

ANALYZING THE CUSTOMER SATISFACTION WITH SPECIAL REFERENCE TO SELECTED INSURANCE COMPANIES

¹Dr. Deepika Chaplot

Principal

Institute of Hotel Management Catering and Tourism

Udaipur (Rajasthan)

ABSTRACT: *This article focuses on the customer satisfaction survey, and the responsible factors which are affecting the satisfaction of the customer from selected the insurance companies. First parts of this article given the introduction about the customer satisfaction and other indicators, factors in the success of the insurance companies have identified. It has also given the important theories of customer satisfaction for better understanding of customer perception towards the insurance and its product and policies. After that, factors such as trust, employee behavior, quality of service, claim settlement process and grievances solutions for customer satisfaction as the most important factors were identified and understand the customer relationship is the most influential indicators of success for the insurance industry.*

Keywords: - Customer Satisfaction, Insurance Sector, Factors of Satisfaction.

INTRODUCTION

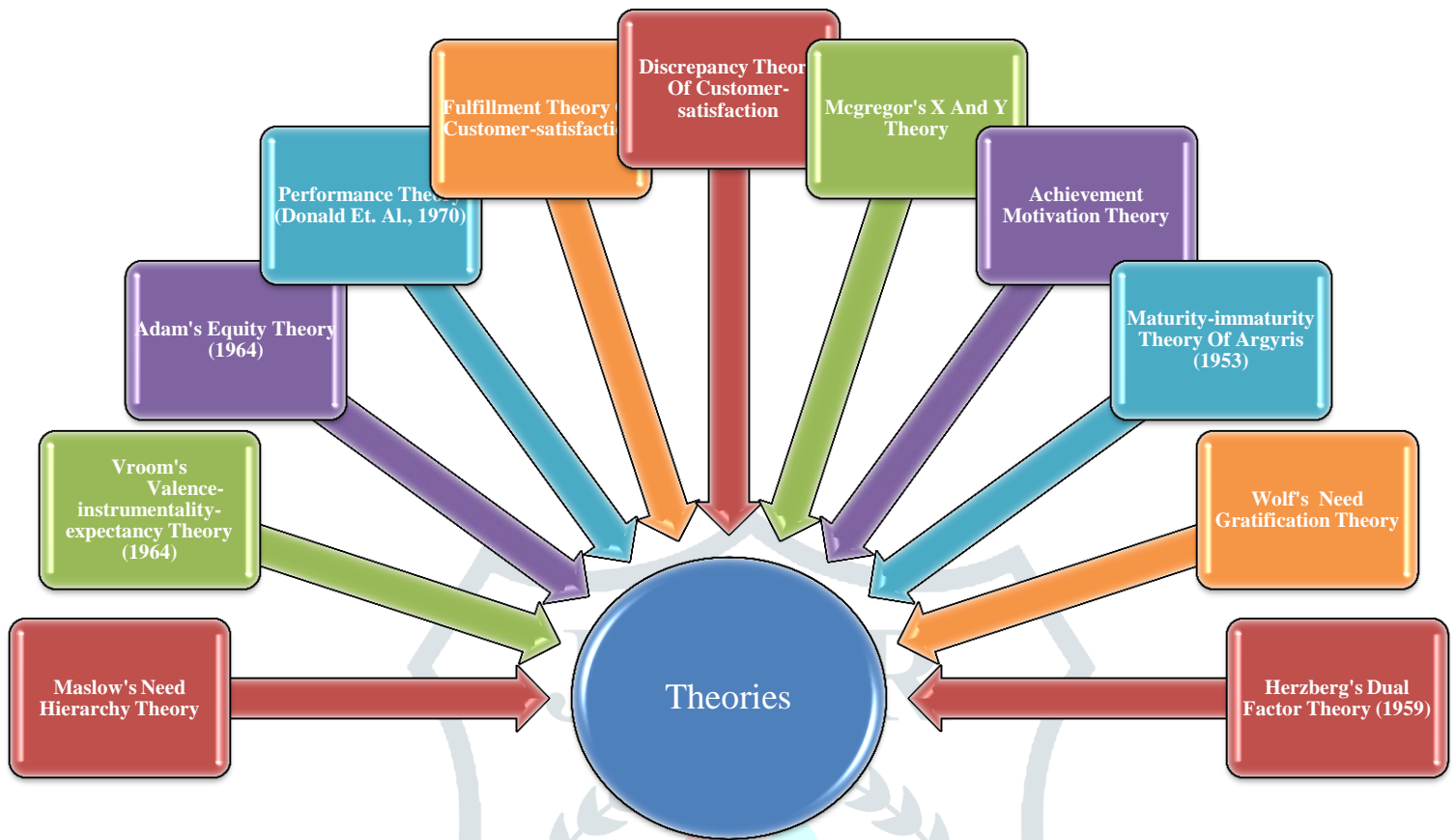
In today's highly competitive world, customer satisfaction is undoubtedly an essential and vital aspect for each and every company which retain customer to grow and also to survive as a satisfied customer is the greatest brand ambassador to attract the prospective customers to the company. Earlier saying is true, especially in the service sector like insurance. In the insurance sector, after privatization, many new private companies have come into the industry by merging with foreign companies. In an effort to capture the market, they tend to have offered new innovative products for many different segments of the population with a wide variety of benefits like premium rates, rider options, maturity periods, etc. This has resulted in a huge competition among public and private players. As a consequence of this, private players are adopting every possible strategy to enhance service quality and also to retain their customer for a longer period. Offering variety of policies with low premium, better communication, consistent post-sale services, human approach, immediate attention, less formalities, timely reminder of premium dues and claim settlement processes are the factors which influence the customers' satisfaction on private life insurance companies (Dinesh et al. 2011; Push Deep Dagar and Sunil Phougat, 2011; Nageswara Rao, 2006; Sudarsana Reddy, 2005). Apart from these, there exist additional factors which also lead to customer satisfaction in life insurance.

Oliver (1980) describe that customer satisfaction arises when customers weigh their perceptions of actual service performance against their expectations as well as discrepancy among the two generates disconfirmation that can be of three types:

- ☞ Positive disconfirmation: high satisfaction.
- ☞ Negative disconfirmation: high dissatisfaction.
- ☞ Zero disconfirmation.

Customer satisfaction is a widely accepted psychological aspect of functioning in any profession. In the opinion of summum bonum the customer satisfaction is favorableness with company or organization. It results when there is a fit between requirements and the wants and expectations of customers. In other words, it expresses the extent of match between customer's expectations (also aspirations) and the rewards the organization provides and the values it creates and gets cherished. Recent years have witnessed a lot of conceptualization with regard to factors involving Customer-Satisfaction. Available are numerous theories independent and inter-related, which explain, at least tend to do so the different facets of customer satisfaction, which view this phenomenon from different angles and endeavor to explore it in all its dimensions. Some major theories may be listed as hereunder.

THEORIES OF CUSTOMER SATISFACTION



FACTORS AFFECTS CUSTOMER SATISFACTION OR VARIOUS INSURANCE ISSUES



REVIEW OF LITERATURE

As per the **Coviello, Antonio and Di Trapani, Giovanni (2012)**, Customer satisfaction with a company's services is often viewed as the key to a company's success and long-term competitiveness. The insurance industry is getting a lot of attention as Customer satisfaction. In the case of relationship marketing, customer satisfaction is often viewed as a central determinant of customer retention. The main objective of this study was to develop a conceptual foundation for investigating the customer retention process, making use of the concepts of customer satisfaction and relationship quality and found the Customer satisfaction is a key metric for insurance companies to monitor in order to gauge which areas of their customer service are strong and which areas need improvement in order to maintain or increase their membership base.

Ravipa Larpsiri and Mark Speece (2004) carried out research on “Determinants of Customer Satisfaction: A Model of Technology Integration in Thailand’s Insurance Industry” describes that magnitude of technology integration directly influences customer satisfaction whereas technology readiness of salespeople as well as customer indirectly influences the customer satisfaction towards insurance provider.

Upadhyaya and Badlani (2011) carried out a study entitled, “Service Quality Perception and Customer Satisfaction in Life Insurance Companies in India”, with a view to identifying customer satisfaction in retail life insurance in India. They identify that the customers are usually

more satisfied with the pricing factor followed by employee competence, product, and service, technology, physical appearances, trust, service delivery, advertising along with service management.

Dharmendra Singh (2011) in his study titled, “Factors affecting customers preferences for life insurers: An Empirical Study”, expose that quick claim settlement, better complaint redressal, and convenient payment system are the important factors which influence the policyholder's satisfaction.

Kaur et al. (2010) carried out a study with the title, “A Study on Customer Satisfaction with Life Insurance in Chandigarh, Tricity”, observe that policyholders are more satisfied with the policy features, price, maturity benefits as well as tax saving contents.

OBJECTIVE OF THE STUDY

- To find out the satisfaction level of the customer in between public and private sector insurance companies.
- To find out the factors that affects the consumer satisfaction.

RESEARCH METHODOLOGY

The methodology to be followed for conducting the research consists of the specification in the design of research, sample design, survey questions asked to respondents design, data collection as well as statistical tools used for analyzing the collected data.

The key research issues of the paper, as well as the research techniques employed for addressing these issues, are illustrated in the following sections. For this study sample collected from the eight insurance companies out of them, 4 are from the public sector and 4 are from the private sector selected for the purpose of getting the required information. Data collected from both primary as well as secondary data.

This research paper deals with microanalysis of the organizational culture through employees' and customers' satisfaction from their organizations.

Total 400 customers, out of them 200 customers of public insurance sector organization and rest of 200 customers of private insurance sector organization are taken to measure the satisfaction level on various insurance issues. The satisfaction level of customers is measured on 5 point continuum scale (Likert-type scale) on few issues which are as follows:

1. Trust,

2. Employee Behaviour,

3. Quality of Service,

4. Claim settlement process,

5. Grievances solutions

HYPOTHESIS

H_{01} :- There is no difference between satisfaction level of customers of public and private sector general insurance organization

H_{11} :- There is a difference between satisfaction level of customers of public and private sector general insurance organization

1.Trust

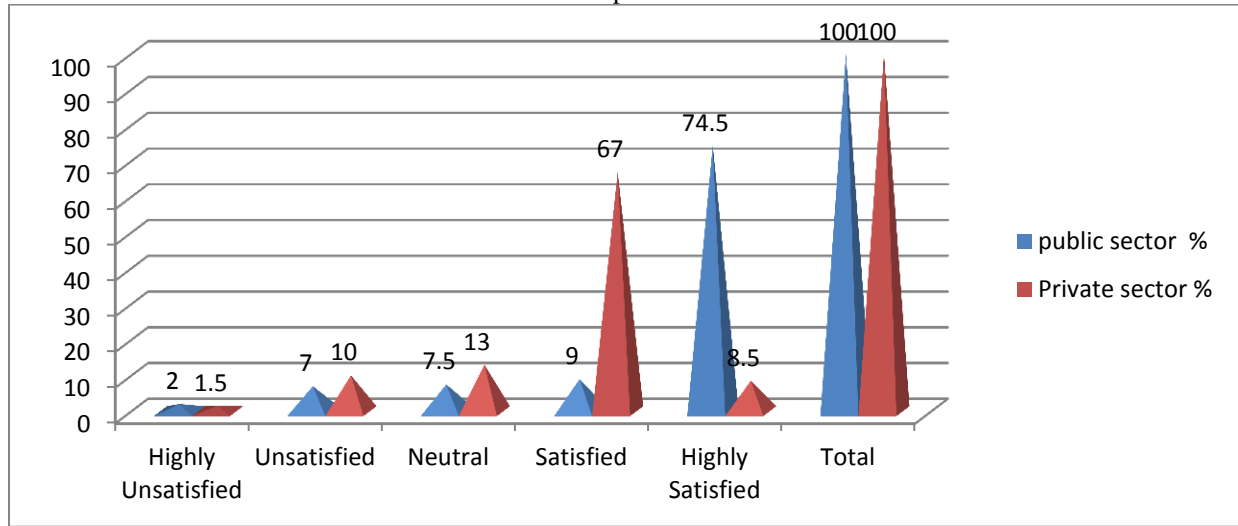
The table & Graph shows the level of satisfaction of customers of public and private insurance organizations regarding trust.

Table 1

Showing opinion of customers of public and private insurance organization on trust towards the insurance organization

Trust	Public Sector		Private Sector		Total	
	f	%	f	%	f	%
Highly Unsatisfied	04	02.00	03	01.50	07	01.75
Unsatisfied	14	07.00	20	10.00	34	08.50
Neutral	15	07.50	26	13.00	41	10.25
Satisfied	18	09.00	134	67.00	152	38.00
Highly Satisfied	149	74.50	17	08.50	166	41.50
Total	200	100.00	200	100.00	400	100.00
Mean Weight	4.47		3.71		4.09	
Chi-Square	197.64					
Significance	0.01					

Graph 1:-



The mean weightage of public insurance sector customers is found 4.47 and for private insurance sector customers, it is found 3.71. It clearly indicates that customers of public insurance sector have more trust in their public sector organization while the customers of the private sector have somewhat less trust in their private sector organization. The chi value is found significant at 0.01 level which indicates that the customers of both organizations have a different level of trust in their respective organizations.

2. Employee Behaviour

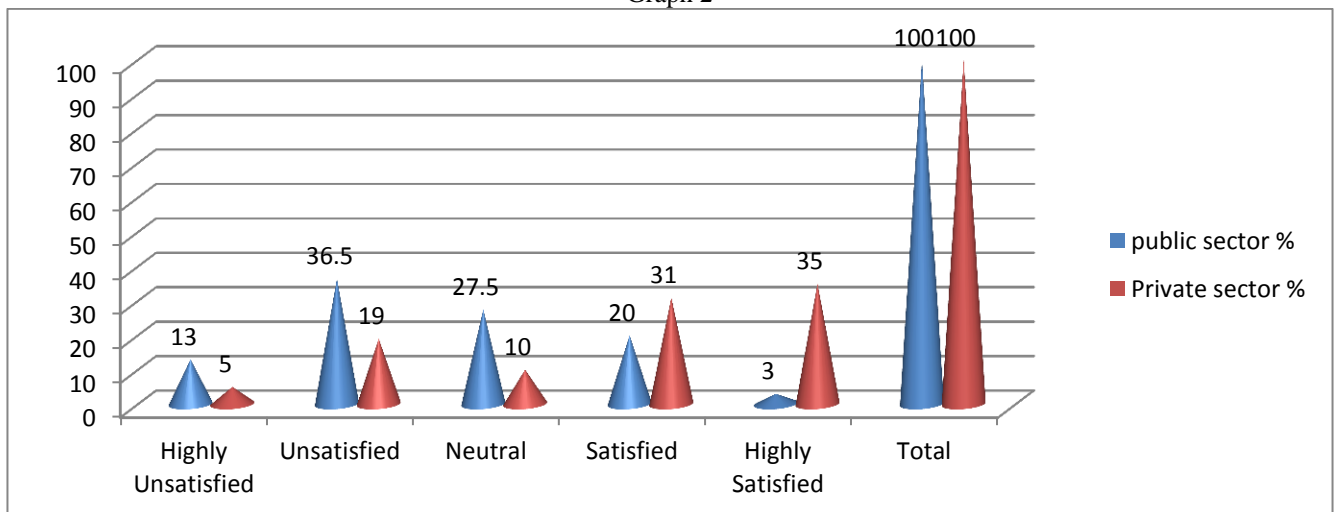
The below table & Graph shows the level of satisfaction of customers of public and private insurance organizations regarding employee behavior.

Table 2

Showing opinion of customers of public and private insurance organization on employee behaviour towards insurance organization

Employee Behaviour	Public Sector		Private Sector		Total	
	f	%	f	%	f	%
Highly Unsatisfied	26	13.00	10	5.00	36	9.00
Unsatisfied	73	36.50	38	19.00	111	27.75
Neutral	55	27.50	20	10.00	75	18.75
Satisfied	40	20.00	62	31.00	102	25.50
Highly Satisfied	6	3.00	70	35.00	76	19.00
Total	200	100.00	200	100.00	400	100.00
Mean Weight	2.64		3.72		3.18	
Chi-Square	93.12					
Significance	0.01					

Graph 2



The mean weightage of public insurance sector customers is found 2.64 and for private insurance sector customers, it is found 3.72. It clearly reflects that customers of private insurance sector have more satisfied from employee behavior of their private sector organization while the customers of the public sector have somewhat less satisfied with their public sector organization. The chi value is found significant at 0.01 level which indicates that the customers of both organizations have a different level of satisfaction from their respective organizations.

3. Quality of Services

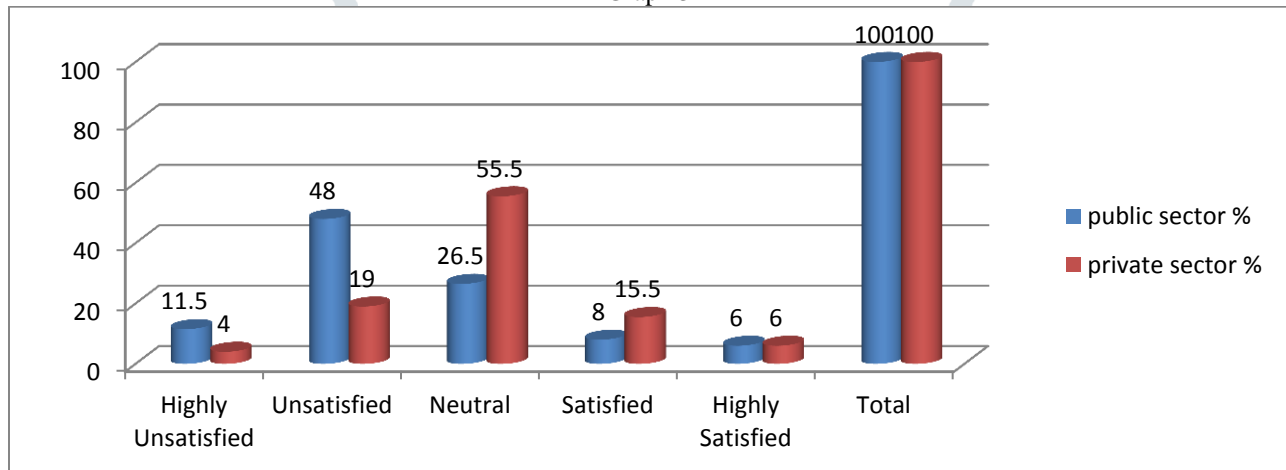
The table 3 & Graph 3 show the level of satisfaction of customers of public and private insurance organizations regarding quality of services.

Table 3

Showing opinion of customers of public and private insurance organization on quality of services towards insurance organization

Quality of services	Public Sector		Private Sector		Total	
	f	%	f	%	f	%
Highly Unsatisfied	23	11.50	8	4.00	31	7.75
Unsatisfied	96	48.00	38	19.00	134	33.50
Neutral	53	26.50	111	55.50	164	41.00
Satisfied	16	8.00	31	15.50	47	11.75
Highly Satisfied	12	6.00	12	6.00	24	6.00
Total	200	100.00	200	100.00	400	100.00
Mean Weight	2.49		3.01		2.75	
Chi-Square	57.66					
Significance	0.01					

Graph 3



The mean weightage of public insurance sector customers is found 2.49 and for private insurance sector customers, it is found 3.01. It indicates that customers of private insurance sector have more satisfied from the quality of services of their private sector organization while the customers of the public sector have somewhat less satisfied regarding quality services of their public sector organization. The chi value is found significant at 0.01 level which indicates that the customers of both organizations have a different level of satisfaction regarding the quality of services from their respective organizations.

Grievances Solution

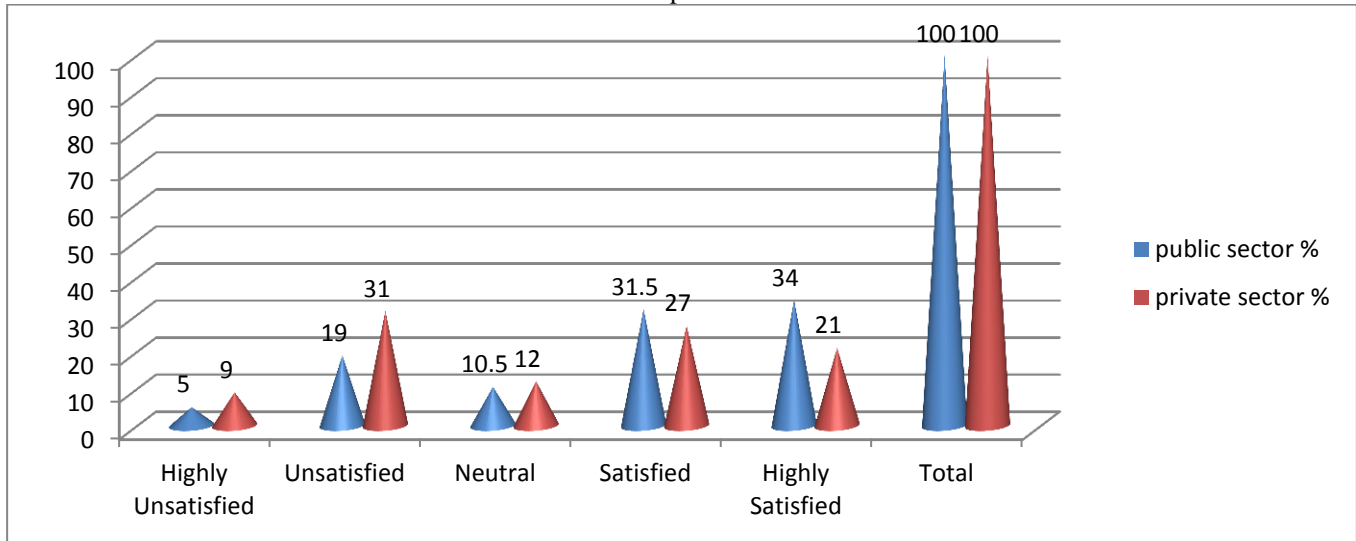
The table 7.18 & Graph 7.18 shows the level of satisfaction of customers of public and private insurance organizations regarding grievances solution.

Table 4

Showing opinion of customers of public and private insurance organization on grievances solution towards the insurance organization

Grievances Solution	Public Sector		Private Sector		Total	
	f	%	f	%	f	%
Highly Unsatisfied	10	5.00	18	09.00	28	07.00
Unsatisfied	38	19.00	62	31.00	100	25.00
Neutral	21	10.50	24	12.00	45	11.25
Satisfied	63	31.50	54	27.00	117	29.25
Highly Satisfied	68	34.00	42	21.00	110	27.50
Total	200	100.00	200	100.00	400	100.00
Mean Weight	3.71		3.20		3.45	
Chi-Square	15.08					
Significance	0.01					

Graph 4:-



The mean weightage of public insurance sector customers is found 3.71 and for private insurance sector customers, it is found 3.20. It clearly indicates that customers of public insurance sector have more satisfied in grievances solution from their public sector organization while the customers of the private sector have somewhat less satisfied in grievances solution from their private sector organization. The chi value is found significant at 0.01 level which indicates that the customers of both organizations have a different level of satisfaction in grievances solution from their respective organizations.

Claim Settlement

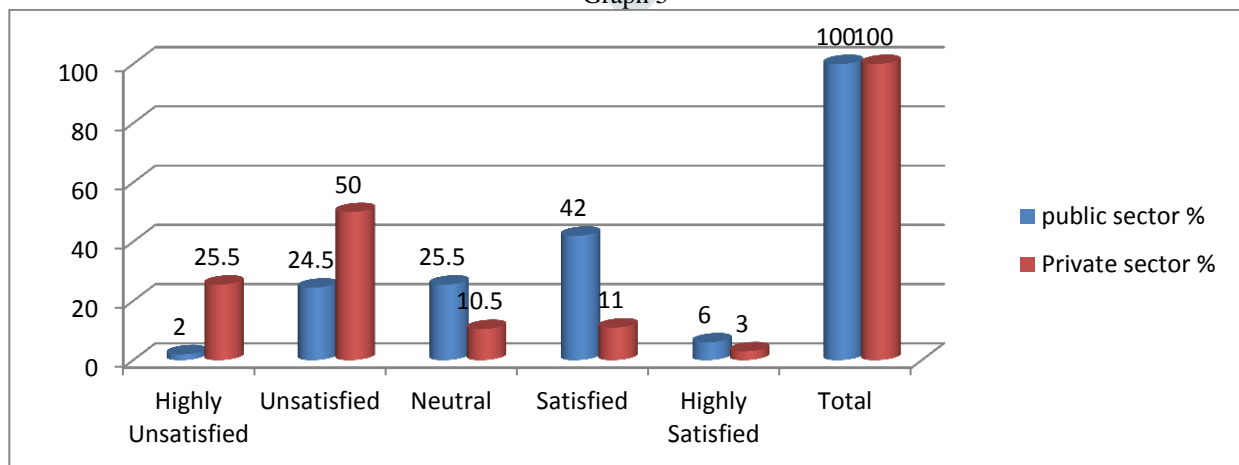
The table & Graph shows the level of satisfaction of customers of public and private insurance organizations regarding claim settlement.

Table 5

Showing opinion of customers of public and private insurance organization on claim settlement towards the insurance organization

Claim Settlement	Public Sector		Private Sector		Total	
	f	%	f	%	f	%
Highly Unsatisfied	4	2.00	51	25.50	55	13.75
Unsatisfied	49	24.50	100	50.00	149	37.25
Neutral	51	25.50	21	10.50	72	18.00
Satisfied	84	42.00	22	11.00	106	26.50
Highly Satisfied	12	6.00	6	3.00	18	4.50
Total	200	100.00	200	100.00	400	100.00
Mean Weight	3.26		2.16		2.71	
Chi-Square	108.38					
Significance	0.01					

Graph 5



The mean weightage of public insurance sector customers is found 3.26 and for private insurance sector customers, it is found 2.16. It clearly indicates that customers of public insurance sector have satisfaction level from claim settlement from their public sector organization while the

customers of the private sector have somewhat less satisfaction level from claim settlement from their private sector organization. The chi value is found significant at 0.01 level which indicates that the customers of both organizations have the different level of satisfaction regarding claim settlements in their respective organizations.

DISCUSSION ON ANALYSIS

The overall satisfaction level was found higher from the responses given by customers of public sector organization in comparison to private sector organization.

The mean satisfaction level from customers of public sector organization is found 35.58 and for customers of the private insurance sector, it is 33.91, which is significantly different at 0.01 level as represented by t score.

The table infers that customers are more satisfied from the public insurance sector in comparison to the private insurance sector.

Even it is found that customers of private organizations are more satisfied from

- Employee's behavior,
- Quality of services

But are somewhat less satisfied in terms of

- Trust about the organization,
- Claim settlement process,
- Grievances solutions

In comparison to public sector organization.

Thus the hypothesis, "There is no difference between satisfaction level of customers of public and private sector insurance organizations" is rejected.

Limitations of the Study

1. The study is limited to four public and private general insurance companies (Udaipur only).
2. The three financial years 2004-05, 2005-06 & 2006-07 are taken for the study.
3. The personal biases of managers, employees, and customers are subjected to affect the results.
4. The study is limited to three type of general insurance namely, two wheelers, four wheelers and commercial wheelers they are no further distributed according to types of vehicles.

CONCLUSION

According to the analysis, the first and foremost factor is the commitment to customer satisfaction, the customer's trust to the insurance companies in the insurance industry has the highest priority that shows how important this factor is in both types of research. The most important success factor for customer satisfaction and insurance companies in insurance companies is trust. It means that insurance companies should adhere to their obligations. Another important factor in creating customer satisfaction is the Employee's behavior and Quality of services given to the customers.

Insurers believe the factors such as behavior and dealing effectively with the insured, the ability of insurance agents to transmit accurate information, establish long term relationships with customers are the important factors in the success of the insurance industry. Other factors such as trust about the organization claim settlement process and grievance procedure activities are also important. The noteworthy point is that calling up is one of the most important factors in customer satisfaction and insurers success.

REFERENCES

- [1] Coviello, Antonio and Di Trapani, Giovanni, The Customer Satisfaction in the Insurance Industry (September 11, 2012). Available at SSRN: <https://ssrn.com/abstract=2144684> or <http://dx.doi.org/10.2139/ssrn.2144684>
- [2] Kaur, Paramjit Negi and Meenakshi (2010), "A Study on Customer Satisfaction with Life Insurance in Chandigarh Tricity", Journal of Institute of Management Technology, Vol.14 (2).
- [3] Dharmendra Singh (2011), "Factors Affecting Customers' Preferences for Life Insurers: An Empirical Study", The IUP Journal of Risk & Insurance, Vol.VIII (2), pp. 34 – 49.
- [4] Deepika Upadhyaya and Manish Badlani (2011), "Service Quality Perception and Customer Satisfaction in Life Insurance Companies in India", International Conference on Technology and Business Management, pp.1011–1024.
- [5] Ravipa Larpsiri and Mark Speece (2004), "Determinants of Customer Satisfaction: A Model of Technology Integration in Thailand's Insurance Industry", paper presented at a conference on "Moving Forward : Leading Asia in a New Era", organised by Asia Academy of Management, Shanghai, China, December 16-18, 2004, http://www.jgxysx.net/DAOM/079_RavipaLarpsiri.pdf
- [6] Dinesh, S., R. Arivazhagan and N. Nandana Moorthy (2011), "Assessment of Perceived Service Quality in Reliance Life Insurance Company Ltd. at South Tamilnadu", Indian Journal of Commerce and Management Studies, Vol.II (2), pp.127–137.
- [7] Nageswara Rao, S.B and C. Madhavi (2006), "An Overview of the Private Insurance Company", in Nalini Prava Tripathy and Prabir Pal (Ed.), Insurance : Theory and Practice, New Delhi, Prentice Hall of India Private Limited.
- [8] Push Deep Dagar and Sunil Phougat (2011), "Impact of Privatization of Life Insurance Sector on Consumer", Southern Economist, Vol. 45 (23), pp. 38 – 42.
- [9] Sudarsana Reddy, G. (2005), "Customer Perception towards Private Life Insurance Companies Policies with Reference to Bangalore City", Indian Journal of Marketing, Vol.XXXV (4), pp.9–14.
- [10] Oliver Richard (1980), "A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions," Journal of Marketing Research, 17 (November), 460-469.