Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

Issue 4/2021

ASSESSMENTS OF SOCIO-ECONOMIC AND DEMOGRAPHIC FACTORS INFLUENCING INSURANCE BUYING BEHAVIOUR AMONG SMALL AND MEDIUM-SIZED ENTERPRISES IN LAGOS, NIGERIA

Sanusi Nureni ALAKA[1], Sunday Stephen AJEMUNIGBOHUN[2], Mustapha Tosin BALOGUN[3]

[1] Department of Business Administration, Faculty of Management Science, Lagos State University, Lagos, Nigeria, Email: nureni.alaka@lasu.edu.ng

[2] Department of Insurance, Faculty of Management Science, Lagos State University, Lagos, Nigeria, Email: sunday.ajemunigbohun@lasu.edu.ng

[3] Department of Marketing, Faculty of Management Sciences, Lagos State University, Lagos, Nigeria, Email: mustapha.balogun@lasu.edu.ng

How to cite: ALAKA, S.N., AJEMUNIGBOHUN, S.S., & BALOGUN, M.T. (2021). "Assessments Of Socio-Economic and Demographic Factors Influencing Insurance Buying Behaviour among Small and Medium-Sized Enterprises in Lagos, Nigeria." *Annals of Spiru Haret University. Economic Series*, *21*(4), 405-422, doi: https://doi.org/10.26458/21423

Abstract

Socio-economic and demographic metrics are important yardsticks in the behaviour pattern of an individual. They influence the behavioural attitude of people to perceive the image of insurance as an intangible, inseparable, variable, and transferable product. Therefore, this study aimed at assessing the effects of socio-economic and demographic factors on insurance buying behaviour, with specific reference to the perceptions of selected SMEs in Lagos, Nigeria. The study adopted a cross- sectional survey research design. The study population consisted of the total number of registered SMEs recorded in Lagos State at 11,666. Thus, a single-stage cluster sampling technique was employed in the questionnaire distribution and data collection processes. A total of 386

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

Issue 4/2021

copies of questionnaire were distributed, of which 243 were found usable which represented a 63% response rate. The major statistical technique employed was multivariate regression. This study confirms the importance of socio-economic and demographic factors in the behavioural evaluation of insurance purchases in Lagos, Nigeria. This study recommended that insurance providers in Nigeria should attempt to tailor insurance products in a lovable and affordable manner to SMEs' operators/owners in a bid to sharpen their socio-economic and demographic risk attitudes. More so, SMEs operators should try to shift their desire to manage the thrust of risk-off to the insurance providers for adequate business, economic and financial security. Given this implication, similar studies should be carried out in other industries in this country.

Keywords: *socio-economic factors; demographic factors; insurance buying behaviour; SMEs; Nigeria.*

JEL Classification: M04, M19

1.0. Introduction

Insurance, as a risk transfer technique, is an indispensable financial instrument required for all-round safety to lives, properties, businesses, to mention few. Insurance, being a risk management tool, is critical to the advancement of every facet of businesses in an economy of the globe, most especially small and medium-sized enterprises (Ajemunigbohun & Adeoye, 2018; Chatterjee & Wehrhahn, 2017). However, SMEs have been ascribed as a core developmental segment of every nation's progression and attainment of desired sustainable growth (Adeosun, & Shittu, 2019; Herr & Mettkoven, 2017; Morina & Gashi, 2016). SMEs, being a strong tool for economic growth, foster prosperity in the areas of job provided in any country of the world are created by SMEs, and their dominance are usually evident in the private sector space of every nation.

SMEs have been noted to facing a number of problems (Prinsloo, Walker, Botha, Bruwer, & Smit, 2015; Smit & Watkins, 2012). Duong (2009) as cited in Obalola and Ajemunigbohun (2017) opined that SMEs are troubled with a number of risks such as business entity risk, financial risks, human capital risks, and consumer risks. According to Suh (2010), economic risks had adversely affected most SMEs by reducing their sales volume and fast tracking their non-existence. Belas, Machacek, Bartos, Hlawiczka, and Hudakova (2014) pinpointed that SMEs are faced with some basic risks which include loan access restrictions, unhealthy

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

competitive environment, undue tax burden, inexperienced managerial skills, administrative complexity, and risks of failing. Accordingly, failure to businesses especially (SMEs) is often caused by paucity of risk management plan, and deficit managerial structure (Hartcher, Hodgson, & Holmes, 2014).

SMEs have been adjudged the bedrock of many nation's successes (Motilewa, Ogbari & Aka, 2015; Tsatsenko, 2020; Karadag, 2016). Nonetheless, the height of their successes have always been hampered by the vagaries of many risk exposures to which they have little or no control of. SMEs have been said to be encountered with economic, political, social and financial difficulties (Ajemunigbohun & Adeoye, 2018; Adeyele & Osemene, 2018). An earlier study of the Insurance Information Institute (2005) stipulated that SMEs are susceptible to disastrous situations and have no standardised disaster recovery scheme for restoration. In a bid to response to the many calamitous situations, SMEs are expected to demonstrate behavioural attitude that possibly motivate their patronage towards insurance policies. The desire to patronise insurance can be influenced by socio-demographics and socio-economic factors, yet great deal of apathy is continually being experienced among Nigerians especially SMEs owners and operators. This, therefore, necessitate the need to carry out the study on the analytical factors influencing insurance buying behaviour among SMEs in Nigeria.

1.2. Objectives of the Study

The aim of this study is to analyse the factors influencing insurance buying behaviour among SMEs. The specific objectives are to assess the effect of economic factors on insurance buying behaviour of SMEs in Lagos State, Nigeria; evaluate the influence of social factors on insurance buying behaviour of SMEs in Lagos State, Nigeria; and investigate the relationship between demographic factors and insurance buying behaviour of SMEs in Lagos State, Nigeria.

2.0. Literature review

Studies conducted empirically (such as Hagos, Kebede, & Shewakena, 2019; Ogundeji, Akomolafe, & Butana, 2018; Petrovic, & Stankovic, 2018; Shahriari & Shahriari, 2018) have exhibited that insurance buying behaviour can be influenced socially, economically, demographically, legally, culturally, and politically. Many other studies in relation to insurance purchase have been largely examined (Abdullah, Roslan, Yusuf, & Rasid, 2020; Bhatia, Bhat, & Tikoria, 2021; Ulbinaite, Kucinskiene, & Moullec, 2014). As cited in Adeleke, Olowokudejo, and

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

Ajemunigbohun (2016), Graven (2007) delineates insurance purchase as a collection of logarithmic utilities which comprises the effect of changes in loss degree; the effect of changes in income; the effect of changes in loss frequency; and the effect of changes in insurance pricing. Seog (2010) expresses that insurance purchased on a full scale under suitably actuarially fair pricing is more favourable than insurance purchased on a partial scale. According to Rossi and Black (2001), as cited in Kwofie, Yormekpe, Mensah and Botchway (2018), the patronage of insurance makes provisions for sufficient protection concerning loss that reduces the probability of fiduciary crises whenever they occur. In a similar remark, an earlier study by Cummins and Danzon (1997), as cited in Dionne and Harrington (2017), found that the decision concerning insurance buying behaviour is not only evident in the current condition of the product but showcases future benefits that are achievable.

The distinctive characteristic of insurance service is that it is procured at the immediate time just for the worth to be actualised subsequently. Ikupolati (2008) specified that insurance service is distinguished by intangibility, inseparability, transferability, and variability. According to Idris, Asokere, Ajemunigbohun, Oreshile, and Olutade (2012), the intangible nature of insurance plays a decisively challenging role in convincing customers as to the value of insurance products. The earlier study by Capgemini (2007) averred that insurers ought to express preparedness in appropriating values to segmented customers; predicting customers' behaviour and applying methods that fulfil satisfaction and retention of customers; and acknowledging and optimising opportunities to boost sales and drive the desired qualities. Toran (1993) as cited in Abass and Oyetayo (2016) ascribed quality as a focal point in measuring insurance service. Walker, Baker (2000) believed that customer's expectations formed the basis for insurance quality measurement. Nwankwo and Ajemunigbohun (2013) suggested that insurance companies should clarify their value and expectations in dealing with prospective and existing customers, as well as making efforts towards customers' attraction and retention.mpa, Pratama, Also, King (1992) as cited in Isimoya, Ajemunigbohun and Balogun (2018) stipulated that insurance quality evaluation is an embodiment of the insurer's credit, pecuniary stability, the rectitude of the agent (s), and soundness of information and direction from the agent.

Several studies have been conducted in Nigeria and other countries of the world in relation to identify factors influencing insurance buying behaviour (Adamu, 2018; Buzatu, 2013; Kempa, Pratama, & Sukatmadiredja, 2020; Malini, 2016;

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

Nursianan, Budhijono, & Faud, 2021; Ulbinaite et al., 2014). Al-Rawashdeh (2016) investigated factors influencing purchase for the promotion of insurance in Jordan. With the questionnaire survey, 662 sample population were employed. The study used the descriptive statistics and stepwise logistics regression in its data analysis. The study suggested social security, competitive advantage, promotion and quality in the purchase of insurance products. Also, Tati and Baltazar (2018) research was based on factors influencing the choice of investment in life insurance policy; with particular reference to India. While questionnaire survey instrument was employed among 75 insurance investors, Chi-square technique was in analysing collected data. The study established that insurance is seen as risk protection in choices made with respect to investment in life insurance policy.

Nomi and Sabbir (2020) examined factors of consumers' purchase intention towards life insurance in Bangladesh with the application of the theory of reasoned behaviour. The cross-sectional research design adopted can a convenience sampling technique. While method of data collection was questionnaire from 315 respondents, structural equation model (SEM) was adopted for data analysis. The study established relationships statistically between factors of consumers' purchase intention and life insurance.

Planned behaviour, as a theory, was propounded to depict social values, attitude and controlled behaviour of mankind in business related activities (Zhang & Cain, 2017). This theory commenced as the theory of reason action in the 80's to predict individuals' intents to get involved in behavioural events at a specific place and time (Ajzen, 2011). It is a well-designed estimates of risk attitude regarding a behaviour of interest, perceived behavioural intention and control, and subjective values. The outcome of previous studies (such as Brahmana, Brahmana, & Memarista, 2018, Mai, Nguyen, Vu, Bui, Nguyen, & Do, 2020; Kautonen, Van Gelderen, & Tornikoski, 2013) have shown that the theory of planned behaviour (TPB) has contributed extensively to insurance behavioural studies. This theory is thus considered typical for business activities even if the new venture may develop abruptly due to a chance realised. With TPB, two major sources of intent, that is, motivation to act for an intended behaviour and possibility of a given behaviour (Sabah, 2016). It is necessary to note that TPB contends that intent is a direct antecedent of behavioural performance. TPB stipulates, in principle, that the more acceptable the attitude and subjective value, the higher the perceived behavioural control, the stronger an individual's intent concerning the performance of insurance behaviour (Harrison, 2019; Sung, Yam, Yung, & Zhou, 2011).

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

3.0. Research Methods

This study employed a survey research design anchored on a quantitative method to give an improved view of critical decisions integral to the behavioural factors affecting insurance purchase. This design thus assisted in planning and executing the study in a manner to acquire planned outcomes and thus, created a nexus with the real-life global situation (Creswell & Creswell, 2018; Gray, 2017). Data collection was carried out through field survey among chosen small and medium-sized enterprises with the assistance of the questionnaire. The choice of selecting the participants were due to their vital significance in economic sustenance of our nation. The use of this data collection instrument was because of its appropriateness to the design of the study with regards to being relatively cheap, wider usage and more sample representative, sufficiency of time for participants to assign well thought out responses and simplicity in the administration the research instrument (Cooper & Schindler, 2014; Kothari & Garg, 2016).

In accordance with the Small and Medium Enterprises Development Agency of Nigeria (2013), the totality of micro, small and medium enterprises (MSMEs) as cited in Peter, Adegbuyi, Olokundun, Peter, Amaihian, and Ibinunmi (2018) stood at 37,067,416 with 36, 914,578 micro, 68,168 small and 4,670 medium enterprises. The Lagos State, the research ground, is said to have a share of 11,666 registered SMEs. 10 local government council areas out of the 20 acknowledged and approved local government councils were exerted as research study areas with the adoption of single-stage cluster sampling technique. The aim of selecting this sampling technique was due to the fact that it allowed the researchers to divide the population into favourable clusters by indiscriminately selecting the needed number of clusters as representative variables and examined all the cases in each of the randomly chosen clusters. This sampling technique is beneficial because it timely and inexpensive (Wilson, 2014).

The survey technique was segregated into two; which made up of section A and B. For section A, details of the participants were affirmed, while section B is planned in relation to the constructs in the study. The study observed tests of validity comprised of congruent, content, and criterion-related in nature. While the congruent validity was structured in accordance to preceding literature, content validity took cognisance of the specifics on the survey instrument, and the criterion-relation validity took a probe of the outcomes from other related participants (Booth, Colomb, Williams, Bizup, & Fitzgerald, 2016). Also, the reliability test was conducted with a Cronbach alpha of 0.814, 0.701, 0.691 for economic factors, social factors, demographic factors and 0.713 for insurance buying behaviour. These results were in consonance with statistical interventions of the soundness of the scale, and the safety of the internal consistency.

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900
Issue 4/2021

Since the target population comprised of all registered motor users in Lagos metropolis, the total sample size for the study was statistically determined by Taro Yamane's (1967) formula as cited in Ajay and Masuku (2014), given as:

$$n = \frac{N}{1+Ne^2}$$

$$n = \frac{11{,}666}{1 + 11{,}666\ (0.05)^2} = 386$$

In assessing the above calculated sample size, the researchers considered as representatives as possible compared to the total population under study. Data gathering period was between September, 2020 to December, 2020. Most importantly, 243 copies out of the 386 copies of questionnaire assigned to selected SMEs operators/owners were found relevant for assessment of the research outcomes; providing 63% response rate. In bid to quantify gathered data successfully, multiple regression technique was employed. Accordingly, three Likert scaling measurements of 'strongly agree' 'agree', 'indifferent', 'disagree', and 'strongly disagree' were adopted

4.0. Results and Discussion

The study adopted multivariate method to test the relationship between the constructs with the intervention of the Statistical Package for Social Sciences (SPSS) version 22.0. In presenting the estimated model coefficients, the calculation obtained from the multiple regression model is given as shown in table 1.

From the results of the regression analysis presented above, it is clear that there is positive moderately relationship between economic factors and insurance buying behaviour. The model also shows the variations experienced by the dependent variable that could be explained by the independent variable (R square) which shows that economic factors are responsible for about 38.1% of variance in SMEs operators' insurance buying behaviour. This means that 61.9% of the insurance buying behaviour enjoyed by the insurers comes from other factors other than the predictor used in this model (economic factors). The generalisation of the results (Adjusted R square) indicates that true 29.2% of the variation in insurance buying behaviour is explained by economic factors (*income, price, and savings*). This result is almost close to reality as the difference between R Square and Adjusted R Square is not high. The standard error fit, which is a measure of the precision of the model,

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

shows how wrong the statistical outcomes could be at 4% if one uses this model to make real life predictions. The above result is statistically significant as seen in the ANOVA table (p-value = 0.00, 0.021, 0.013) as they are less than the 0.05 confidence interval used in this study. A value greater than 1 shows that F-ratio yield an efficient model but 51.43 F-ratio indicates that this model is not very efficient.

Table 4.1: Multiple Regression Results for Economic Factors vs. Insurance Buying Behaviour

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.617[a]	.381	.292	3.97541	.381	51.434	3	240	.000

a. Predictors: (Constant), income, price of insurance, savings

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	812.862	1	812.862	51.434	.000[b]
	Residual	2291.560	242	15.804		
	Total	3104.422	243			

a. Dependent Variable: Insurance buying behaviour

a. Predictors: (Constant), income, price of insurance, savings

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	11.875	1.682		7.060	.000	8.551	15.200
	Income	1.106	.154	.512	7.172	.000	.801	1.410
	Price of insurance	.902	.145	.691	6.163	.021	.711	1.440
	Savings	1.101	.164	.617	6.142	.013	.851	1.501

a. Dependent Variable: Insurance buying behaviour

Source: *Authors' computation, 2021*

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

Issue 4/2021

Table 4.2: Multiple Regression Results for Social Factors vs. Insurance Buying Behaviour

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.421[a]	.178	.112	7.3212	.178	9.135	3	240	.021
a. Predictors: (Constant), religion, culture, family size									

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	281.628	1	22.216	9.135	.021[b]
	Residual	910.120	242	5.171		
	Total	310.471	243			
a. Dependent Variable: Insurance buying behaviour						
b. Predictors: (Constant), religion, culture, family size						

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.190	1.319		4.123	.021	5.331	9.136
	Religion	.731	.124	.302	4.270	.031	.621	1.100
	Culture	.321	.113	.528	3.161	.058	.625	.623
	Family size	.417	.106	.601	2.183	.042	.512	.421
a. Dependent Variable: Insurance buying behaviour								

Source: *Authors' computation, 2021*

From the results of the regression analysis presented above, it is clear that there is positively low relationship between social factors and insurance buying behaviour. The model also shows the variations experienced by the dependent variable that could be explained by the independent variable (R square) which

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

shows that social factors are responsible for about 17.8% of variation in SMEs operators' insurance buying behaviour. This means that 82.2% of the insurance buying behaviour that enjoyed by the insurers comes from other factors other than the predictor used in this model (social factors). The generalisation of the results (Adjusted R square) indicates that true 11.2% of the variation in insurance buying behaviour is explained by economic factors (*religion, culture, and family size*). This result is almost close to reality as the difference between R Square and Adjusted R Square is not high. The standard error fit, which is a measure of the precision of the model, shows how wrong the statistical outcomes could be if one used the regression model to make predictions or to estimate insurance buying behaviour. This indicates that one would be about 7% wrong if one uses this model to make real life predictions. The above result is statistically significant as seen in the ANOVA table (p-value = 0.031, 0.058, 0.042) as they are less than the 0.05 confidence interval used in this study. A value greater than 1 shows that F-ratio yield an efficient model but 9.14 F-ratio indicates that this model is not very efficient.

From the results of the regression analysis presented above, it is clear that there is positively moderate relationship between demographic factors and insurance buying behaviour. The model also shows the variations experienced by the dependent variable that could be explained by the independent variable (R square) which shows that demographic factors are responsible for about 51.6% of variation in SMEs operators' insurance buying behaviour. This means that 48.4% of the insurance buying behaviour enjoyed by the insurers comes from other factors other than the predictor used in this model (demographic factors). The generalisation of the results (Adjusted R square) indicates that true 48.1% of the variation in insurance buying behaviour is explained by economic factors (*age, gender, and marital status*). This result is almost close to reality as the difference between R Square and Adjusted R Square is not astronomical. The standard error fit, which is a measure of the precision of the model, shows how wrong the statistical outcomes could be if one used the regression model to make predictions or to estimate insurance buying behaviour. This indicates that one would be about 6% wrong if one uses this model to make real life predictions. The above result is statistically significant as seen in the ANOVA table (p-value = 0.015, 0.003, 0.008) as they are less than the 0.05 confidence interval used in this study. A value greater than 1 shows that F-ratio yield an efficient model but 5.91 F-ratio indicates that this model is not very efficient.

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

Table 4.3: Multiple Regression Results for Demographic Factors vs. Insurance Buying Behaviour

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.719[a]	.516	.481	6.3718	.516	5.913	3	240	.007
a. Predictors: (Constant), age, gender, marital status									

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	128.628	1	14.126	5.913	.007[b]
	Residual	1922.605	242	7.919		
	Total	1304.242	243			
a. Dependent Variable: Insurance buying behaviour						
c. Predictors: (Constant), age, gender, marital status						

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.205	0.731		3.114	.007	2.302	3.002
	Age	.518	.215	.312	2.004	.015	.513	.411
	Gender	.729	.105	.371	2.512	.003	.702	.433
	Marital Status	.162	.410	.511	1.214	.008	.432	.316
a. Dependent Variable: Insurance buying behaviour								

Source: *Authors' computation, 2021*

4.1. Discussion of Findings

From the empirical analysis conducted and the test of hypotheses carried out, this study confirmed the relationship between socio-economic and demographic factors influencing insurance buying behaviour among SMEs operators/owners in

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

Lagos State, Nigeria; with respect to the research objectives and research questions raised.

The result shows that economic factors (comprising income, prices, and savings) has positive and moderate relationship with the insurance buying behaviour of SMEs owners/operators in Lagos State, Nigeria, thereby invalidating the null hypothesis and validating the alternate hypothesis at (p = 0.000). This result corroborates the findings of Ajemunigbohun, Aduloju, and Saka (2020); Dash (2018); and Fofie (2016). Ajemunigbohun et al (2020) pointed at economic variables as significant to insurance patronage, and thus a pedestal on major choices of their life; Dash (2018) had admitted that economic variables (such as income and prices of insurance) are core values in the behavioural disposition of insurance products.

The result shows that social factors (comprising religion, culture, and family size) has positively low relationship with the insurance buying behaviour of SMEs owners/operators in Lagos State, Nigeria, thereby invalidating the null hypothesis and validating the alternate hypothesis at (p = 0.000). This result is supported with the views of Badru, Yusuf, and Isola (2013), Ebitu, Ibok, and Mbum (2014), Hossain (2015, Jeremiah, Joseph, and Innocent (2019); who also derived a positive but low level of nexus between insurance awareness and patronage with respect to social factors. They justify the choices of social factors in measuring the behavioural attitudes of individuals to insurance products.

The result shows that demographic factors (comprising age, gender, and marital status) has positively low relationship with the insurance buying behaviour of SMEs owners/operators in Lagos State, Nigeria, thereby invalidating the null hypothesis and validating the alternate hypothesis at (p = 0.000). The result supported by Sorsa (2018) findings noting that age and gender factors influencing behavioural patterns of insurance purchase from individual business owner. The studies of Nebolsina (2020) and Shahriari and Shahriari (2016) pinpointed at marital status as required determining variable to demand for insurance products.

5.0. Conclusion and Recommendations

From the empirical analysis conducted and the test of hypotheses carried out, this study has been able to address the research objective raised at the onset. The results show that socio-economic and demographic factors have positive and moderate effects on the insurance buying behaviour among SMEs operators/ owners in Lagos, Nigeria, leading to the rejection of all null hypotheses at 0.05

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

level of significance. The findings show that socio-economic and demographic factors play a vital role in moderating insurance buying behaviour among SMEs owners and related industry. The responses of the respondents substantially prove that socio-economic and demographic factors influence insurance buying behaviour of SMEs to a moderate extent. In addition, the fact that it is only an insignificant number (2%) that would purchase insurance policies in Nigeria due to their perceived insurers' claims processes is a challenge that insurers in Nigeria will have to deal with. The findings of this research reveal that socio-economic and demographic factors are significant in influencing insurance buying behaviour among SMEs owners/operators. Thus, insurance providers in Nigeria should focus on the socio-economic and demographic proxies that will have greater effects on the buying behaviour of the SMEs owners/operators and other entrepreneurs or business-related industries.

Based on the justification adduced to in this study, the researchers recommended that insurance education, as a field of study, should be taken as seriously as possible so that it can help develop the peoples' minds psychologically and sociologically to get attracted to insurance in order to manage their future. More so, insurance providers in Nigeria should make attempt to make the business of insurance lovable and affordable to SMEs' operators/owners in a bid to sharpen their socio-economic and demographic risk attitudes. The SMEs operators should try to shift their desire to managing the thrust of risk off to the insurance providers for adequate business, economic and financial security. Stakeholders such as, insurance practitioners, government, academics and business industrialists should join forces and fuse their knowledge, legal and pecuniary based resource to help develop, subsume, execute and finance insurance programmes that will foster progress, dependable growth and advancement in Nigeria. Lastly, inordinate interest should be placed on impressive risk management communication and ideal risk financing techniques among SMEs' owners/operators.

6.0. Contributions to Knowledge and Suggestions for Future Research

The contribution of this study is seen in that within the limits of the research space, this study has established the relationships between socio-economic and demographic factors and insurance buying behaviour of SMEs owners/operators. This study is perhaps the first to have examined the relationship between the study constructs among SMEs in Nigeria. Despite the recommendations highlighted above, the study has some limitations. First, the study's findings are viewpoints of

SMEs owners/operators in Lagos State. This is just a representation of the study population, which may affect the generalisation of the entire population. This means that the generalisation of the findings should be made with caution. Given this implication, similar studies should be carried out in other industries in this country.

The study suggests that further research works should focus attention on behavioural attitudes of policyholders in Nigeria. Research work is thus encouraged to look at behavioural factors that can influence more preferences for insurance products in Nigeria. Lastly, future research work could direct attention at sociology and psychology of insurance.

This article is sponsored by Tertiary Education Trust Fund (TETFUND), Nigeria.

References

[1] Abass, A.O., & Oyetayo, Y.A. (2016). Service quality measurements and demand for insurance: An empirical study from Nigerian insurance industry. *Management and Marketing, 14* (2), 321 – 335.

[2] Abdullah, N., Roslan, A., Yusuf, R.Y. M., & Rasid, M.F.R. (2020). Behaviour of Malaysian igeneration in purchasing life insurance policy. *University Journal of Accounting and Finance, 8* (4), 153 – 160.

[3] Adamu, I.Y. (2018). Acceptance and patronage of insurance services in Northern Nigeria. *IOSR Journal of Humanities and Social Science, 23* (4), 32-43.

[4] Adeleke, I., Olowokudejo, F., Ajemunigbohun, S. (2016). Hazard perception and demand for insurance among selected motorcyclists in Lagos, Nigeria. *The South East Asian Journal of Management, 10* (2), 121–140.

[5] Adeleye, J.S., & Osemene, O.F. (2018). Small and medium enterprises' risk exposures and mitigation approaches in Nigeria. *The Journal of Entrepreneurial Finance, 20* (1), 21-42.

[6] Adeosun, O.T., & Shittu, A.I. (2019). Small-medium enterprise formation and Nigerian economic growth. *Review of Economics and Political Science, 4* (7), 81 – 91.

[7] Ajay, S., & Masuku, M.B. (2014). Sampling techniques and determination of sample size in applied statistics research: An overview. *International Journal of Economics, Commerce, and Management, 2* (1), 1-22.

[8] Ajemunigbohun, S.S. & Adeoye, A.O. (2018). Insurance awareness and acceptance: Empirical evidence among small and medium-sized enterprises in Lagos State, Nigeria. *Trends Economics and Management, 32* (2), 9 – 20.

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

[9] Ajemunigbohun, S.S., Aduloju, S.A., & Saka, S.T. (2020). Awareness and patronage of healthcare professional indemnity insurance: Empirical evidence among medical practitioners in Lagos, Nigeria. *Acta Universitatis Danubius, 16* (5), 186-202.

[10] Ajzen, I. (2011). The theory of planned behaviour: reactions and reflections. *Psychology and Health*, 26 (9), 1113-1127.

[11] Badru, F.A., Yusuf, T.O., & Isola, W. (2013). Socio-cultural factors affecting insurance patronage in Lagos State, Nigeria. *Hemispheres, 28*, 5-18.

[12] Belas, J., Machacek, J., Bartos, P., Hlawiczka, R., & Hudakova, M. (2014). Business risk and the level of entrepreneurial optimism among SMEs in the Czech and Slovak Republic. *Journal of Competitiveness, 6* (2), 30 – 41.

[13] Bhatia, R., R., Bhat, A.K., & Tikoria, J. (2021). Life insurance purchase behaviour: A systematic review and directions for future research. *International Journal of Consumer Studies, 45*, 1149 – 1175.

[14] Booth, W.C., Colomb, G.G., Williams, J.M., Bizup, J., & Fitzgerald, W.T. (2016). *The craft of research. 4th ed*. Chicago: The University of Chicago Press.

[15] Brahmana, R., Brahmana, R., & Memarista, G. (2018). Planned behaviour in purchasing health insurance. *The South East Asian Journal of Management, 12* (1), 53 – 64.

[16] Bushe, B. (2019). The causes and impact of business failure among small to micro and medium enterprises in South Africa. *Africa's Public Service Delivery and Performance, 7* (1), 1-26.

[17] Buzatu, C. (2013). The influence of behavioural factors on insurance decision – A Romanian approach. *Procedia Economics and Finance, 6*, 31-40.

[18] Capgemini (2007). *Customer optimization: The benefit of building an effective customer management strategy*. World Insurance Report.

[19] Chatterjee, A., & Wehrhahn, R. (2017). Insurance for micro, small, and medium-sized enterprise. *No 78, ADB Brief,* November.

[20] Chodokufa, K., & Chiliya, N. (2014). The relationship between SMEs and insurance providers in Nelson Mandela Metropolitan Area, South Africa. *Mediterranean Journal of Social Sciences, 5* (14), 94 – 96.

[21] Cooper, D.R. & Schindler, P.S. (2014). *Business research methods. 12th ed*. New York: McGraw-Hill Irwin.

[22] Creswell, J.W. & Creswell, D.J. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches. 5th ed*. New Delhi: Sage Publications India Pvt Limited.

[23] Dash, G. (2018). Determinants of life insurance demand: Evidences from India. *Asian Pacific Journal of Advanced Business and Social Studies, 4* (2), 86 – 99.

[24] Dionne, G., & Harrington, S.E. (2017). *Insurance and insurance markets.* International Research Centre on Enterprise Network, Logistics and Transportation, April.

[25] Ebitu, E.T., Ibok, N.I., & Mbum, P.A. (2014). Factors affecting insurance consumption in Akwa-Ibom State, Nigeria. *Global Journal of Business and Management, 2* (1), 22 – 27.

[26] Fofie, G.A. (2016). What influence customer patronage of insurance policies: An empirical assessment of socio-economic and demographic determinants of insurance patronage in Ghana. *International Review of Management and Marketing, 6* (1), 81-88.
[27] Gray, D.E. (2017). *Doing research in the business world.* New Delhi: Sage Publications Asia-Pacific Pte Limited.
[28] Hagos, H.A., Kebede, E.Y., & Shewakena, B. (2019). Demand for life insurance and its determinants at household level: Evidence from Dire Dawa City. *Research Journal of Finance and Accounting,* 10 (17), 51 -66.
[29] Harrison, G.W., & Ng, J.M. (2019). Behavioural insurance and economic theory: A literature review. *Risk Management and Insurance Review, 22,*133 – 182.
[30] Herr, H., & Nettekoven, Z. (2017). *The role of small and medium-sized enterprises in development: What can be learned from the German experience?* Friedrich Ebert Stiftung, November.
[31] Hossain, M.J. (2015). Factors affecting insurance consumption: A case study in the Dhaka city. *Manarat International University Studies, 4* (1), 61 – 70.
[32] Idris, A., Asokere, A., Ajemunigbohun, S., Oreshile, A., & Olutade, E. (2012). An empirical study of the efficacy of marketing communication mix elements in selected insurance companies in Nigeria. *Australian Journal of Business and Management Research, 2* (5), pp. 08–18.
[33] Ikupolati, M. (2008). *Principles and practice of insurance marketing – The PMI approach.* Lagos: Nigeria's Insurance Association.
[34] Insurance Information Institute (2005). *Spreading awareness of insurance to small business.* ADB Brief, September.
[35] Isimoya, A.O., Ajemunigbohun, S.S., & Balogun, M.T. (2018). Customers' satisfactions of electronic payment systems in the purchase of insurance products in Nigeria. *Management and Marketing, 16* (2), 181 – 193.
[36] Jeremiah, V. T.; Joseph, O.I. & Innocent, N. O. (2019). Awareness and patronage of the tertiary institutions social health insurance programme (TISHIP) among students of tertiary institutions in Abuja, Nigeria. *Global Journal of Applied Management and Social Science, 17* (August), 32-37.
[37] Karadag, H. (2016). The role of SMEs and entrepreneurship on economic growth in emerging economies within the post-crisis era: An analysis from Turkey. *Journal of Small Business and Entrepreneurship Development, 4* (1), 22-31.
[38] Kautonen, T., Van Gelderen, M., & Tornikoski, E. T. (2013). Predicting entrepreneurial behaviour: a test of the theory of planned behaviour. *Applied Economics, 45* (6), 697–707.
[39] Kempa, S., Pratana, W.A.W., & Sukatmadiredja, N.R. (2016). Insurance policy purchase decision in Surabaya, Indonesia. *SHS Web of Conference, 76,* 1 – 14.
[40] Kothari, C. & Garg, G. (2016). *Research methodology: Methods and techniques. 3rd ed*. New Delhi: New Age International (P) Limited.

Annals of Spiru Haret University.
Economic Series
Since 2000
ISSN:2393-1795 ISSN-L:2068-6900

[41] Kumar, R. (2017). Targeted SME financing and employment effects: What do we know and what can we do differently? *Quantitative Research in Financial Markets, 9* (2), 117 – 131.

[42] Kwofie, C., Yormekpe, D.D., Mensah, S.D., & Botchway, P. (2018). Choosing between alternative motor insurance policies: A discrete choice experiments. *Hindawi International Journal of Mathematics and Mathematical Sciences*, 1-6.

[43] Lorenz, E., & Panmet, S. (2018). Innovation, credit constraints, and national banking systems: A comparison of developing nations *(GREDEG Working Papers 2017 – 61)*, Groupe de Recherihe en Droit, Economie, Gestin (GREDEG CNRS), University of Nice Sophia Antipolis.

[44] Mai, T.H., Nguyen, T.C., Vu, L.L., Bui, V.H., Nguyen, T.T., & Do, D.J. (2020). A study ion behaviour of purchasing life insurance in Vietnam. *Management Science Letters, 10*, 1693 – 1700.

[45] Malini, G.S. (2016). Research of the behaviour consumers in the insurance market. IOSR Journal of Business and Management. *International Conference on Service Marketing,4*, 33 – 37.

[46] Morina, D. & Gashi, P. (2016). The role of SMEs on the economic development: Kosova's case. *CRC-Journal, 3* (5), 167 – 180.

[47] Motilewa, B.D., Ogbari, M., & Aka, D.D. (2015). A review of the impacts SMEs as social agents of economic liberations in development economics. *International Review of Management and Business Research, 4* (3), 903-914.

[48] Nebolsina, E. (2020). The impact of demographic burden on insurance density. *Sage*, 1-18.

[49] Nursiana, A., Budhijono, F., & Fuad, M. (2020). Critical factors affecting customers' purchase intention of insurance policies in Indonesia. *Journal of Asian, Finance, Economics, and Business, 8* (2), 0123 – 0133.

[50] Obalola, M.A., & Ajemunigbohun, S.S. (2017). An analytical study of business risk management among selected small and medium enterprises in Lagos State, Nigeria. *LASU Journal of Business Review, 4* (1), 35 – 46.

[51] Ogundeji, Y.K., Akomolafe, B., Ohiri, K., & Butana, N.N. (2019). Factors influencing willingness and ability to pay for social health insurance in Nigeria. *PLos ONE, 14* (8), 1-10.

[52] Peter, F.O., Adegbuyi, O., Olokundun, M.A., Peter, A.O., Amaihian, A.B., & Ibidunmi, S.A. (2018). Government support and financial performance of SMEs. Academy of Strategic Management Journal, 17 (3), 1-10.

[53] Petrovic, E. & Stankovic, J.E. (2018). *Economic determinants of insurance demand in the Republic of Serbia*. Serbia: University of Belgrade, Faculty of Economics Publishing Centre.

[54] Prinsloo, S., Walker, C., Botha, L., Bruwer, J., & Smit, Y. (2015). The influence of combined assurance initiatives on the efficacy of risk management in retail small

enterprises in Bellville, South Africa. *Expert Journal of Business and Management, 3* (2), 63 – 81.

[55] Seog, S.H. (2010). *The economics of risk and insurance*. West Sussex: John Wiley & Son Limited.

[56] Shahriari, S., & Shahriari, M. (2018). The effect of social and demographic and economic factors on life insurance demand. *International Journal of Management and Social Science Research Review, 1* (28), 200 – 207.

[57] Smit, Y., & Watkins, J.A. (2012). A literature review of small and medium enterprise (SMEs) management practices in South Africa. *African Journal of Business Management, 6*, 6324 – 6330.

[58] Sorsa, B., & Roa, D. (2018). The effect of demographic factors on demand for life insurance in Ethiopia. *International Journal of Advanced Research, 6* (3), 1382 – 1391.

[59] Suh, D.J. (2010, May). Risk and opportunities facing SMEs in the post-crisis era. *Poster presented at the APEC SMEs Training Workshop*, Taipei, Korea.

[60] Sung, K.C.J., Yam, S.C.P., Yung, S.P., & Zhou, J.H. (2011). Behavioural optimal insurance. Insurance: Mathematics and Economics, 49, 418 – 428.

[61] Tsatsenko, N.A. (2020). SME development, economic growth, and structural change: Evidence from Ghana and South Africa. *Journal of Agricultural and Environment, 2* (14), 1-13.

[62] Ulbinaite, A., Kucinskiene, M., & Moullec, Y.L. (2014). The complexity of the insurance purchase decision making process. *Transformation in Business and Economics, 13* (3), 1 – 21.

[63] Wilson, J. (2014). Essential of business research: A guide to doing your research project. 2nd ed. London: Sage Publication Limited.

[64] Zhang, P, & Cain, K.W. (2017). Reassessing the link between risk aversion and entrepreneurial intention: The mediating role of the determinants of planned behaviour. *International Journal of Entrepreneurial Behaviour and Research, 23* (5), 793 – 811.