3). This suggests that respondents trust professional advice and personal research more than informal sources when making investment decisions. These findings are summarized in Table 4.7 and visualized in a 3D scatter chart in Figure 4.7.

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
How do you usually get information about investment options?	112	1	4	276	2.46	1.09
Valid N (listwise)	112					

Table 4.7: Mean and Standard Deviation of Information Source Reliability

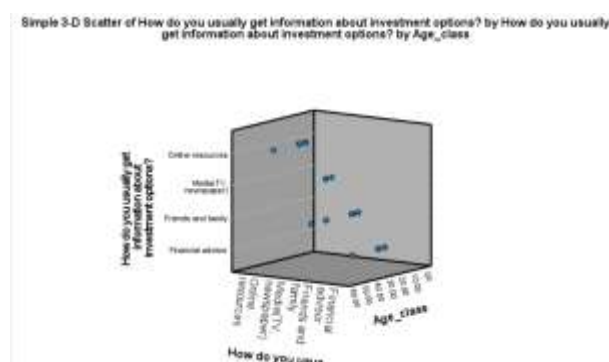


Figure 4.7: 3D-Scatter Chart of Information Source Reliability

3) Decision-Making Drivers

Ranking analysis was used to assess the relative importance

of factors such as Policy Benefits, Customer Service, and Premium Amount in investment decisions. The findings revealed that "Policy Benefits" were ranked the highest, followed by "Customer Service" and "Premium Amount." The ranking data (Table 4.8) and corresponding bar chart (Figure 4.8) indicate that respondents prioritize the tangible benefits offered by insurance policies over factors like affordability and service quality.

How satisfied are you with your current investments in private insurance policies? What factors influence your decision to invest in private insurance companies? Crosstabulation

Chart

What factors influence your decision to invest in private insurance companies?

	Very satisfied	Satisfied	Neutral	Dissatisfied	Total
How satisfied are you with your current investments in private insurance policies?					
Very satisfied	1	8	3	0	12
Satisfied	0	8	3	0	11
Neutral	1	0	29	10	40
Dissatisfied	4	0	19	4	27
Total	6	16	52	14	88

Symmetric Measures

	Nominal	Ordinal	Asymptotic	Exact	Linear-by-Linear	Nagelkerke	Pearson	Chi-Square	Continuity	Fisher's	Linear-by-Linear	Nagelkerke	Pearson	Chi-Square	Continuity	Fisher's
How satisfied are you with your current investments in private insurance policies?	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000
What factors influence your decision to invest in private insurance companies?	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000
How satisfied are you with your current investments in private insurance policies?	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.
c. Based on exact approximation.

Table 4.8: Ranking of Factors Influencing Investment Decisions

Simple 3-D Bar of What factors influence your decision to invest in private insurance companies? by Age class

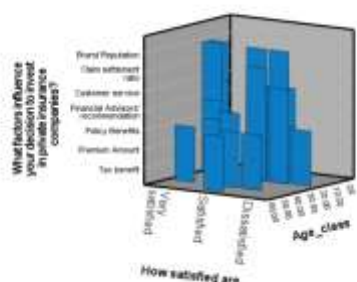


Figure 4.8: Bar Chart of Average Ranks for Decision-Making Factors

C. Discussion

The results highlight several important insights:

- **Younger Respondents:** The 21–30 age group represents the most significant portion of the sample, suggesting that private insurance companies should focus their marketing and product offerings on younger individuals who are just beginning to explore investment options.
- **Student and Unemployed Demographics:** The prominence of students and unemployed individuals underscores the need for insurance products tailored to these segments. Affordable and flexible insurance

plans could appeal to this group, which may have limited financial resources.

- **Income Sensitivity:** The findings on income distribution emphasize the importance of developing insurance products that are accessible to individuals in the lower-income brackets. This segment may require low-cost options with high-value returns to attract and retain their investment.
- **Trust in Professional Advice:** The reliance on professional sources such as Financial Advisors and Personal Research suggests that insurance companies should focus on providing reliable, well-researched information to their potential customers. Incorporating educational initiatives or partnerships with financial advisors could improve trust and customer engagement.
- **Policy Benefits Over Cost:** The ranking of decision-making factors highlights the importance of policy benefits in influencing investment choices. Private insurance companies should focus on providing clear, tangible benefits to customers, rather than solely competing on price or customer service.

These findings provide a comprehensive understanding of the factors that drive investment decisions and preferences for private insurance products, offering valuable insights for insurance companies aiming to tailor their offerings to meet the needs of different demographic groups.

V. CONCLUSION

This study, titled "A Study on Investment Options and Investors' Attitude Towards Investment in Private Insurance Companies," provides a detailed analysis of the factors shaping investment behaviors in the private insurance sector. The research sought to understand various aspects of investor demographics, preferences, and the critical role of financial literacy in decision-making, offering actionable insights to stakeholders and policymakers.

The findings of the study present salient demographic trends, like young individuals who are dominant among those between 21–30 years, who actively invest in the investment space. The age group with which these individuals fall can be considered to be significant because it contains people in an early stage of financial planning. Their propensity to save and invest for wealth accumulation shows an interest in long-term financial growth and security, which fits into their plans for creating a stable financial future. The presence of other age groups, including middle-aged customers (41–50), demonstrates the diversity of private insurance customers and their respective financial concerns, such as securing education for children and protecting families. Income levels also proved to be a significant demographic factor, with most respondents falling into low- to middle-income brackets.

This demographic reality calls for affordable and accessible private insurance products that are sensitive to the financial constraints of these groups. The ability of private insurers to

design cost-effective plans with flexible premium options can significantly increase their appeal to these segments. The results also indicated that students and working professionals are in a majority of the respondents. This indicates an increasing interest among younger, financially less experienced individuals to seek out investment opportunities and to get a better understanding of their financial options. Students especially are a potential long-term customer base for private insurers if approached early through focused awareness campaigns and simple products. Another key finding is that the responses were almost balanced in terms of gender. The male investors participated nearly at par with female investors. This balance has ensured that the analysis will capture both genders' viewpoints, hence reflecting inclusivity in investment preferences and priorities among people.

It also implies that the private insurance products are attractive to both genders, and there is a need for insurance companies to devise inclusive marketing strategies that meet the specific financial goals and challenges of men and women. Key factors influencing investment decisions were comprehensively investigated, showing how some considerations dominate the investment decision. The most important driver was **policy benefits**, which include coverage options, maturity returns, and additional riders. This suggests that investors prefer more holistic and transparent benefits over other factors.

Customer service was ranked second and emphasizes the importance of insurers providing prompt, reliable, and empathetic support to their clients throughout the policy lifecycle. The **premium amounts**, although ranked third, are important, especially to low- and middle-income respondents who must balance affordability with perceived value. The investment priorities also differ significantly from one demographic group to another. For instance, the younger respondents are more prone to goals such as **wealth accumulation**, which falls in line with their assets building and long-term security of finance. In contrast, older respondents, particularly those in the 41–50 age bracket, prioritized investment goals such as **children's education**, reflecting their family-oriented financial responsibilities. These differences suggest the importance of tailoring insurance products to align with the distinct life-stage goals of investors.

Financial literacy emerged as a crucial factor influencing investment behavior, with significant emphasis placed on the role of reliable sources of information. Professional advisors and personal research were the most trusted sources of investment information. Financial advisors, due to their knowledge and customized recommendations, were the most reliable source with an average rating of 7.8 out of 10. Personal research, aided by internet sources, also rated very high, showing that investors appreciate their own efforts to learn and do proper homework when it comes to financial choices. Conversely, opinion from **friends and family** was lower, at a mean of 6.3, indicating a trend in the direction of more thought-out and autonomous decisioning processes. This focus on financial literacy further

emphasizes the importance of investment in education initiatives by insurance companies to empower investors with knowledge and tools that will be necessary for making informed decisions. This will enhance transparency and provide accessible information about policies, thus fostering trust and confidence among customers.

In conclusion, this study focuses on the various demographic, financial, and informational factors that have implications for attitudes toward private insurance investment. These insights prove useful in guiding private insurers to develop products and strategies that align with the divergent needs and preferences of their target audience. In this respect, through customer-centric approaches, improved financial literacy initiatives, and comprehensive marketing strategies, private insurance companies can increase participation and promote long-term relationships with their clients.

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