

Social Relations and Insurance Awareness of Residents

Jingjing Zhou

Department of Sociology, Nanjing University, Nanjing, Jiangsu, 210049, China

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ABSTRACT Compared to the West, the insurance industry in contemporary China is still in the primary stage: the resident awareness of insurance is relatively weak; individual insurance agent is still the main way of marketing for insurance practitioners, accounting for more than half of their total business volume. The question is: what role are social relations playing in insurance marketing? This paper aims to examine the relations and behaviors of residents in the process of insurance consumption based on an empirical investigation of urban and rural residents in Nanjing. The results showed that people are generally more inclined to believing information provided by strong ties, while being most skeptical about information from weak ties; people have the least trust in strangers in weak social relations; and people's insurance awareness is embedded in their social interaction networks, affected by their social interactions.

INTRODUCTION

Accidents will happen. The role of insurance is to effectively transfer risks, using everyone's money to compensate policyholders suffering damage for their economic losses and to solve their problems, so the importance of insurance is self-evident. As China's insurance industry is entering a new stage of deepening reform, fully opening up and accelerating development, insurance is serving more and more economic and social areas and assuming increasingly heavy social responsibility. Whether it is the Wenchuan earthquake in Sichuan, the centennial event Beijing Olympics, or the implementation of the mandarin traffic liability insurance regime, the lift of the ban on real estate investment, the response to international financial crisis, or the participation in medical dispute mediation, investment in communities for seniors, the NCMS (new rural cooperative medical system) construction, or the expansion of agricultural insurance coverage, the launch of the environmental liability insurance pilot, China's insurance industry is striving to improve the ability to achieve scientific development and to serve the economy and society at macro level and thus has made remarkable achievements in exploring the development road for the insurance industry with Chinese characteristics and guaranteeing the people's livelihood. Since 1980 China restored domestic insurance business, China's insurance industry after nearly 20 years of development has maintained a growth rate of nearly 30 percent annually, becoming the fastest growing industry in China's national economy. In 2014 China's national pre-

mium revenue exceeded 2 trillion yuan, total insurance industry assets exceeded 10 trillion yuan; insurance industry provided risk protection for 1,114 trillion yuan for the whole society, insurance claims and payment was 721.62 billion yuan. "2014 is a year of historic significance to the insurance industry," said CIRC Chairman Xiang Junbo at the 2015 National Insurance Regulatory Work Conference held on January 26, the State Council has issued in succession "Several Opinions on Accelerating the Development of Modern Insurance Industry" and "Several Opinions on Accelerating the Development of Commercial Health Insurance", making a comprehensive plan on the reform, development and supervision of insurance industry in the new era and proposing the strategic objectives to speed up the construction of an insurance power in the world and the systematic supporting policies. At the same time, adhering to the principle of steady advance the insurance industry has embarked on the fast lane of development. CIRC latest statistics show that in 2014 the national premium revenue exceeded 2 trillion yuan, total insurance industry assets exceeded 10 trillion yuan, in which the insurance premiums increased by 17.5 percent, up six percentage points from last year, recording the highest since the international financial crisis. Among them, the property insurance premium income was 720.3 billion yuan, an increase of 16 percent; personal life insurance premium income was 1.3 trillion yuan, up 18.2 percent (Liu 2015). At the same time, however, the Swiss Re-insurance Sigma report showed that in 2013 the insurance expenditure per capita in the global market was \$ 652, in de-

veloped markets \$ 3,621. Among them, the United States, Japan, Britain and France, known as the premium income powers, saw the insurance density in 2013 of \$ 3,979 / person, \$ 4,207 / person, and \$ 4,561 / person, \$ 3,736 / person respectively, while China's insurance density to 2014 was only \$ 237.2 / person, a difference of 20 times (Li 2015). This is apparently a sharp contrast to China with a population of nearly 1.3 billion people, continuous rapid growth in economy, and great improvement in people's living standards.

Recently, a research team on China's insurance market jointly set up by the Institute of Market Economy of the Development Research Center of the State Council and China Insurance Institute concluded its special investigation of the insurance market in China's 50 cities with the most development potential. The survey noted that Chinese urban residents' current awareness of insurance, insurance companies and insurance products is very weak. Most residents have only a general understanding of insurance; only 6 percent of households thought that they know more of insurance, while 36 percent of households said that they understand very little or even nothing of insurance. Similarly, respondents' understanding of services and insurance products provided by insurance companies was very limited.

Chinese scholars have done surveys on insurance awareness (Ye et al. 2014; Liang 2014; Ren 2014). It is undeniable that in the rapid development of insurance business in China these surveys had a reference value to China's public insurance. But as insurance is one branch of economics, studies on insurance awareness were mostly limited to their respective discipline, so that insurance awareness was equivalent to insurance consumption or insurance consumption willingness, while the studies on insurance consumption mostly focused on factors affecting insurance consumption behavior (Shang 2014; He 2015; Zhan 2014; Pan 2014), of which the main conclusions were: first, social and cultural structure, laws, customs and traditions, and consumer attitudes and so on affect the public behavior and consciousness in insurance consumption; second, economic development status, wealth accumulation, and people's living standards and other factors affect the public behavior and consciousness in insurance consumption. But an obvious shortcoming of these studies is that

most of these factors are difficult to quantify (Luan 2004).

Insurance development is intertwined with changes of a variety of social systems. Insurance-related system design and the public insurance consumption culture with a certain stability formed in the long process of the formation of market economy are inevitably linked to the overall socio-economic system and social, economic and cultural environment, which also indicates the need for research of insurance consumption with the sociological vision. Research of insurance from the sociological perspective has made certain achievements. For instance, Hu and Wang's research on commercial insurance (Hu and Wang 2009) is limited to the analysis paradigm of pure economics and finance, namely that the various activities based on the insurance industry are rooted in social structures and social relations. They studied insurance from the sociological perspective, seeing insurance as an integral part of the society and using sociological theories to study the development of commercial insurance, but they discussed commercial insurance, social changes, and social structures only from the theoretical perspective, lacking empirical material. In addition, for the prevalent adverse selection in the insurance market, Ma (2006) made relevant discussion from the sociological point of view and gave some social interpretations.

Despite the lack of studies on commercial insurance from the sociological perspective, it certainly provides us a direction in insurance research, that is, the sociological properties of insurance, which specific to the research herein is analyzing resident awareness of insurance consumption from the perspective of social relations.

Insurance research from the angle of social relations is to study the network of relations reflected in the acts on the insurance market. As the public consumption values transit from rational consumption, perceptual consumption to emotional consumption, consumers pay more attention to whether the purchase and consumption process meets their spiritual needs. In the process of buying insurance, the vast majority of customers relies on knowledge, information, trust, relations, and praise from others, so for insurance practitioners it is very necessary to build relationships and find the right policyholders (Xue 2000). In other words, in the process of the establishment of market economy, social re-

lations gradually transit from the way to arrange employment for insurance companies to a favorable tool for them to expand markets, namely that social relations can be used by commercial insurance companies who by effective organization, sorting, and processing of the social relations provide various products and services to meet the social needs for commercial enterprises, so that enterprises in meeting the social needs transform their own business activities to social activities in order to achieve business value, and ultimately corporate profits, and therefore social relations become a resource (Xue 2005). Zhou (2003) noted based on empirical analysis obtained from the business activities of a county-level branch of PICC that social capital plays a decisive role in primary insurance companies: it will play a great role in enhancing the insurance performance to make rational development and utilization of the intangible social capital in order to establish broad and close social networks. But one thing in common of the several documents listed above is that commercial insurance companies and their agents in the process of looking for clients and policyholders will integrate and utilize social relations and social resources. Then how do the insured utilize the social relations? What impact do social relations have on the insurance consumption awareness, attitudes and behaviors of the insured? The survey herein made relevant discussions from the perspective of social relations that primarily belong to the insured.

The author defined the concept of insurance awareness from six aspects: cognition of common insurance knowledge, status and wishes of commercial insurance purchase, degree of concern for insurance, perception and choice of insurance sales channels, attitudes towards insurance companies, and cognition of consumption risks, assuming that the resident awareness of insurance is affected by social interactions.

Granovetter (1985) has proposed an "embeddedness" assumption for economic action that people's "purposeful action is actually embedded in the actual and operating social relations system." This paper argues that resident awareness of insurance consumption is a social construct that is not only influenced by the individual's own circumstances, but may also be affected by traditional culture, residents' social interactions, and dissemination of information, all of which play an important role in the social con-

struction of resident awareness of insurance consumption. Social interactions exert influence on the individual awareness of insurance mainly through instruction of common insurance knowledge, transmission of insurance information (insurance companies, information of insurance products), the specific acts in insurance consumption, economic support and other pathways.

METHODOLOGY

Research Design

This survey sourced data from the author's investigation of "resident awareness of insurance under the social construction" in 2009 in Nanjing. This survey used a multi-stage sampling method. There were five stages: first, draw districts using stratified simple random sampling method; second, draw two streets from each district taken using the simple random sampling method; third, randomly distribute the questionnaire in the streets taken using the accidental sampling method to form the final samples of object for the survey. This survey distributed a total of 230 copies of the questionnaire, recovered 217 copies, so that the return rate was 94.3 percent. After logic and amplitude checks of the original questionnaire, nine copies were excluded, so that a total of 208 valid copies were collected, achieving the valid return rate of 90.4 percent. The basic composition of the samples is shown in Table 1.

OBSERVATIONS AND DISCUSSION

Social Relations and Resident Awareness of Insurance

Insurance awareness is a social construct, which is the central starting point of the analysis in this section. Granovetter (1985) has proposed an "embeddedness" assumption for economic action that people's "purposeful action is actually embedded in the actual and operating social relations system." People's insurance awareness is also embedded in their social interaction networks and affected by their social interactions. The impact from social interactions mainly involves two aspects: one is that people can build awareness of certain aspects of insurance through social interactions; the other is that peo-

Table 1: Profile of the surveyed (N = 208)

<i>Background variables</i>	<i>Specific categories</i>	<i>Percentage (%)</i>
<i>Gender</i>	Male	55.3
	Female	44.7
<i>Age</i>	18-29 years old	35.1
	30-49 years old	51.7
	50-59 years old	9.8
	60 years old and above	3.4
<i>Education</i>	Junior high school and below	6.7
	High school or vocational school	24.5
	Junior college	26.9
	University	32.2
	Graduate and above	9.6
<i>Monthly Income</i>	Below 3000 yuan	50.8
	3000-4999 yuan	27.7
	5000-9999 yuan	16.8
	Over 10000 yuan	4.7
	Civil servants or employees of public institutions	26.9
<i>Occupation</i>	SOE employees	16.3
	Employees of foreign-funded companies	6.3
	Employees of private enterprises	22.1
	Self-employed	11.1
	Unemployed	2.4
	Retirees	3.8
	Other	11.1
<i>Marital Status</i>	Married	30.9
	Unmarried	69.1
<i>Experience of Living Abroad</i>	Yes	9.7
	No	90.3

ple can obtain resources needed by autonomously mobilizing social relations to construct their insurance awareness. Therefore, this section assumed that the insurance awareness is constructed in specific social interactions.

These specific social interactions exert influence on the insurance awareness of the party concerned by instruction of common insurance knowledge, transmission of insurance information (insurance companies, information on insurance products), specific acts in insurance con-

sumption, economic support and other pathways. Moreover, these pathways are backed by the trust mechanism based on traditional Chinese culture. Urban residents' social interaction networks are more complex, but in general the interactive parties that can affect an individual's insurance awareness are: family, relatives, friends, colleagues, classmates, insurance salesmen and so on. The insuring acts and attitudes of these associated parties will affect the formation of insurance awareness of the party concerned.

First, the insuring acts of these associated parties will have some impact on the individual's insurance awareness and insuring acts. The interaction analysis between Tables 2 and 3 showed that whether the individual has common insurance knowledge and whether he has commercial insurance have a certain relationship with the status of commercial insurance purchases by his family members, relatives or friends. If a person's family and friends have mostly bought commercial insurance, then the person has a strong understanding of insurance and tends to buy commercial insurance. This is because "the person influenced by group pressure shows consistency with the majority of members of this group in terms of perception, judgment, belief and behavior" (Zhou 2005). The person in interaction with the surrounding family, friends, and colleagues finds that most people have bought insurance and are transmitting him appropriate knowledge of insurance, and this transmission includes not only the direct verbal communication, but also the indirect behavioral implication and infection. This makes it easy for the person to realize the importance of insurance, and thus intentionally or unintentionally forms similar consciousness and behavior, or do so in order to obtain self-identity and others' identity associated parties can not only indirectly affect the individual's insurance awareness through specific acts in insurance consumption, but also directly exert such

Table 2: Interaction analysis between an individual's understanding of insurance and the insurance status of the associated parties

<i>How many of your families, relatives or friends have bought commercial insurance?</i>	<i>Do you have the common insurance knowledge?</i>				χ^2	<i>P</i>
	<i>Very much</i>	<i>Much</i>	<i>Not very much</i>	<i>Completely not</i>		
Almost none	0	4	16	1	25.044	0.03
Some	3	42	86	0		
Many	5	13	19	1		
No idea	0	1	16	1		

Table 3: Interaction analysis between the insuring acts of the associated parties and the insuring acts of the party concerned

<i>How many of your families, relatives or friends have bought commercial insurance?</i>	<i>Do you have commercial insurance?</i>		χ^2	<i>P</i>
	<i>No</i>	<i>Yes</i>		
Almost none	9	12	10.568	0.014
Some	26	105		
Many	3	35		
No idea	3	15		

Table 4: Frequency of associated parties providing insurance information

	<i>Frequency</i>	<i>Effective percent</i>	<i>Percentage</i>
Yes	132	63.8	63.5
No	75	36.2	36.1
Missing	1		0.5
Total	208		100

influence by transmission of insurance information, such as involving insurance information in daily conversation, recommending some insurance company or insurance products, etc. According to the survey, 63.5 percent of people have received insurance information from the family, relatives and friends (Table 4) and the insurance information has indeed been effectively disseminated in the individual's informal communication network. Through daily informal interaction, the more frequent a person talks about insurance with friends and family, the more knowledge he has on insurance (Table 5).

The author believes that the informal communication is more the interaction generated based on feelings and attitudes. But it is precisely because of the emotional factors involved that this exchange is more efficient. Media, marketing staff, classmates, general friends, good friends, and relatives all will give relevant infor-

mation, but an individual tends to listen to opinions from relatives, good friends and others in close relationship with him, and then take the appropriate actions. This is related to the value of the information itself. For some more important information, information provided by close parties has more reference value, easy to be accepted by the individual.

Here it relates to the process of the individual autonomously mobilizing social resources to obtain resources needed to build his insurance awareness. According to the mean description in Table 6 on the pathways Nanjing residents tend to take to get insurance information, com-

Table 6: Means of tendencies to the pathways of access to insurance information

<i>Factors</i>	<i>N</i>	<i>Mean</i>	<i>Std</i>
Salesmen promotion	91	2.19	.815
Introduction by friends or relatives	117	2.28	.764
TV	64	2.14	.833
Newspaper	53	1.70	.723
Internet	44	1.91	.802
Books	29	1.97	.823
Training	8	1.75	.886
Government propaganda	50	2.08	.724
Promotional activities of insurance companies	120	1.92	.816
Other	23	1.52	.898
Effective N (listing status)	0		

Table 5: Interaction analysis between the frequencies of a person talking about insurance with the associated parties and the person's understanding of insurance

<i>How many of your families, relatives or friends have bought commercial insurance?</i>	<i>Do you have the common insurance knowledge?</i>				χ^2	<i>P</i>
	<i>Very much</i>	<i>Much</i>	<i>Not very much</i>	<i>Completely not</i>		
Often	3	3	2	0	60.117	.000
Sometimes	5	40	54	0		
Seldom	0	15	69	1		
Never	0	2	12	2		

pared to the formal communication networks, such as the insurance companies' publicity, classroom training of related knowledge, newspaper and books or one-way messaging online, introduction by relatives and friends play the most important role (mean: 2.28) in people's access to desired insurance information, and people are more willing to turn to friends and family to get insurance information they need. As for the other new marketing methods, although the investigators noted in the questionnaire, "property insurance sold online or by phone will be about 20 percent cheaper than that under direct sales", there were still 47.1 percent of people feeling that buying insurance online implies a great risk and 75.5 percent said they would not buy insurance online or by phone even though there is a discount in that way.

Why do people tend to ask friends and family for advice and how has the information they get led to such a result? The author believes this is related to the concept of trust of the Chinese people. The trust mechanism allows information based on personal interpersonal networks to be effectively transferred and to play a role. Then, how does the trust mechanism play its role in the process of insurance awareness construction? This is to be studied in this section. This section attempted on the basis of previous research to study the features of Nanjing residents' acceptance of insurance promoted by different associated parties and factors affecting the residents' trust in different associated parties. Before looking at the status quo of residents' interpersonal trust in insurance marketing, this section made a factor analysis of residents' Interpersonal Trust Scale. The principal component analysis of residents' Interpersonal Trust Scale showed: KMO measure of sampling adequacy was $0.807 > 0.8$; the significance level of Bartlett test of sphericity value $\text{Sig} = 0.000 < 0.01$, very suitable for factor analysis; two principal component factors were extracted, and the cumulative variance contribution rate of these two factors reached 72.839 percent, indicating a certain interpretability (Table 7a).

Table 7a: KMO value and Bartlett Test of sphericity value

Kaiser-Meyer-Olkin measure of sampling adequacy	Bartlett's test of sphericity		
	Approximate Chi-square	df	P
0.807	760.452	21	.000

After varimax rotation, two factors were obtained (Table 7b): The first common factor F1 basically governed "family (including lovers)", "relatives", and "friends". Huang (1988) divided interpersonal relationships into three types: emotional relationships, mixed relationships and instrumental relationships, and it is relatively difficult to transform emotional relationships into instrumental relationships. Such factors determined by F1 represent the universal trust between people, while emotional factors included in this trust are far greater than the instrumental factors. Here, the author borrowing Granovetter's concept of "strong ties and weak ties" named such factors "factors of strong ties".

Table 7b: Factor analysis solution after rotation

Factors	Components		
	F1	F2	Common vector
Family (including lovers)	0.858	-0.028	3.731
Relatives	0.882	0.199	1.367
Friends	0.693	0.518	0.692
Classmates (comrades)	0.602	0.642	0.436
Fellow-townsmen	0.316	0.799	0.343
Colleagues	0.338	0.753	0.246
Strangers	-0.322	0.706	0.185
Variance contribution rate%	53.306	19.533	72.839

The second common factor F2 basically governed "classmates (comrades)", "fellow-townsmen", "colleagues", and "strangers". These factors reflect the lack of emotional factors between people, representing a special trust, so were named "factors of weak ties". It should be noted that Granovetter defined and divided the concept of "strong ties and weak ties" using four dimensions, but the author believes that despite its rationality this quantitative frequency-based division is not realistic and is difficult to measure. Therefore, "factors of strong ties" and "factors of weak ties" herein reflect the closeness in relationship in general Chinese people's ideas, and this division is based on emotions. The mean analysis of the degree of people's acceptance of the above associated parties (Table 8) clearly showed that the means of "family (including lovers)", "relatives", and "friends" that constitute "factors of strong ties" were all more than 3 points, of which the mean of "family (including lovers)" was the highest; the means of other associated parties that constitute "factors of weak ties" were all below 3 points, of which "strang-

ers” received the least trust from people, only 1.64 points. This suggested that people are generally more inclined to believing information provided by strong ties, while mostly being skeptical about information from weak ties.

Table 8: Means of individual’s acceptance of different associated parties

<i>Factors</i>	<i>N</i>	<i>Mean</i>	<i>Std</i>
Family (including lovers)	208	3.77	1.042
Relatives	208	3.28	0.895
Friends	208	3.04	0.881
Classmates (comrades)	208	2.87	0.869
Fellow-townsmen	208	2.49	0.879
Colleagues	208	2.77	0.898
Strangers	208	1.64	0.901
Effective N (listing status)	208		

The reason is that in China, relations and trust are in close connection, and relations are a powerful guarantee of trust (Chen 2015). Trust grows with the development of relations, and only after both sides express good faith and sincerity to each other can the interpersonal relationship gradually deepen. In a person’s network of relationships, the different types of relations are associated with different degrees of trust. This is like the “pattern of difference sequence” (Fei 1985). In Chinese society a network of relationships is self-centered, extending outward in accordance with the extent of kinship. Fei (1985) argued that in daily life and social interaction people make strategic moves always in accordance with the logic of near to far, close relations to mere acquaintances. As shown by the mean analysis in Table 8, from family, relatives and friends to fellow-townsmen and strangers the individual’s trust and acceptance of these seven populations showed a significant decreasing trend that the closer to the center of family kinship, the easier it to form interpersonal trust.

In traditional China, “family life is the first layer of social life for Chinese people; relations with relatives, neighbors, friends and others are the second layer. These two layers of social life integrate Chinese people’s requirements, delineate the scope of Chinese people’s activities, and provide the moral conditions in social terms and legal systems in political terms” (Liang 2005). Culture under this clan system is first manifested as a high degree of emphasis on kinship. Factor analysis and further frequency analysis of residents’ trust in these seven populations

showed that the surveyed residents maintain a high degree of trust in family members, direct relatives and other relatives.

On the other hand, the surveyed residents have relatively a lower degree of trust in fellow-townsmen and strangers that constitute “factors of weak ties”, especially strangers. Judging from this, in today’s society, fellow relations are constantly weakening. High mobility of the population makes people’s sense of belonging to hometown gradually weaken. Fellow relations formed on the “geopolitical” basis have been insufficient to provide the necessary sense of trust, and to some extent fellow-townsmen even approximate strangers. That people generally do not trust strangers reflects uncertainty in interpersonal trust. In the case that an individual has no knowledge of the associated parties, he is bound to spend more transaction costs in judging the correctness of the information provided by the associated parties, and even in more cases the party concerned is unable to distinguish right from wrong. This is why insurance salespeople tend to look for policyholders from their friends and family rather than strangers.

On whether an individual trusts strange insurance salesmen, this paper by linear regression between the basic properties of the individual verified this point. In the regression analysis independent variables were the background variables of each resident; the dependent variable was resident trust status in strange insurance salesmen. First, the individual’s acceptance of different associated parties was assigned and weighted: “totally acceptable” counted 5 points, “mostly acceptable” 4 points, “I don’t care” 3 points, “mostly unacceptable” 2 points, and “totally unacceptable” 1 point, and then regression analysis was made based on this. In addition, the nominal level variables were converted to dummy variables “0” or “1”, that is gender, occupation, marital status and monthly income transformed into dummy variables. Based on this, a multiple regression analysis was made, leading to the following results:

Table 9 shows that the adjusted coefficient of determination of the regression model R² was 9.3 percent, indicating that the model could explain 9.3 percent of the factors affecting the dependent variable, that is, the individual’s trust status in strange insurance salesmen; F was 2.468 and the corresponding probability P was equal to 0.004, indicating that the model’s omnibus test

Table 9: Regression model of factors affecting an individual's trust in strange insurance salesmen

	<i>Unstandardized coefficient</i>		<i>Standardized coefficient</i>	<i>t</i>	<i>P</i>
	<i>B</i>	<i>Std. Error t</i>	<i>Beta</i>		
(Constant)	3.472	.499		6.952	.000
Female ^a	.061	.112	.039	.543	.588
Age	.011	.008	.147	1.322	.188
Education	.008	.025	.027	.331	.741
No experience of living abroad	-.495	.199	-.193	-2.484	.014
Occupation ^b					
SOE employees	-.488	.169	-.237	-2.894	.004
Employees of private enterprises	-.458	.153	-.244	-2.985	.003
Self-employed	-.077	.210	-.029	-.366	.715
Unemployed	.275	.359	.057	.767	.444
Retirees	.029	.359	.007	.082	.935
Other	.033	.200	.013	.167	.868
Monthly income	-.011	.016	-.057	-.719	.473
Married ^c	.478	.241	.281	1.983	.049
No children ^d	-.545	.226	-.338	-2.410	.017

Multiple correlation coefficient $R=0.395$, coefficient of determination $R^2=0.156$, adjusted coefficient of determination $R^2=0.093$, estimated standard error = 0.740
 $F=2.468$, $df=13$, $P=0.004$

a. Dependent Variable: The mean of Nanjing residents' trust status in strange insurance salesmen

showed statistical significance at the 0.01 level. To compare the regression coefficients, as shown in the Table 9, a significance level of 0.05 was selected. Of the background variables, occupation, marital status, and whether one has experience of living abroad had a statistically significant impact on the dependent variable. Among them, the experience of living abroad attracted the attention of the author. Judging from the impact of specific variables, in the case of other variables controlled, people with experience of living abroad are more inclined to trusting strange insurance salesmen. Excluding the influence of other variables, it could be initially assumed that the Western culture of trust is reflected in these returnees. This social trust based on the Western external legal systems is generated and present in a large number of prevalent "corporate entities" that are mainly a number of economic and political organizations as basic carriers where the Western social trust is produced and present (Tintswalo 2014). Compared to the traditional China's "acquaintance society" or the "local community" (Fei 1985), it was mainly characterized by being based on specific intimate relations (for example, families, relatives, and friends) and low social mobility, so that people basically lived in a circle of acquaintances (Pan 2014). The Western society based on general principled relations is a

"stranger society". In fact, both family relations and principled relations are based on institutions. Family relations are formed based on internal institutions (mainly morality), while principled relations are formed based on external institutions (mainly legislation). But the existence of external institutions has created the conditions for the generalization of trust, reducing the uncertainty in transmission of information or interaction between strangers (Shang 2014). Therefore, in this sense, people with in-depth contact with Western ideas and culture tend to trust strange insurance salesmen, making it explainable that most "native" Chinese people show distrust in strange insurance salesmen.

CONCLUSION

This paper obtained data from a sampling survey to learn resident awareness of insurance consumption and discussed the factors affecting resident awareness of insurance consumption from the sociological point of view. This paper examined the role of residents' social relations in the process of insurance awareness construction, namely analyzing public behavioral tendencies, cognitive attitudes, action strategies, etc. in insurance consumption under the influence of social relations.

Through analysis of the relationship between social relations and insurance awareness and investigation of the relationship between the trust mechanism behind social interactions and consumer trust in insurance, this paper found that people are more inclined to believing information provided by strong ties, while being most skeptical about information from weak ties; people have the least trust in strangers from weak ties; and people's insurance awareness is embedded in their social interaction networks and affected by social interactions.

RECOMMENDATIONS

Insurance is an important way to mitigate risks. In the modern society, risks are everywhere, so insurance consumption should be realized as a means of risk mitigation by more people. With economic development, the space and forms of people's consumer demand continue to expand. People's consumption on the one hand is reflected as rational consumption. As discussed above, the public insurance awareness is affected by social interactions and socio-cultural factors, making insurance consumption have both perceptual and emotional sides. As the rational, perceptual and emotional factors exist at the same time, the insurance consumption behavior becomes complicated, while people's knowledge on insurance consumption shows one-sidedness and errors that people are more focused on the function of insurance in stabilizing family and resolving risks, while ignoring its role as an investment in modern market economy. Therefore, to promote public awareness of insurance, we should first raise people's awareness of insurance, which includes raising their understanding of the interpersonal relationships manifested in economic relations in insurance and improving the social interaction between individuals and groups, making the public in the process of forming insurance relations mutually transfer credit resources and information, and build sound insurance relations, so as to continuously strengthen the public rational awareness of insurance consumption in this construction process. Insurance companies and their sales staff in the process of looking for customers have largely regarded social relations as a tool, using emotional relations in marketing, which makes it imperative to strengthen the management of insurance-related acts.

LIMITATIONS

Insurance consumption as an economic behavior has a sociological sense due to specific factors of cultural traditions and social relations. This research made relevant discussion from the sociological perspective. It should be noted that due to the impact of time, manpower and material resources, there was a small number of samples, which to some extent affected the representativeness of the samples for the population, so the results of this research are to some extent debatable, expecting to be improved in the future learning and research.

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