



# CONSUMERS' PERSPECTIVE TOWARDS SERVICE QUALITY DIMENSIONS IN LIFE INSURANCE SECTOR-A STUDY CONDUCTED AT THE STATE OF HARYANA

Samta Soni

Assistant Professor, D N PG College, Hisar  
sonisamta2011@gmail.com

## Abstract

It is evident to us that to run a business in long term, satisfying a customer is the ultimate goal and objective of any enterprise. So keeping this in mind the main objective of this study is to find out the customers' satisfaction towards service quality dimensions in life insurance sector in the state of Haryana. Although many researches and studies were conducted on the actual working of the customer's mind, till today it is still a mystery. The study sought to identify the most important dimensions in insurance sector, which may be used to review service quality provided by the insurers and experienced by customers. A review of literature was conducted to find out the customers' satisfaction towards life policies in the insurance sector of Haryana. A survey was conducted to collect data. The sample size of 200 policyholders was drawn from different cities in Haryana. The result shows that the insurance companies are required to render efficient customer services in order to retain the present customers and attract potential customers.

This study suggests that SERVQUAL [Service Quality Model] is a suitable instrument for measuring the insurance service quality in the Indian context. Therefore, IRDA, insurers and present and prospective customers can use this instrument to assess the insurance service quality in India.

**Key words:** Life Insurance Sector, Service Quality, Customer Satisfaction, Customer Loyalty.

## 1. Introduction

The Story of Insurance is as old as that of Mankind. As the Primitive man observed 'uncertainty' and 'danger' to his life and livelihood, he also discovered, almost simultaneously, his instinct for protection against such 'uncertainties' and 'dangers'. With the advance of civilization, this urge to provide protection against loss of life and property prompted people to seek security through collective cooperation. One may take precautions against risk, but risk cannot be eliminated. A risk involves loss, not all, but most of the losses can be expressed in terms of money. A person exposed to some risk may incur a loss. If loss is small he may bear it alone. If loss is huge he may not be able to bear it alone. Society may have to render to enable



the sufferer to cope up with the situation. It will be better if a device or system is developed to provide help to those who happen to suffer a loss. Such a device is 'insurance'.

## 2. Defining Insurance

Insurance may be defined as a contract where in one party (the insured) agree to pay to the other party (the insurer) or his beneficiary a certain sum upon a given contingency (the risk) against which insurance is required.

The insurance thus is a contract where by:-

- a) Certain sum, termed as premium, is charged in consideration,
- b) Against the said consideration, a large amount is guaranteed to be paid by the insurer who received the premium,
- c) The compensation will be made in a certain definite sum i.e. the loss or the policy amount which ever may be, and
- d) The payment is made only upon a contingency.

Considering above definitions in mind, the main aim of this study is to find the Consumers' Perspective towards Service Quality in Life Insurance Sector-A Study with special reference to the State of Haryana. To be more accurate in research, we have taken specifically life insurance sector for research study. Further to get the optimum result, the study was conducted at the State of Haryana.

## 3. Life Insurance Sector

Before conducting research it is imperative to know what life insurance sector is and why it is important to conduct study in this fastest growing sector. As we know that the opening up of the sector is likely to lead to greater spread and deepening of insurance in India and this may also include restructuring and revitalizing of the public sector companies. In the private sector 12 life insurance and 8 general insurance companies have been registered. A host of private Insurance companies operating in both life and non-life segments have started selling their insurance policies since 2001. Amongst them the formidable success is achieved by LIC only. Although the private insurance companies have done well in increasing insurance penetration and growing the business, many companies are still not profitable. In the life sector, even after ten years of operations, only one insurer has made a profit. Most of the private companies continue to make an underwriting loss, which means that their claims payout is in excess of premium collection.

But it is heartening to note that the Indian insurance market has joined the league of the fastest growing insurance markets in the Asian region, with the total insurance premium projected to



grow at a CAGR of more than 50% between 2008-09 and 2011-12. After analyzing the growth potential of the Indian insurance market, many foreign investors have shown interest in the industry because the markets in most of the developed countries have reached saturation.

#### **4. Importance of Service Quality in Life Insurance Sector**

Service quality is one of the critical success factors that influence the competitiveness of an organization. In India, customers in the life insurance sector are in a strong bargaining position due to the significant growth of insurance sector. The life insurance companies need to provide service carefully because of the availability of various life insurance policies by various life insurance companies. Life Insurance companies have to improve the service level continuously. There is no guarantee that what is excellent service today is also applicable for tomorrow. To survive in the competitive insurance industry, companies have to develop new strategies which will satisfy their customers.

#### **5. Consumers' Perspective towards Service Quality in the Life Insurance Sector**

The study focuses on to find the Consumers' Perspective towards Service Quality in the Life Insurance Sector. Many researchers argue that service quality and customer satisfaction are the predictors of customer loyalty. This study attempts to test customers' satisfaction towards service quality dimensions in life insurance sector in Haryana. A brief description of service quality concept is as follows:

##### **5.1 Concept of Service Quality**

Gronroos.C (2000) defined Service as, "A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems".

Fogli (2006) define service quality as "a global judgement or attitude relating to a particular service; the customer's overall impression of the relative inferiority or superiority of the organization and its services. Service quality is a cognitive judgement".

##### **5.2 Dimensions of Service Quality**

The dimensions of service quality refer to as judged by consumers during a service delivery and output quality judged after the services are performed. A service firm delivers to customers a service package which consists of some intangibles.

Berry Parsuraman and Zeithmal in 1988 conducted empirical studies in several sectors. To develop and define SERVQUAL, a multiple item instrument to quantify the service expectation



and perception gap along 5 generic dimensions.

1. **Tangibles**-Appearance of physical facilities, equipments, personnel and communication materials.
2. **Reliability**-Ability to perform the promised service dependably and accurately.
3. **Responsiveness**-Willingness to help customers and providing the prompt service to them.
4. **Assurance**-Knowledge and courtesy of employees and their ability to inspire, trust and confidence.
5. **Empathy**-Caring of customers and providing individualized attention to the firm's customers.

### 5.3 The Three Component Service Quality Model

Rust and Oliver (1994) view that the overall perception service quality is based on the customer evaluation of the 3 dimension of the service encounter. These are:

1. The customer-employee interaction, known as the 'Functional Quality'-This aspect refers to the service delivery of the staff to the bank customers.
2. The Service Environment, known as the 'Environment Quality'- this refers to the tangible and intangible infrastructure that supports better service delivery.
3. The Outcome (Service Product), known as the 'Technical Quality'- This measures the product quality offered and relates to the tangible benefits which affect the bank customers.

## 6. Review of Literature

A brief review about the study which has been served as a main base core study is given below:

Parasuraman et al., (1996) studied the relationship of service quality on customers' behavioral response. Their study had shown strong empirical evidence that service quality has a significant impact on the customers' behavioral response.

Mittal, K C, (1997) concluded that the door to insurance sector has opened only partly, but the industry is already seeing significant changes. Both LIC and GIC are restructuring their set-up by computerizing the branches, honing staff skills through training and planning to lower premium on some policies.

Rao, B.V. (2005) concluded that LIC market its policies through various intermediaries such as agents, corporate agents, brokers and referrals. Among these different intermediaries, the business procured through agents constitutes 99.78 per cent, while the business procured through all the other sources is 0.22 per cent only, which shows that the basic strength of LIC is its huge agency force. However from 2001-02 onwards, LIC is facing intense competition from new players.

Sail, Krishna, (2008) tried to analyze the opportunities and challenges that Indian insurance companies are facing in present scenario. He observed that globalization and privatization has increased the competition in the insurance sector. The major challenge in front of the Indian



insurance companies is to attract and retain customers. The study suggested that in order to overcome competition, insurance companies have to render high quality services to their customers and implement new technology. He further suggested implementing Customer Relationship Management (C.R.M.) along with innovative insurance products.

Sandhu and Harmeem, (2009) examined the customer perception of Insurance sector and suggest ways for improving the customer satisfaction. The study showed that due to increasing competitive nature of the insurance industry, Insurance companies are trying to redefine the fundamentals of their business and their relationship with the customers. The new age insurance customer is willing to pay that “little extra” for better services. Thus in orders to retain customers and to earn profits, insurance companies are suggested to provide best services to their customers.

## 7. Research Mechanism

### 7.1 Problem Statement

The process involved in the insurance industry should be customer friendly. The speed and accuracy of payment is of vital importance. Installment schemes should also be streamlined to cater to growing demands of customers and keep pace with the competition with the market being a service industry involving a high level of people interaction. It is important to use this resource efficiently in order to satisfy customers as also to have a competitive edge in the market. With respect to this, the present study is designed to focuses on to find consumer satisfaction towards service quality dimensions in life insurance sector.

### 7.2 Objectives of the Study

To be more specific, the present study focuses on achieving the following objectives with reference to life insurance in India

1. To study the consumer satisfaction regarding life insurance service quality dimensions namely product benefits, pre-sale services, post-sale services, and office services in the insurance sector in the state of Haryana
2. To explore the relationship among these dimensions.
3. To draw conclusions and make recommendations regarding Life Insurance service dimensions.

### 7.3 Research Methodology

In order to achieve aforesaid objectives, following research methodology is used in the study in described in following sections:

- i. Sample
- ii. Sample Profile.
- iii. Instruments for Data Collection.



- iv. Tabulation and Codification of Data
- v. Statistical Analysis.

### 7.3.1 Sample

The sample included in the study is drawn from the cities of Hisar, Bhiwani, Rohtak and Fatehabad. The sample size of the research consisted of 200 policyholders. The objective is to study the customers' perspective towards service quality dimensions in the life insurance sector. The study is conducted at the State of Haryana. In order to fulfill these objectives, demographic variables (age and sex,) are included in the study. In order to assess the consumer satisfaction towards life polices 200 policyholders are examined. Two areas / sectors / districts are chosen with the help of lottery system. Respondents are chosen from each zone of Hisar, Bhiwani, Rohtak and Fatehabad. In this way, efforts are made to make the sample more representative, more purposeful and in accordance with the objectives of the study. 'Convenient sampling technique' is adopted in order to choose the ultimate unit i.e. the respondents.

### 7.3.2 Sample Profile

**Table-I**  
**Distribution of policyholders (sample) on the basis of demographic variables**

Demographic Variables		Nos. of Respondents	% age
AGE	UPTO 25 Years	86	43
	25-40 Years	74	37
	Above 40 Years	40	20
Total		200	100
SEX	Male	112	56
	Female	88	44
	Total	200	100

### 7.3.3 Instruments for Data Collection

To achieve the objectives taken up in the study, primary as well as secondary data is used. For primary data collection, one structured questionnaire (Questionnaire for Policyholders) is developed (Appendix-I).



The questionnaire consists of 27 items (Questionnaire for Policyholders) that measure the service quality in life insurance industry in India. To study the satisfaction among policyholders, items for agent's services (pre-sale services, post-sale services), office services and policy benefits are included in the "Questionnaire for Policyholders".

### 7.3.4 Tabulation and Codification of Data

The Questionnaire used for the study of satisfaction among policyholders is designed on the basis of Likert type five-point (i.e. Very Poor, Poor, OK, Good, and Very Good) for agent's services (pre-sale services, post-sale services), office services and policy benefits. A score of 1 for the response 'Very Poor', 2 for 'Poor', 3 for 'OK', 4 for 'Good' and 5 for 'Very Good' is assigned. Initially each item is scored separately and then single total scores are obtained for agent's services (pre-sale services, post-sale services), office services and policy benefits. By adding the scores of these said components, score for overall services is computed.

### 7.3.4 Statistical Analysis

The analysis for questionnaire is done as a Statistical analysis. Statistical emphasis on, Two-Way Anova, Factor Analysis. All these Statistical Analysis are carried with the help of Computer Statistical Package called SPSS (Statistical Package for Social Science) 13 Version. For (Questionnaire for Policyholders) Service Quality Model (Developed by Zeithmal and Bittner) is also applied to assess the consumer satisfaction towards life policies.

### 7.3.5 Limitations of the Study

There is no research without limitation. There are many limitations to the present study. The usable respondents (sample size) were 200. Such sample size may not be statistical significant to evaluate the findings. Due to scarcity of the time, the sample size could not be increased any further.

- Researcher has spent lot of time to get the questionnaire back.
- Sometimes the respondent does not want to disclose relevant information.
- Unintended errors on the part of the respondents may have crept into the research.

## 8. Data Analysis and Interpretation

The present chapter deals with the data analysis and its interpretation. The data is collected from 200 policyholders on the basis of Convenient Sampling Technique. The data is collected with the help of questionnaires filled by the respondents. The questionnaire framed to conduct this survey consisted of 27 statements, representing the various elements of all the dimensions of Service Quality. The respondents were required to answer to these statements on a 5 point scale. The coding of the scale is done as:

1- Very Poor

2- Poor

3- OK

4- Good

5- Very Good

The analysis constitutes Statistical Analysis.

### 8.1 Relationship between variables of Life Insurance Policies

In order to understand the relationship between various dimensions of service quality of life insurance companies, Factor Analysis is carried out to investigate the linear relationship of some underlying factors. Requesting Principal Component Analysis and specifying in a rotation the output of Factor Analysis is obtain. Table 4 provides output of the Factor Analysis for this problem, Rotated factor matrix comprising of all nine variables, the percent of variance, Cumulative Per Cent of Variance and Eigen values of all factors having Eigen values of 1 or more than 1. It is seen that 9 factors extracted together accounts for 70.61% of total variance.

Table -II

Rotated Component Matrix

Variables	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9
	Agent's Service	Consumer Satisfaction	Policy Benefits	Cooperative Behavior	Convenient Operating Hours	Capable	Counselor	Reliable	Proper Guidance
S1 (Selection of Policies)	-0.335	0.034	0.06	-0.155	-0.215	-0.013	0.054	0.254	-0.642
S2 (Counseling of Financial Needs)	-0.025	0.116	0.032	-0.026	0.067	-0.185	0.816	0.159	0.013
S3 (Knowledge and Competence)	-0.621	0.089	-0.257	0.052	-0.277	0.011	-0.14	0.059	0.003
S4 (Benefits of Various Policies)	0.124	-0.159	0.043	-0.034	0.157	-0.055	0.007	-0.167	-0.018
S5 (Friendliness)	0.16	-0.448	-0.148	0.612	-0.078	0.094	0.369	-0.131	-0.075
S6 (Assistance in Filling up the	0.029	-0.191	0.415	-0.034	0.607	-0.058	0.136	0.222	0.291



Necessary Forms)									
S7 (Attentive to the consumers)	0.511	0.549	-0.152	-0.029	0.135	-0.09	0.364	0.102	0.072
S8 (Agent's Visits to their Customers)	-0.377	0.818	-0.05	0.085	-0.046	-0.004	-0.009	-0.176	-0.02
S9 (Reviewing the Insurance Needs of their Clients)	-0.213	-0.064	-0.099	-0.037	-0.024	0.198	0.587	-0.421	0.167
S10 (Assistance in Remittance of Premium)	-0.113	0.261	-0.642	0.246	0.105	-0.061	0.101	-0.286	-0.156
S11 (Assistance in Premium Notice)	0.084	-0.017	0.043	-0.044	0.087	0.045	0.002	0.869	0.019
S12 (Assistance in Policy Document)	0.015	-0.078	0.151	-0.87	0.008	-0.054	0.127	0.008	-0.136
S13 (Assistance in Other Sale Services)	-0.157	-0.318	-0.016	-0.063	-0.777	-0.002	0.075	0.106	0.014
S14(Appearance of Branch)	0.711	0.122	0.053	-0.128	0.027	0.116	-0.024	0.108	-0.118
S15 (Convenient Operating Hours)	0.172	-0.095	-0.165	-0.21	0.674	-0.085	0.137	0.23	-0.139
S16 (Competent)	-0.109	-0.318	0.001	-0.005	0.016	0.724	-0.027	0.015	-0.139
S17 (Communication)	0.109	0.22	0.195	0.618	-0.164	0.168	-0.06	0.147	0.241
S18 (Assurance of Information)	0.693	-0.136	0.013	0.248	-0.087	-0.182	-0.284	0.094	0.096
S19 (Responsiveness)	0.081	0.03	-0.074	0.123	-0.082	0.839	-0.037	-0.017	0.032
S20 (Reliability)	0.358	-0.21	0.048	0.283	0.068	-0.152	0.16	0.522	-0.216
S21 (Empathy)	0.764	-0.101	-0.028	0.062	0.145	0.001	0.006	0.106	0.256



S22 (System and Procedure)	-0.205	-0.053	-0.647	-0.23	-0.244	0.233	-0.019	0.241	-0.072
S23 (Understanding the Customers)	0.216	0.631	0.179	0.002	0.182	-0.354	0.069	0.042	-0.226
S24 (Tax Benefits)	-0.126	0.292	0.724	-0.118	-0.109	-0.139	-0.084	0.12	-0.084
S25 (Risk Protection)	0.544	0.237	0.055	0.135	0.06	0.353	-0.168	0.053	0.464
S26 (Retirement Benefits)	0.01	-0.197	0.16	0.092	-0.314	-0.144	0.353	0.139	0.67
S27 (Children's Education and Marriage)	0.225	-0.077	0.589	-0.022	0.143	0.337	0.45	-0.161	-0.059
Eigen Values	4.147	2.871	2.395	2.022	1.918	1.844	1.411	1.257	1.2
Percentage of Variance	15.358	10.633	8.871	7.487	7.102	6.829	5.227	4.656	4.446
Cumulative Percentage	15.358	25.992	34.863	42.35	49.452	56.281	61.508	66.164	70.61

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 20 iterations.

### 8.1.1 Latent Factors Determining Through Factor Analysis

The output of factor analysis is obtained by requesting Principal Component Analysis and specifying the rotation. There are two stages in factor analysis. Stage one being the factor extraction process, wherein the objective is to identify how many factors are to be extracted from the data. The most popular method for this is called Principal Component Analysis. There is also a 'Rule of Thumb' based on the computation of an Eigen value to determine how many factors to extract. The higher the Eigen value of a factor, the higher will be the amount of variance explained by the factor.

As evident from Table-II (looking at the cumulative Pct. column) we find that the nine factors extracted together accounts for 70.6% of the total variance. (Information contained in the



original 27 variables) Hence, we have reduced the number of variables from 27 to 9 underlined factors.

Looking at Table-II it is extracted that the variables, S3 (knowledge and competence), S7 (attentive to consumers), S14 (appearance of branch), S18 (assurance of information), S21 (empathy) and S25 (risk protection) have highest loadings of 0.621, 0.511, 0.711, 0.693, 0.764, and 0.544 on Factor1. This suggests that Factor-1 is a combination of these 6 variables. Keeping in view the nature of the variables, Factor 1 can be interpreted as “Agent’s Service”. Further, it is noticed that variables S7 (attentive to consumers), S8 (agent’s visit to customers) and S23 (understanding the consumers) have a highest loading of 0.549, 0.818 and 0.631 respectively indicating that Factor-2 is a combination of these 3 variables. These variables can be clubbed into a single factor called “consumer satisfaction”. As for Factor-3 it is extracted that variables, S10 (assistance in remittance of premium), S22 (system and procedure), S24 (tax benefits) and S27 (children’s education and marriage) have the highest loading of -0.642, -0.647, 0.724 and 0.589 respectively. This factor consists of the above 4 variables and can be termed as “Policy Benefits”. As for Factor-4 it is extracted that variables S5 (friendliness), S12 (assistance in policy documents) and S17 (communication), have the highest loading of 0.612, -0.870 and 0.618 respectively. This factor consists of the above 3 variables and can be termed as “Cooperative behavior”. As for Factor-5 it is extracted that variables S6 (assistance in filling of necessary forms), S13 (assistance in other sale services) and S15 (convenient operating hours) have the highest loading of 0.607, -0.777 and 0.674 respectively. This factor consists of the above 3 variables and can be termed as “Convenient operating hours”. As for Factor-6 it is extracted that variables S16 (competent) and S19 (responsiveness) have the highest loading of 0.724 and 0.839 respectively. This factor consists of the above 2 variables and can be termed as “Capable”. As for Factor-7 it is extracted that variables S2 (counseling of financial needs) and S9 (review the insurance needs of their clients) have the highest loading of 0.816 and 0.587 respectively. This factor consists of the above 2 variables and can be termed as “Counselor”. As for Factor-8 it is extracted that variables S11 (assistance in premium notice) and S20 (reliability) have the highest loading of 0.869 and 0.522 respectively. This factor consists of the above 2 variables and can be termed as “Reliable”. As for Factor-9 it is extracted that variables S1 (selection of policies) and S26 (retirement benefits) have the highest loading of -0.642 and 0.670 respectively. This factor consists of the above 2 variables and can be termed as “Proper guidance”.

### **8.1.2 Two-Way ANOVA Analysis**

After reducing original data by applying factor analysis, statistical tools ANOVA (on Age and Sex) is applied to draw concrete results. This test is applied on nine factors these are come out as a result of Factor Analysis.

**Table-III**

#### **Two-Way ANOVA for Factors across Age and Sex**



DEMOGRAPHICS	FACTORS	MEAN SQUARE	F-VALUE	SIGNIFICANT VALUE
AGE	Agent's Service	.203	1.344	.263
	consumer satisfaction	.163	.362	.696
	Policy Benefits	.031	.277	.758
	Cooperative behavior	.251	1.513	.223
	Convenient operating hours	.081	.862	.424
	Capable	.981	3.745	.025
	Counselor	.688	1.145	.320
	Reliable	.862	1.976	.141
	Proper guidance	1.625	5.778	.004
SEX	Agent's Service	.184	1.215	.272
	consumer satisfaction	.296	.657	.419
	Policy Benefits	-.006	.000	.998
	Cooperative behavior	.310	1.867	.173
	Convenient operating hours	.254	2.708	.101
	Capable	.412	1.573	.211
	Counselor	4.013	6.678	.010
	Reliable	.225	.515	.474

	<b>Proper guidance</b>	<i>.071</i>	<i>.254</i>	<i>.615</i>
<b>AGE * SEX</b>	<b>Agent's Service</b>	<i>.158</i>	<i>1.048</i>	<i>.353</i>
	<b>consumer satisfaction</b>	<i>.785</i>	<i>1.741</i>	<i>.178</i>
	<b>Policy Benefits</b>	<i>.065</i>	<i>.585</i>	<i>.558</i>
	<b>Cooperative behavior</b>	<i>.400</i>	<i>2.409</i>	<i>.093</i>
	<b>Convenient operating hours</b>	<i>.296</i>	<i>3.154</i>	<i>.045</i>
	<b>Capable</b>	<i>.119</i>	<i>.453</i>	<i>.637</i>
	<b>Counselor</b>	<i>2.736</i>	<i>4.553</i>	<i>.012</i>
	<b>Reliable</b>	<i>1.614</i>	<i>3.702</i>	<i>.026</i>
	<b>Proper guidance</b>	<i>.422</i>	<i>1.501</i>	<i>.225</i>

Table-III represents the Two-way ANOVA Analysis of age-wise respondents, sex-wise respondents and both age and sex wise respondents regarding nine factors which are extracted from factor analysis. The first row is titled as "Demographics". Next row shows "Factors" and other rows represent "Mean value", "F-value", "Significant value". Under the title "Demographics" three variables are classified into "Age", "Sex" and "Age \* Sex".

Under column "Age", Factor "Capable" represents that mean value of this factor is (0.981), F-value is (3.745) and Significant value is (0.025). As Significant value (0.025) is less than (0.05), we can conclude that this Factor is significant. Therefore, for better services, agent should be competent and responsive so that overall he can be called as "Capable".

Next Factor "Proper guidance" represents that mean value of this factor is (1.625), F-value is (5.778) and significant value is (0.004). As Significant value (0.004) is less than (0.05), we can conclude that this Factor is significant. Therefore, for better services, agent should assist in selection of policies and inform retirement benefits to policyholders so that overall he can be called as "Proper guide".

Under column "Sex", Factor "Counselor" represents that mean value of this factor is (4.013), F-value is (6.678) and Significant value is (0.010). As Significant value (0.010) is less than (0.05), we can conclude that this Factor is significant. Therefore, for better services, agent should assist in counseling of financial needs and review insurance needs of their clients timely so that overall



he can be called as “Counselor”.

Under column “Age\*Sex” , Factor “Convenient operating hours” represents that mean value of this factor is (0.296), F-value is (3.154) and Significant value is (0.045). As Significant value (0.045) is less than (0.05), we can conclude that this Factor is significant. Therefore, for better services, office operating hours should be convenient so that overall it can be said “Convenient operating hours”.

Next Factor “Counselor” represents that mean value of this factor is (2.736), F-value is (4.553) and significant value is (0.012).As Significant value (0.012) is less than (0.05), we can conclude this Factor is significant. Therefore, for better services, agent should assist in counseling of financial needs and review insurance needs of their clients timely so that overall he can be said “Counselor”.

Next Factor “Reliable” represents that mean value of factor is (1.614), F-value is (3.702) and Significant value is (0.026) As Significant value (0.026) is less than (0.05), we can conclude this Factor is significant and for better services agent should assist in premium notice Reliable timely and also have quality of reliability so that overall he can be said “Reliable”.

## 9. Findings & Suggestions

### 9.1 Findings

The growing competition in the insurance sector has forced insurance industries to offer innovative and quality services to its policy holders. The insurance companies are required to render efficient customer services in order to retain the present customers and attract potential customers. To render efficient customer services, the companies have to understand what the customer really wants. Customer expectations are continuously increasing and they would like to have timely, efficient and quality service from insurance companies. In the present insurance industry scenario, the customer expectations are high due to general rise in the customer awareness. Now customers are aware of their rights, they compare the services rendered by various insurance companies and select the company that offers highest quality service at most competitive price. Thus service quality is the tool for customer satisfaction.

In the present study the main difference is calculated for the purpose of finding out the fact whether the customers are satisfied with the present insurance facilities provided by their companies or not. It will be also helpful in finding out the fact whether the customer is getting the service quality as per their expectations or not. Following are the main findings of the research work:

1. Mostly respondents are highly satisfied with the benefits of the life insurance policies.
2. Mostly respondents are moderately satisfied on the basis of agent’s services, i.e., selection of policies, benefits of various policies, attentiveness and knowledge.
3. The reliability of maintaining an error free record is excellent.
4. None of the respondent disagreed that agents of these companies are trustworthy.



5. Male policy holders are more satisfied with the insurance services in comparison to female policy holders.
6. Most people have complained that the agent do not give them individual attention.
7. Respondent belonging to the age group of 25- 40 years are more satisfied by the services provided by the selected insurance companies.
8. The assurance shown by male respondents are good.
9. The responsiveness of providing prompt service is excellent.
10. Policy Holders belonging to the age group above 40 years are less satisfied on the basis of reliability.
11. On the basis of age Policy Holders are highly satisfied on the basis of assurance.

### 9.2 Suggestions

On the basis of the above findings the following suggestions have been made to the insurance companies to improve their service quality:

- 1) Life Insurance Agents must show sincere interest in solving the genuine problems of their policy holders.
- 2) Life Insurance Agents should give more personal attention to the policy holders.
- 3) Life Insurance companies have to do a little more effort to make operating hours convenient to the policy holders in order to meet the need of policy holders.
- 4) The life Insurance companies are suggested to try their level best to satisfy female respondents.
- 5) The life Insurance companies are suggested to look after Age group of 40 respondents.
- 6) Life Insurance companies should do more efforts in improving the factor of risk coverage and responsiveness.
- 7) Efforts should be made to improve agent's counseling and presentation skills and develop versatile product knowledge of popular financial products. Special training programs should be designed.
- 8) In urban areas life insurance customer concern factor should be focused more. It includes responsiveness, empathy and reliability.
- 9) Internal inspection system has to be made in conformance with the customer data and try to build an organization as customer friendly organization.
- 10) Efforts should be made to develop a value system for quality at all levels of the organization. Training should be given to improve technical skills, customer related skills and problem solving skills.
- 11) Infrastructures of offices should be improved and necessary facilities like drinking water, seating, parking facilities, fans and toilets should be improved.

It is suggested to companies in life insurance sector that they should provide service quality as per expectations of the policy holders. Policy holders are not dependent upon life insurance companies but infact life insurance companies are dependent on policy holders for their existence. Therefore every possible effort should be made to satisfy policy holders.



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**Appendix-I**  
**Questionnaire for Life Insurance Policyholders**

<b>Demographic Information</b>	
Name (Optional):------	Designation: -----
Age: -----	Qualification: -----
Sex: -----	

Are you insured? Please tick. Yes / No

Please tick according to your satisfaction level regarding the quality of services rendered:

<b>Agent's Services</b>		<b>Very Poor</b>	<b>Poor</b>	<b>OK</b>	<b>Good</b>	<b>Very Good</b>
<b>Pre-Sale Services</b>	Selection of Policies					
	Counseling of Financial Needs					
	Knowledge and Competence					
	Benefits of Various Policies					
	Friendliness					
	Assistance in Filling up the					



	Necessary Forms					
	Attentive to the consumers					
<b>Post-Sale Services</b>	Agent's Visits to their Customers					
	Reviewing the Insurance Needs of their Clients					
	Assistance in Remittance of Premium					
	Assistance in Premium Notice					
	Assistance in Policy Documents					
	Assistance in Other Sale Services					
<b>Office Services</b>						
Appearance of Branch						
Convenient Operating Hours						
Competent						
Communication						
Assurance of Information						
Responsiveness						
Reliability						
Empathy						
System and Procedure						
Understanding the Customers						
<b>Policy Benefits</b>						
Tax Benefits						
Risk Protection						



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