FACTORS AFFECTING VIETNAMESE PEOPLE'S INTENTION TO BUY VOLUNTARY RETIREMENT INSURANCE

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Abstract: ***The study aims to investigate the factors influencing the intention to purchase retirement insurance products of Vietnamese people. Based on the Theory of Planned Behavior (TPB) combined with the Information Integration Theory (IIT), the study assesses the direct impact of factors such as: risk perception, subjective norms, attitude towards purchasing behavior, financial literacy, and communication about retirement products on the intention to purchase retirement insurance of Vietnamese people. The study sample consisted of 281 customers of different ages to explore their intention to purchase retirement insurance products. The results show that, except for the risk perception factor which did not affect the intention to purchase retirement insurance, the other four factors all had a positive impact on the intention to purchase retirement insurance products of Vietnamese people. The study then suggests some implications for life insurance companies and the government to help promote the purchase of retirement insurance among Vietnamese people.***

• Keywords: *purchase intention, retirement insurance, TPB, IIT.*

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1. Introduction

Nowadays, population aging is becoming an increasingly evident trend in Vietnam. Together with the limitations of social security system, it is imposing substantial financial pressure on families responsible for supporting the elderly - those who have passed the legal working age. In response to this challenge, voluntary retirement insurance (VRI) emerges as an effective tool to contribute to the implementation of the State's social security policy, creating a multi-pillar pension system to to provide financial stability for senior citizens. The development of voluntary pension funds managed by life insurance companies is of great significance, contributing to ensuring social security, increasing the coverage of social security policies to the entire workforce and the elderly population. Therefore, since 2014, the Ministry of Finance has licensed life insurance companies to provide VRI products and services to eligible individuals (Circular 115/2014/TT-BTC). However, empirical observations indicate that implementation outcomes remain suboptimal, with the VRI scheme encountering numerous operational difficulties and structural barriers. From the demand side, a research question is raised: Why is the potential of the market so large (when the coverage of health insurance under the Social Insurance is still very modest) but life insurance companies cannot exploit it? What factors influence the intention to participate in retirement insurance of Vietnamese people? This study hopes to find the answer to the above question.

2. Literature review, theoretical background and research model

2.1. Literature review

Research on voluntary pension system and retirement insurance (RI) is an interesting research issue, which has attracted the attention of many researchers in the world and in Vietnam. There have been many published works with different approaches and research scopes.

Studies on factors influencing voluntary retirement participation behavior include: Lin Liyue, Zhu Yu (2006), Lenn Art, Moen and Rundmo (2004), Jannette Weir, Edward Ripley (2014), Orla Gough, Roberta Adami (2014), Amlan G and Shrutikeerti K (2016), Sondang Martha Samosir et al. (2020), Guo Wu and Jiajing Gong (2023). These studies were conducted in India, China, Malaysia, and Indonesia. The above studies all attempted to comprehensively identify factors influencing purchase intentions, but the results were not entirely consistent. The common factors in the studies are: (1) Influence of relatives, (2) Investment benefits, (3) Media factors, (4) Psychological factors, (5) Social security awareness, (6) Attitude and (7) Income.

Studies in Vietnam have studied the factors affecting the intention to purchase private health insurance in Hanoi by Nguyen Nhat Ha et al (2020); research on factors affecting the intention to purchase life insurance by Nguyen Thi Anh Xuan (2004), Mai Thi Huong et

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al (2020); research on factors affecting the intention to participate in voluntary retirement insurance by Thanh Thuy (2016). Nguyen Tien Dung et al (2015) have studied the factors affecting the intention to purchase voluntary retirement insurance of people in Ho Chi Minh City. These studies show that the factors affecting customers' purchase intention are (1) Subjective norms, (2) Attitude towards purchasing behavior, (3) Attitude towards risk/Risk tolerance, (4) Financial knowledge, (5) Perception of income, (6) Convenience, (7) Information about insurance companies.

From the research overview, it can be seen that although there are many published studies with different sample sizes and research subjects, nowadays customers are also influenced by media information about retirement insurance. Therefore, the research integrates factors such as: Risk perception, Subjective norms, Attitude towards purchasing behavior, Financial knowledge, and communication about retirement products to further understand the impact of each of these factors on the intention to purchase retirement insurance of Vietnamese people. This is the research gap that needs to be clarified in this study.

2.2. Theoretical background

An enterprise voluntary pension fund is defined as a financial institution that helps manage money for pension programs (OECD, 2005). This institution can exist in the form of a legal entity (trust fund, independent fund) or an independent fund without legal status but managed by a professional pension fund management company. According to Donald DePamphilis (2011), Edward A. Glickman (2014), Rajesh Kumar (2016), John L. Teall (2019), enterprise voluntary pension funds are established based on contributions from employers and employees, operated by financial intermediaries on behalf of the company or the company's internal pension funds. Voluntary retirement insurance is a form of insurance based on the principle of voluntary payment of premiums to receive financial security when reaching retirement age. The provision of VRI via life insurance companies serves as an effective mechanism for contributing to the State's social security objectives, thereby fostering a multi-pillar pension system to safeguard the welfare of the elderly in retirement. The necessity for this additional pillar of voluntary insurance is demonstrated by the global practice, as compulsory social insurance often fails to provide coverage for the entire workforce. Furthermore, as a prepaid financial product for future consumption, VRI participation necessitates careful planning based on an informed awareness and thorough understanding by prospective buyers.

2.3. Research model

This study is built mainly on Ajzen's (1991) Theory of Planned Behavior (TPB), according to which, the intention to perform a behavior is influenced by three main factors: attitude toward the behavior, subjective norms, and perceived behavioral control. In the context of this study, attitude toward purchasing retirement insurance reflects an individual's overall assessment of the positive or negative level of the behavior of purchasing this product; subjective norms represent social pressure or expectations from influential people such as family, friends, or financial advisors; meanwhile, the level of understanding about RI and the ability to control finances are considered factors that influence perceived behavioral control, reflecting an individual's belief in his or her autonomy and decision-making ability. TPB thus provides a solid framework to explain how cognitive and social factors influence the intention to purchase RI products.

In addition, the study also incorporates Anderson's (1981) Information Integration Theory (IIT) to explain the role of communication and product knowledge in forming attitudes and intentions. According to IIT, consumers synthesize information from multiple sources - including personal experience, communication messages, and product knowledge - to make an overall evaluation. Communication activities of insurance companies can shape perceptions, create positive attitudes, and reinforce purchase intentions for retirement insurance products.

The factors identified include: Perception of risks for old age, Attitude towards buying retirement insurance, Subjective norms about retirement insurance, Understanding of retirement insurance and retirement insurance products of life insurance companies, Communication about retirement insurance products. The dependent variable is Intention to buy retirement insurance of life insurance companies.

The research model proposes the following research hypotheses:

H1: Risk perception has a positive impact on intention to buy RI.

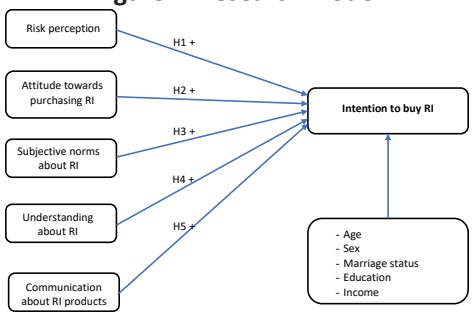
H2: Attitude towards purchasing RI has a positive impact on intention to buy RI.

H3: Subjective norms about RI have a positive impact on intention to buy RI.

H4: Understanding of RI and RI products has a positive impact on intention to buy retirement insurance.

H5: Communication about RI products has a positive impact on the intention to buy RI.

Figure 1: Research model



Source: Author's proposal

The scale of variables of the research model is shown in the following table.

Table 1: Scales and encode variables in the model

Code	Variables and Scales	Source
RP	**Risk perception**	Ajzen (1991); Brahmana et al (2018); Mai Thi Huong (2019);
RP1	I think that life is increasingly risky, especially in old age.	
RP2	I believe that the increase in life expectancy will lead to risks to my life, especially in old age.	
RP3	I consider the increase in life expectancy (much more than expected) to be a completely serious problem.	
RP4	I worry that I will be responsible for any financial problems that may arise if I live longer (more than expected)	
RP5	I listen to other people's advice about financial planning for the future, especially about buying retirement insurance for old age.	
APRI	**Attitudes toward purchasing retirement insurance**	Nguyen Ngoc Hien & Le Thi Thanh Hoa (2023); Ajzen (1991)
APRI1	I think buying retirement insurance from a life insurance company is a necessary choice.	
APRI2	I think buying retirement insurance from a life insurance company helps me plan my financial future.	
APRI3	I think buying retirement insurance from a life insurance company helps me feel secure in my work and enjoy life in the present.	
APRI4	I think buying retirement insurance from a life insurance company is a way to save for the future and stabilize my life when I retire.	
APRI5	I trust and feel secure about buying retirement insurance from life insurance company.	
SNRI	**Subjective norms for retirement insurance**	Nosi at al (2014); Fishbein & Ajzen (1985); Brahmana et al (2018)
SNRI1	My relatives think I should buy retirement insurance from a life insurance company.	
SNRI2	My organization/business supports me to buy retirement insurance from the life insurance company.	
SNRI3	Everyone in my surroundings supported me to buy retirement insurance from the life insurance company.	
SNRI4	The retirement insurance advertisements urged me to consider purchasing this insurance from the life insurance company.	
SNRI5	Most of the people involved wanted me to buy retirement insurance from the life insurance company.	
URI	**Understanding of retirement insurance and retirement insurance products**	Nguyen Ngoc Hien & Le Thi Thanh Hoa (2023); Jacobs-Lawson &Hershey (2005)
URI1	I understand the current regulations on retirement insurance of life insurance companies in Vietnam (participants, participation procedures, fees, benefits, etc.)	
URI2	I clearly understand my rights when participating in retirement insurance of life insurance companies in Vietnam.	
URI3	I am confident in my ability to plan financially for my future.	
URI4	Retirement insurance from life insurance companies provides the main financial support for me after retirement.	
URI5	I have enough knowledge to buy retirement insurance from life insurance companies.	
CRI	**Communication about retirement insurance products (products accessibility)**	Bui Trung Kien (2023); Esfahani et al (2014)
CRI1	Mass media (Internet, social networks, television, etc.) provide a lot of information about retirement insurance.	
CRI2	I can easily find detailed information about retirement insurance products of life insurance companies.	
CRI3	Life insurance companies advertise their retirement insurance products through many channels.	
CRI4	The advertisements for retirement insurance products of life insurance companies attract me.	
CRI5	When I need to find information about retirement insurance products, I know exactly what information to get and where to get it.	
IBRI	**Intention to buy retirement insurance from life insurance company**	Ajzen (1991); Esfahani et al (2014); Brahmana et al (2018)
IBRI1	When there is a need and suitable conditions (financial capacity, insurance premiums, etc.), I will buy retirement insurance from the life insurance company.	
IBRI2	I will proactively seek information to buy retirement insurance from the life insurance company.	
IBRI3	I will buy retirement insurance from the life insurance company in the near future.	
IBRI4	My intention to choose to buy retirement insurance is very strong.	
IBRI5	I will recommend to others about choosing to buy retirement insurance from life insurance companies.	

3. Research methodology

To conduct this study, the author applied non-probability sampling with convenience sampling technique combined with the "snowball" principle. The questionnaire was designed on Google Form and sent to respondents online via zalo and email. After six months of collecting survey forms (May 2025 - October 2025), a total of 324 forms were collected. Through data cleaning, 281 valid responses were found, reliable enough to be included in the analysis model. This sample size meets the minimum requirements to ensure reliability (Hoyle, 1995). The data was analyzed using SPSS 26. The main characteristics of the sample (N=281) include: the working-age group accounts for 89.6%, the non-working-age group of respondents accounts for 10.4%; Urban living area 91.8%, Rural and Mountainous 8.2%; Occupational characteristics: working in the public sector 43.4%; private sector 45.2% and self-employed 11.4%; Educational level: Most of them graduated from university and above, high school level only accounts for 3.9%; Average income/month 10 million - 32 million VND accounts for 59%, income under 5 million VND/month accounts for only 6% and income over 80 million VND/month accounts for only 2.8%.

The next step is to use the structural model analysis method with PLS-SEM of SmartPLS4 software. Before analyzing the structural model, it is necessary to check the measurement model (Henseler et al., 2017).

4. Research results and discussion

4.1. Evaluation of measurement models

Evaluation of the measurement model (outer model) according to Hair et al. (2016) includes testing reliability, convergence and discrimination. Initially, the outer loading of the observed variables were all >0.7, except RP1 (0.580). After removing RP1 and re-analyzing, the outer loading of all observed variables were from 0.701 to 0.903. All variables had Cronbach's Alpha and CR (Rho_C) > 0.7. Convergence testing showed that the average variance extracted (AVE) of all 4 variables exceeded the minimum recommended level of 0.5 (Hair et al., 2016). Thus, the results (Table 2) confirmed that the scales met the requirements of reliability and convergence.

Table 2. Reliability and convergent validity of variables

Code	Variables and Scales	Cronbach's Alpha	CR Rho_C	AVE
RP	Risk perception	0.803	0.870	0.626
APRI	Attitude towards purchasing RI	0.931	0.932	0.784
SNRI	Subjective norms about RI	0.911	0.911	0.739
URI	Understanding about RI	0.875	0.909	0.667
CRI	Communication about RI products	0.911	0.933	0.737
IBRI	Intention to buy RI	0.910	0.933	0.735

Source: Author's analysis

Next, the author tests the discriminant validity of the variables in the study using the HTMT index which must be less than 0.85 (Kline, 2018) or less than 0.9 (Henseler et al., 2015). Table 3 shows the results of the pairs of variables that meet the requirements of discriminant validity.

Table 3. Discriminant Values

	SNRI	URI	RP	APRI	CRI	IBRI
SNRI						
URI	*0.764*					
RP	*0.591*	*0.475*				
APRI	*0.689*	*0.581*	*0.675*			
CRI	*0.711*	*0.770*	*0.328*	*0.552*		
IBRI	*0.806*	*0.764*	*0.541*	*0.729*	*0.718*	

Source: Author's analysis

4.2. Evaluation of structural model

To evaluate the structural model, the author first conducted a multicollinearity test. The VIF index of the study ranged from 2.127 to 12.660, which is much smaller than the recommended level of VIF coefficient <3 (Hair et al, 2016), so it can be concluded that there is no multicollinearity phenomenon in this research model.

Next, the hypotheses were tested by one-tailed bootstrapping for the direct relationships. The results are reported in Table 4 and Figure 2. The above results show that hypotheses H2, H2, H4, H5 are accepted (p - value > 0.05) and do not contain 0 in the CI confidence interval (hair et al. 2016), which means: Attitude towards buying RI purchase behavior, Subjective norms about RI, financial knowledge, communication about RI products have a direct impact on customers' intention to buy RI. The research results show that risk perception has no impact on customers' intention to purchase insurance with p- value =0.381 > 0.05 and contains 0 in the CI confidence interval.

Table 4. Structural model evaluation results

Hypothesis	Original Sample (O)	*T* statistics (|O/STDEV|)	*P*-values	CI		Result
				5%	95%	
H1: RP → IBRI	0.019	0.304	0.381	-0.084	0.122	Reject
H2: APRI → IBRI	0.270	4.232	0.000	0.169	0.377	Accept
H3: SNRI → IBRI	0.285	3.771	0.000	0.163	0.410	Accept
H4: URI → IBRI	0.222	3.435	0.000	0.111	0.323	Accept
H5: CRI → IBRI	0.178	2.317	0.009	0.056	0.389	Accept

Source: Author's data analysis results

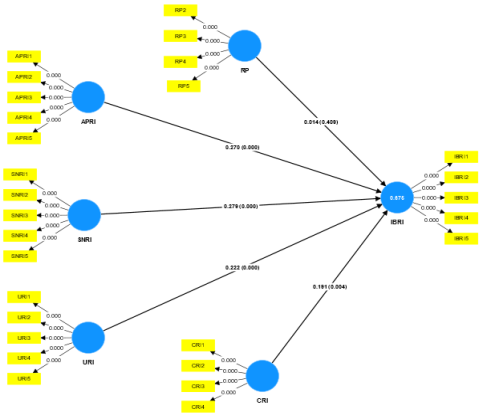
The adjusted R2 coefficient of the insurance purchase intention variable is 0.666. That means the variables in the research model explain well the change in the intention to buy retirement insurance (Hair et al., 2016) and the strength of the impact of the independent variables on the dependent variable is the purchase intention is assessed by the coefficient f2, the results show that the purchase attitude has the strongest influence on the intention to buy retirement insurance with an average impact level (f2 = 0.105) and the remaining variables have a small impact on the intention to buy retirement insurance. The results of the adjusted R2 coefficient and f2 are shown in Table 5

Table 5: Adjusted R^2 and f^2 results

	f^2	VIF	Adjusted R^2
RP → IBRI	0.001	1.687	
TDM → IBRI	0.105	2.127	
SNRI → IBRI	0.093	2.430	
URI → IBRI	0.092	2.259	
CRI → IBRI	0.043		
IBRI			**0.666**

Source: Author's data analysis results

Figure 2: Structural Model



Source: Author's data analysis results

Discuss the research results

- The Attitude factor towards purchasing behavior has a positive impact on the intention to purchase RI (β = 0.285, p - value < 0.05), agreeing with the research results of Nguyen Ngoc Hien & Le Thi Thanh Hoa (2023), Thanh Thuy (2016), Thu Huong et al. (2022). This means that when each individual has a positive attitude towards their future retirement plan, they are more likely to see the benefits of RI, they will be willing to spend a financial amount in the present to participate in VRI.

- The subjective norm factor has a positive impact on the intention to buy retirement insurance (β = 0.285, p-value <0.05). This result is supported by the research results of Nosi & colleagues (2014). This result is consistent with TPB Theory, according to which, individual behavior is not only influenced by personal

perception and attitude, but also strongly influenced by social factors, especially the pressure to comply with social expectations. In the context of East Asian culture in general and Vietnam in particular - where social relationships and community values have a profound influence - the subjective norm factor often has a strong impact on financial consumption behavior, especially for products related to security and long-term investment such as retirement insurance.

- Understanding about RI and RI products has a positive impact on the intention to buy retirement insurance (β = 0.222, p-value <0.05). This result is similar to the study of Bui Trung Kien (2023). This shows that the level of understanding and awareness of consumers about the characteristics, benefits, and operating mechanisms of insurance products plays an important role in forming the intention to participate in this type of insurance. The results are also consistent with the TPB theory when it states that perceived behavioral control is a factor reflecting an individual›s belief in their ability to perform the behavior themselves, and this factor is often directly influenced by knowledge, experience, and understanding of that behavior.

- The new point of the study is that communication about RI products has a positive impact on the intention to buy them (β = 0.178, p- value <0.05). This shows that the level of access to information and the quality of communication about RI products from insurance companies play an important role in forming consumers' purchase intentions. When communication messages are clearly designed, easy to understand, and emphasize the protection and long-term benefits of retirement insurance, consumers tend to form a positive attitude and increase their desire to participate in the scheme. This result is also consistent with previous studies by (Al Mamun et al., 2021) and (Nosi et al., 2017).

- Awareness of risks in increasing life expectancy can be considered as one of the important factors affecting the intention to participate in voluntary retirement insurance. However, the research results show that this factor does not affect the intention to participate in VRI of Vietnamese people. This can be explained by the East Asian culture of "relying on your children when old" and the habit of wealth hoarding; the survey results also show that 64.4% of respondents deposit savings in banks, 6.4% buy gold to store from monthly income after spending; in terms of financial preparation for old age, 52.3% of respondents have 2 or more regular sources of income. This may make them feel less pressure in life and less motivated to participate in voluntary retirement insurance.

5. Conclusion and implications

Based on the above analysis, the author believes that in order to increase the positive impact of factors on the intention to buy voluntary retirement insurance of Vietnamese people, some specific actions are needed, including: Firstly, insurance companies need to promote communication about voluntary retirement insurance products in many forms and many different channels, especially focusing on the spread and popularity of the internet and social networks. On the other hand, it is necessary to diversify retirement insurance products to suit different needs of customers, increase access to voluntary retirement insurance for people through diverse distribution channels, especially focusing on online distribution channels (digitalization of services). Secondly, the Government needs to conduct national communication about retirement insurance, further promote financial education for people, have policies to encourage savings and investment for retirement, in order to motivate people to participate in voluntary retirement insurance.

Beside the above results, this study still has some limitations such as the survey sample is quite small compared to the population size, the number of respondents who are freelance workers, people in rural and mountainous areas in the sample is still low, leading to the assessment of the intention to buy voluntary retirement insurance is not comprehensive. In the future, when there are conditions in terms of time and budget, the author hopes to continue to expand the scale of the survey and conduct more in-depth research on the intention to buy voluntary retirement insurance to have a more comprehensive and in-depth assessment, as a basis for promulgating policies as well as having appropriate strategies to develop voluntary retirement insurance in Vietnam.

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