

Deepening insurance penetration and marketing: demographic factors and healthcare insurance acceptability among rural people in Abia state, Nigeria.

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Abstract

The relationship between demographic factors and product acceptance is not in doubt. This is also true of acceptance of healthcare insurance policy. With increased risk exposure in rural area and limitation of access due to finance, this study examines socio-economic variables as intervening factors to healthcare insurance acceptability. Specifically, the study examines awareness level and cost perception, identify factors that influence or hinder acceptance and tested the relationships between socio-economic factors and healthcare insurance acceptability. The data source was from primary sources, which was analyzed with descriptive statistics and probit regression. Findings shows that many people lack awareness of healthcare insurance benefits due to lack of reliable contact/information. Equally, one of the factors that inhibits participation in healthcare insurance is cost and high premium charge. The result of socio-economic profile of consumers on healthcare insurance acceptability, shows that acceptance depends on nearness to healthcare facility, income, occupation, and medical participation. The study therefore recommends creation of product offerings that addresses the peculiar needs of rural people and enhance marketing communication that focus more on assurance and tangible elements as a means of deepening and steering overwhelming participation.

Keywords: risk, rural, healthcare insurance, perception and marketing

Introduction

Although risk is part of human nature, but its degree of impact is both location and development specific. For instance, evidence have shown that rural dwellers have high risk occurrence (Udry, 1994). This is responsible for emphasis on capturing the poor on social welfare ground because they are vulnerable to catastrophic shocks to income and consumption (Brainard, 2008; Asenso-Okyere, Osei-Akoto, Anum and App, 1997) resulting in severe health challenges most times because of their socio-economic profile and other variables such as poor social infrastructures.

Despite the value of rural dwellers to national food and industrial security, they lack access to social welfare and other infrastructures (Asgary,

Willis, Taghvaei and Rafeian, 2001; Brainard, 2008) to cater for their needs, and inadvertently expose themselves to many health-related involuntary risks with attendant social and economic implications. In a broader sense, Paul (2009) noted that they are trapped in a poverty-vulnerability vicious circle, which feathers medical-poverty trap (Atagbua, Ichoku, Fonta, Okpanachi and Okon, 2006). The impact of health risk on wellbeing is severe and requires adequate economic empowerment to mitigate negative social and economic consequences. Reports from WHO (2008), Gustafsson-Wright and Schellekens (2013) and Ibukun and Komolafe (2018), showed that out of 150 million people that face catastrophic health expenditure,

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over 100 million falls into medical-poverty circle worldwide after out-of-pocket payments. This is because, they are excluded from social welfare scheme given that available funding for good healthcare services in many developing economies is undeniably low (Priyanka, Adelio, Ke, Laurent and Guy, 2010; Hermann and Ephias, 2011).

Given that finance is increasingly mentioned as an inhibiting factor to healthcare access and delivery in rural areas, alternative healthcare financing system and subsidies as risk protection and management mechanism has continued to elicit wider interest among social policy makers and researchers. The interest hinged on healthcare financing objective, which seeks to ensure that vulnerable people have financial access to health services as a mitigating strategy against severe health risk exposures. Healthcare insurance in a broader context is one of the alternatives to health service financing. It is a risk pooling mechanism whereby out of the token contributed by the insured called the premium, the insurer/provider undertakes to pay for the medical expenses of the insured when the need arises. Decree No. 35 of 1999 of National Health Insurance Scheme of Nigeria and Normand and Weber (2009) highlighted the numerous benefits of healthcare insurance to include but not limited to easy access to vast variety of good and efficient healthcare service at all time. By implication, it is considered one of the most cost saving and effective means of reducing the vulnerability of the poor from the impact of diseases and other health risk challenges. This underscores its importance to the lives of rural dwellers where level of poverty and exposure to risk is high.

Despite these benefits, evidences point to limits of information as a major impediments and ability of rural dweller in terms of demographic profiling to accept healthcare insurance. From evidence, demographic factors are increasingly mentioned as intervening factors to product

acceptance with varying effect (See, Oteh, Ibok and Nto, 2017). According to World Bank Survey in 2014, these variables constitute barriers to enhance access to financial services in most developing countries. It therefore, becomes important to consider their implication in deepening access to healthcare service delivery. They are important in consumer profiling of financial service, which aids in identifying gaps in products development, acceptable technological innovation, market segmentation and barriers to product adoption. Furthermore, examining alternative financial option for health care access will assist healthcare practitioners, government and private investors to managed customer expectations, developmental goals, efficient management of customer and overall strategy. This process provides resources for reliable data and management system for planning, monitoring, implementation, and evaluation of efforts aimed at improving access and usage for better policy formulation.

In addition, it provides the willingness to market healthcare insurance by highlighting and harmonizing expectations of buyers and sellers with right incentives and stimulus that drive the expansion of healthcare service delivery. This is also important in product planning, development and marketing communication strategy. The concomitant realization is that these factors are vital in addressing effective demand. Creating demand for healthcare insurance, depend on the understanding of perception, reception and participation of people in the insurance market. According to Buntin, Margins and Yegian (2004), the future of the health insurance market depends on policy intervention to balance supply side (marketing/industry) and demand side (consumer market). Over the years, whereas the supply side has continued to witness unprecedented innovations in terms of market offers and how services are delivered, insurance penetration on the demand side cannot be described as

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encouraging because of poor acceptability among the people as with most services.

The role of marketing in this process is to serve as a sort of a gearbox, by identifying gaps and bridges to service customer expectation at a profit for both parties. According to Andrew, Jonathan and Collin (2008), marketing system plays a decisive role in vibrant economies as mechanisms for both exchange (necessary for specialization and hence leads to higher economic growth) functions and proper coordination of the exchange (through price signals) which reflect and shape producer and consumer incentive in supply and demand interaction.

Based on the foregoing, the study seeks to examine the interface between socio-economic variables of rural dweller and healthcare insurance acceptability. This is due in part to the strategic importance of insurance industry to national development and government commitment to improve life expectancy in Nigeria. In order to address the expectation of this study, the study specifically seek to identify rural dweller level of awareness of healthcare insurance policy; factors that influence and/or rejection of healthcare insurance. Furthermore, it tested the relationship between socio-economic factors and acceptability of healthcare insurance. Given the fact that finance is increasing mentioned in healthcare access, the study further disaggregates the factors especially finance (income) and tested to establish its significance to acceptability of healthcare insurance.

Theoretical and empirical Background

Every day, people are confronted with situations that demand choice from varying arrays of alternatives. In order to make informed decision they require the right mixture of information. However, it is fast becoming difficult in getting attention of an average Nigeria. This is because of convergence of economic, cultural, and political factors which have continued to hinder

ability of people to pay attention to certain stimulus in the environment. For instance, the current economic realities in Nigeria and impact especially on rural dwellers have caused many to activate the practice of “psychic economy” – picking and choosing among stimuli to avoid being overloaded (Solomon, 2011) by volume of information competing for consumer share of ear. Whilst factors such as poverty and hunger are mostly obvious; the less obvious factor is attitudinal factors that influence people’s perception and their ability to make rational choices. The precise evaluation of the situation centers on bounded rationality rather than absolute rationality (Simon, 1947). Bounded rationality is the idea that when individual makes decision, the level of information limits their rationality, the mental limitation of their minds and the time available to make such decision. From the perspective of rational choice model, rationality is absolute and excludes interference caused by the personal characteristics of the decision maker, because every decision optimizes the relation between goals and means (Anotnio, 2000). In practice, absolute rationality is a difficult idea to implement because of conflict arising from managing goals and means; and other bundles of influences. This gap creates a loophole for bounded rationality to overshadow absoluteness. Logically, it becomes more appropriate to rather emphasize relative rationality based on the view of Tim (2009). The central idea is that rationality is simply that people respond to incentives (Friedman, 2008).

Therefore, this study hides under this theory of bounded rationality to draw emphasis on the gap existing between perception of goals and means. In the present context, there may be a marriage of convenience between means and goals. Certain elements act as pillars and enablers. One of such element considered is information incentive. This incentive is importance in forming and changing perception of consumers of any services. It is also

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a single powerful tool in changing these socio-economic factors.

From evidences, perception is fueled by information available or provided to the decision maker, which in most cases can be substantially different from the objective reality (Robbins, 2008; Agbonifoh, Ogwo, Nnolim and Nkamnebe, 2007). Information that is provided to consumers can play an important role in their perception of products, this counts especially for products with unobservable attributes (Smed, 2012). The absoluteness of decision is dependent on the limit of information available. Provided information can increase people's knowledge about the product/services concerned (Schaar, 2016). According to Petty and Krosnick (1995), people use knowledge to create and maintain stable attitude and change their economic conditions. The mix of information provided will lead to how people perceive the object concerned.

The desirability of information in decision making cannot be over-emphasized. However, people cannot process all the information and scrutinize every single problem. As a result, they make a habit of deciding on the basis of perception. In this period of economic uncertainty in Nigeria, consumers practice perceptual vigilance in response to the realities of factors that converge to optimize choice by creating a strong bond between means and goals (action and outcome). In this instance, incentive becomes a gateway to create a dignifying response from consumer for an offer. Incentive therefore serves as a stimulus and plays a crucial role in the choice made and such decisions could be positive or negative depending on the amount of information obtained to from such perception.

In the light of the foregoing, designing an alternative financing option for rural dwellers to meet their healthcare needs and effective communication strategy to bridge information

gap by improving awareness of healthcare insurance benefits becomes an incentive for positive rationality which influences positive perception for healthcare insurance. The magnitude of risks in rural areas and impact on national economy are large. It requires effective incentive from both government and the industry to address participation, partnership, and cooperation in the provision of healthcare services for the growing number of people in the rural area. There is need for organization to understand how perception works or how a single perception affects attitude towards their service and organization behavior.

Empirical background

Evidence has shown that life expectancy rate in most African countries are low. According to data from 2015 WHO World Health ranking, Nigeria ranked 40th in Africa and 177th in the world with a life expectancy rate of 54.5 years. A study by Moller (2004) identified income and social security (such as own wages, ability to provide for family, insurance against illness/death and income in old age) as one of the major indicators of quality life. This highlights the importance of insurance to human life (Yusuf, Gbadosi and Hamadu, 2009). The major drawback to Moller's study is its inability to take cognizance of geographical disparity, which highlights the cultural differences that manifest on behavior. For instance, Nigeria and most Africa countries have not imbibed the insurance culture hence insurance penetration rate in Africa is very low. Overtime, the impact of cultural element such as religion plays a role in determining demand for healthcare services (See Zelizer, 1979; Wasaw and Hill, 1986). This has persisted overtime and attributed to inability of marketing to address many misconceptions surrounding the industry (Yusuf et al., 2009). Traditionally, insurance is supposed to provide men and women with a hedge against risk and financial security especially to the rural poor

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where risk occurrence is high (Udry, 1994). This is not the case due to poor level of understanding and knowledge. An analysis of consumer attitude to insurance in Nigeria shows a widespread cynicism and poor perception of general insurance services. Different factors are highlighted by researchers in literature when analyzing consumer attitude and perception for insurance services. Beside consumer experience with insurance services, misrepresentation and other environmental factors, Joseph, Stone and Anderson, (2003), mentioned that most consumer rely on heuristic factors when confronted with issues about quality of insurance services especially when there is perceived risk and lack of personal experience (Yusuf et al., 2009). Njoku, Adegboye and Onuoha (2012) attributed lack of consumer confidence in insurance industry to poor handling of payment of claims, which has over the years created image crisis situation.

Brainard (2008) and Atmanand (2003) in their separate studies established the link between economic measures (such as per-capital income and poverty line) and insurance penetration in a nation. The level of economic development affects investment in economic activities such as insurance. According to Brainard (2008) the relationship between per capital income level and insurance penetration is strong in the reverse direction – with rising income a strong driver of life insurance coverage. The obvious drawback to Brainard's study is difficulty to disentangle whether lower insurance consumption at lower income levels reflects reduced demand for life insurance products or constraints on the supply side associated with weak regulatory and supervisory environment and high cost of insurance provision. This suggests that different behavior tendency to insurance offering and strategies and what is obtainable in different business environment. It also reflects the incentive that is required to bring a balance

between means and goal. Yusuf et al., (2009) in their study on consumer attitude revealed the impact of different demographical factors such as age, marital status, educational status, profession and household income on attitude towards insurance companies and their services. This result implies that consumer behavior and marketing strategies should align themselves in formulating and implementing strategies that encourage patronage based on the identified social-cultural factors that impact on consumer attitude to healthcare insurance. These factors are also increasingly mentioned in the context of addressing perception of consumer for general services. They act as intervening factors (Oteh et al., 2017). However, the study by Yusuf et al (2009) did not identify communication medium that will guarantee the best possible influence on stimulating demand and/or reaching the people.

Furthermore, Omar (2007) observed that negative perception towards life insurance patronage is as a result of lack of trust and confidence in the insurance companies. The major drawback to Omar's study is its inability to consider other non-life insurance services. The need for this at this stage does not arrive given that life expectancy rate was higher than it is currently, however, Omar's study opened new grounds to compare results of more than a decade of research in life insurance market. Fundamentally, that study considered the urban populace at the expense of the most vulnerable in terms of socio-economic realities.

Of all these factors, consumer knowledge is key to forming opinion about product/services. It is against this background that poor level of insurance culture is attributed to marketing. The view of Omar (2007) is to call for a renewed marketing communication strategy that should be based on creating awareness and informing consumers of the healthcare insurance so as to reinforce purchasing decision. The importance of

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information in shaping behavior has been highlighted by marketing scholars such as Kotler and Armstrong (2008) and Kotler (2011). There is no doubt from the foregoing that information fuel perception. That is people perceived stimulus differently based on the objective reality given the volume of information they obtained about the phenomenon. In the light of the above, researchers believe that facts do not shape the behavior of the decision rather perception does.

The cultural reality is that marketing has not done much in rebooting the mindset of consumers to focus on what it says over the years. According to Solomon (2011), the message to which consumer accepts or chose to pay attention often winds up from what the sponsors intended, because, consumer put personal “spin” on things by adopting meaning consistent with their unique experience, biases and desires. Hence according to Agbonifoh, Ogwo, Nnolim and Nkamnebe (2007), what one perceives can be substantially different from the objective reality.

The issues raised in these studies are similar in Nigeria and underscores the value of identifying gaps for proper policy making to address poor perception and improve consumer satisfaction which is the idea of expectation confirmation paradigm.

Methodology

Descriptive research design with reference to survey method was considered appropriate for this study as it makes for clarity of analysis of findings. The study was carried out in Abia State, Nigeria and covered the three senatorial zones of the state – Abia North, Abia South and Abia Central. Although the state has an active population, with abundant natural resources. Its economic development can at best be described as been poor due to collapse of infrastructure and energy leading the manufacturing sector to accounts for only 2% of GDP (Wikipedia, 2017) The leading cause of ill health and death in Abia

is malaria; accounting for over 35 per cent of mortality and more than 60 per cent of morbidity in the State (Abia State Ministry of Health, 2010). Following the framework of National Strategic Health Development Plan (NSHDP), Abia State Strategic Health Development Plan (2010-2015) identified eight priority areas and healthcare financing was ranked as the fourth most important priority area in its drive to provide effective, efficient, high quality, accessible, and affordable healthcare services to the people. This makes the consideration of the state important for this study since healthcare insurance provides another alternative source of funding health care services.

Data were collected primarily through structured copies of sets of questionnaires. Experts vetted these questionnaires sets; and pre-tested it on identified rural dwellers prior to distribution to ensure validity and consistency.

In order to identify the right sample, the study applied multistage sampling techniques in the selection of location and respondents. The first step involved a random selection of three communities from each senatorial zones of the state. These communities include; Abia North (Arochukwu, Umunneochi and Bende), Abia South (Ukwa East, Ukwa West and Isiala Ngwa North) and Abia Central (Umuahia South, Isialangwa South and Ikwuano). The second step involved a random selection of twenty (20) people from each identified community. This aggregates to one hundred and eighty (180) respondents used as sample for this study.

Data obtained were analyzed using descriptive statistics such as frequencies and percentages. In order to test the hypothesis on effect of socio-economic characteristics on health insurance acceptability, Probit regression and correlation analysis was used. Probit regression was used because decision to accept or reject healthcare

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insurance varies from one person to another and among exposable factors.

probit model for the estimation of socio-economic factors influencing health insurance acceptability in the study area is specified as:

Following Anyiro and Onyemachi (2014) and Oteh, Nwachukwu and Nwachukwu (2016), the

$$Y_{ij} = \alpha_{ij} + \beta_{ij} \sum_{j=1}^S H_j + e_j \quad j=1, \dots, S \quad (1)$$

Where Y_{ij} is a vector of binary variables such that $Y_j = 1$ if the j^{th} rural dweller accepts healthcare insurance, and 0 otherwise and H_j are the vectors of explanatory variables for the factors affecting j^{th} rural dweller acceptability of healthcare insurance; Since Y_j can only assume two different values, accept or reject (represented by 1 or 0), the expected probability can be defined as follows:

$$E(Y_{ij}) = E \left[\alpha_j + \beta_j \sum_{j=1}^S H_j + e_j \right] \quad j=1, \dots, S$$

$$= \alpha_j + \beta_j \sum_{j=1}^S E(H_j) \quad (2)$$

Equation (2) defines the proportion of rural dwellers with characteristics (H_j) that are likely to determine acceptability of healthcare insurance. The empirical model is specified as:

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + b_6 X_6 + \dots + b_n X_n + e_i \dots \dots \dots (3)$$

Where the dependent variables are as earlier defined and the explanatory variables are defined below. The explanatory variables constitute important factors that are consistent with *a priori* theoretical expectation and the results from previous empirical studies on factors that exert influence on the product acceptability

Table 1: Description of covariates used in the regression

Variables	Description	Types	Measurement	Expected sign
Age (X_1)	Age of the respondent	Continuous	Years	-
Sex (X_2)	Gender of the respondent	Binary	1=male, 0=female	-
Income (X_3)	Estimated annual income of the respondent or HHS	Continuous	Naria	+
Educational status (X_4)	Respondents highest educational qualification	Continuous	Years	+
Occupation (X_5)	Respondents with identifiable source of livelihood	Binary	1=earn income, 0=otherwise	+
Household size (X_6)	The number of people living together in a household	Continuous	Number	-
Med-aid	Participation in medical	Binary	1=participation,	+

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participation (X_7)	outreach/programme		0=otherwise	
Location (nearness) (X_8)	Nearness to medical facility of the healthcare insurance provider	Continuous	KM	-
Marital status (X_9)	The status of the respondent in marriage	Binary	1=married, 0=otherwise	+
e	error term			

Author's computation

Result and Discussions

Consumer perception health insurance awareness

In assessing the depth of sensitization and awareness of rural dwellers to the benefit of health insurance product, Table 2 reflects the low level of awareness of the benefits of health insurance and general insurance in the study area. This explains partly the reason for the low penetration of insurance generally in Africa and highlight one of the major challenge of marketing.

Table 2: Perception of healthcare insurance awareness

Variable	Frequencies	Percentage
No	115	64
Yes	65	36
Total	180	100

Source: Field survey computation, 2017.

This result therefore implies that the media vehicle adopted by insurance and government in marketing and educating people about insurance policies were not adequate to deepen awareness and steer overwhelming participation. Nwachukwu and Ezeh (2007) described the situation to imply weak grassroots governmental and private information dissemination system.

Consumer perception of factors that influence healthcare insurance acceptance

There are significant social and marketing issues that exist from the supply-side perspective in response to healthcare insurance acceptance. This study seeks to establish the consumer perception of factors for accepting healthcare insurance policies. The result of Table 2 identified that 65 respondents representing 36 percent of the respondents are aware of healthcare insurance and its benefits. Figure 1 and 2 therefore shows reasons, which reflects how consumer perceive healthcare insurance. Their responses explain why

respondents may accept or reject healthcare insurance. The Fig. shows among other things that protection from rising health cost, coverage of big expenses and better health care to family are cited as major reasons for opting for healthcare insurance by customers. Unexpected expenses like surgeries and accidents can be covered by Healthcare Insurance. Based on these result, marketing people can build their communication strategy around these benefits to attract and mobilize demand for healthcare insurance.

The reasons for not taking healthcare insurance varies among the respondents and includes risk of loss of investment (contributions) in event of no risk at all, high premium charges, poor service by providers and ability to contribute (financial status). Most vulnerable set of Nigerians live in the rural areas where the level of poverty is high and dwellers economic ability affects their purchase power.

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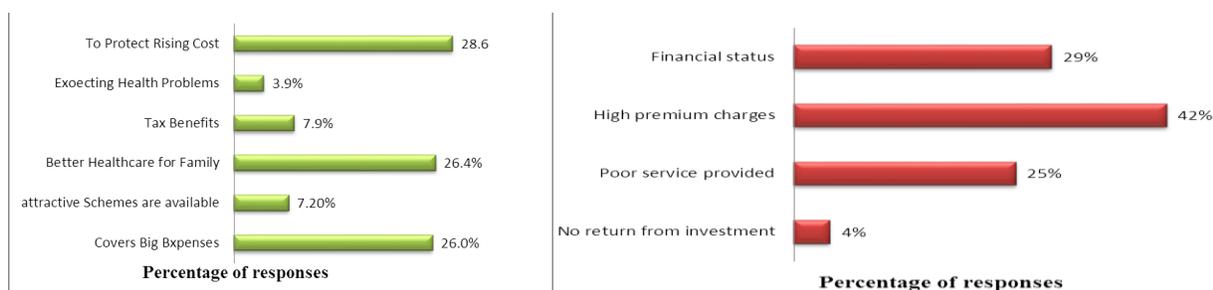


Fig. 1 & 2: Reason for people taking or not taking healthcare insurance

Interface between socio-economic variables and acceptability of healthcare insurance

Demographic factors are often mentioned increasingly in product adoption. Several studies have examined some of these factors relationship with varying degree of outcomes especially variables of age, gender, and education. There appeared not to be a consensus on these variables except for education which is in line with a priori expectations (See Oteh et al., 2017). This current study examines this argument as it affects healthcare insurance acceptability. In order to achieve this, the study answers the question that socio-economic characteristics of respondent do not have any effect on healthcare insurance acceptability. The result is presented in Table 3.

The result of probit regression estimate of the relationship between socio-economic factors and acceptance of healthcare insurance is shown above. Based on the acceptability of healthcare insurance intercept of -3.322 Co-efficient, and significant at 1% level, indicates that a measure of good fit to the model.

Table 3: Regression analysis of the relationship between demographic characteristics and acceptability of healthcare insurance

	Parameters	Estimates	Std. Error	Z	Sig
PROBIT ^a	Age	.052	.023	2.261	346*
	Sex	.028	.081	.338	.735
	Income	.010	.00465	2.150	.030*
	Education	.002	.00068	2.941	929**
	Occupation	.101	.048	2.125	.034*

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	Household size	.030	.081	.374	.709*
	Med-aid participation	.374	.081	4.642	.000***
	Nearness to facility	.258	.081	3.189	.001***
	Marital status	-.037	.094	-.400	.689
	Intercept	-3.322	.391	-8.499	.000***
Chi-square	Goodness of fit test	82.240***	65(df)		0.004

- a. Statistics based on individual cases differ from statistics based on aggregated cases. NB: *, **, *** are 10%, 5% and 1% level of significance, respectively.

Source: Computed from field survey data, 2017.

The co-efficient of education was positive and significant at 10% level. This implies that the higher the level of education of the household head, the greater the chance of accepting or participating in healthcare insurance. A possible reason are awareness and knowledge. The exposure is necessary for improve understanding of benefits of healthcare insurance. According to Oteh and Eleodinmuo (2016), the core benefit educational vehicle is its ability to bring about behavioural change by providing a platform for shared information and experience. This transfer of information is akin to flow of electricity current that supplies power to an object.

There is statistically significant evidence to accept that age is important influencing factor to either accept or reject healthcare insurance even among insurance companies. This is because older men are more vulnerable to sickness, disease and pressure. As such they require more adequate medical examination. Therefore, the propensity to seek for possible alternative finance constant medical check-ups cannot be ruled out. Age therefore serves as one of the intervening factors in determining whether or not an insurer will accept an insured and the kind of premium to charge in most cases.

Again, med-aid participation and location posted positive coefficient at 1% level. This indicates a very strong relationship with acceptance of healthcare insurance. It means the more participation in medical aid programme and convenient location (place where it is easy to

access healthcare facility), the more demand for healthcare insurance. It is assumed that medical aid programmes exposes beneficiaries to importance of healthcare services and alternative financing options. These programmes most times are location specific. They are mostly done in the rural areas. This result justifies the importance of decentralizing the location of healthcare insurance to take advantage of opportunities in the hinterland.

Generally, this study has reveals that occupation, income, medical participation and location are suitable predictors of the acceptability of healthcare insurance. The chi-square of probit regression of the distribution of the model chi-square (82.240) was statistically significant at the 1% level of probability. Based on these finding, the study rejects the null hypothesis (H_{01}) that socio-economic characteristics of respondents do not have any effect on healthcare insurance acceptability and accepts the alternative hypothesis that socio-economic characteristics of respondents have effect on healthcare insurance acceptability. This result is consistent with the finding of Oteh et al. (2017).

In order to further test the validity of the above result on income, a separate analysis was conducted to test relationship between income and acceptance of healthcare insurance. This is due in part to the fact that finance is increasingly mentioned as an inhibiting factor in healthcare acceptance and access in most (rural) Nigeria.

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H0₂: There is no positive relationship between respondents' income and healthcare insurance.

Table 4: Relationship between income and acceptability of healthcare insurance

		Income	Acceptability of Healthcare insurance
Income	Pearson Correlation	1	-.056
	Sig. (2-tailed)		.453
Acceptability of Healthcare insurance	Pearson Correlation	-.056	1
	Sig. (2-tailed)	.453	

Source: Field survey computation, 2017

The result of Table 4 shows a correlation coefficient of -0.056 and p-value of 0.453. This implies a poor, insignificant and negative relationship between respondent's income and their acceptability of healthcare insurance in rural and urban area of Abia state. In the light of this finding, the study accepts the null hypothesis (**H0₂**) that there is no positive significant relationship between income level and acceptability of healthcare insurance. This result is expected. In several studies, the role of income level in for instance fraud is mixed and unclear (Devos, 2008; Brokesova and Pastorakova, 2013). The propensity to accept

healthcare insurance in particular and insurance generally varies among consumer. Although income level is important, but it is not a necessary condition. Knowledge of insurance benefit is the necessary condition and important in deepening penetration. According to Richard Borokini, of Chartered Insurance Institute of Nigeria (CIIN), insurance acceptability and penetration depends on insurance enlightenment and emphasizing on benefits of insurance. This will help in improving public perception and ameliorate deep cultural issues that challenge insurance penetration.

Conclusion

There is no doubt that life is full of risk. But there is a mechanism to mitigate and/or manage risk occurrence. Healthcare insurance benefit from empirical evidence are substantial, since it provides a good platform to reduce medical-poverty trap. Nigeria with its huge population is saddled with millions of rural dwellers who are excluded from social welfare, making out-of-payment for healthcare insurance very difficult for them. This situation has enormous economic and social implication on their wellbeing. These implications include but not limited to worsen income inequalities in our society and low insurance culture among the populace

influences that affects acceptance and marketing issues. This will help the industry in product development, utilization of its idle capacities and shore up the number of premium paid and claim received in an equilibrium level. At present the ratio of insurance premium to claim shows a wide gap. This presents a huge challenge to insurance efficiency and effectiveness in claim administration and profitability.

Based on findings, the study concludes that many factors are responsible for poor insurance perception among rural people. Knowledge of insurance benefit is poor and varied among respondents. Both theoretical and empirical research indicates that information and/or knowledge is not adequate to deepen penetration especially in the rural area. The concentration of

The thrust of this study is to deepen insurance penetration in Nigeria by examining bundle of

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insurance in urban area, lack of incentives and cultural issues results in lack of interest, coverage gap and ignorance of benefits of healthcare insurance. These affects effective marketing of healthcare insurance in the rural areas. In addition, it observed that demographic factors such as age, income, location, med-aid participation, occupation among other factors have strong relationship with participation in healthcare insurance policy. It is important to say that these factors do not follow expected pattern especially income when they were disaggregated. This finding was consistent with similar findings by Devos (2008) and Brokesova and Pastorakova (2013).

Recommendations and implication

In the light of the above findings the study makes the following recommendations. As mentioned above, the poor level of insurance culture in Nigeria has been attributed to marketing inability to address weak information machinery. This study observed that although insurance companies resort to impersonal means of communication. The personal source model is more credible and trustworthy, however, not sufficient. This underscores the importance of combining both machinery to achieve the desired result. They both have benefits and disadvantages but its effective combination will raise the level of public awareness of usefulness of insurance. Insurance enlightenment must use reasonable appeals to emphasize both benefits and trust in order to attract people and deepen penetration.

In addition to the above is the need for educational programmes to broaden understanding of insurance culture in Nigeria. There is a consensus on relationship between education and adoption of product/services. According to Oteh and Eleodinmuo (2016), the core benefit of this educational vehicle is its ability to bring about behavioural change by providing a platform for shared information and

experience. This transfer of information is akin to flow of electricity current that supplies power to an object. Education is a propelling force to adoption of any innovation and leads to positive change in the market place.

Since perception plays an action role in the perceived risk in purchasing a product or service. The study recommends that given that perceived risk affects information search, insurance companies should leverage on advancement in Information and Communication Technology (ICT) to provide consumers will extensive and authentic information about their products and services. This strategy will help reduce consumer risk and encourage purchase. The implication of lack of authentic information source is increase in perceived risk which will affect insurance patronage because consumer will rely on unverified sources with negative consequences. The right information machinery will improve communication between insurance companies and consumers of its services. Therefore, the importance of the use of social media and other communication platforms that have advanced understanding and attitude towards products/services consumption is advocated in this study (see Andrew, 2015).

Furthermore, healthcare insurance distributors or agents or companies can leverage on digital platform to launch its product and reach the rural area. With technology now, they need not have physical structures in most environment they do business. This recommendation is made in the light of importance of location in healthcare insurance acceptance as observed in the finding.

As identified in this study, consumers' assessment of healthcare insurance desirability is mainly in the area of cost. The absence of cost-benefit analysis denies consumer of insurance benefits and dwarf company's financial performance. Many do not see insurance as an

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investment. For instance, how do you convince someone to continue to pay premium if they have low risk exposure or not involve in accident. Therefore, there is need to design products that ensure that consumers are compensated when they avoid risk exposure. This serve as a stimulus for investment. This study therefore recommends committed sensitization of people about Takaful insurance to enable the insured partake of the profit if there is no claim at the end of the year. This measure will boost the investment potential of insurance.

An analysis of insurance market mapping shows an urban concentration of market along the Southwest region of Nigeria. This no doubt is in relation to volume of business in this market. The implication is that many people fed from third parties with questionable tendencies and businesses are mainly transactional. This has helped in deepening more cultural problem for Nigeria. More so, the concentration of insurance market in this region makes insurance enlightenment difficult. To ensure an even spread of message, it has become necessary to advocate for demassification of insurance

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market; even product message. A single marketing message cannot be expected to work in multiple territories due to cultural and ethical differences. There is need for adjustment as a means of breaking into the rural market.

The changing environment of business especially the dynamics of the industry presents many opportunities for insurance companies but capturing it requires a well-defined and proactive response. Therefore, insurance companies must evaluate its relationship with consumers, align their offerings with customer purchasing criteria. This study has provided certain drivers in profiling customer demographics. They can stimulate and/or deepen penetration. These drivers are springboard in healthcare insurance product development.

Finally, insurance companies need to optimize acceptance strategy by proactively seeking for ways to build relationships along its chains of network. This means attracting and working with credible and quality agents/distributors since it is not possible for them to build structures in most rural areas.

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