

Behavioral Characteristics and Influencing Factors of Young Consumers in the Insurance Market

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Abstract

Against the backdrop of the Healthy China strategy, the insurance behavior of young consumers presents new characteristics such as enhanced autonomy, a shift toward proactive risk management, stronger personalized demands, and higher expectations for online experiences. In response to changes in young consumers' risk awareness and consumption philosophy, this paper analyzes influencing factors from four dimensions: economic income, risk perception, social environment, and internet penetration. It proposes that insurance companies should focus on digital innovation, precise product development, social platform marketing, and popularization of insurance education, to promote the transformation of young people's insurance demand from passive risk transfer to proactive long-term planning, and to help the insurance industry and young groups achieve win-win development.

Keywords: Young Consumers, Insurance Behavior, Risk Management, Digital Marketing

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1. Introduction

In recent years, with the advancement of the “Healthy China” strategy and the continuous optimization of the insurance market structure, the younger generation in China has gradually become an important force in insurance consumption. Compared with traditional consumers, young people place greater emphasis on independent decision-making, online channels, and personalized protection, demonstrating strong risk management awareness and diversified needs. However, their mastery of insurance knowledge and depth of risk perception remain insufficient, making them susceptible to the influence of online information and marketing, which can lead to imbalanced protection allocation. This coexistence of growing demand and limited understanding makes the study of young consumers’ insurance behavior particularly significant.

Theoretically, focusing on the younger demographic helps enrich the theory of insurance consumption behavior, particularly by supplementing analyses of age structure differences and the impact of digitalization. Practically, identifying the factors that influence young people’s insurance decisions can assist insurance companies in optimizing product design and marketing strategies, and help regulators improve financial literacy education and risk communication. Based on this, this paper aims to examine the behavioral characteristics of young consumers in the insurance market and the factors influencing them, providing a reference for industry practice and policy-making.

2. Literature Review

Early domestic studies on insurance consumption mainly focused on the relationship between macroeconomic variables and insurance demand. For instance, Li Qiaoling (2014) found that income level and savings rate had a significant positive impact on life insurance demand. In recent years, research has shifted toward micro-level perspectives, emphasizing consumer psychology and behavioral biases in different population segments. Guo Zhenhua and Zhu Shaojie (2022) found that Chinese insurance consumers generally tend to underestimate low-probability, high-loss risks and prefer savings-type or investment-type products—traits that are especially prominent among younger groups.

Regarding risk perception and financial literacy, Zhou Linyi and Chen Xiaofeng (2023), based on a university student survey, found that in the context of “Internet + insurance,” young consumers often have insufficient risk prevention awareness, limited understanding of insurance terms, and are prone to making impulsive decisions under the influence of self-media information. At the same time, the use of social media not only improves access to insurance information but also increases the risk of marketing misguidance. The survey also showed that young people who frequently view insurance-related short videos or articles have a significantly higher purchase intention than other groups.

International studies indicate that young consumers' insurance decisions are shaped by multiple factors, including income capacity, risk perception, adaptability to digital channels, and social expectations. For example, a cross-national survey by the Society of Actuaries (2023) found that more than half of consumers aged 21–34 prefer to purchase insurance via mobile devices, and that, following the pandemic, they place greater emphasis on health and life coverage. This aligns with the domestic trend of “digital reliance + heightened risk awareness” among young consumers.

Overall, existing research has identified the roles of economic level, risk perception, internet usage, and psychological factors in shaping young consumers' insurance behavior. However, most studies analyze these factors in isolation and lack an integrated perspective. Particularly under the backdrop of China's rapid digitalization and generational shifts in attitudes, the comprehensive driving mechanisms of young people's insurance consumption remain underexplored. Building on existing findings, this paper will conduct a systematic analysis of behavioral characteristics and influencing factors, taking into account China's specific market environment.

3. Behavioral Characteristics of Young Consumers in the Insurance Market

3.1 Enhanced autonomy in insurance decision-making

Young consumers exhibit a distinct tendency toward autonomy in the insurance consumption process. In the past, insurance purchases were mostly based on recommendations from family elders or insurance agents, and young people passively received information and products. However, with the popularization of the internet and the awakening of self-awareness among young people, they tend to take the initiative to learn about insurance products through multiple channels. Surveys show that today's post-90s and post-00s are more inclined to conduct self-research when purchasing insurance, using social media, short video platforms, and professional review websites to comprehensively analyze and compare the cost-effectiveness and service quality of products, and independently choose insurance products that suit their own needs.

3.2 Shift from risk transfer to proactive risk management

Young consumers' demand for insurance products is shifting from traditional risk transfer to risk management and proactive planning. In the past, the mainstream customer groups in the insurance market mainly focused on compensation for property loss or health risks, and insurance was regarded as a simple protection tool. With the advancement of macro-level health strategies and the overall improvement of societal risk awareness, young people are experiencing a shift in health protection needs from passive response to proactive planning (Zhang Xiyue et al., 2024). Nowadays, young people pay more attention to risk prevention and proactive management. They not only focus on traditional accident insurance

and medical insurance, but are also increasingly purchasing critical illness insurance, annuity insurance, and savings-type insurance, actively building long-term risk planning and wealth management strategies. Young consumers tend to plan in advance for future life stages, such as marriage, childbirth, education, and retirement.

3.3 Stronger personalized demands

The personalized consumption demands of young consumers are extremely prominent. Unlike the standardized insurance needs of the previous generation, young people display a high degree of diversity and personalization in their insurance preferences. On the one hand, this is due to differences among young people themselves, such as occupation, interests, and living habits; on the other hand, it stems from the ease of obtaining information in the internet era. Young consumers not only pursue personalized product terms and additional services, but are also more willing to actively propose specific needs to insurance companies and seek customized solutions. For example, many young people are keen on sports or outdoor adventures, and their demand for high-risk activity insurance has greatly increased. Emerging insurance types such as pet insurance and insurance for electronic products have also rapidly gained popularity among young consumers.

3.4 Higher expectations for digital experience

Young consumers have increasingly high expectations for online experiences, and insurance companies are facing greater challenges in meeting these digital expectations. As digital natives, modern young people have very high requirements for the convenience, immediacy, and interactivity of online consumption. Surveys show that young consumers are often more inclined to purchase insurance via mobile channels such as apps, mini-programs, and social platforms, and they have high expectations for platform interaction fluency, service response speed, and the overall convenience of the purchase process. Compared with the traditional single-channel sales model, young consumers prefer a purchase process that incorporates social interaction elements, consumption incentives, and fun, which requires insurance companies to increase investment in digital technology and continuously optimize user interfaces and experiences.

4. Influencing Factors of Young Consumers' Insurance Behavior

4.1 Economic level

The current income distribution among young consumers shows a clear polarization trend. Higher-income individuals tend to have stronger purchasing power and are more willing to allocate resources to diversified insurance products, including long-term and investment-linked plans. Conversely, lower-income young people often prioritize essential or short-term coverage due to budget constraints. Economic conditions not only determine the affordability of premiums but also influence perceptions of insurance as a necessary

expenditure versus a discretionary choice.

4.2 Risk perception

Young consumers generally demonstrate a more proactive approach to risk awareness compared to older generations, recognizing the potential for unexpected health or financial events. However, their perceptions can be inconsistent, as they are easily influenced by online information, advertising, or peer opinions, which sometimes leads to misconceptions or overconfidence. Empirical research shows that accurate risk perception and solid insurance knowledge significantly enhance willingness to purchase, making targeted education a key driver for informed decision-making.

4.3 Social environment

Broader social and demographic trends have a direct impact on young consumers' insurance behavior. Issues such as population aging, competitive job markets, and the postponement of marriage and childbearing create a heightened sense of uncertainty about future financial stability. In response, many young people start to consider pension, health, and accident insurance earlier in life. Social norms and peer influence also play a role, with insurance purchases becoming more common when they are perceived as part of responsible adulthood.

4.4 Internet penetration

The widespread availability of internet services and mobile technology has transformed how young people learn about and purchase insurance. Digital platforms provide instant access to product information, price comparisons, and user reviews, enabling more informed choices. This accessibility not only increases awareness but also encourages a shift toward online transactions, reducing reliance on traditional sales agents. As a result, internet penetration serves as both a catalyst for insurance adoption and a tool for ongoing consumer engagement.

5. Policy and Marketing Recommendations

5.1 Deepen digital marketing and service upgrades

Insurers should leverage advanced digital tools to reach young consumers through their preferred online platforms, including social media, mini-programs, and mobile applications. This involves not only advertising but also delivering interactive, personalized user experiences that make product exploration engaging. Service upgrades such as instant policy issuance, AI-based customer support, and seamless claims processing can significantly improve satisfaction, fostering trust and loyalty in a demographic highly sensitive to service efficiency.

5.2 Develop personalized and scenario-based products

Given the diversity of lifestyles and needs among young consumers, insurers should

design products tailored to specific life scenarios, such as travel, extreme sports, pet care, or freelance work. These products should offer flexible coverage options, affordable entry points, and customizable features that resonate with individual circumstances. Scenario-based design enhances relevance, while personalization increases the perceived value of insurance, encouraging adoption and long-term retention within this market segment.

5.3 Optimize social media and brand strategies

Building a modern, relatable brand image is essential for engaging young consumers who value authenticity and interactivity. Insurers should utilize social media platforms not only for promotion but also for education, community building, and real-time engagement. Campaigns that incorporate storytelling, influencer partnerships, and user-generated content can humanize the brand. Consistent and transparent communication helps bridge the trust gap and aligns the company's image with the values and lifestyle aspirations of the target audience.

5.4 Strengthen insurance literacy and risk education

To address knowledge gaps and misconceptions, insurers and regulators should invest in accessible, practical educational initiatives. These can include short-form video explainers, gamified learning modules, and interactive webinars that demystify policy terms and coverage benefits. Education should focus on building long-term financial planning awareness, enabling young people to evaluate products critically. A more informed consumer base is better equipped to make rational choices, reducing the likelihood of mis-selling and enhancing overall market health.

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