# A Study on Customer Perception Attitude and Satisfaction towards Health Insurance in Madurai District

**I. Rajasekar**
*Research Scholar, Department of Management Studies*
*Madurai Kamaraj University, Madurai, Tamil Nadu, India*

**Dr. P. Uma Rani**
*Assistant Professor, Department of Business Administration*
*Thiagarajar College, Madurai, Tamil Nadu, India*

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**Abstract**
*The Indian health insurance industry was primarily dormant before the opening up of the market for private players. It is only after the privatization of the health insurance market and introduction of the insurance regulator that one has seen rapid growth in this segment. The growth is also fueled by the complexities and challenges within the health care market. The health needs of the population are majorly funded through private means and different options are being explored for financing of health care in the Indian context. The social sector was deprived of the benefits of health insurance and it is only recently that the health insurance schemes for the population below poverty line had been launched by the government. Since, health insurance as a mechanism is a combination of financing and service delivery of healthcare; it has its own complexities and requires a thorough investigation of the relationships and intricacies involved among different stakeholders.*
**Keywords: Health Insurance, Customer Perception, Satisfaction.**

## Introduction

Insurance is the backbone of a country's risk management system. The risk is an inherent part of our lives. The insurance providers offer a variety of products to businesses and individuals to provide protection from risk and to ensure financial security. Insurance is an important component in the financial intermediation chain of a country and is a source of long-term capital for infrastructure and long-term projects. Through their participation in financial markets, they also provide support in stabilizing the markets by evening out any fluctuations. Human beings always sought security. This quest for security was an important motivating force in the earliest formation of families, clans, tribes and other groups. Indeed, groups have been the primary source of both emotional and physical security, since the beginning of mankind. The insurance providers helped their less fortunate members in the time of crisis. Humans today continue their quest to achieve security and reduce uncertainties and for this, they rely on groups for financial stability. The group may be our employers, the government or an insurance company, but the concept is the same. In some ways, however, we today are more vulnerable than ancestors.

The physical and economic security formerly provided by the tribes or extended family is diminishing with industrialization. Our income-dependent, wealth acquiring life style renders us and our family more vulnerable to environmental and societal changes over which we have no control. More formalized means are required for mitigating the adverse consequences of unemployment, loss of health, death, old age, lawsuits and destruction of our property. Although individuals cannot predict or completely prevent such occurrences, they can provide for their financial losses. The function of insurance is to safeguard against such misfortune through the contribution of many who pay for the losses of the unfortunate few. This is the essence of insurance - the sharing of losses and, in the process, the substitution of certain, small "loss" called the premium for an uncertain, large loss (Black and Skipper, 2003).

In other words, insurance is a method which provides security and protection against financial loss upto some limit. It means of shifting of risks to the insurer in consideration of a nominal cost called premium. Risks may be transferred in two ways: firstly, a person may seek to transfer the activity or avoid such event which creates the risk; for example, a civil engineering contractor may give sub-contract to another. Alternatively, the contractual agreement may be made to shift responsibility for any losses attributable to the occurrence of the specified uncertain event to the other person who is a party to the contract. Exclusion and indemnity clause in a contract of sale, building, transport means and similar other contracts are a few examples. In fact, the most important form of risk transfer is insurance.

## Review of Literature

Valentin, E. C., Degnan, and R. D., &Ntaganira, J., (2012) justify the need for a special focus required for Indian Health Insurance. The major stimulators in availing health insurance are the tax rebate, security (both financial and health), risk coverage, health leverage, out of pocket expenditure, neutralizing rising healthcare cost. Anand Thakur and Sushil Kumar (2013) Examined Understanding the low penetration in the Indian Health Insurance Industry (presently 32%) and leading MNCs of the world were venturing aggressively into this sector. It is further endorsed by the fact that India spends only 6-7 % of GDP on Health care. A comparison of health care spending patterns between India and developed countries approve the same, as only 5 % Indians avail the same. In Canada and the UK, Health care is free of cost. While in India, complete coverage is still not accessible, despite bulky premium payment. The present paper critically evaluates the marketing strategies of leading players in the Indian Health Insurance Sector. Further, some useful marketing Implications (with the special focus on STP and marketing mix) have been suggested at the end. Nisakorn Phichitchaisopa and Thanakorn Naenna (2013) results found that the factors with a significant effect are performance expectancy, effort expectancy and facilitating conditions. They were also found to have a significant impact on behavioral intention to use the acceptance healthcare technology. Also, in Thai provincial areas, positive significance was found with two factors: social influence on behavioral intention and facilitating conditions to direct using behavior. Based on research findings, for healthcare information technology to be widely adopted and used by healthcare staffs in healthcare supply chain management, the healthcare organizational management should improve healthcare staffs' behavioral intention and facilitate conditions. Sinha, A. (2014) studies life insurance industry in India which had its birth in the early part of the nineteenth century. For better management of the insurance business, several Acts have been passed from time to time. Two noteworthy events in the history of life insurance are (i) the formation of the Life Insurance Corporation of India in 1956, which served as a monopoly till the year 2000 followed by (ii) the opening up of the insurance sector to the private players in 1999, who were given the permission to operate either single-handedly or as a joint venture with any other private player(s) and/or foreign partner. This drastic regulatory change brought an end to the monopoly status of LIC, and also encouraged the private players to enter into the insurance space. To keep pace with the fast-changing industry environment, one of the functions that are gaining strategic importance is the coming up of newer channels of distribution, which would spread the business to newer markets and serve the customers cost-effectively, steadily, and speedily. This exploratory research (which was carried out in the period from May-July 2012) discusses the various distribution channels (that emerged in the deregulated period and changed the overall industry trend) operating over a period from 2005-06 to 2009-10. The researcher considered seven dominating private players in the life insurance industry to understand the recent patterns in distribution. The analysis clearly shows a move-away from the traditional channels by the private sector.

## Objectives of the Study

To examine the relationship among dimensions of customer perception attitude and satisfaction towards health insurance.

## Methodology

The study is an empirical one based on data gathered from the respondents have been chosen for the study. A sample of 562 respondents has been chosen for the study. For this study, the researcher used a well-structured questionnaire to collect the data from the respondents. The questionnaire related to variables of customer perception attitude and satisfaction towards health insurance. The researcher used correlation analysis to study the relationship among dimensions of customer attitude, deficiencies, switchover, customer satisfaction, perception, expectation and purchase intention. IBM SPSS 21 version was used for statistical purpose.

## Results and Discussion

Correlation Analysis Between Customer Attitude, Deficiencies, Switchover, Customer Satisfaction, Perception, Expectation and Purchase Intention

**Table 1 Relationship Between Customer Attitude, Deficiencies, Switchover, Customer Satisfaction, Perception, Expectation and Purchase Intention**

| Correlation | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| Deficiency | Pearson Correlation | 1 | .913** | .253** | .185** | .871** | .819** | .744** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 | .000 | .000 |
| Attitude | Pearson Correlation | .913** | 1 | .182** | .166** | .837** | .959** | .744** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 | 0.000 | .000 |
| Switch Over | Pearson Correlation | .253** | .182** | 1 | .011 | .193** | .169** | .177** |
| | Sig. (2-tailed) | .000 | .000 | | .772 | .000 | .000 | .000 |
| Customer Satisfaction | Pearson Correlation | .185** | .166** | .011 | 1 | .195** | .147** | .211** |
| | Sig. (2-tailed) | .000 | .000 | .772 | | .000 | .000 | .000 |
| Expectations | Pearson Correlation | .871** | .837** | .193** | .195** | 1 | .810** | .926** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | | .000 | .000 |
| Perception | Pearson Correlation | .819** | .959** | .169** | .147** | .810** | 1 | .721** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | .000 | |

**. Correlation is significant at the 0.01 level (2-tailed).

The above table concludes that correlation coefficient between deficiencies of the health insurance services and customer attitudes is 0.913 which indicates 91% positive correlation is existing between deficiencies of the health insurance services and customer attitudes. The correlation coefficient between deficiencies of the health insurance services and brand switch over is 0.253, which indicates 25% positive relation exists between deficiencies of the health insurance services and brand switch over.

The correlation coefficient between deficiencies of the health insurance services and customer satisfaction is 0.185 which indicates 19% positive relation is existing between deficiencies of the health insurance services and customer satisfaction. The correlation coefficient between deficiencies of the health insurance services and customers expectation is 0.871 which indicates 87% positive relation is existing between deficiencies of the health insurance services and customer expectations. The correlation coefficient between deficiencies of the health insurance services and customer perception is 0.819 which shows 82% positive relation is existing between deficiencies of the health insurance services and customer perception. The correlation coefficient between deficiencies of the health insurance services and purchase intention is 0.744 which means 74% positive relation is existing between deficiencies of the health insurance services and purchase intention. The correlation coefficient between customer attitudes and brand switch over is 0.182 which means 18% positive relation is existing between customer attitudes and brand switch over. The correlation coefficient between customer attitudes and customer satisfaction is 0.166 which means 17% positive relation is existing between customer attitudes and customer satisfaction. The correlation coefficient between customer attitudes and customer expectation is 0.837 which shows 84% positive relation is existing between customer attitudes and customer expectations. The correlation coefficient between customer attitudes and customer perception is 0.959 which indicates 96% positive relation is existing between customer attitudes and customer perception. The correlation coefficient between customer attitudes and purchase intention is 0.744 which means 74% positive relation is existing between customer attitudes and purchase intention.

The correlation coefficient between the brand switch over and customer expectation is 0.193 which means 19% positive relation is existing between customer attitudes and customer expectation. The correlation coefficient between customer attitudes and customer perception is 0.169 which means 17% positive relation is existing between customer attitudes and customer perception. The correlation coefficient between customer attitudes and purchase intention is 0.177 which shows 18% positive relation exists between customer attitudes and purchase intention.

The correlation coefficient between customer satisfaction and customer expectation is 19.5% which shows that 20% positive relation exists between brand switch over and customer expectation. The correlation coefficient between customer satisfaction and customer expectations is 0.147 which means 15% positive relation exists between customer satisfaction and customer perception. The correlation coefficient between customer satisfaction and purchase intention is 0.211 which shows a 21% positive relation exists between customer satisfaction and purchase intention.

The correlation coefficient between customer expectations and customer perception is 0.810 which means 81% positive relation exists between customer expectations and perception. The correlation coefficient between customer expectations and purchase intention 0.926 which means 93% positive relation exists between customer expectations and purchase intention. The correlation coefficient between customer perception and purchase intention 0.721 which means 72% positive relation exists between customer perception and purchase intention.

## Conclusion

A large mass of people in India are not financed savvy and would like to play safe and avoid the vagaries of the market movements so that they can plan their future income flows and not be worried about the fatal accidents. The new private insurers coming in with the liberalization of the sector are adding more channels of distribution in the Indian market parallel to the existing ones. The mantra is innovation and diversification. Today in the liberalized insurance markets, every new health insurer sells through one or more alternative distribution channels that ensure accessibility of the insurance products to the rural people. The private companies no longer rely solely or excessively on the agent network, that has given the new way to a range of new distribution channels telemarketing, direct marketing, corporate agents and development officers directly on the internet. Utilizing the extensive network for selling insurance will over a period bring about an increase in insurance density in private health insurance companies. Besides improving insurance penetration in rural areas, a large unexploited potential exists that was estimated at the 740million spread over 7 lakh village across a wide variety of regions in India , is still to be explored. To remain competitive in a deregulated industry that has more or less encroached all financial service providers, insurance companies and their sales representatives have to reevaluate their traditional methods of attracting and keeping customers.

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