

A summary of doctoral thesis
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Pathologies in consumer behavior on insurance market

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In times of cultural changes, an increase in production, the expansion of the available range of goods and services, as well as the economic crisis caused by the Covid-19 pandemic, understanding of consumer behavior gains on importance. The dynamically changing consumer environment and the associated uncertainty often cause a change in attitudes towards behaviors that previously were considered unacceptable, leading to the spread of pathology in consumer behavior.

In Polish literature, the subject of pathology in consumer behavior is taken up extremely rarely, while in foreign literature, there is a surprising variety of definitions used to describe the nature and scope of this phenomenon. The literature review allowed to distinguish two perspectives in analysis of pathologies in consumer behavior: the consumer's perspective and the company's perspective.

From the consumer's perspective, there are opportunistic consumer behavior, deviant consumer behavior, aberrant consumer behavior, consumer misbehavior, consumer cynicism, unethical consumer behavior, consumer retaliation and defective co-creation of value. The corporate perspective, on the other hand, includes problem customers, jaycustomers, wrong customers, customer badness behavior, customers dysfunctional behavior, unfair customers, disruptive customer behavior, customer mistreatment.

The analysis of definitions shows that the consumer's perspective is more often focused on non-compliance with certain standards of conduct, while the company's perspective more often links pathologies in consumer behavior with consumer's disappointment after transaction.

In this thesis, pathologies in consumer behavior have been defined as behaviors that are contrary to generally accepted standards of conduct in the context of consumption, having a negative impact on both misbehaving consumers and other consumers, employees and the company. Another conclusion coming from the literature review is that the research on pathologies in consumer behavior covers mainly the retail sector, less often focuses on the

services market, ignoring the enormous impact that pathologies in consumer behavior have on companies operating in this area. One of such examples is the insurance market.

On the one hand, insurance services play an extremely important role for consumers, providing them with protection in crisis situations that are difficult to predict, such as serious illness, hospital stay, accident, fire, theft, etc. On the other hand, insurance services are often underestimated by consumers. They provide protection towards events that consumers hope never to experience. For the average Pole, insurance awareness, understood as knowledge about the insurance market, as well as the awareness of the need to insure himself, his family and his property is not high yet, although it is improving year by year.

Insurance services play an important role also in national economy. On the one hand, it is one of the key elements of the country's financial development, and on the other, due to the strong ties between the insurance sector and other sectors of the economy, it is one of the factors of long-term economic growth. This development can be seen both in the increasingly diversified range of insurance services, improved access to them, an increase in value of gross premiums written in direct insurance, an increase in the insurance density index and the insurance penetration index.

Insurance market is based on solidarity. Thanks to the transfer and dispersion of risk it becomes possible to provide insurance protection by paying a relatively small premium. Pathologies in consumer behavior disrupt the operation of this system, causing a decrease in the quality of service provided by insurance agents, an increase in premiums for honest consumers, prolonging and complicating the claims settlement process, as well as undermining the trust on which the entire industry is based.

In the field of research on pathologies in consumer behavior in the insurance market, a holistic view on this phenomenon is missing. The studies focus mainly on the nature of insurance fraud and its impact on insurance companies. This perspective seems insufficient because this phenomenon is multidimensional and takes various forms.

Therefore, taking into account the continuous development of the insurance market, its role in the economy and noticing a gap in the literature on this subject, this thesis describes the phenomenon of pathologies in consumer behavior on the insurance market.

The main purpose of the work was to characterize the phenomenon of pathology in consumer behavior on the insurance market. The theoretical goal was to develop a typology of consumers behaving in a pathological manner on the insurance market.

Supplementary objectives of the dissertation are:

- Objective 1. Conducting a critical review of the scientific achievements characterizing pathologies in consumer behavior.
- Objective 2. Characteristics of the insurance market in Poland in terms of pathologies in consumer behavior.
- Objective 3. Identification of types, scale and frequency of pathologies in consumer behavior in the insurance market.
- Objective 4. Identification of consumer attitudes towards pathologies in consumer behavior in the insurance market and the impact of professed values, machiavellianism and level of happiness on these attitudes.
- Objective 5. Identification of behavioral intentions in the field of pathologies in consumer behavior in the insurance market.
- Objective 6. Identification of the influence of subjective norms, perceived behavioral control, moral obligation and attitudes towards pathologies on the intention to behave in a pathological manner in the insurance market in the future.
- Objective 7. Identification of the impact of consumers' past misbehavior in the insurance market on the intention to repeat these behavior in the future.
- Objective 8. Identification of the impact of neutralization techniques on the intention of pathological behavior in the future on insurance market.
- Objective 9. Identification of the impact of the Covid-19 pandemic on pathologies in consumer behavior on the insurance market.

The implementation of such goals required appropriate methodological solutions. Therefore, the methodological goal of the study was to resolve the conceptual and methodological problems related to the study of pathologies in consumer behavior on insurance market.

The application goal of the work was to identify the methods of preventing pathologies in consumer behavior on insurance market.

The subjective scope of the research were pathologies in consumer behavior on insurance market and their determinants. The objective scope of the research were representatives of insurance companies and adult consumers of insurance services. Direct research was conducted nationwide between 2016 and 2021.

In order to gain better understanding of the phenomenon of pathologies in consumer behavior on insurance market, and to estimate its scale, in this paper it was decided to combine the functionalist and interpretive paradigms by using the triangulation of research

methods representing both approaches. It took the form of an integrated triangulation, in which the qualitative methods are complementary to the quantitative methods.

Due to the nature of the studied phenomenon, a behavioral orientation has been adopted. In the traditional understanding, consumer is perceived as a rational unit that makes decisions from an economic perspective. However, the behavioral orientation takes into consideration the irrationality and the influence of the subconscious in decision-making processes. The starting point in this case are the mutual interactions and interpenetration of the three dimensions of consumer actions: behavior, choice and decision-making.

The research began with a systematic review of domestic and foreign literature on the subject. To a large extent, it was based on current scientific publications contained in international, full-text databases of electronic journals. In this phase, a review and analysis of the current results of empirical research on behavior patterns, pathologies in consumer behavior, types of pathologies and determinants of their occurrence was carried out. Numerous trade magazines, reports of institutions from the insurance sector and publications of the Central Statistical Office (GUS) were also included.

Then, the design of direct research began. The phenomenon of pathology in consumer behavior can be viewed from two perspectives: the enterprise and the consumer. The first was used in the qualitative research phase, during which the following research questions were asked:

1. How do insurance companies' employees define pathologies in consumer behavior on the insurance market and what types of pathologies do they encounter most often?
2. What is the level of social acceptance for pathologies in consumer behavior on the insurance market?
3. What is the scale and frequency of pathologies in consumer behavior on the insurance market?
4. What is the profile of a person behaving pathologically on the insurance market? Are these behaviors intentional?
5. What are the reasons for pathologies in consumer behavior on the insurance market and what are the characteristics of a pathological consumer?
6. What are the consequences of pathologies in consumer behavior on the insurance market?
7. How do insurance companies react to pathologies in consumer behavior? How do they prepare their employees for this circumstances?

8. Can pathologies in consumer behavior on the insurance market be eliminated and how?

The next step was to prepare and then conduct quantitative research focused on consumers. The aim of this stage was to characterize pathological behaviors on the insurance market. The preparation of the research tool started with the conceptualization and operationalization of key categories. For this purpose, both the results of literature studies and the results of qualitative research were used.

The main hypothesis verified in the research was the supposition that pathologies in consumer behavior on insurance market are not a marginal phenomenon, and the most common pathology is unjustified, aggressive and rude behavior of consumers towards insurance companies' personnel.

It was decided to base the research on theory of planned behavior (TPB). That is why the study focused on the assessment of consumers' intention to behave in a pathological way, together with subjective norms, perceived behavioral control and attitude, as well as additional factors. The designed research also looked at neutralization techniques, the impact of consumer values on attitudes towards pathological behavior, and finally the impact of the Covid-19 pandemic on the phenomenon under study.

In the quantitative research phase, the following research hypotheses were verified:

H1: Hedonism, achievements, power, stimulation and machiavellianism are positively correlated with the attitude towards pathology in consumer behavior on insurance market.

H2: Universalism, benevolence, security, conformism, tradition, independence, life satisfaction are negatively correlated with the attitude towards pathology in the behavior of consumers in the insurance market.

H3: Consumers show the strongest intention towards providing false circumstances of the occurrence of harm, if this is a condition for obtaining compensation.

H4: Subjective norms, perceived behavioral control and attitudes are positively correlated with the intention towards pathological behavior on the insurance market.

H5: Moral obligation is negatively correlated with the intention of pathological behavior in the insurance market.

H6: Subjective norms, perceived behavioral control, attitudes towards pathology in consumer behavior and past misbehavior are positively correlated with each other and negatively correlated with moral obligation.

H7: Past misbehavior in insurance market is positively correlated with the intention to behave in a pathological manner in the future, with the strongest relationship between the intention and the lack of consequences in the past.

H8: The use of neutralization techniques is positively correlated with the intention to behave in a pathological manner on the insurance market, with the most popular techniques of condemning the condemners, questioning the victim and questioning the damage.

The thesis consists of five chapters, an introduction and summary. Chapter I is theoretical in nature and attempts to characterize consumer behavior as a starting point for deliberations over consumer pathologies. Then, terminological problems related to the problem of pathologies in consumer behavior were resolved, the determinants of their occurrence were described and their types were characterized.

Chapter II describes the insurance market, both in terms of supply and demand, and then identifies the most important new trends in consumer behavior in the context of insurance services.

Chapter III is the methodical part of the work. It includes an analysis of available sources of information about pathologies in consumer behavior on insurance market and presents the most important conclusions drawn from them. It also describes the most common research methods for consumer pathologies, and then presents the conceptual assumptions, methodology and organization of the own research. At the end of the chapter, the general population and the research sample were characterized.

The last two chapters are empirical and present the results of direct research. Chapter IV begins with the presentation of the results of qualitative research, which allowed for the initial characterization of the phenomenon of pathologies in consumer behavior on the insurance market from the perspective of employees. Then the chapter goes on to present the results of quantitative research. As already mentioned, the phenomenon of pathology in consumer behavior on insurance market has been captured from the perspective of the TPB, and thus all the components of this theory have been discussed. In addition, the role of neutralization techniques was included.

In Chapter V, a typology of consumers expressing positive intentions towards pathological behaviors on the insurance market was created in order to identify the priorities of educational campaigns aimed at counteracting this phenomenon. Moreover, the impact of the Covid-19 pandemic on consumer behavior in the insurance market and pathologies in this behavior were characterized. The work was completed with conclusions drawn from both the

theoretical and practical parts. Moreover, the limitations of the work were discussed and further directions of research in this area were indicated.

In the course of research, it has been noticed that there is no single, commonly used definition of what constitutes a pathological behavior. Employees of insurance companies understand them very differently, taking into account a wide spectrum of manifestations of pathology, including aggressive, vulgar behavior, unjustified negative attitude towards the insurance company and other consumers, behavior that deviates from the norms, excessive bargaining over insurance price, as well as insurance fraud.

The results of primary research also allowed to state that the vast majority of respondents do not show any intention to behave in a pathological manner on the insurance market. According to declarations, the vast majority of respondents did not commit any form of pathology in the past in this context. Moreover, the phenomenon of pathologies in consumer behavior on the insurance market faces rather negative attitude of consumers, while the level of moral obligation among consumers is rather high.

The results of the analysis also show that consumers as part of society are to some extent susceptible to social pressure. The prevalence of a given pathology in consumer behavior on the insurance market and the perceived level of acceptance of this type of behavior by family and friends may largely determine their choices in the future.

It is worth noting that opinions on the consequences of pathologies in consumer behavior vary widely. Probably the consequences that the consumer may suffer if he adopts pathological behavior are not clearly communicated by insurance companies, and the lack of this awareness may motivate them to follow this path.

The created typology allowed to distinguish three types of pathological consumers: "moderate" consumers (48.0%), "opportunistic" consumers (38.0%) and "independent" consumers (14.0%). The largest typological group, "moderate" consumers, are characterized by a moderate intention of pathological behavior on the insurance market, they are rather convinced that their friends and family would accept their pathological behavior, perceive pathological behavior on the insurance market as moderately easy and most often rationalize their bad behavior using the technique of appeal to higher reasons, the technique of questioning the victim or the technique of questioning the responsibility. They are rather strongly attached to their values, and they attach the greatest importance to security, conformism, kindness, independence and achievement. They are most prone to withholding information that could reduce the insurance premium, flirting with an insurance company employee when dealing with insurance, and engaging in moral hazard.

The literature review carried out for the purposes of this work, as well as the analysis of the results of direct research, constitute a voice in the scientific discourse on pathology in consumer behavior on the insurance market. Previous research in this area focused primarily on pathological behaviors in retail, rarely covering services, including the insurance market. The multidimensional analysis of pathologies in consumer behavior in the insurance market and the typology of pathological consumers constitute a significant contribution to the development of theory in this field.

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