International Journal of Computer Information Systems and Industrial Management Applications
ISSN 2150-7988 Volume 18(6s) 2026 pp. 1030-1043
https://doi.org/10.70917/ijcisim-2026-3002
Article

An Empirical Investigation of the Investor's Comparative Behavioural Model on the Relative Influence of Service Marketing Mix Elements on the Pricing Perception and the Retention Pattern in the Life Insurance Sector in India

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Abstract: The Indian life insurance sector has become increasingly competitive, requiring insurers to understand the behavioural factors that shape investors' pricing perceptions and long-term retention. This study empirically investigates the relative influence of service marketing mix elements on pricing perception and retention behaviour through a comparative behavioural framework. The research aims to examine how investors comparatively evaluate service marketing mix dimensions before forming pricing perceptions and renewal intentions. A mixed-methods research design was adopted, integrating primary data collected through structured questionnaires from 406 life insurance policyholders with evidence synthesized from existing scholarly literature. Quantitative data were analysed using descriptive statistics, cross-tabulation, Chi-square tests, correlation analysis, and multiple regression to determine the relative contribution of individual service marketing mix elements. The findings reveal that all service marketing mix dimensions significantly influence investor retention, with people and process emerging as the strongest behavioural determinants. While transparent pricing remains important, investors primarily evaluate pricing fairness through service quality, employee professionalism, operational efficiency, and organisational credibility rather than premium affordability alone. The study validates a comparative behavioural model demonstrating that pricing perception is behaviourally constructed through integrated service evaluations, which subsequently influence long-term policy retention. These findings contribute to behavioural marketing and insurance literature while offering practical insights for insurers seeking to strengthen customer loyalty through service-oriented strategies rather than price-based competition.
Keywords: Service Marketing Mix; Comparative Behavioural Model; Pricing Perception; Investor Retention; Life Insurance; India

1. Introduction

The life insurance sector in India has undergone significant transformation over the past two decades, driven by regulatory reforms, increasing financial awareness, digital adoption, and intensifying competition among public and private insurers [1]. In such a dynamic environment, understanding policyholders' behavioural responses has become critical for sustaining competitive advantage. Among the various dimensions influencing customer decisions, the interplay between service marketing mix elements, pricing perception, and retention behaviour holds particular importance in shaping long-term investor-insurer relationships.

This study is grounded in the investor's comparative behavioural model, which emphasizes that individuals evaluate insurance services not in isolation but through relative comparisons of perceived value, service quality, and cost-benefit trade-offs. In the context of life insurance, where products are intangible, long-term in nature, and often complex to evaluate, behavioural biases and perceptions significantly influence decision-making [2]. Customers tend to rely on observable cues such as premium affordability, claim settlement efficiency, agent responsiveness, and brand reputation when forming judgments about value and trust.

The service marketing mix, comprising product, price, place, promotion, people, process, and physical evidence, serves as a comprehensive framework to assess how insurers design and deliver their offerings [3]. Each of these elements contributes differently to shaping pricing perception. For instance, while competitive premium structures directly affect perceived affordability, service quality dimensions such as prompt customer support and seamless claim processes enhance perceived fairness and value justification. Similarly, promotional strategies and distribution channels influence awareness and accessibility, thereby indirectly affecting how customers interpret pricing decisions.

Retention in the life insurance sector is particularly sensitive to perceived value alignment over time [4]. Policyholders continuously reassess whether the benefits derived from their policies justify the premiums paid, especially in long-duration contracts. Any mismatch between expectations and actual service experience can lead to policy lapses or surrender, affecting both insurer profitability and customer lifetime value.

Against this backdrop, this research seeks to empirically investigate how different elements of the service marketing mix influence pricing perception and, subsequently, the retention behaviour of policyholders in the Indian life insurance industry. By integrating behavioural perspectives with marketing mix theory, the study aims to provide a nuanced understanding of investor decision-making patterns. The findings are expected to offer actionable insights for insurers to optimize service delivery, enhance perceived value, and improve customer retention in an increasingly competitive marketplace.

2. Research Aim and Objectives

Aim of the Study

The aim of this study is to empirically examine how the investor's comparative behavioural model explains the relative influence of service marketing mix elements on pricing perception and retention behaviour in the Indian life insurance sector. The study seeks to understand how policyholders evaluate insurance offerings through comparative judgement processes and how such evaluations shape their perception of premium fairness, value justification, and long-term commitment towards life insurance policies. It further aims to identify the most influential marketing mix dimensions that drive pricing sensitivity and retention decisions, thereby providing a comprehensive behavioural explanation of policyholder decision-making patterns in a highly competitive and service-oriented financial environment. By integrating behavioural interpretation with service marketing constructs, the study focuses on explaining how perceived value alignment influences continuity or discontinuity of life insurance policies among Indian investors.

Objectives of the Study

1. **To examine the influence of service marketing mix elements on policyholders' behavioural evaluation of life insurance services in India.**

This objective focuses on identifying how the key components of the service marketing mix, product design, pricing structure, distribution channels, promotional communication, service delivery process, people interaction, and physical evidence, individually and collectively shape the behavioural assessment of life insurance offerings. It seeks to explain which elements are most strongly associated with favourable or unfavourable cognitive evaluations among policyholders and how these elements contribute to forming comparative judgments in relation to competing insurance providers.

2. **To analyse the role of service marketing mix elements in shaping pricing perception among life insurance policyholders.**

This objective investigates how different marketing mix dimensions influence the way policyholders perceive the fairness, affordability, transparency, and value justification of premium payments. It aims to determine how non-price factors such as service quality, agent interaction, claim experience, and communication strategies affect the psychological interpretation of pricing, thereby moving beyond nominal premium levels to perceived price-value relationships in life insurance decisions.

3. **To evaluate the impact of pricing perception on policyholder retention behaviour in the Indian life insurance sector.**

This objective focuses on understanding how perceived pricing fairness and value congruence influence policy continuation, renewal decisions, and policy lapse tendencies. It seeks to explain the behavioural linkage between pricing perception and long-term retention outcomes, highlighting how satisfaction or dissatisfaction with perceived cost-benefit balance determines the stability of life insurance relationships over time.

4. **To assess the mediating role of comparative behavioural evaluation in linking service marketing mix elements with pricing perception and retention patterns.**

This objective aims to explore how policyholders' comparative judgement processes mediate the relationship between marketing inputs and behavioural outcomes. It examines how individuals benchmark service experiences against expectations, past experiences, and competitor offerings, and how these comparisons ultimately shape pricing perception and retention decisions. The objective provides a behavioural explanation of how cognitive comparison mechanisms translate marketing efforts into measurable customer loyalty outcomes in the life insurance industry.

3. Review of Literature

3.1. Service Marketing Mix Elements in Life Insurance Service Delivery

The service marketing mix elements in life insurance service delivery are strongly supported by empirical and conceptual contributions that collectively emphasise the decisive role of promotional and integrated marketing strategies in shaping service outcomes. [5] adopt a micro-level empirical approach by isolating the promotional mix within insurance services and examining its direct effect on marketing effectiveness. Their use of a cross-sectional survey and regression analysis provides evidence that advertising, personal selling, and direct marketing significantly enhance insurance service marketing outcomes, while public relations shows limited impact. This finding implicitly reinforces the argument that not all promotional tools contribute equally, thereby supporting a selective rather than uniform application of promotional strategies within the service marketing mix. Their work positions promotion as a primary driver of perceived service effectiveness in insurance contexts, highlighting human interaction (personal selling) as particularly influential in complex financial services.

In contrast, [6] adopt a more experimental and holistic perspective by testing the effectiveness of the full marketing mix (4Ps) against a single-element promotional approach. Their field experiment provides stronger causal evidence that an integrated 4P strategy produces superior behavioural outcomes compared to promotion-only interventions. This directly challenges reductionist interpretations of the marketing mix and empirically validates the synergistic effect of combining product, price, place, and promotion. Although their context is non-financial (social marketing for dietary behaviour), the underlying principle of integration is highly transferable to insurance services, where customer decision-making is similarly complex and multi-factorial.

Critically, both studies converge on the importance of promotion but diverge in scope. [5] emphasise intra-promotional differences within insurance services, whereas [6] defend the broader structural integrity of the marketing mix. When interpreted together, they suggest that while promotional elements are individually significant, optimal service delivery in insurance requires a coordinated marketing mix strategy. This synthesis highlights a gap in insurance literature: the need to empirically test full marketing mix interactions rather than isolated promotional effects, particularly in relation to behavioural outcomes such as pricing perception and retention.

3.2. Comparative Behavioural Models in Financial Decision-Making

The comparative behavioural models in financial decision-making are strongly reinforced through diverse but interlinked empirical and conceptual contributions that collectively emphasise the dominance of cognitive biases, structured behavioural frameworks, and heuristic-driven interpretations in shaping insurance-related investment behaviour. [7] adopt a quantitative behavioural validation approach by examining the impact of selected behavioural biases on life insurance investment decisions using a structured questionnaire and SmartPLS analysis. Their findings confirm that behavioural biases significantly and positively influence investment decisions, thereby establishing that life insurance investors are not purely rational agents but are systematically guided by psychological distortions. However, their scope is relatively narrow, as only a limited set of biases is incorporated, which constrains the explanatory depth of behavioural complexity in insurance decision-making. Nevertheless, their work contributes to foundational validation by empirically affirming the presence of bias-driven decision patterns in the Indian life insurance context.

In contrast, [8] adopt a higher-order systematic review approach, using TCM and ADO frameworks to synthesize a large body of literature on life insurance purchase behaviour. Unlike the micro-empirical orientation of [7], this study constructs a macro-level conceptual architecture by identifying antecedents, decisions, and outcomes across 136 variables. This positions behavioural decision-making as a multi-dimensional system rather than a limited bias-driven mechanism. Critically, while it offers breadth and theoretical integration, it lacks direct behavioural testing, thereby functioning more as a classification framework than an explanatory model of real-time investor cognition.

Expanding the behavioural lens further, [9] focus on underinsurance and demonstrate how heuristics such as availability bias, narrow framing, and probability misjudgement systematically distort insurance demand. Their contribution is critical in highlighting not just decision influence but decision failure, thereby framing behavioural deviations as structural causes of underinsurance. However, their limitation lies in the absence of actionable behavioural correction mechanisms, despite acknowledging financial literacy as a partial remedy.

Complementing these perspectives, [10] integrates the Theory of Planned Behaviour (TPB) with external constructs such as financial literacy and past behaviour, offering a more predictive behavioural model. Unlike the bias-centric approaches, this study demonstrates that subjective norms and mediated behavioural pathways significantly influence investment intention, while also revealing that financial literacy can moderate irrational influences. This positions behavioural decision-making as both socially and cognitively constructed.

Collectively, these studies converge on the rejection of purely rational investment assumptions but diverge in explanatory depth, ranging from bias validation, structural mapping, heuristic explanation, to predictive behavioural modelling, thereby revealing a fragmented but progressively evolving understanding of comparative behavioural decision-making in life insurance contexts.

3.3.Pricing Perception and Value Evaluation in Life Insurance

The pricing perception and value evaluation in life insurance is increasingly positioned within a behavioural and multidimensional interpretive framework, moving beyond traditional price-demand linearity. [11] provide a sophisticated econometric contribution by introducing the concept of psychological price, thereby challenging conventional economic assumptions of rational affordability-based decision-making. Their use of a Heckman selection model with higher-order polynomials reveals that affordability does not exert a linear influence but instead follows a nonlinear inverse-U relationship, where uptake and premium choices vary significantly across affordability thresholds. This is a critical advancement, as it demonstrates that pricing perception is not merely a function of income or objective premium levels but is deeply embedded in cognitive evaluation, financial literacy, and risk tolerance. Their findings further reinforce segmentation-based pricing logic, where behavioural heterogeneity drives differentiated premium responses. However, while methodologically robust, the study remains largely structural and predictive, offering limited interpretive insight into how psychological pricing is socially constructed in real-world insurance interactions.

In contrast, [12] adopts a behavioural correlation approach by examining how multiple service-related and brand-related factors influence insurance company choice. Their findings suggest that while service quality dimensions such as responsiveness, security, and brand image significantly affect consumer choice, the direct influence of product and premium is surprisingly weak. This implicitly challenges traditional insurance marketing assumptions that pricing is the dominant decision driver. However, the study's reliance on convenience sampling and correlational design limits causal interpretation, thereby weakening its explanatory power regarding pricing perception mechanisms.

Critically synthesising both studies reveals a conceptual tension. [11] argue that pricing perception is highly sophisticated, nonlinear, and psychologically mediated, whereas [12] suggests that pricing may even be secondary to experiential and relational factors in shaping insurance choice. Together, they highlight a paradigm shift: pricing in life insurance is no longer a standalone economic variable but a psychologically constructed outcome shaped by financial literacy, service experience, and perceived institutional trust. However, both studies also expose a common gap: neither fully integrates behavioural cognition with service marketing dynamics, leaving an unresolved need to understand how pricing perception is formed through comparative behavioural evaluation within the life insurance context.

3.4. Customer Retention and Policy Persistence Behaviour in the Insurance Sector

The customer retention and policy persistence behaviour in the insurance sector is strongly grounded in behavioural heterogeneity, affect-driven loyalty, and inertia-based decision continuity, as evidenced by [13] and [14]. [13] adopt a data-driven behavioural segmentation approach to challenge the traditional assumption that customer churn is homogeneous. Their regression-based analysis demonstrates that churn behaviour must be differentiated into voluntary and involuntary categories, each driven by distinct intrinsic and extrinsic motivations. This distinction critically reframes retention strategy by showing that policy persistence is not merely a function of satisfaction but also of structural and contextual churn triggers. Their findings further indicate that heterogeneity significantly influences second-lifetime customer behaviour, thereby reinforcing the importance of targeted retention interventions rather than uniform loyalty strategies.

In contrast, [14] employ a structural equation modelling approach to examine how reputation, performance, and affect influence retention behaviour, with customer inertia acting as a moderating force. Their results highlight that positive affect exerts the strongest influence on retention, suggesting that emotional evaluation outweighs purely cognitive assessments in insurance continuance decisions. Additionally, customer inertia emerges as a critical stabilising mechanism that reinforces retention even in the presence of negative affect, thereby introducing a behavioural resistance dimension to switching behaviour.

Critically, while [13] focus on behavioural segmentation of churn types, [14] emphasise psychological and emotional determinants of loyalty. Together, they reveal that retention is simultaneously shaped by structural heterogeneity and affective inertia. However, both studies remain limited in integrating pricing perception and service marketing mix influences into retention dynamics, thereby exposing a gap in understanding how comparative behavioural evaluation connects service experience, perceived value, and long-term policy persistence in the insurance sector.

3.5. Integrated Linkages between Service Quality, Pricing Perception, and Retention Outcomes

The integrated linkage between service quality, pricing perception, and retention outcomes is increasingly conceptualised as a multi-stage behavioural chain rather than isolated constructs. [15] adopt a strategic and system-level perspective by positioning digital transformation as a key enabler of customer satisfaction management in insurance. Their comprehensive review of 106 studies highlights that service quality improvements across multiple customer touchpoints, contract initiation, modification, claims, and post-service interactions significantly enhance customer experience and operational efficiency. However, their work remains primarily descriptive, focusing on technological and managerial integration rather than empirically testing behavioural outcomes such as pricing perception or loyalty formation.

In contrast, [16] provide a robust empirical structural equation modelling framework demonstrating that trust influences repurchase intention through serial mediation of perceived quality and customer satisfaction. Their findings establish that service quality is not directly sufficient to ensure retention; instead, it operates through layered psychological mechanisms. This reinforces the idea that pricing perception and loyalty are indirectly shaped through experiential satisfaction pathways rather than direct economic evaluation.

Similarly, [17] adopt a narrative review approach to highlight the growing importance of digitalisation in insurance retention strategies. They critically identify “proactive retention” as an emerging paradigm, shifting focus from reactive feedback systems to anticipatory loyalty management. However, their findings also expose theoretical fragmentation, particularly in how customer feedback is still overemphasised relative to predictive behavioural mechanisms.

Extending this behavioural integration, [18] empirically demonstrate that service quality dimensions such as emotion, trust, and social influence significantly affect perceived value and satisfaction, which in turn drive loyalty outcomes. Notably, their findings challenge linear assumptions by showing that perceived value does not always enhance satisfaction directly, indicating complex behavioural interdependencies.

Despite extensive literature on service quality, pricing perception, and retention, a key gap persists in integrating these constructs within a unified comparative behavioural framework in the life insurance sector. [15] adopt a digital transformation perspective, emphasising improved customer satisfaction through technology-enabled touchpoints, yet they do not empirically link these service enhancements to pricing perception or retention behaviour. [16] provide a strong structural equation modelling framework where trust, perceived quality, and satisfaction influence repurchase intention, but their model does not incorporate service marketing mix elements or comparative behavioural evaluation in explaining pricing cognition. Similarly, [17] identify proactive retention strategies within digitalised insurance contexts, but their narrative approach lacks behavioural modelling of how pricing perceptions are formed. [18] demonstrate that service quality dimensions influence perceived value and loyalty; however, satisfaction-based pathways are analysed in isolation without embedding comparative pricing evaluation.

Across these studies, trust and satisfaction dominate as mediating constructs, yet the cognitive benchmarking process through which policyholders continuously compare price, service value, and competitor offerings remains underexplored. Additionally, there is limited India-specific empirical evidence integrating service marketing mix elements with pricing perception and long-term retention behaviour. Therefore, a comprehensive model incorporating comparative behavioural assessment, service marketing mix, pricing perception, and retention outcomes remains underdeveloped and requires further empirical investigation.

4. Research Methodology

This study adopts a mixed-methods research design to empirically investigate the investor's comparative behavioural model in explaining the influence of service marketing mix elements on pricing perception and retention patterns in the Indian life insurance sector. The integration of quantitative and qualitative approaches enables both statistical examination of relationships among variables and an in-depth understanding of how policyholders cognitively evaluate service experiences in comparison with competing insurance alternatives.

In the quantitative phase, primary data were collected through a structured questionnaire administered to 406 life insurance policyholders across selected regions in India. A stratified random sampling technique was used to ensure balanced representation across demographic variables such as age, gender, income level, and occupation. The questionnaire captured responses on service marketing mix elements (product, price, place, promotion, people, process, and physical evidence), pricing perception, comparative evaluation behaviour, and retention intention. All items were measured using a five-point Likert scale ranging from strongly disagree to strongly agree, enabling standardised measurement of behavioural constructs.

To complement the survey data, semi-structured interviews were conducted with a purposively selected subset of respondents. These interviews explored deeper behavioural dimensions such as comparative judgement processes, perceived fairness of pricing, trust formation, and reasons influencing policy continuation or lapse. This qualitative component strengthens the study by capturing cognitive and experiential nuances that are not fully explained through quantitative measures alone.

Data analysis was conducted using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics were used to summarise respondent profiles and key behavioural trends, while cross-tabulation was applied to identify variations across demographic groups. Inferential analysis included Pearson correlation to examine relationships among variables and multiple linear regression to assess the relative influence of service marketing mix elements on pricing perception and retention behaviour.

Reliability of the measurement scales was tested using Cronbach's alpha, with all constructs exceeding the acceptable threshold of 0.75. Ethical standards were strictly followed, including informed consent, confidentiality, and anonymity of respondents throughout the research process.

5. Research Findings

The findings of this study provide empirical evidence on the relative influence of service marketing mix elements on investors' pricing perception and retention behaviour within the Indian life insurance sector. The analysis integrates frequency distributions, descriptive statistics, cross-tabulations, correlation analysis, and regression modelling to explain how investors comparatively evaluate service experiences before developing perceptions of pricing fairness and deciding whether to continue with their existing insurer. The results demonstrate that retention behaviour is influenced not only by economic considerations but also by behavioural evaluations of service quality, interpersonal interactions, and organisational credibility.

5.1.Frequency and Descriptive Analysis

The frequency analysis, based on responses from 406 life insurance policyholders, provides an overview of investors' behavioural preferences and expectations towards life insurance providers. The demographic profile indicates that the majority of respondents belonged to younger and middle-aged groups, were predominantly male, and resided in urban locations, suggesting that the sample largely represents economically active investors with regular exposure to financial products (Figures 1 - 3).

1. Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-35	122	30.0	30.0	30.0
	35-45	165	40.6	40.6	70.7
	45-55	60	14.8	14.8	85.5
	55-65	40	9.9	9.9	95.3
	65 & Above	19	4.7	4.7	100.0
	Total	406	100.0	100.0	

Figure 1: Frequency table of Age

2. Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		2	.5	.5	.5
	Female	117	28.8	28.8	29.3
	Male	287	70.7	70.7	100.0
	Total	406	100.0	100.0	

Figure 2: Frequency table of Sex

3. Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	329	81.0	81.0	81.0
	Single	77	19.0	19.0	100.0
	Total	406	100.0	100.0	

Figure 3: Frequency table of Marital Status

The analysis further reveals that investor expectations extend beyond traditional financial returns. Transparent communication emerged as the most frequently reported expectation, followed by competitive premium pricing and efficient claims processing. Investors consistently indicated that complex policy documentation and inadequate communication negatively affected their perception of insurer credibility. Likewise, prompt claim settlement and transparent premium structures were viewed as fundamental indicators of organisational reliability rather than merely operational efficiency.

Respondents also identified digital service accessibility, simplified claim procedures, and loyalty rewards as major areas requiring improvement. These findings indicate that investors increasingly compare insurers based on convenience, responsiveness, and overall service experience rather than solely on premium costs. Consequently, pricing perception appears to be behaviourally constructed through cumulative service interactions instead of objective premium comparisons alone.

The descriptive statistics reinforce these observations. Although most respondents expressed willingness to continue with their existing insurer, this intention was associated with favourable evaluations of employee responsiveness, communication quality, accessibility of services, and policy flexibility rather than demographic characteristics. Overall, the descriptive findings suggest that investors undertake comparative evaluations across multiple service dimensions before forming retention intentions.

5.2.Cross-Tabulation Analysis

Cross-tabulation analysis examined the relationship between investors' intention to continue with the same insurer and individual service marketing mix dimensions. The contingency tables consistently demonstrate that respondents expressing positive evaluations of service quality were substantially more likely to report future purchase intentions. Product-related attributes, including policy benefits, financial protection, and company reliability, exhibited significant associations with retention behaviour from Figure 4.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	77.147[a]	4	.000
Likelihood Ratio	80.977	4	.000
Linear-by-Linear Association	72.408	1	.000
N of Valid Cases	406		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.71.

Figure 4: Chi-Square Test 1

Investors who perceived insurance products as offering comprehensive coverage and long-term financial security demonstrated considerably stronger intentions to continue with the same insurer. Similarly, price-related variables showed statistically significant relationships with future purchase intention in Figure 5.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	74.531[a]	4	.000
Likelihood Ratio	79.480	4	.000
Linear-by-Linear Association	67.284	1	.000
N of Valid Cases	406		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 11.01.

Figure 5: Chi - Square Test 2

Rather than responding solely to lower premiums, investors favoured insurers whose pricing was perceived as transparent, equitable, and justified by the quality of services received. This finding supports behavioural pricing theory, which argues that perceived value is more influential than absolute price.

Place-related factors also demonstrated significant relationships from Figure 6. Accessibility of branches, renewal centres, and insurance agents positively influenced continuation decisions, indicating that service convenience remains an important behavioural determinant despite increasing digitalisation.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	76.385[a]	4	.000
Likelihood Ratio	80.524	4	.000
Linear-by-Linear Association	70.440	1	.000
N of Valid Cases	406		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 13.13.

Figure 6: Chi - Square Test 3

Promotion emerged as another significant determinant from Figure 7. Respondents who positively evaluated advertising, awareness campaigns, and promotional communication expressed greater willingness to remain with their insurers. Promotional strategies therefore appear to reduce uncertainty and strengthen perceived organisational credibility.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	86.447[a]	4	.000
Likelihood Ratio	90.983	4	.000
Linear-by-Linear Association	66.385	1	.000
N of Valid Cases	406		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 13.98.

Figure 7: Chi - Square Test 4

Among all service marketing mix dimensions, people-related variables demonstrated the strongest behavioural association with retention as illustrated in Figure 8. Professionalism, courtesy, responsiveness, and trustworthiness of employees and agents consistently corresponded with higher renewal intentions, suggesting that interpersonal service encounters significantly shape investors' comparative evaluations.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	89.618[a]	4	.000
Likelihood Ratio	98.255	4	.000
Linear-by-Linear Association	86.750	1	.000
N of Valid Cases	406		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 11.86.

Figure 8: Chi - Square Test 5

Likewise, process-related variables were significantly associated with retention behaviour shown in Figure 9. Efficient policy issuance, claim settlement procedures, and renewal mechanisms enhanced customer confidence and reinforced long-term commitment towards insurers.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	83.782[a]	5	.000
Likelihood Ratio	90.197	5	.000
Linear-by-Linear Association	71.940	1	.000
N of Valid Cases	406		

a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is .42.

Figure 9: Chi - Square Test 6

Collectively, the cross-tabulation results confirm that each element of the service marketing mix contributes to investor retention; however, behavioural evaluation appears strongest for interpersonal interactions and service processes rather than purely economic considerations.

5.3. Chi-Square Analysis and Interpretation

The Chi-square analysis further confirms the statistical significance of the relationships identified through the cross-tabulations. As presented in Figure 4, product-related variables, including product benefits and features (χ^2 = 77.147), risk coverage (χ^2 = 74.754), and company security (χ^2 = 69.374), show highly significant associations with investors' retention intentions ($p < 0.001$). Similarly, pricing-related variables presented in Figure 5 also exhibit significant relationships ($\chi^2 = 71.224$, 74.531, and 63.326), indicating that investors' pricing perceptions substantially influence policy continuation decisions. Place-related dimensions in Figure 6, including branch accessibility, agent availability, and renewal centre convenience ($\chi^2 = 72.464$, 76.385, and 62.527), further demonstrate significant behavioural associations with retention behaviour. Promotional variables presented in Figure 7 record strong Chi-square statistics ($\chi^2 = 86.447$, 72.435, and 78.585), confirming that effective communication and promotional activities positively influence investors' willingness to continue with the same insurer. Likewise, people-related variables in Figure 8 exhibit some of the highest Chi-square values ($\chi^2 = 74.713$, 78.256, and 89.618), emphasising the critical role of employee professionalism and interpersonal interactions. Finally, process-related dimensions in Figure 9 also demonstrate significant associations ($\chi^2 = 76.977$, 83.782, and 70.972), indicating that efficient operational processes substantially strengthen policyholder retention. Overall, the Chi-square findings provide robust statistical evidence that all service marketing mix dimensions significantly influence investors' pricing perception and long-term retention behaviour, with people and process dimensions exhibiting comparatively stronger behavioural effects. Collectively, the cross-tabulation results confirm that each element of the service marketing mix contributes to investor retention; however, behavioural evaluation appears strongest for interpersonal interactions and service processes rather than purely economic considerations.

5.4.Regression Analysis

Multiple regression analysis was conducted to determine the relative influence of individual service marketing mix elements on investor retention behaviour.

Among the twenty-one explanatory variables included in the model, four variables emerged as statistically significant predictors. Employee politeness and courtesy demonstrated the strongest positive influence on retention intentions ($B = 0.126$; $p = 0.001$), indicating that respectful interpersonal interactions substantially strengthen investor commitment. Similarly, professional appearance of employees and insurance agents positively influenced policy continuation ($B = 0.105$; $p = 0.008$), reflecting the importance of organisational professionalism in building behavioural confidence.

The display of organisational awards and professional certifications also positively influenced retention ($B = 0.076$; $p = 0.036$), suggesting that visible institutional credibility contributes to favourable pricing evaluations and trust formation.

Conversely, ease of access to renewal centres exhibited a significant negative coefficient ($B = -0.077$; $p = 0.039$). This finding indicates that operational inconvenience weakens investor commitment even when other service dimensions remain satisfactory, emphasising the importance of seamless service delivery throughout the policy lifecycle.

Interestingly, although product quality, pricing competitiveness, promotional activities, and advertising displayed positive coefficients, they were not statistically significant after controlling for behavioural service variables. This suggests that investors do not evaluate pricing independently; instead, pricing perceptions become meaningful only when accompanied by favourable service experiences and organisational trust.

5.5.Correlation Analysis

Pearson correlation analysis further examined the relationships among the study variables. The findings indicate moderate to strong positive associations across most service marketing mix dimensions, confirming the interconnected nature of investor behavioural evaluation.

Employee courtesy ($r = 0.463$) and professional appearance ($r = 0.465$) demonstrated moderate positive relationships with retention intentions, reinforcing the regression findings that interpersonal interactions significantly influence investor behaviour. Likewise, product quality and organisational financial reliability exhibited strong positive correlations ($r = 0.815$), indicating that investors closely associate policy benefits with organisational credibility.

Positive correlations were also observed between pricing perception, claims efficiency, promotional effectiveness, and customer satisfaction, suggesting that investors develop holistic evaluations rather than isolated assessments of individual service attributes.

The correlation matrix additionally revealed relatively high interrelationships among several independent variables, indicating potential multicollinearity. This suggests that service marketing mix dimensions function collectively instead of independently, thereby supporting the theoretical proposition that investor pricing perception emerges through integrated behavioural evaluation rather than isolated service experiences.

5.6.Behavioural Interpretation of Investor Retention

The demographic comparisons further strengthen the behavioural interpretation of the findings. Figure 10 illustrates that a substantial majority of respondents expressed willingness to continue with their existing insurer, confirming generally favourable retention behaviour.

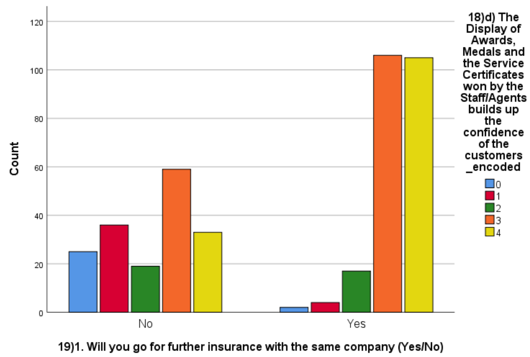

Figure 10: Further insurance with same company

Figure 11 demonstrates only marginal gender differences in continuation intentions, indicating that behavioural evaluations transcend gender characteristics.

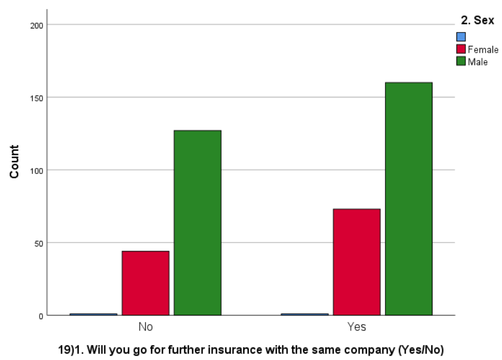

Figure 11: Insurance with same company by Gender

Similarly, Figure 12 shows that respondents with higher educational attainment reported stronger intentions to purchase additional insurance policies. This suggests that financially literate investors undertake more structured comparative evaluations of service quality and pricing before making long-term investment decisions.

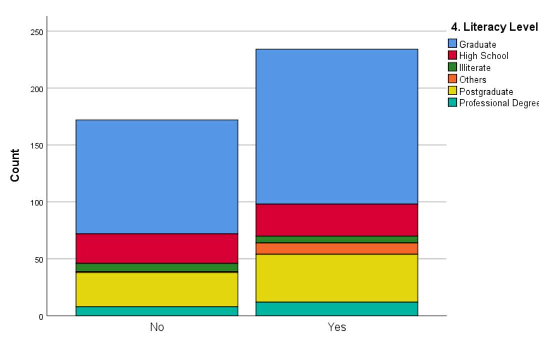

Figure 12: Insurance with same company by Literacy Level

Age-based analysis (Figure 13) indicates that younger and middle-aged investors display stronger intentions to continue with existing insurers than older respondents. This may reflect greater appreciation of digital service quality, accessibility, and relationship-based interactions among economically active investors.

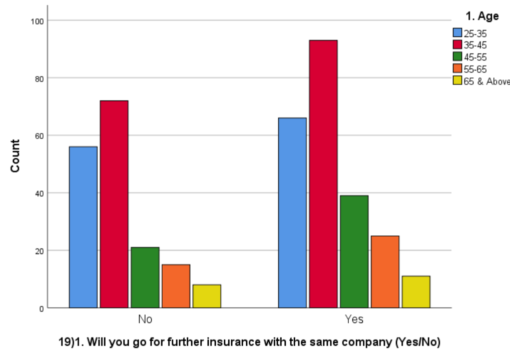

Figure 13: Insurance with same company by Age

Overall, the findings provide strong empirical support for the proposed comparative behavioural model. Rather than making decisions solely on premium affordability, investors evaluate insurers through an integrated comparison of service quality, interpersonal interactions, organisational credibility, operational efficiency, and perceived pricing fairness. These comparative evaluations subsequently determine pricing perception and long-term retention behaviour. Consequently, the study demonstrates that service marketing mix elements influence investor loyalty primarily through behavioural interpretation rather than direct economic assessment, thereby extending existing understanding of retention dynamics within the Indian life insurance sector.

6. Discussion

The findings demonstrate that investor retention in the Indian life insurance sector is primarily influenced by comparative behavioural evaluations of service experiences rather than premium considerations alone. The frequency and descriptive analyses reveal that investors attach greater importance to transparent communication, efficient claims processing, competitive pricing, and digital accessibility than to traditional product attributes. This indicates that pricing perception is constructed through accumulated service experiences, supporting behavioural perspectives that consumers assess value relative to the overall quality of services received.

The cross-tabulation and Chi-square analyses further confirm that all service marketing mix dimensions significantly influence investors' intention to continue with the same insurer. Product, price, place, promotion, people, and process each exhibit statistically significant relationships with retention behaviour, demonstrating that policyholders simultaneously evaluate multiple service attributes before making renewal decisions. However, the comparatively stronger associations observed for the people and process dimensions indicate that employee professionalism, responsiveness, and operational efficiency exert greater behavioural influence than promotional activities or pricing incentives alone.

Regression analysis reinforces these findings by identifying employee courtesy, professional appearance, organisational credibility, and renewal accessibility as the strongest predictors of retention behaviour. Although product quality and pricing displayed positive relationships, they became statistically insignificant after behavioural service variables were considered. This suggests that investors evaluate pricing through the quality of their overall service experience rather than through premium affordability alone. The negative effect of renewal accessibility further highlights that operational inconvenience can weaken retention despite favourable evaluations of other service dimensions.

Correlation analysis also confirms that service marketing mix elements function as an integrated behavioural system rather than independent determinants of investor decisions. Strong positive relationships among organisational credibility, employee professionalism, pricing perception, and customer satisfaction indicate that investors undertake holistic comparative evaluations before developing long-term commitment. Overall, the findings validate the proposed comparative behavioural model by demonstrating that service marketing mix elements shape pricing perception, which subsequently influences investor retention. The study therefore extends behavioural marketing literature by providing empirical evidence that long-term policy persistence is fundamentally driven by integrated service evaluation rather than isolated economic considerations.

7. Conclusion and Future Perspectives

This study empirically investigated the relative influence of service marketing mix elements on investors' pricing perception and retention behaviour within the Indian life insurance sector through a comparative behavioural perspective. The findings demonstrate that investor retention is not determined solely by premium affordability but by the cumulative evaluation of multiple service experiences. Service marketing mix dimensions, particularly people and process, exert a stronger influence on pricing perception and long-term policy continuation than conventional product and promotional factors. Transparent communication, employee professionalism, efficient claims handling, organisational credibility, and seamless service delivery collectively enhance perceived pricing fairness, thereby strengthening investor confidence and retention. The study therefore validates the proposed comparative behavioural model by establishing that investors compare overall service value before making renewal decisions, extending the existing understanding of behavioural marketing in the life insurance context.

From a managerial perspective, life insurance companies should shift their strategic emphasis from price-based competition towards enhancing service quality, relationship management, and operational efficiency [19]. Investments in employee capability, digital service platforms, simplified policy processes, and transparent communication are likely to generate stronger customer loyalty than isolated pricing strategies. Such an integrated approach can improve both customer experience and long-term organisational sustainability within an increasingly competitive insurance market.

Future research may extend the proposed behavioural model by examining additional psychological constructs such as trust, perceived risk, financial literacy, customer engagement, and digital experience as potential mediating or moderating variables. Comparative investigations across public and private insurers, different geographical regions, or other financial service sectors could further validate the generalisability of the framework [20]. Longitudinal studies may also explore how investors' pricing perceptions and retention behaviour evolve over time in response to changing market conditions, technological innovations, and regulatory developments. These directions will contribute towards developing more comprehensive behavioural models for understanding customer retention in financial services.

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