

**THE PERCEPTION OF MARKET WOMEN IN GHANA ON INSURANCE COMPANIES**Dominic Effah Bediako\*

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**ABSTRACT**

*The aim of the paper is to contribute to the body of knowledge in the area of insurance marketing by examining the perception of market women of insurance companies using subjective responses of respondents in a survey. The study is quantitative and descriptive in nature. The target population is the market women in Sunyani Township dealing in all types of products. The sample size is 100, selected through convenience sampling methods. Primary data collection is based on self-designed questionnaire, administered at their work places using research assistants. The results are analysed using percentages, frequencies and One-Way Analysis of Variances (ANOVA) and results presented in Tables. The findings indicate that respondents do not have strong knowledge level of insurance products. The perception of respondents of the insurance companies is not favourable since respondents are of the view that claims are not paid promptly in times of need. Insurance premium is considered as high for respondents. Marketers in insurance industry should incorporate the findings into their marketing strategies in order to attract potential customers. Future studies should look at causal studies using larger sampling size in other communities.*

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## 1.1 INTRODUCTION

Women are the back bone of most West African economy. In Ghana, women are visible everywhere (Wahhaj 2003). Women are seen on the streets, in the market place selling produce, on public transport, in government offices, and in the farms. In major cities in Ghana women are more visible than men (Harrera et al 2012). This is perhaps because the largest concentration of people are to be found in market-places; and bringing produce to the market for sale appears, in this society where gender plays a key role in the division of labour, to be unambiguously in the female domain.

Another site where crowds would gather in Ghana is the 'lorry' station which is complementary to the many of the market activities and to it endangered specifications is increasing shaped by intensive negotiation between male station personnel and intruding female entrepreneurs over the scarce resource the 'space' (Stasik and Thiel, 2014). Such crowds would attract street vendors selling food, who may wander about or sit on a side with their wares - peanuts, pineapples, boiled corn, bread, or biscuits -- and here again, the women, usually younger than their more businesslike counterparts in the markets, would dominate.

The work of these market women involve moving to hinterland of the various places in the sub region (Baah-Ennumh & Adom-Asamoah, 2012). They send urban industrial goods to the rural areas for sale and in return bring foodstuffs to feed the urban population. Some of their journeys involve un-motorable roads and the road worthiness of the vehicle that carts them is nothing to write home about. One cannot stop counting the number of accidents most of them have been involved. Often times they need to make part of their journey by foot. Of recent these women have been facing armed robbery attacks. Most of them end up losing not only their capital but their lives too.

The market centres where they sell their wares, which serves as both stores and warehouses have their culminated problems exacerbating the pride of these hard working mothers. Almost all the Market centres in Ghana have experience a disaster ranging from theft, fire outbreak to flooding. Most of these disasters have been re-occurring yearly and seasonally. Daily Graphic on 18<sup>th</sup> November 2010 reported an incidence of fire consuming properties in Mokola Market in Accra. The same market (Mokola) according to the graphic report on 29<sup>th</sup> March 2014, 2000 traders lost their livelihoods through fire on the previous night (graphic.com.gh). In the 6<sup>th</sup> on November

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2007 from the same source (Daily Graphic) the same type of incidence occurred in Kasoa in the Central Region. According to Kumasi Metropolitan report, fire outbreak occurred in Kumasi Central Market on Wednesday, 19<sup>th</sup> September, 2001 and it gutted over 150 stores. Ghana News Agency (2009) reported that on Thursdays 28<sup>th</sup> May 2009 there was again a fire outbreak in Central Market Kumasi. The Daily Graphic reported on the 16<sup>th</sup> July 2014 another fire outbreak destroying Kumasi Central Market. In the early hours of 2<sup>nd</sup> January, 2010 another ferocious fire outbreak occurred at the same Kumasi Central Market (Awuah 2010). Oblejumah (2012) 4<sup>th</sup> April 2012 also saw incidence of fire destruction of Kantamanto Market Accra.

These occurrences have not only devastating effect on fixed infrastructure put down by the state and individuals but also goods and properties stored in peoples' shops and sometimes individual lives are involve. The Market women who are generally the victims constitute about 80 percent of those involve in commercial activities and their contribution to the GDP is about 20 percent in the country (Amu 2005).

The most irony of the effect is that most of the victims never learn any lesson about it. They only hold mostly the Government of the day accountable for compensation and revitalizing their businesses (Appiah, 2014). Few fall on loans and their savings and others on family and friends as means of reviving their businesses. All these disaster happening to our market women are policies (fire, theft, motor accident, marine flood etc) offered by all the insurance companies in Ghana which dated even before independence. None of these victims turns to the insurance companies as a friend in need. Is that area not lucrative enough for the insurance people to explore or does the market women not interested in insurance policy? or they do not know about. According to USAID (2006) report, although insurance has become a widely used financial service since first introduced in ancient Greece, its benefits have yet to reach much of the developing world. Evaluate the potential to develop insurance schemes, annuity markets and insurance products for low-income populations; it is believe some countries like Ghana may have great potential to benefit from the development of specific lines of insurance, given adequate infrastructure and conditions. According to Outreville (1990) the share of total insurance premium generated in developing countries remain at low figure even though these countries contain more than 75 percent of the world population.

## **1.2. RELATED WORKS**

Every business man has the tendency to save to have protection from risks or events of future. Insurance is one form of savings where people try to assure themselves against risks or uncertainties in the future. It is assurance against risks or events or losses. Investopedia (2014) define insurance as promise of compensation for specific potential future losses in exchange for a periodic payment. Insurance is designed to protect the financial well-being of an individual, company or other entity in the case of unexpected loss. Some forms of insurance are required by law, while others are optional. Agreeing to the terms of an insurance policy creates a contract between the insured and the insurer. In exchange for payments from the insured (called premiums), the insurer agrees to pay the policy holder a sum of money upon the occurrence of a specific event. In most cases, the policy holder pays part of the loss (called the deductible), and the insurer pays the rest. Examples include car insurance, health insurance, disability insurance, life insurance, and business insurance.

Customers are considered as a vital part of the stakeholders of any company. Their perceptions are very important for companies because they are the ones who purchase products and services the companies produce. Demand for insurance policies depends on the risks policy takers face and their dislike with respect to these risks. The approach to risk differs from persons to persons and people differ in their perception of risk. Perception is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world. It can be described as “how we see the world around us”.

Two individuals may be exposed to the same stimuli under the same apparent conditions, but how each person recognizes, selects, organizes, and interprets these stimuli is a highly individual process based on each person’s own needs, values, and expectations (David and Albert 2002). Perception and misperception of risk by members of a community play a large role in their willingness to deal such and its prevention. Risk has so many different meaning however the probabilities and consequence of adverse events and hence the risk are typically assumed to be objectively qualified by risk assessment.

According to Slovic, (2007), Perceptions of risk play a prominent role in the decision people make, in the sense that differences in the risk perception lies at the heart of disagreement about the best course of action between technical experts and members of the general public. Risk

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perception is therefore inherently subjective. Heterogeneity in perceived to relative actual risks distorts the demand for insurance and also reduce the use of private information about true risk and market may become less adversely selected (Villeneuve, 2005).

A theoretical literature by Koufopoulos (2008) has suggested that there is a selection with heterogeneous risk types that leads to negative correlation between risk occurrence and insurance coverage. Huang, Liu and Tzeng (2007) assume the presence of one type who exerts no precautionary effort, but is still more optimistic about the likelihood of the risk than the other type who exerts precautionary effort.

Cost and benefit analysis is one of the major determinate of decision to purchase insurance services as a monetary transaction. The general guidance of individual goal of such decisions in investing in insurance is usually to get fairly regular financial returns rather than the overall goal of protection. Krantz and Kunreuther (2007) state that the ability to be reimbursed, irregularly but frequently, may be perceived as a dividend stream (this is namely the case for small losses when insurance contracts with low deductibles are made).

The emotions have great influence in making insurance decisions. According to (Ulbinaitė et al 2013), the desire for people to purchase coverage for an object that is treasured rather than for an identical object that is not special, as they expect to deal with their peace of mind and relief of anxiety (i.e., they feel that with the insurance they can sleep much more securely or that they would regret not having the coverage if something bad happen) Hsee and Kunreuther (2000) call it “the affection effect in insurance decisions”. This should be a rationale why after experiencing a disaster people may know what it feels to lose things they love and how to avoid such pain by being protected in the future.

USAID (2006) report on how to strengthening the insurance industry in developing countries stated that since insurance depends on consumer confidence, enlightened insurers safeguard their reputation. They police the marketplace through self-regulatory organizations. Through policy statements and codes, they shape the expectations of consumers regarding the benefits of insurance, responsible sales practices, the products offered, fair treatment in claims, ways to control losses, and other aspects of insurance transactions

Johri (2009) believe that customer satisfaction in insurance means the use of a policy product purchase for a cost, to the ultimate satisfaction of the buyer, when a claim is paid. This

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satisfaction is not fully achieved only a product so purchased gives it full use, but it also stipulates that the product bought by the buyer gives him expected fruit that is peace of mind during the product cycle when it is used by the consumer.

Generally consumer understanding on insurance is very low. According to a research conducted in Australia by IFSA (2002), there is, at best, only a moderate level of knowledge about life insurance among consumers. This knowledge tends to extend to the ability to name 'death & disability' and to a lesser extent 'income protection' as different types of life insurance products. There is also a widespread belief that premiums are invested by insurers to earn profits. Perhaps surprisingly, there is not a significantly greater level of understanding among those who have life insurance. Life insurance is frequently confused with general insurance, health insurance, and (particularly among older groups) endowment products. As a result of this, any odium surrounding these other companies (especially general insurers) spills over to life insurance companies.

Using consumer panel data from a mid-sized southwestern city, Burnett and Palmer (1984) explored 14 psychographic factors, such as work ethic, self esteem, community involvement, fatalism, socialization preference, religious salience, and so on, as influential in determining insurance demand. They found that insurance is related with personality traits of individuals. The results showed that if people are self-sufficient and believe that they are in control of their own well being, they will buy more insurance. Other interesting results include: people who are more likely to own life insurance purchase are individuals who are not opinion leaders, are not price conscious, are not information seekers, and are low in self esteem.

**1.3. STATEMENT OF THE PROBLEM**

Insurance companies are of relevance to the operation of every trader, individual, organization such as businessmen and market women. Small scale enterprise, drivers and companies have insured themselves against death, damage, burglary, fire and many more. Most of the regular clients who have already taken the policies of these insurance companies are dissatisfied with their operation and activities due to their unfair treatment. Most clients (market women) have lost confidence in these insurance companies due to their practices and they are thinking of termination the policies they have entered into with these companies. Acolatse (2010), the president of Ghana Insurance Association (GIA) has said one of the major hindrances to the

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growth of the insurance industry is the bad perception Ghanaians have about insurance companies. Based on the above factor mentioned, the study seeks to investigate the perception of market women on insurance companies. According to the Commissioner of Insurance, Lydia Bawa in Business and Financial Times (2014) “it is a widely held view that, prompt claims payment and premium debtors are some of the principal challenges that threaten the survival of the insurance sector” in Ghana.

**1.4. GENERAL OBJECTIVE/SPECIFIC OBJECTIVES**

The paper contributes to the body of knowledge in the area of insurance marketing by assessing the perception of market women towards insurance policies. The paper specifically

- Examines the reaction of market women towards insurance policies.
- Investigates whether market women perceived insurance companies to be reliable in times of need.
- Determine whether the marketing strategies and messages of the insurance companies influence traders.
- Determine the willingness of the market women in relation to the payment of insurance premium.

**1.5. RESEARCH QUESTIONS/ASSUMPTIONS**

The research is undertaken under the followings questions;

- Does the market woman fully understand the policies of insurance companies?
- Are the market women satisfied with the general service rendered by the insurance companies?
- How do respondents consider the premium charged by the insurance companies?

The assumption underlying the paper is that socio-demographic variable significantly influenced respondent’s perception and knowledge level of respondents. The assumptions are tested using One-Way Analysis of Variance (ANOVA).

**1.6. SIGNIFICANCE OF THE STUDY**

It is believed that other researchers would find the findings useful as a reference material in researching on similar topic. One of the psychological forces that influence an individual purchasing decision making process is perception and therefore this work will help insurance

company to know perception the public hold about their operations in order for them to tailor their activities to suit the desire of the public.

### **1.7. SCOPE OF THE STUDY**

This study is confined to women involve in trading in Sunyani Township. The study looks at only the perception and knowledge level of respondents in relation to insurance companies operations using subjective responses.

### **1.8. LIMITATION**

The findings of the study are based on self-reported responses of respondents in the survey data. Hence, interpretations are based on the self-reported responses. Some respondents might have given biased responses which might not be known to the researchers. Yet given the sample size the results are expected to meet the requirement of normality test. The sample is based on convenience sampling method. Hence, the findings might lack external validity. The research is a cross-sectional study and descriptive in nature. As such, causality issues are not discussed in the paper.

## **2. RESEARCH METHODOLOGY**

The primary research undertaken was exploratory, cross-sectional and quantitative in nature. The quantitative design allows the responses of the respondents to be quantified in the survey. Data was taken from the respondents once whiles engaging in their trading activities. The sample for the study consisted of women traders of all categories of products from the central market in Sunyani Municipality of the Brong Ahafo Region. Data was collected through the use of questionnaires distributed to 115 respondents but a total of 100 questionnaires were used for the analysis since some of them were incomplete. The questions were read and explained to the respondents.

Five research assistants who are final year students of the Department of Marketing were used in the survey after they have been taken through the ethics of field research. Twenty one factors were studied that influence customer to purchase insurance policy. The questions were based on Likert scale. Analysis was based on percentages, frequencies and the use of One-Way Analysis of Variance (ANOVA) using SPSS. Data obtained from respondents were treated with the necessary confidentiality it deserves.

### 3. RESULTS AND DISCUSSIONS

#### 3.1. Demographic Profile

The results of the demographic profiles of the respondents are reported in Table below. Most (33.0%) of the respondents were above age 40. Significant majority (83.0%) of the respondents are Christian. Majority (49.0%) of the respondents earn daily return less than one hundred Ghana cedis (G¢ 100.00). Most (51.0%) of the respondents have completed Senior High School. Majority (69.0%) of the respondents are from the Brong Ahafo Region.

**Table 1. Demographic characteristics of respondents**

Variables	Frequency	Percentage
<b>B. Age</b>		
Less than 20	15	15.0
20-24	11	11.0
25-29	15	15.0
30-34	6	6.0
35-40	20	20.0
Above 40	33	33.0
Total	100	100.0
<b>Religion</b>		
Christian	83	83.0
Islamic	16	16.0
Buddhist	1	1.0
Traditionalist	0	0.0
others	0	0.0
Total	100	100.0
<b>Daily Returns</b>		
Less than G¢ 100.00	49	49.0
G¢ 100.00-399.00	41	41.0

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₵ 400.00-799.00	7	7.0
₵ 800 or more	3	3.0
Total	100	100.0
Education of respondents		
None	13	13.0
Basic	6	6.0
Junior High School (JHS)	19	19.0
Senior High School (SHS)	51	51.0
Degree/Diploma	11	11.0
Total	100	100.0
Region		
Brong Ahafo	69	69.0
Ashanti	14	14.0
Eastern	4	4.0
Western	1	1.0
Volta	2	2.0
Greater Accra	1	1.0
Central	3	3.0
Northern	6	6.0
Upper West	0	0.0
Upper East	0	0.0
Total	100	100.0

(Source: Field survey, May, 2014)

### 3.2. Results on the knowledge level of respondents of insurance

The knowledge of the respondents was sought on their experience on unfortunate events such as accidents, robbery and theft which motivate individual to undertake insurance policy. A question was asked if the respondents have experience or heard of such events before. Results in Table 2 indicate significant majority (83.0%) have either experience or heard such events happened to others.

**IMPACT FACTOR: 4.088****Table 2 Distribution of responses on whether respondents have experience or heard of accident, robbery or theft**

<b>Question.</b>	<b>Freq.</b>	<b>Percentage (%)</b>
<b>Have you experience in your work or heard about any unfortunate event to some market like robbery, accident, or theft</b>		
Yes	83	83.0
No	12	12.0
I don't know	5	5.0
Total	100	100.0

(Source: Field survey, May, 2014)

The knowledge level of existence of insurance companies was also examined. Significant majority (87.0%) according to the analysis of the response have heard of the existence of various insurance companies in Ghana. The results are reported in Table 3.

**Table 3 Distribution of responses on whether respondents have heard of insurance companies**

<b>Question.</b>	<b>Freq.</b>	<b>Percentage</b>
<b>Have you heard of insurance companies</b>		
Yes	87	87.0
No	7	7.0
I don't know	4	5.0
Missing Responds	2	1.0
Total	100	100.0

(Source: Field survey, May, 2014)

Respondents were further asked if they have had any personal encounter with insurance personnel who are selling their products. The results are reported in Table 4. Most (53%) of the respondents have had encounter with staffs of insurance companies selling their products.

**Table 4. Distribution of responses on whether respondents have had any encounter with Personnel of insurance companies**

<b>Question.</b>	<b>Freq.</b>	<b>Percentage</b>
<b>Have the personnel of insurance companies been coming to your store/stall to sell policies</b>		
Yes	53	53.0
No	43	43.0
I don't know	3	3.0
Missing responds	1	1.0
Total	100	100.0

(Source: Field survey, May, 2014)

### **3.3. Results on Perception of Market Women on Insurance Companies**

Likert scale was used to examine respondent's perception of insurance companies. The results are reported in Table 5. Majority (60.0%) of the respondents strongly disagree/disagree having a good knowledge of insurance policies. Majority (60.0%) of the respondents strongly disagreed/disagreed that if they take any policy from insurance companies, they will be indemnified when they are in need. Most (50.0%) of them strongly agreed/agreed they entertain fear of not been indemnified if they take an insurance policy.

Majority (50.0%) of the respondents strongly disagreed/disagreed the company's mode of payment of indemnity is not clear. Most (48.0%) of the respondents strongly disagreed/disagreed that insurance companies have good policies for market women.

Many (40.0%) of the respondents strongly agreed/agreed that premium charges by insurance companies are too high, however, most (41.0%) of the respondents strongly disagree/disagree that, charges of premium have effect on their acceptance of insurance policies.

In view to find the future acceptance of insurance policies by the respondents, the researcher asked if they will insure their business in the future. Majority (66.0%) of the respondents strongly disagreed/disagreed to do so in the coming years. Most (49.0%) of the respondents

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strongly agreed/agreed that they entertain the fear that insurance companies will run away with their contribution.

When asked whether respondents businesses need insurance cover, majority (54.0%) of the respondents strongly disagree/disagree that their businesses does not need insurance cover. The respondents were asked if the collection of premium by personnel of insurance companies at their work places will encourage them to insure their businesses. Significant majority (81.0%) of the respondents strongly disagreed/disagreed that the collection of premium at their work places will motivate them to undertake insurance cover.

Most (49.0%) respondents strongly disagreed/disagreed to the notion that people have good sentiment about insurance companies. Majority (59.0%) of the respondents strongly disagrees/disagree that the amount of capital is a major determinant of taking insurance policy.

**Table 5. Perception of market women on insurance companies**

<b>Statements</b>	<b>Strongly Agreed/Agreed Freq. (%)</b>	<b>Neutral Freq. (%)</b>	<b>Strongly Disagreed/Disagreed Freq. (%)</b>	<b>Total (%)</b>
I have a good knowledge of insurance policies	28 (28.0)	12 (12.0)	60 (60.0)	100
Insurance companies will indemnify you, if their policy is taking	30 (30.0)	10 (10.0)	60 (60.0)	100
I Fear they will not indemnify me in times of need	50 (50.0)	15 (15.0)	35 (35.0)	100
Companies payment of indemnity is not clear	27 (27.0)	23 (23.0)	50 (50.0)	100
Insurance companies have good policies for market women	28 (28.0)	24 (24.0)	48 (48.0)	100
Premium charges are too high	40 (40.0)	29 (29.0)	31 (31.0)	100
Charges of premium have effect on your				

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acceptance on insurance `policy	38 (38.0)	21 (21.0)	41 (41.0)	100
I will ensure my business in future	22 (22.0)	12 (12.0)	66 (66.0)	100
Fear they will run away with my contribution	49 (49.0)	14 (14.0)	37 (37.0)	100
My business does not need insurance	39 (39.0)	7 (7.0)	54 (54.0)	100
Door to door collection will encourage my contribution	12 (12.0)	7 (7.0)	81 (81.0)	100
People have good sentiment about insurance companies	18 (18.0)	33 (33.0)	49 (49.0)	100
Amount of capital is a major determinant of taking insurance	24 (24.0)	17 (17.0)	59 (59.0)	100

(Source: Field survey, May, 2014)

### 3.4. Regression results of One-Way Analysis of Variance (ANOVA)

The researcher examined whether there are significant differences in terms of the variation between socio-demographic factors and perception of respondents of insurance companies using Analysis of Variance (ANOVA). The demographic factors identified are culture (proxied by religion of respondents); age; education level; training in internet (IT); industry type and annual income.

#### 3.4.1. Effect of Age

There is statistical significant variation between Age and responses given by respondents on two statements as reported in Table 6 at 5% significant levels. Age significantly influence responses on questions such as ‘Insurance companies have good policies for market women’ and ‘My business does not need insurance’.

**Table 6. Results on the effect of Age**

Statements	F-value	Sig.
Insurance companies have good policies for market women	2.741	0.023**
My business does not need insurance	2.486	0.037**

(Source: Field survey, May, 2014). Note: \*\* denotes significance at 5% level

### 3.4.2. Effect of Education

There is statistical significant variation between education and responses given by respondents on four statements as reported in Table 7 at various significant levels. Education significantly influence responses on questions such as ‘I have a good knowledge about insurance policies’ (10%); ‘Fear they will run away with my contribution’ (10%); ‘My business does not need insurance’ (10%); ‘People have good sentiment about insurance companies’ (10%).

**Table 7. Results on the effect of Education**

Statements	F-value	Sig.
I have a good knowledge about insurance policies	2.106	0.086*
Fear they will run away with my contribution	2.226	0.072*
My business does not need insurance	2.368	0.058*
People have good sentiment about insurance companies	2.160	0.079*

(Source: Field survey, May, 2014). Note: \*\* and \* denote significance at 5% and 10% levels

### 3.4.3. Effect of Religion

There is statistical significant variation between religion and responses given by respondents on one statement as reported in Table 8 at 5% significant levels. Religion significantly influence responses on questions such as ‘Charges of the premium have effect on your acceptance on insurance policy’.

**Table 8. Results on the effect of Religion**

Statements	F-value	Sig.
Charges of the premium have effect on your acceptance on insurance policy	3.493	0.034**

(Source: Field survey, May, 2014). Note: \*\* denotes significance at 5% level

#### 3.4.4. Effect of Region

There is statistical significant variation between region and responses given by respondents on one statement as reported in Table 9 at 10% significant levels. Region significantly influences responses on questions such as ‘I have a good knowledge about insurance policies’.

**Table 9. Results on the effect of Region**

Statements	F-value	Sig.
I have a good knowledge about insurance policies	2.104	0.051*

(Source: Field survey, May, 2014)

#### 3.4.5. Effect of Annual Return

There is statistical significant variation between annual returns and responses given by respondents on two statements as reported in Table 10 at 5% and 10% significant levels. Annual returns significantly influence responses on questions such as ‘Charges of the premium have effect on your acceptance of insurance policy’ and ‘My business does not need insurance’.

**Table 10. Results on the effect of Annual Return**

Statements	F-value	Sig.
Charges of the premium have effect on your acceptance of insurance policy	3.664	0.015**
My business does not need insurance	2.303	0.082*

(Source: Field survey, May, 2014)

### 3.5. DISCUSSION

The results seem to imply that respondents do not have strong knowledge of insurance policies in the study area. The findings are in line with that of IFSA (2002) who stated that respondents in a survey conducted has moderate level of knowledge of insurance policies and might affect the

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purchase of insurance policies. Respondents are of the perception that insurance companies collect their monies without any significant protection in times of trouble. This finding is in lined with previous findings.

According to Stroe and Iliescu (2013) stated that “in Ghandia, majority of policyholders think that insurance companies are good at collecting premiums and once one get into trouble they bring you a lot of issues in order to avoid paying claims. ‘Insurance companies just collect your money’”. This perception makes people view insurance companies negatively. The respondents in the current survey indicated that people have bad sentiment about insurance companies and this also negatively affect purchase of insurance products.

Respondents indicated that the premium charges of insurance companies are too high but the highness of the premium does not affect their acceptance of the policies. The price of an insurance product according to researchers (Nagle & Holden, 2001; Dionne et al., 2000; Blincoe, 1996; Anderson et al., 1993; Swiss Re, 1993) is one of the main determinants of insurance products. The finding that the premium is high but it does not affect their purchase calls for further studies quantitatively on the level of premium that might significantly respondents purchase.

Socio-demographic variables significantly influence respondents’ knowledge level and perception of insurance companies. These findings support the assumption that socio-demographic variables significantly influenced respondent’s perception of insurance companies. The variables identified are age; education; religion; region and annual return/income. The findings on demographic effect are in line with the findings of researchers such as Negi and Singh (2012); Chen et al. (2001); Gandolfi and Miners (1996); Shotick and Showers (1994) and Truett and Truett (1990). According to Negi and Singh (2012) marketers should incorporate socio-demographic variables such as gender, income and education in their marketing strategies since different customers are attracted using different variables.

**4. CONCLUSION AND POLICY IMPLICATIONS**

The objectives of the current paper have been achieved in the survey. The findings are as expected per the literature reviewed. Respondents in the survey do not have strong knowledge of insurance policies. Respondent’s perception of insurance companies is not in favour of the

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growth of the sector especially in the area of payment of claims when they are in trouble. Socio-demographic variables influence respondent's knowledge level and attitude towards insurance companies. Insurance companies should follow different strategies among respondents in marketing their products.

Operators in insurance industry should embark on public education on their products so that people will be well informed on their activities. Their companies should also work on their image by making prompt payment of claims and strongly advertising the payment of their claims to the public. They should also reconsider the pricing of their products in order to reduce the premium to attract more people. Marketers of insurance products should incorporate the findings of the current study into their marketing strategies in order to ensure the growth of the sector. Future study should increase the sample size and be replicated in other communities in a causal study using structural models.

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