
A STUDY ON CUSTOMER ATTITUDE TOWARDS SERVICE QUALITY WITH SPECIAL REFERENCE TO LIC AND ICICI PRUDENTIAL IN RAMANATHAPURAM DISTRICT, TAMIL NADU

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Abstract

India's rapid rate of economic growth over the past decade has been one of the most significant developments in the global economy. The Indian economy registered an impressive growth rate of 8.5 per cent in 2010-11 despite many challenges. The problem of this study is principally informed by the fact that there is very limited empirical documentation in the area of customer attitude and service quality in the insurance industry in India for both research and industrial management. The scope of the present study is limited to the life insurance companies in Ramanathapuram District. Therefore, it makes an attempt to investigate service quality satisfaction in Life Insurance industry by selecting respondents from LIC and ICICI Prudential. Present study objectives are : To explore the relationship between service quality with its dimensions and customer satisfaction. To find the gap between customer expectation and customer perception of LIC and ICICI Prudential policy holder. To ascertain the aspects/dimensions of service quality having significant impact on customer satisfaction in life insurance industry. To study the role of demographic on service quality. It has been analysed that seven factors are from customer perception and six factors are for customer expectation. The research resulted in the development of a reliable and valid instrument for assessing customer perceived service quality for life insurance services. In the competitive insurance sector, these findings can be transformed into effective strategies and actions for achieving competitive advantage through customer satisfaction and retention.

Keywords: Service Quality, LIC, ICICI Prudential, Customer Attitude, Tangibility Reliability, Assurance, Empathy, Customer Satisfaction etc.

Introduction

The service industry is emerging as the most dominant sector in every economy in the world today. In the US, 75% to 80% of new jobs are in the services sector. This is true of India as well. The contribution of the services sector to the GDP now in India stands

around 54 percent. Much of the management literature evolved during the period when manufacturing was the most dominant sector in an economy.

In the newly emerging service dominated economics, the management principles require a re-look. This is precisely the focus here, brings out the essence of what needs to be done. The services must be customer driven. Therefore, the researcher made an humble attempt to focus the need for delivering quality services to its customers in insurance industry. Accordingly, the researcher had selected two large insurance companies, namely, the Life Insurance Corporation of India (LIC) the tallest giant in Public sector and the ICICI Prudential, another big company in private sector for identifying and analyzing the services by drawing respondents and thus collecting primary data and information from those respondents for pertaining the facts of the study in a lucid manner.

Customer Attitude and Service Quality

The focus on customer-centric marketing philosophies has received considerable attention in the marketing literature by scholars and practitioners. Both practitioners and scholars are increasingly looking for ways to understand, attract, retain and build intimate long term relationship with profitable customers (Kotler, 2006: Gronroos, 1994). One of the key areas in the customer –centered marketing paradigm is ensuring that existing customers are satisfied. As a result organizations have been studying and developing strategies to satisfy customers and achieve customer delight. According to research, a very satisfied customer is nearly six times more likely to be loyal and to re-purchase and recommend a product / service to family and friends than a customer who is just satisfied. It is again believed that satisfied customers tell five other people about their good treatment and that five percent increase in loyalty can increase profit by 25% to 85%.

Statement of the Problem

The problem of this study is principally informed by the fact that there is very limited empirical documentation in the area of customer attitude and service quality in the insurance industry in India for both research and industrial management.

There is a need to increase understanding of the factors that drive customer satisfaction in the industry in order to provide management with empirical basis for developing effective marketing strategies. In view of the above, the main thrust of this study is to understand customer attitude towards service quality in insurance industry.

Significance of the Study

After the globalization of Indian economy in 1991, the Insurance industry in India has increased. The recent years have witnessed rapid and dramatic changes in the field of insurance industry, customers are becoming increasingly aware of their

expectations, and demand higher standards of services, as technology is enabling them to make comparisons has been quickly and accurately.

The following are some of the reasons for the present study:

- As globalization and IT revolution has made the insurance sector, highly knowledge-based, there is a need to concentrate highly on the service quality.
- Market share of life insurance sector in India is less than that of other developed countries
- After the entry of private sector in this industry, it becomes important, to compare the satisfaction level and quality of the services rendered by the private and public sector.
- Customer Satisfaction is regarded as the most accurate barometer, to predict the success of a company, and the satisfaction depends upon the level of service quality.
- The present study was undertaken, first of all to identify the various attributes of service quality construct with respect to Life insurance industry and then to determine hierarchical framework of these attributes as perceived by customers.

Scope of the Study

The scope of the present study is limited to the life insurance companies in Ramanathapuram District. Therefore, it makes an attempt to investigate service quality satisfaction in Life Insurance industry by selecting respondents from LIC and ICICI Prudential. Further the title of the study is confined to customers of Ramanathapuram District in the State of Tamil Nadu.

Review of Literature

Parasuraman et al. (1985) found that services were more difficult to evaluate than products given that services were characterized by intangibility, heterogeneity, simultaneity of production and consumption, and a high proportion of credence versus search and experience properties. Further, professional services were complex in nature, and their effects were often delayed, which made even post purchase evaluation difficult. Also, professional services were mainly bought on an irregular basis preventing the client from accumulating experience on what to expect and demand from a service encounter. The client also typically lacked the expertise to perform the service himself and consequently might have problems in judging the objective performance of the entire service provider (Day & Barksdale 1992; Day et al. 1988). These were all issues which complicated the evaluation of the quality of professional services.

Edmister (1987) in his study opines that insurance is a mechanism which involves two fundamental features i.e. transferring the risk of an individual to a group and sharing losses on some basis by all members of the concerned group. Wherever a company starts an insurance business must predict in advance that what will be the group of persons?

What will be the percentage of the same group who die at certain age? On the basis of these data a table is formatted containing these percentages, called mortality statistics. These tables provide an important aspect about the timings & frequency of death affect the timings.

Mishra (1991) while studying the working & performance of LIC in marketing management, found that only 13% of the population in India was insured till then. The business, in terms of getting premium of LIC, increases mainly due to salaried persons for their tax liability. He suggested that the business of LIC should be extended to non-salaried people. He also compared the data of per capita business zone wise and found it higher in western and northern zones.

In the literature there had been some confusion over the relationship between service quality and customer satisfaction. Some researchers stated that service quality and satisfaction measured the same underlying concept and therefore were the same. Other authors argued that satisfaction with a specific transaction precedes the perception of the overall quality of the firm and therefore were the antecedent of perceived quality. Finally, others suggested that the concepts of satisfaction and quality were different, and that it was the perceived service quality that would affect customer satisfaction.

Fornell (1992), found that, as a general psychological phenomenon, satisfaction was primarily a function of a customer's quality experience with a product or service. So overall it was expected that the greater the perceived quality, the higher the level of customer satisfaction.

Jillian Dawes Farquhar (1994) study Customer retention in retail financial services: an employee perspective aimed to contribute to an understanding of how customer retention was practiced, by surveying staff perceptions to customer retention (CR) in their organizations. The study found that these financial service retailers were aiming to retain customers through building relationships but lack of management appreciation for staff expertise and the burden for service quality and retention appears to fall upon staff. The study also found that staffs appeared to view themselves as key players in retaining customers and, since information systems and structure appeared not to provide the required support, there were grounds for this view. CR required a positive climate in which everyone in the organization worked towards keeping customers (Reichheld and Sasser, 1990) and the major role was played by employees in building customer relationships and implementing sales strategies (Durkin and Bennett, 1999).

Steve Macaulay and Sarah Cook (1995), concluded that teamwork was a term most service organizations as its benefits were highly visible to the customer. The study suggested that under team work umbrella employees would work closely, together and with the customer, and so respond flexibly to their needs.

Robert Johnston (1995), demonstrated that some determinants of quality predominate over others. The study found that for the personal customers of the bank,

the main sources of satisfaction were attentiveness, responsiveness, care and friendliness. The study also found that the intangible aspects of the staff-customer interface had significant effects, both negative and positive, on service quality. Responsiveness was a crucial determinant of quality, as it was a key component in providing satisfaction and the lack of it is a major source of dissatisfaction. The main sources of dissatisfaction were integrity, reliability, responsiveness, availability and functionality. Reliability was predominantly a source of dissatisfaction not satisfaction. Robert Johnston (1995) study demonstrated the same results as revealed by Johnston and Silvestro (1990) study.

Objectives of the Study

To explore the relationship between service quality with its dimensions and customer satisfaction.

1. To find the gap between customer expectation and customer perception of LIC and ICICI Prudential policy holder.
2. To ascertain the aspects/dimensions of service quality having significant impact on customer satisfaction in life insurance industry.
3. To study the role of demographic on service quality.
4. To study the behavioral consequences of service quality.
5. To suggest some policy recommendations to minimize the service quality gap between customer and provider in the life insurance sector.

Research Questions

The research will seek to provide answers to the following questions:

1. What do customers expect from their insurance companies?
2. What is the attitude of staff towards customers of insurance companies?
3. What is the impact of service quality on customer satisfaction?
4. What is the level of satisfaction among customers of insurance companies?
5. What customer satisfaction strategies are employed by insurance companies?
6. What challenges do insurance companies face in their bid to satisfy their customers?

Hypothesis

Descriptive Analysis of Customer Profile

The descriptive analysis presents a demographic profile of the respondents.

1. **H₀**: There is no significant difference between the Location and customers of LIC and ICICI Prudential.
H₁: There is a significant difference between the Location and customers of LIC and ICICI Prudential.
2. **H₀**: There is no significant difference between the Gender and customers of LIC and ICICI Prudential.

- H₁**: There is a significant difference between the Gender and customers of LIC and ICICI Prudential.
3. **H₀**: There is no significant difference between the Age and customers of LIC and ICICI Prudential.
H₁: There is a significant difference between the Age and customers of LIC and ICICI Prudential.
4. **H₀**: There is no significant difference between the Educational Qualification and customers of LIC and ICICI Prudential.
H₁: There is a significant difference between the Educational Qualification and customers of LIC and ICICI Prudential.
5. **H₀**: There is no significant difference between the Occupation and customers of LIC and ICICI Prudential.
H₁: There is a significant difference between the Occupation and customers of LIC and ICICI Prudential.
6. **H₀**: There is no significant difference between the Monthly Income and customers of LIC and ICICI Prudential.
H₁: There is a significant difference between the Monthly Income and customers of LIC and ICICI Prudential.
7. **H₀**: There is no significant difference between the Duration and customers of LIC and ICICI Prudential.
H₁: There is a significant difference between the Duration and customers of LIC and ICICI Prudential.

Hypothesis for Various Dimensions

1. **H₀**: There is no Significant difference of opinion between LIC and ICICI Prudential Customers with regards to Tangibility
H₁: There is a significant difference of opinion between LIC and ICICI Prudential Customers with regards to Tangibility
2. **H₀**: There is no Significant difference of opinion between LIC and ICICI Prudential Customers with regards to Reliability
H₁: There is a significant difference of opinion between LIC and ICICI Prudential Customers with regards to Reliability
3. **H₀**: There is no Significant difference of opinion between LIC and ICICI Prudential Customers with regards to Responsiveness
H₁: There is a significant difference of opinion between LIC and ICICI Prudential Customers with regards to Responsiveness
4. **H₀**: There is no Significant difference of opinion between LIC and ICICI Prudential Customers with regards to Assurance
H₁: There is a significant difference of opinion between LIC and ICICI Prudential Customers with regards to Assurance

5. **H₀**: There is no Significant difference of opinion between LIC and ICICI Prudential Customers with regards to Empathy
H₁: There is a significant difference of opinion between LIC and ICICI Prudential Customers with regards to Empathy
6. **H₀**: There is no Significant difference of opinion between LIC and ICICI Prudential Customers with regards to Product Availability
H₁: There is a significant difference of opinion between LIC and ICICI Prudential Customers with regards to Product Availability
7. **H₀**: There is no Significant difference of opinion between LIC and ICICI Prudential Customers with regards to Product Convenience
H₁: There is a significant difference of opinion between LIC and ICICI Prudential Customers with regards to Product Convenience
8. **H₀**: There is no Positive Correlation between LIC and ICICI Prudential Customers with regards to Customer Satisfaction
H₁: There is Positive Correlation between LIC and ICICI Prudential Customers with regards to Customer Satisfaction
9. **H₀**: There is no significant gap of the overall service quality between the LIC and ICICI Prudential.
H₁: There is a significant gap of the overall service quality between the LIC and ICICI Prudential.
10. **H₀**: There is no significant gap of customer satisfaction between the LIC and ICICI Prudential.
H₁: There is a significant gap of customer satisfaction between the LIC and ICICI Prudential.
11. **H₀**: There is no significant gap of the probability to use these facilities - services again between the LIC and ICICI Prudential
H₁: There is a significant gap of the probability to use these facilities - services again between the LIC and ICICI Prudential
12. **H₀**: There is no significant gap of the perception to 'recommend this company to a friend' between the LIC and ICICI Prudential .
H₁: There is a significant gap of the perception to 'recommend this company to a friend' between the LIC and ICICI Prudential .
13. **H₀**: There is no significant gap of the perception of 'again make the same choice' between the LIC and ICICI Prudential
H₁: There is a significant gap of the perception of 'again make the same choice' between the LIC and ICICI Prudential

Research Design

A Research design is a plan of action to be carried out in connection with a research project. It is the conceptual structure within which research is conducted and it constitutes the blue print for the collection, measurement and analysis of data. It is the specification of methods and procedures for acquiring the information needed for solving the problem. Decisions regarding what, where, when, how much, by what means concerning an inquiry or a research study constitute a research design.

Sampling Procedure

The researcher used two-stage methods in selecting the sample size. Due to the many number of players in insurance industry from both public and private sector, the researcher decided to select one company from the public sector and one company from the private sectors. The sample size that adequately represents the population of life insurance policy holder in Tamil Nadu using two stage sampling method. A non probability sampling method was used at the first stage to select the district for the study and same method was used in selecting the life insurance policy holders as respondents at the final stage. A sample size of three hundred (300) life insurance policy holders was selected based on the convenience to the researcher located in Ramanathapuram district in Tamil Nadu. The researcher has confined his sample size as 300 and data collected from whom he meet instantly, 180 respondents are ICICI Prudential customers and 120 respondents are LIC customers.

Sources of Data

Both primary and secondary sources were used for the data collection. The primary data was obtained mainly with the instruments of questionnaire and interview methods. Questionnaires were administered to 300 focused life insurance policy holders. Concerning information on their attitudes towards service quality, their expectation in regard to services are identified and record their perceptions about the services rendered by the insurance companies.

Tools Used for Data Collection

The primary data were collected from the life insurance policy holders of Ramathapuram district in the year 2012. While considering the responses rates, non-responses, incomplete survey, understanding nonverbal cues, clarification of doubts, motivate respondents to answer after thinking about the problems and issues, on the available data collection methods, the personally administered questionnaire is found to be good and suitable. Since the survey is confined to Ramanathapuram district it is possible for the researcher to meet the respondents individually, collect the data with a well-structured set of questions within a short period of time.

Statistical Tools used for Analysis

1. **Descriptive Analysis:** Descriptive analysis was used to find out the gap between various service quality dimensions. Measure of central tendency, standard deviation was worked out to study the nature and distribution of scores on various variables.
2. **Cronbach Alpha:** The reliability of the data was examined by running reliability test. For various set of important associated factors used in the questionnaire, values of coefficient alpha (Cronbach's alpha) were obtained. Amongst the reliability tests that were run, the minimum value of coefficient alpha (for both expectations and performance scores) obtained was 0.80, (substantially higher than 0.60), which showed that data had satisfactory internal consistency reliability.
3. **Correlation Analysis:** The relationship between various service quality dimensions, and between the dependent and independent variables, was analyzed by correlation analysis.
4. **Regression Analysis:** In order to determine the relative importance and contribution of each of the seven dimensions influencing overall quality, customer satisfaction and behavioral consequences, regression was used.
5. **Analysis of Variance:** The Analysis of Variance, popularly known as the ANOVA test, (T-Test or F-Test) was used to compare the sample means as well as to know that they came from the same population -- that they are all equal or is there is any significant difference between the various sample means.

Statistical calculations have been made, making extensive use of SPSS software package on the computer.

Limitations of the Study

- Firstly, since only two companies were selected for the study, thus, generalization is not possible on the basis of these limited numbers of companies.
- Secondly, the study covered only the geographical area of Ramanathpuram district, thus, the findings may not be true for the entire country. The expectations and perceptions of policyholders in these limited geographical areas may vary from those of the rest of India.
- Thirdly, the findings of the study depended purely on the responses given by the sample respondents and data was collected only from the policyholders and not from the service providers, so the study could pose to be limited on grounds of high reliability and validity.
- Lastly, the inherent weaknesses of the said Parasuraman model used for the study cannot be ruled out. The study was based on Gap 5 (Customer Expectation Vs Customer Perception of SERVQUAL scale, rest were ignored).

Chapter Scheme

For the purpose of convenience, the study is arranged in to five chapters. The chapter scheme is as follows.

The first chapter gives an introduction to the topic explaining the statement of the problems, objectives, hypothesis, methodology used and scope and significance of the study etc. It also describes the technical aspects like methods and techniques used in the study.

The second chapter deals with profile of Life Insurance Industry in Indian, the evolution of insurance sector, major initiatives towards opening up of the insurance sector. Various policies of LIC and ICICI Prudential is presented in this chapter. The theoretical framework of service quality measurement is details discussed.

The third chapter deals with the Review of literature. Review of literature has been organized as literate pertaining to insurance companies, service quality with regard to insurance industry and customer satisfaction.

The fourth chapter deals with Data analysis and discussion. Descriptive analyses were done with the demographic variable. Further the customer expectation and perception of respondents are compared with the statistical tool and inferences are presented.

The fifth chapter deals with important findings suggestions and conclusion of the study. The conclusion reveals the comparative performance of insurance company such as LIC and ICICI Prudential. The research has put forward some recommendations to improve the performance of both insurance companies.

Descriptive Analysis of Customer Profile

The descriptive analysis presents a demographic profile of the respondents. To be successful in the present market environment, the insurers have to provide the products and services according to the needs of customers. The demands of the customers vary as per their age, income, occupation, education level etc. For formulating effective marketing strategies, companies need to maintain an up-to-date profile of the customers in the form of customer based data. The customers selected for the study belonged to different categories made on the basis of town/village, sex, age, education, occupation, monthly income, policy and duration. The study aims to have a comparative service quality analysis of the LIC and ICICI Prudential. The customers belonging to different categories may have different perceptions regarding the same product of a particular company. It may lead to draw wrong conclusions regarding the comparative service quality of the LIC and ICICI Prudential insurers. To overcome this problem, the questionnaires have been filled by the identical customers of the LIC and ICICI Prudential to the maximum possible extent. The Chi-square test has been used to investigate the significant difference between the customers profile belonging to different categories for both the LIC and ICICI Prudential.

Service Quality Level of the LIC and ICICI Prudential Using SERVQUAL Model

The analysis of the gap between consumers expectations and their perceptions of service quality delivery provides the management an opportunity to know how well is actual service performance compared with the expectations of the consumers. Thus, the study of this gap is extremely useful for the management in monitoring the service delivery by testing policyholders perception. It helps to ascertain whether the service quality provided by the insurers is up to the expectations of the policyholders.

The following dimensions are analysed elaborately:

Tangibility, Reliability, Responsiveness, Assurance, Empathy, Product Availability and Product Convenience.

Findings of the Study

Demography

Majority of the respondents 112 (93.3%) and 166 (92.2%) from the LIC and ICICI Prudential respectively lived in towns. Only a small number of respondents i.e., 8 (6.7%) and 14 (7.8%) from the LIC and ICICI Prudential respectively resided in villages. The Chi-square test ($P > .05$) reveals that location-wise there is no significant difference between the customers of LIC and ICICI Prudential

Numbers of male respondents are more than the females in both the LIC and ICICI Prudential. In the LIC companies, 86 (71.7%) of the customers are male and 34 (28.3%) are female. However, in the ICICI Prudential, 112 (62.2%) respondent customers belong to male category and the remaining 68 (37.8%) belong to female category. By chi-square it is understand that gender discrimination of the respondents will not have any special impact on customer attitude on the satisfaction toward service quality.

Respondents from both the LIC and ICICI Prudential companies, predominantly in the age group of 31 to 45 years only. 24 (20%) and 28 (15.6%) respondents were in the age group of 46 to 60 years, while 5 (4.2%) and 7 (3.9%) were belonging to above 60 years in the LIC and ICICI Prudential companies respectively. The majority of the respondents are up to the age of 45 years in both ICICI Prudential & LIC. The Chi-square test shows that there is an no relationship among the respondents belonging to different age categories in the LIC and ICICI Prudential insurance companies.

Majority of the respondents from the ICICI Prudential, i.e., 61 (33.9%) belong to the graduate category, whereas 53 (29.5%), 29 (16.1%), 20 (11.1%) and 17 (9.4%) respondents represent the postgraduate, undergraduate, professional degree, and below metric categories respectively. Maximum number of respondents from the LIC, i.e., 49 (40.7%) belong to the postgraduate category, while 26 (21.7%), 20 (16.7%), 14 (11.7%) and 11 (9.2%) respondents represent the graduate, professional degree, under graduate and below matric categories respectively. The Chi-square test ($P > 0.05$) shows that an relationship lies between the education status of the respondents from the LIC and ICICI Prudential.

Maximum number of respondents from the LIC under study, i.e., 66 (55.0%) belong to serviceman category, whereas 31 (25.8%) and 7 (5.8%) respondents represent the businessman and agriculturist categories respectively. Further, an equal number of respondents, i.e., 8 (6.7%) belong to both the professional and any other categories. However, majority of the respondents from the ICICI Prudential, i.e., 83 (46.1%) belong to the serviceman category, while 37 (20.6%), 29 (16.1%), 16 (8.9%), and 15 (8.3%) respondents represent the businessman, any other, agriculturist and professional categories respectively. The results of Chi-square test ($P > 0.05$) reveal that there is an insignificant difference between occupation-wise respondents of both the LIC and ICICI Prudential.

Majority of the respondents, i.e., 51 (42.5%) belong to monthly income group of Rs.10,001 to Rs.25000, while 36 (30%), 21 (17.5%), 9 (7.5%) and 3 (2.5%) respondents represent the categories of Rs. 25,001-50,000, below Rs.10,000, above Rs.75,000 and Rs.50,001-75,000 respectively. However, maximum number of respondents from the ICICI Prudential, i.e., 72 (40%) belong to monthly income group of Rs.10,001-25,000, whereas 49 (27.2%), 43 (23.9%), 10 (5.6%) and 6 (3.3%) respondents represent the income categories of below Rs.10,000, Rs.25,001-50,000, Rs.50,001-75,000 and above Rs.75,000 respectively. The Chi-square test indicates that there is an insignificant difference between income profile of the respondents from both the LIC and ICICI Prudential.

Majority of the LIC respondents, i.e., 40 (33.3%) have been the customers for more than one year but less than three years, while 22 (18.3%) respondents have been the customers for three years but less than six years. Similarly, an equal number of customers i.e., 29 (24.2%) have been the customers for more than one year but less than six years. However, maximum number of respondents from the ICICI Prudential, i.e., 69 (38.3%) have been the customers for one year but less than three years, whereas the other respondents, i.e., 48 (26.7%), 41 (22.8%) and 22 (12.2%) have been the customers for less than one year, three years but less than six years, and above six years respectively. The Chi-square test indicates that there is an insignificant difference between duration of customer profile of the respondents from both the LIC and ICICI Prudential.

Tangible Dimension

It is evident from both the LIC & ICICI Prudential, who have shown a negative SERVQUAL score on all the four items of tangible dimensions. However, the ICICI Prudential has exhibited a lower negative value which means lesser gap between customers perceptions and expectations. The P-values indicate that there is a significant gap between customers perceptions and expectations in all the four items of tangible dimension in the case of LIC and the first three items in the case of ICICI Prudential companies. The significant negative SERVQUAL scores against all the items

of tangibility except materials associated with the services appealing in the case of ICICI Prudential demand substantial investment on the said elements of tangibility which may improve the service quality to a great extent. The LIC need to show sincere interest in adopting new technology, computerization, internet and intranet based services, etc.

The item called "physical facilities visually appealing" shows a significant difference between gap (P-E) of the LIC and ICICI Prudential insurance companies. The analysis provides that the service quality of the ICICI Prudential is significantly higher than that of the LIC as far as the second item is concerned.

Reliability

The SERVQUAL scores against all the seven items of reliability dimension in the case of both LIC and ICICI Prudential are negative, but the gap between perceptions and expectations of customers of the ICICI Prudential is lesser than that of the LIC insurers. The P-value ($<.05$) for all the items of reliability dimension except Goodwill of the ICICI Prudential show that there is a significant gap between the customers perceptions and their expectations. It is evident that the insurers are not doing well in meeting the customers expectations about reliability dimension. The study implies that managements of both the LIC and ICICI Prudential should emphasize on improving quality of reliability dimension to improve overall service quality and to meet customers expectations.

The service quality on two items of reliability, namely, "show sincere interest in solving customers problems" and "goodwill" of the ICICI Prudential is significantly higher than that of the LIC. There is no significant gap between service quality level on the other five attributes of reliability among the ICICI Prudential and LIC.

Responsiveness

The mean scores of expectations are higher than those of the perceptions which means that both the LIC and ICICI Prudential are unable to meet the expectations of their customers. The negative SERVQUAL scores of both the insurers speak about their poor service quality standards on the responsiveness dimension except the statement employees and agents communicate with customers' regularly, where SERVQUAL score has a positive value in the case of ICICI Prudential. The P- value of all the items of responsiveness dimension is <0.05 except for the statement that "employees and agents remain ready to respond to customers requests of the ICICI Prudential. It exhibits that there is a significant gap between customers perception and expectations. So, the results suggest that it is necessary for both the LIC and ICICI Prudential to enhance their level of service for improving their overall service quality. The negative SERVQUAL score of the ICICI Prudential on the item called "employees and agents remain ready to respond to customers requests" is insignificant which implies that the ICICI Prudential are required to concentrate on the other items of responsiveness dimension.

Service quality of the ICICI Prudential on the item "employees and agents constantly communicate with customers" is significantly better than that of the LIC. There is no significant gap between the service quality level of both the LIC and ICICI Prudential companies on the other five items of responsiveness dimension under study.

Assurance

The results reveal that the mean values against all the items of expectations are higher than those of the perceptions which implies that both the LIC and ICICI Prudential have failed to meet the expectations of their customers. The negative SERVQUAL scores of both the insurers speak about their poor service quality standards on assurance dimension. The P-values against the four items of assurance dimension in the case of LIC insurers depicts a significant gap between the perceptions and expectations of the customers of these companies. The P-value against the item called "employees and agents give accurate information about the products and services" in the case of LIC insurers reveals an insignificant gap between the perceptions and expectations of customers. The P-values against the four items out of five under assurance dimension in the case of ICICI Prudential depict that there is significant gap between the perceptions and expectations of customers. The P-value for the item called "employees and agents are courteous with customers" under assurance dimension, in the case of ICICI Prudential implies that there is insignificant gap between perceptions and expectations of the customers. So, the analysis reveals that LIC and ICICI Prudential must improve all those items under assurance dimension where the gap between (P-E) is significant.

The service quality of ICICI Prudential on the items called "employees and agents are courteous with customers" is significantly higher than that of the LIC. There is no significant gap between the service quality level of the LIC and ICICI Prudential on the other four items of assurance dimension.

Empathy

From the mean scores against all the eight items under empathy dimension of expectations are higher than those of the perceptions which means that both the insurers are unable to meet the expectations of their customers. The P-values for the gap between the perceptions and expectations of all eight items of the LIC insurers indicate that there is a significant gap between perceptions and expectations of the customers. It speaks about their poor service quality standard in all the eight items under empathy dimension in the case of LIC insurers. The P-values of four items, namely, customer's individual attention, customers' best interests at heart, welcome complaints, and organizing consumer awareness programmes under CRM in the case of private insurers have shown a significant gap between P & E which speaks about the poor service quality standard on these items under empathy dimension which need to be

improved. However, the P-values of other four items under empathy dimension, namely, convenient operating hours, employees and agents give personal attention, understand the specific needs of customers and ethical behavior of the private insurers have shown insignificant gap between P & E.

The service quality of the ICICI Prudential insurance companies on three items under empathy dimension, namely, operating hours convenient to all their customers, understand the specific needs of their customers, and commit to ethics and promote ethical behavior is significantly higher than that of the LIC. There is no significant gap between the LIC and ICICI PRUDENTIAL regarding other five attributes under empathy dimension of service quality.

Product Availability

The both LIC and ICICI Prudential have shown negative SERVQUAL scores against all the five items of product availability dimension. However, the ICICI Prudential have exhibited lesser negative values which indicates lesser gap between perceptions and expectations of their customers. The P-values of the gap (P-E) in the case of LIC insurers regarding all the five items under product availability dimension have shown a significant gap between perceptions and expectations of their customers. The P-values in the case of ICICI Prudential against the items called product and services of utmost quality, and differentiate adequately their products and services have shown an insignificant gap on these items. The results indicate that the ICICI Prudential need to emphasize on improving quality of other three attributes of product availability dimension, while the LIC insurers need to improve quality on all the five items of product availability dimension.

There is no significant difference between service quality level of the LIC and ICICI Prudential on all the five attributes under product availability dimension.

Comparison of LIC & ICICI Prudential with Regard to SERVQUAL

The study found that customers are satisfied to have an insurance policy from the ICICI Prudential due to lesser and simple formalities. An attempt has been made to examine the inconsistencies between customers' expectations and experiences with services of the insurers.

Inconsistencies in expectations and experiences may have an adverse effect on the evaluation of service performance. Once inconsistencies have been identified, strategies and tactics for achieving more congruent expectations and experiences can be initiated. Greater consistency would lead to a more positive service encounter and enhances the likelihood that the experience will evolve into a long-term client-provider relationship.

Further, it was found that in the case of LIC insurers the difference between customers' actual perception of service quality and their expectations was insignificant

in only one out of 37 items which emphasize upon improving service quality in all 37 items. In the case of ICICI Prudential insurers the gap between perception and expectation was insignificant in only 11 (eleven) out of 38 items which implies that irrespective of their negative gap scores management should focus on improving quality of other 26 items. The analysis brought out that the negative gap of LIC insurers is more and the significant negative gap in number of items is also higher than that of the ICICI Prudential insurers.

The analysis reveals that the service quality of the ICICI Prudential s on 8 out of 37 items is significantly higher than that of the LIC companies. The service quality of the LIC and ICICI Prudential is insignificantly different regarding the other thirty items. The SERVQUAL score of negative gap of the ICICI Prudential is higher only in four items out of thirty-eight than the LIC, whereas negative the gap of LIC is higher than the ICICI Prudential in thirty-four out of thirty-eight items. Therefore, the study accepted the hypothesis that the service quality of the ICICI Prudential is higher than that of LIC insurance companies.

Suggestions

The LIC must improve its service quality level in terms of tangibility, reliability, responsiveness, empathy, product availability, product convenience and four items of assurance dimension; and if the ICICI Prudential intends to improve its service quality level, it must improve the level of service on 26 items out of 38, namely, representing three items of tangibility dimension, six of reliability, four of responsiveness, assurance, empathy each, three items of product availability and two product convenience, i.e., where the negative gap between customers' perception and expectation is significant.

To improve customers' retention and loyalty, these companies should focus more on improving procedures and formalities of claim settlement so that claim can be settled as early as possible and also reasonable amount of claim should be paid to the customers.

The study highlights that the claim settlement process of the LIC has adversely affected their service quality level. So, there is need to improve their claim settlement process to enhance service quality.

It is suggested that customers should be encouraged to first approach Ombudsman in case of any problem during the term of their insurance. The companies should emphasize more on popularizing internet usage by customers as it improves customer satisfaction, and is cost effective too. The companies should inform their customers well in time about the meetings arranged for them as many of their problems can be addressed in these meetings. Such meetings help to increase the credibility of the companies to a great extent.

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Conclusion

It has been analysed that seven factors are from customer perception and six factors are for customer expectation. The research resulted in the development of a reliable and valid instrument for assessing customer perceived service quality for life insurance services. In the competitive insurance sector, these findings can be transformed into effective strategies and actions for achieving competitive advantage through customer satisfaction and retention.

Although this study focuses on life insurance industry in India, however the results and recommendations of this research can be used for service quality improvements of life insurance industries of other countries as well. This can be performed by incorporating necessary changes in service quality aspects in accordance with socio-economic environment of that nation.

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