



A consumer purchase decision conceptual model for motor vehicle insurance

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Abstract

The consumer decision-making process is not static and can vary from consumer to consumer, as each individual has unique needs, priorities and preferences when it comes to motor vehicle insurance. Individuals consider the role of other parties, such as family members, friends, or experts, when making the purchase decision. In the financial services industry, trust and expertise play a critical role in purchasing decisions. As a result, consumer decision-making in the financial services industry, specifically motor vehicle insurance, differs from the traditional consumer decision-making process where a product or brand is purchased. Differences such as complex policies, risk aversion, trust in relying on third parties to help make informed decisions, long-term orientation and regulatory requirements highlight the need for a distinct approach towards understanding consumer purchase decisions within the financial services industry, especially motor vehicle insurance. There is a need to develop a new conceptual model to better reflect the complexities of the financial industry and the individuals who participate in it. Consumer decisionmaking models have evolved over the years, and these will be reviewed by means of a literature review. The limitations and expansions of previous models are to be considered in developing a conceptual model that illustrates the purchase decision process of motor vehicle insurance consumers.

Keywords: financial services, consumer decision-making process, input factors, process, output