

## Decomposition of Subjective Norms: Addressing the Importance of Normative Influence in Purchasing Unsought Product

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### Abstract

This conceptual paper addresses the relevance of the determinants affecting subjective norm in influencing purchase intention of unsought product. Using the Decomposed theory of Planned Behavior as the theory bases of discussion, this article discuss the determinant of subjective norms and its decompositions in the context of purchasing unsought product. In the context of this study, unsought product refers to life insurance/Takaful. In Malaysia, life insurance significantly contributes to the growth of the Malaysian market. As the nature of the financial atmosphere grows more competitive, the role of life insurance develops more meaningfully in this industry. This study would be useful to insurance institutions to formulate strategies for sustainability of life insurance in the competitive industry.

**Keywords:** Decomposed Theory of Planned Behavior, Unsought Product, Normative Influence, Insurance Industry, Malaysia.

### Introduction

Life insurance industry is one of the growing industries in Malaysia (Masud et al., 2018). Considering as important components in the Malaysian financial system, life insurance industry contributes to the growth and development of overall financial system (Ching et al., 2010). Nevertheless, the insurance sector has been an important source to the economic development of Malaysia. Basically, there are a lot of contributions and efforts from the government and insurance practitioners around the world in order for the insurance system will become a strong financial system in the world.

Even though the insurance industry has grown rapidly in Malaysia, the penetration rate of life insurance should be taken into consideration. According to Daljit (2011), many Malaysian do

not have Takaful protection even though Takaful market has been established for more than 30 years in Malaysia.

Clearly, even though the existence of life insurance in Malaysia has been more than two decades, there are still untapped markets and lower penetrations rate compared to developed Asian nations (Low et al., 2021). This is questionable why Malaysians are still refusing to being insured by life insurance although they have opportunity to being protected by life insurance. From the Marketing perspectives, life insurance is one of the unsought products in market and requires complicated tasks to selling this particular product. Therefore, marketers need an aggressive marketing strategy to selling this product.

Extending to the above paragraph, an extensive theory is needed to determine the influencing factors that might influence people to purchase unsought product like life insurance or Takaful. Past studies have used Decomposed Theory of Planned Behavior as a theoretical basis to explain the behavioral intention of consumers towards specific purchases (Taylor & Todd, 1995). Although Decomposed Theory of Planned Behavior was introduced to explain from the information technology contextual settings, but the application of this theory had been used countless and has been applied in the different contextual settings (Surjaatmadja, 2022; Tsai et al., 2022; Zahid et al., 2022; Lin et al., 2021; Nyasulu & Chawinga, 2019). For the purpose of this study, this theory was chosen due to a few reasons. Firstly, this theory provides explanatory power. Secondly, the ability of this theory to explained each constructs in details. In other words, this theory provides better understanding for each determinant in the construct.

This study focused on unsought products, specifically life insurance/Takaful and addressing the decomposition of subjective norms (i.e. normative influences), as these factors are considered crucial factors in purchasing unsought product like life insurance or Takaful.

## **Literature Review**

### *Subjective Norm towards intention to purchase unsought product*

Subjective norm is one of the predictor in behavioral intention. According to Ajzen (1991), subjective norm is external pressure from surrounding. In other words, subjective norm is defined as the pressure on individuals to perform specific actions (Ajzen, 1991). Basically, subjective norm are consists of the combination of normative belief about action of given behaviours and the individual's motivation or referral by others to perform the action of given behavior (Fishbein & Ajzen, 1975).

Past studies have documented the significant relationship between subjective norm and intention (Haris et al., 2021; Putri & Akbari, 2021; Yajid et al., 2020; Gu & Wu, 2019). Explained in details, a recent studies by Haris et al's (2021) had found subjective norm significantly influence intention to purchase towards using Taobao.

Next, another recent studies by Putri and Akbari (2021) have found that subjective norm have significantly affect intention. The study was carried out in Java Island, Indonesia with using Partial-Least Square Structural Equation Modeling (PLS-SEM) to analyze the data. Another study by Yajid et al's (2020) had found similar results. The study examines the role of subjective norm in customers purchase intention with using Statistical Package for the Social

Sciences (SPSS). Similarly, Gu and Wu (2019) in their studies had found that subjective norm significantly influence intention. The study examines consumers' online purchasing intention by using two hundred college students as respondents.

*Decomposition of subjective norm construct (i.e. friends influence and family members persuasion)*

The original Decomposed Theory of Planned Behavior framework by Taylor and Todd (1995) decomposed subjective norm construct into two determinants that is "peer influence" and "superior influence". However, due to this study focuses on unsought product, which needs an aggressive marketing approach, therefore the decomposition of subjective norm into friends influence and family members' persuasion is deemed relevant in the context of having the intention to purchase life insurance or Takaful.

It is believed that these two determinants are relevant to be decomposing of the subjective norm construct because an individual believed to be influenced by their friends and family members in purchase decision of goods that appear to be evasive and often not deemed as necessary.

### The Framework for Intention to Purchase Unsought Product

Based on the above discussion, it is further postulated that in reference to unsought goods like life insurance or Takaful, the predictors of behavioural intention as established by TPB needs further enhancement by decomposing further the predictors. Decomposition of subjective norm where subjective norm is further decomposed into two determinants namely friends influence and family members' persuasion as these are deemed relevant in the context of having the intention to purchase life insurance or Takaful. Figure 1 illustrates the conceptualized framework based on the literature review accumulated on the subject.

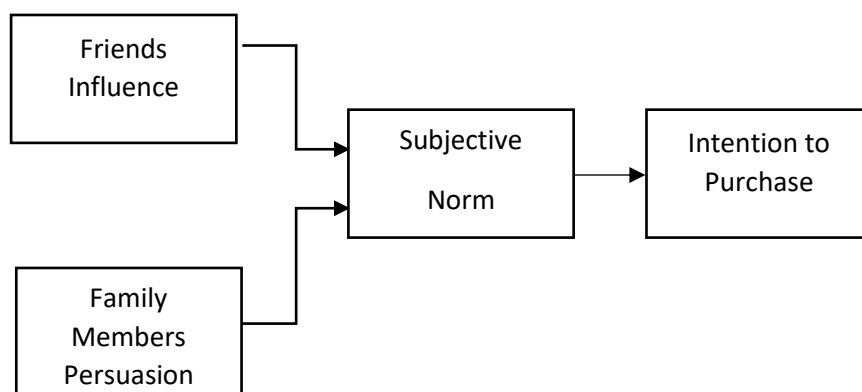


Figure 1: Proposed Framework

### Conclusion

Although this conceptual paper is still at the early stages of comprehending the relevant constructs leading to the development of the framework, there are evidences to suggest that unsought products like life insurance or Takaful require different perspectives of understanding behavioural intention leading to purchase. Therefore, this paper is seeking more in depth understanding of the subject matter (i.e. subjective norm and its decompositions). Although much needs to be done, at this exploratory juncture, it is hoped that some understanding on the implications and its relevance in the incorporation into DTPB

is seen as appropriate and meeting the needs of the product in question. The purchase behavior of consumers for unsought products like life insurance and Takaful needs better understanding in enhancing our knowledge of consumer behavior. This study contributes to the community by providing information regarding the importance of people to be protected and insured by life insurance. Apart of that, this study will contribute in terms of literature review to the researchers world-wide and contribute to insurance operators to improving their marketing strategies.

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