CHAPTER – VI
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SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 SUMMARY

With the liberalization and internationalization in Insurance sector, service quality has become an important means of differentiation and the path to achieve business success. Such differentiation based on service quality can be a key source of competitiveness for insurance companies and hence has implication for leadership in such organizations.

With the increasing demands of customers, the insurance sector has become highly competitive. The one for all or all for one syndrome is being given a go- by. Customers are becoming increasingly aware of their expectations, and demand higher standards of services, as technology is enabling them to make comparisons quickly and accurately. Their perceptions and expectations are continually evolving, making it difficult for service providers to measure and manage services effectively.

The trend of insurance companies shifting from a product-focused view to a customer-focused one has been developing recently as insurance products become increasingly hard to differentiate in fiercely competitive markets. Insurance companies in India are consequently directing their strategies towards increasing customer satisfaction and loyalty through improved service quality. It is becoming desirable for insurance companies to develop a customer centric approach for future survival and growth. The awareness has already dawned that prompt, efficient and speedy service alone will tempt the existing customers to continue and induce new customers to try the services of the company.

In the life insurance sector, most of the companies have equivalent offerings. Service marketers have realized over the past few years that competition can be well managed through
quality. Thus service quality is imperative to achieve competitive advantage. Poor quality places a firm at a competitive disadvantage. Service quality offers a way of achieving success among competing services, particularly in case of firms that offer nearly identical services, such as life insurance, where establishing service quality may be the only way of differentiating oneself. Such differentiation can yield a higher proportion of consumer’s choices, and hence mean the difference between financial success and failure.

In the huge service sector, insurance sector is one of the most important entities which have been growing relatively fast in India. At present there are twenty three players in the Indian life insurance industry out of which Life Insurance Corporation is one of the leading public companies, holds largest number of policies in the world to suit different financial requirement of an individual. With a greater choice and an increasing awareness, there is a continuous increase in the customers’ expectations and they demand better quality service.

Therefore, to sustain in the market, service quality becomes a more critical component of competitiveness for Life Insurance Corporation of India. Although, by providing quality services to its customers, the Corporation can differentiate itself from other service firms and will able to improve its profitability.

In this backdrop, a study on customers’ perception about service quality in the mind of customers and an analysis over the services of Life Insurance Corporation sound interesting. Such an analysis will provide LIC, a quantitative estimate of their services being perceived with intricate details such as whether LIC is meeting or not meeting the customer's expectations. Therefore, in this study an attempt has been made to seek answer to the research questions such as how are customers satisfied with the service provided by the LIC in the study area? and what is the effect of service quality on customer satisfaction? Hence, in the present study, an attempt
has been made to analyze the service quality and its effect on customer satisfaction in the insurance sector (with special reference to the LIC Salem Division, Tamilnadu).

The quality of the service is a pre-requisite for financial institution market performance and subsequent economic performance. The companies that offer the best technologies and great quality in every service and that have trained and motivated its employees in order to provide an efficient service are creating an adequate framework for the success of a relationship marketing orientation. Most of the researchers are dealing with identification of attributes of service quality. Some work has been done in the area of identification of factor related to service quality in the various service industries. Financial sector as such is broad and has a wide scope and includes Banks, Insurance companies and Brokerage Firms.

The researcher has not come across any study specifically dealing with service quality attributes of the Life Insurance Sector in India. There is a gap in the field of investigation specifically in the area of life insurance particularly in Salem division, what the researcher wants to study and get inside into the quality of service aspect of life insurance service in Salem division, in Tamilnadu.

This study throws light on the service quality and its impact on policy holder. An attempt has been made in this research to analyze how Life Insurance Corporation are attracting various customers and how the policy holder are satisfied with the service quality provided by the Life insurance Corporation of India. This study will be helpful to draw up a further policy for improving customer satisfaction and will act as a secondary data for further research.

The specific objectives of the study are; to study the growth and progress of Insurance industry in India, to assess the perception and expectation of the policy holders on service quality of the study unit, to examine the level of customer satisfactions with services provided by the
study unit, to find the effect of service quality dimensions on customer satisfaction, to find results and suggest remedial measures to the company under study.

The study explores the effective service quality on customer satisfaction with Life Insurance Corporation of India Salem division. The descriptive research design has been followed to fulfill the objectives of the research.

The main objective is to see the factor affecting service quality which ultimately leads to customer satisfaction of life insurance customer in the study area. Selected branches of Life Insurance Corporation of India, operating in the Salem division were chosen for the study. The present study has been undertaken to study the customer’s perception of service quality offered by the Life Insurance Company of India in the study area more specifically. This study attempts to access the factors which affect the service quality perception of life insurance customer those are in line with the objectives of the study.

Salem, not only a city but also a Municipal Corporation is in the Salem District in the Indian State of Tamil Nadu. It is also known as Mango city which is located in the North Central part of the state, about 340 kilometers southwest of the state capital, Chennai.

Salem is the fifth biggest city in Tamil Nadu in terms of population after Chennai, Coimbatore, Madurai, and Tiruchirappalli. The total area of the city is 100 km². It is the fifth Municipal Corporation and Urban agglomeration commissioned in Tamil Nadu after Chennai, Madurai, Coimbatore, and Tiruchirappalli.

As per the 2011 census results, Salem Urban Agglomeration has a population of 919,150. City Population grew from 696,760 in 2001 to 831,038 in 2011. As of the 2001 Indian Census, the Salem Urban Agglomeration had a total population of 751,438, encompassing the town of Salem (696,760), Kondalampatti (16,808), Kannankurichi (14,994), Neykkarappatti
(9,869), Mallamooppampatti (6,783) and Dalavaipatti (6,224). The population in 1991 was 499,024. Males constitute 51 per cent of the population and females 49 per cent. Salem has an average literacy rate of 84 per cent which is higher than the national average of 64.5 per cent; male literacy is 88 per cent, and female literacy is 78 per cent. 9 per cent of the population is under 6 years of age in Salem.

Salem is one of the major producers of traditional silver anklets, which are popular among women. It boasts large textile, steel, automotive, poultry and sago industries. Salem also has one of the largest magnetite deposits in India. Companies like Dalmia and TANMAG have mines here. It has also got rich bauxite and mineral reserves.

The Leigh Bazaar market is a large regional market for agro products. It also has a rich industrial base with the Salem steel plant, SISCOL, MALCO, CHEMPLAST and the Thermal and Hydel power plant at Mettur contribute towards power supply to the state.

Silk and cotton fabrics from Salem are sold throughout Tamil Nadu and are a big buy. The Indian Institute of Handloom Technology, the second of its kind in India, is found here. Salem is one of the chief producers of customary silver anklets, which are a rage with the womenfolk here. The Leigh Bazaar market is known for selling agricultural products and is usually abounding with visitors and shoppers. Fabric exporting has been the oldest business in Salem. It has always been known for exporting fabrics and clothes and is still consistently doing so.

Due to the vast amount of potential growth, a number of private sector insurance companies are in competition with Life Insurance Corporation. Therefore there is an intense competition prevailed between public and private sector insurance companies. Hence, this
division is purposively selected by the researcher to analyze the Quality of services provided by
the Life Insurance Corporation and customer satisfaction with insurance services.

In order to have an accurate data, this study has gathered data through primary and
secondary sources. Primary data were gathered by researcher using questionnaire and by
interviewing a variety of customers directly. This direct input in the form of customer voice has
brought in the conceptual clarity. Secondary source of data used by researcher includes:
published articles, research papers, published books, different research works done previously,
relevant papers or journals and magazine. Researcher also used other different types of reports
from Internet sites.

The population of the study constitutes the total number of policyholders in the Life
Insurance Corporation of India, Salem Division, Tamil Nadu.

The Salem Division consists 18 branches. Since the number of policyholders in each
branch was large, the policy holders could not be selected on a proportional basis, a sample of
360 policy holders, 20 from each branch were selected on the basis of convenience sampling
method.

The aim of this research was to examine the service quality as perceived by policy
holders its effect on policy holders’ satisfactions. The questionnaire was the main form of data
collection.

The survey instrument developed in this study consisted of three major sections. The first
section contains questions about personal profiles of the respondents including gender, age,
educational qualifications, occupation and income. The second section comprises five constructs
measuring of SERVQUAL as proposed by Parasuraman et al. (1988). The instrument used, is a
five-point Likert scales, representing a range of attitudes from 1 – highly dissatisfied to 7 –
highly satisfied to measure the perception and expectation of the policy holders and the third section comprises items that measure Customer satisfaction developed by the researcher.

This questionnaire was pilot studied through its convenient distribution to 50 “willing respondents” who were selected on a judgmental basis. These respondents were asked to fill up the SERVQUAL items and Customer satisfaction item and inform the researcher for further improvement if there was any kind of problem with regard to wording, expressions and clarity of the questions. This pilot study resulted in the deletion of no item. As a result the questionnaire contained 22 items including four items of tangibles, the five items of reliability, four items of responsiveness, four items of assurance, and five items of empathy and 38 items for customer satisfaction.

The statistical tests used in the study include, Simple Percentage, Chi-square test, t-test, ANOVA test correlation and regression analysis. SPSS (Statistical Package for Social Sciences) version 16.0 was used to compute and analyze the data.

The study was conducted from 2009 to 2012, during which the required data were collected for the study.

The following variables were used to measure the perception of the policy holders on service quality and its effect on their satisfaction. The demographic variable in the study include age, sex, educational qualifications, profession, and income. SERVQUAL dimensions Tangibles, Reliability, Responsiveness, Assurance, and Empathy. Variables associated with Location & Timeliness, Basic Amenities, service quality, Ease of Procedures, Company Image, Company-Client Relationship and technology were used to measure customer satisfaction with insurance services.
Like other empirical studies, this study is not without its limitations. The study can be strengthened by increasing the sample size as the data analysis results and findings may vary substantially when the sample size is increased or decreased. As only one industry may not represent whole industries in India, involvement of more industries would create a more diffused result and findings.

The study was confined to a public sector insurance company i.e., Life Insurance Corporation of India only. The private sector insurance companies were not considered for the study. The study was carried out in Salam Division of Tamilnadu state. Thus, its finding cannot be generalized to other area due to geographical variation. The study is purely based on the policy holders’ opinion. The researcher felt that the policy holders might express a biased opinion, which may limit the validity of the study. Respondents’ opinion may change from time to time and the responses are subject to variation depending upon the situation and the attitude of the respondents at the time of the survey.

The report of the study divided into six chapters; Chapter I describes the empirical aspect of this study, including objectives, the methodology used to collect data, sample parameters, and limitations. Chapter II provides a detailed review of earlier studies carried out in the area service quality and customer satisfaction. Chapter III has been devoted to the discussion of growth and development of Indian life insurance industry. Chapter IV deals with the perception and expectation of the quality of service provided by the study unit. Chapter V analyzes the service quality and its effect on customer satisfaction. Chapter VI contains the summary, major findings, suggestions, conclusion and the scope of future research.

6.2 FINDINGS

The major findings of the study are;
The sample respondents obtained the average score of total expectations was 24.18 and the overall perception score for tangibles was 16.97. The score shows a –7.21 difference. It implies that the expectations are higher than the perceived service quality.

The average score for overall expectations and perception about reliability was 18.33 and 32.01. The average service quality score was -13.68, it is understood from the study that there is a gap in service quality with regard to reliability.

The overall expectations of the customers in the service quality dimension of assurance was at a mean score of 24.82. Their perceptions show mean score at 13.25. The difference between expectation and perception was calculated to – 11.57. The negative gap score was found in all the parameters. It is inferred from the study that the policyholders do not think that their overall expectations are fulfilled within the service quality dimension of assurance.

The expectation mean score obtained from all the sample respondents for service quality with regard to responsiveness was 25.25 while their perception shows a mean of 12.24. The difference between expectation and perception is calculated to -13.01. The policyholders have low perception about the service quality in relation to responsiveness and there is a negative gap between their expectation and perception about responsiveness. This result shows that the policyholders are not at all satisfied with the quality described in the responsiveness.

The mean expectation score achieved by the respondents for empathy was 29.34 while the perception score was 16.48, the difference mean score of -12.86 was service quality gap in respect of empathy. The respondents have secured low perception and there is a gap between their expectations and perceptions. Therefore, it can be inferred from the study that the service
quality with regard to empathy of the study units is not up to the expectations of the

policyholders.

Out of a maximum score of 154, the average expectation and perception score obtained by the respondents for overall service quality was 135.60 and 77.27. The difference between expectation and perception score was -58.33, which indicates a wide service quality gap perceived by the respondents.

The respondents have secured negative mean gap score for all five service quality dimensions such as Tangibles, Reliability, Responsiveness, Assurance and Empathy. Therefore, it can be inferred from the study that the policyholders have high expectation whereas their perceived low towards the quality of service provided by the study unit. The insurance services provided by the Life Insurance Corporation of India is not up to the expectations of policyholders in the study area.

About 54.45 per cent of the respondents have low perception and 36 percent of the respondents have moderate level of perception. About 10 per cent of the respondents have perceived high level towards service quality with regard to tangibles. Therefore, it can be inferred from the study that the majority of the policyholders have a low perception towards the appearance of physical facilities, equipment, personnel dress, communication materials, the LIC’s outward appearance, exterior design, location, accessibility and all kinds of tools that are used for providing service in Life Insurance Corporation of India in the study area.

The majority of the respondents perceived low level of perception. About one fourth of the respondents perceived moderate and 14 per cent of the respondents perceived a high level of service quality in relation to reliability. It is inferred from the study that the study unit fails to provide services up to the expectations of the customers with regard to reliability.
The majority of the respondents have a low level perception about the service quality dimension of assurance followed by 30 per cent of the respondents have moderate level of perception and 13 percent of the respondents have a high level of perception about assurance. It can be inferred from the study that the majority of the policyholders perceives poor service quality towards the LICs’ capability to deliver the service, specifically in terms of the knowledge, politeness and trustworthiness of the employees.

The majority of the respondents have a low level of perception, 21 percent of the respondents have moderate and 13 percent of the respondents have a high level of perception about the service quality dimension of responsiveness. Therefore, it can be presumed from the study that the policyholders perceived poor service quality from Life Insurance Corporation towards the capability to respond to and satisfy the policyholders’ wishes in the study area.

Nearly 61 per cent of the respondents perceived low service quality followed by nearly 32 per cent who perceived moderate service quality and a small portion of the respondents perceived high service quality with regard to empathy. Therefore, it can be inferred from the study that the most of the policyholders perceive poor service quality towards the Life Insurance Corporation’s willingness and capability to respond to individual policyholders desires.

About 54 per cent of the respondents perceived low service quality followed by nearly 32 per cent of the respondents perceived moderate and 14 per cent of the respondents perceived high level of service quality. Therefore, it can be inferred from the study that the majority of the policyholders perceives poor service quality of overall service quality the Life Insurance Corporation of India in the study area.
It is found that there is a significant difference in the mean scores between the level of perception and the level of expectation (GAP) on the service quality dimensions Tangibles, Reliability, Assurance, Responsiveness and Empathy.

The tangibles, reliability, assurance, responsiveness and empathy are positively and significantly related to the overall perceived value of service quality. The results of the study show that the service quality characteristics are important antecedents of perceived value in the organizational samples.

It is inferred from the study that the male policyholders perceive poor service quality than that of the female policyholders about the service quality of the LIC in the study area.

It is found that customers in the age group of 30-50 years perceive poor service quality of the study unit in the study area.

The respondents who perceived low level of perception, majority of them are graduate and 13 percent are postgraduate, which indicates that the graduate and postgraduate policyholders perceives poor service quality of the study unit.

Out of 196 respondents who perceived low level of perception the majority of them are employees followed by agriculturalists. An insignificant portion of the businessmen and housewives are having low level of satisfaction. It is inferred from the study that the employees and agriculturists perceive poor service quality of the study unit in the study area.

The policyholder whose monthly income is above ₹20,000 perceives poor service quality of the study unit in the study area.

The study shows that gender, age, educational qualifications, occupation and income have no significant difference in perception of the respondents about service quality, which
means that the policyholders are not differently perceived by females and males, age, educational qualifications, occupation and income.

The average mean score obtained by the sample respondents for policyholder satisfaction in insurance services with regard to the location and timeliness was 60.05 per cent. The maximum score of 84.80 per cent and 65.40 per cent was obtained by the respondents for the statement ‘adequate number of branches’ and ‘location of the branch is easy to reach’. The respondents have secured low mean score for waiting time, the working time of the study unit.

The mean score obtained by the respondents for basic amenities was 45.60 per cent. The respondents have secured very low mean score for the two parameters of availability of parking facilities and availability of sitting facilities, toilet, drinking water and fan. It implies that the policyholders are not satisfied with basic amenities of the study unit in the study area.

There are eighteen items framed to assess the customer satisfaction with regard to service quality, of which the respondents have secured low score for all the items except the item ‘varieties of insurance products are available in LIC’. The respondents secured average mean score of 37.06 per cent for the service quality factors. These indicate that the policyholders have low satisfaction with regard to the parameters.

The average mean score obtained by the respondents with regard to ease of the procedure was 46.08 percent. Therefore, it can be inferred from the study that the policyholders are not satisfied with regard to the ease of procedures of the insurance services provided by the study unit in the study area.
The average mean score obtained by the respondents was 62.60 per cent of company image of the study unit. It implies that the policyholders are satisfied with the company image of the study unit in the study area.

The respondents have obtained the mean score of 28.60 per cent for company-client relationship, which indicate that the policyholders have low satisfaction with the company-client relationship.

The respondents have obtained the mean score of 23.00 per cent, which indicate that the policyholders have low satisfaction with the online technology used to provide insurance information by the study unit in the study area.

The overall mean score secured by the respondents was 40.30 per cent. The respondents have secured low mean score for all the variables except location and timeliness and company images. It can be inferred from the table that the policyholders are very much dissatisfied with the basic amenities, service qualities, ease of procedures, company-client relationship and technology of the study unit in the study area.

Out of 360 respondents, nearly 45 per cent of the respondents experienced moderate satisfaction. Nearly 30 per cent and 25 per cent of the respondents revealed low and high level of satisfaction with regard to location and timeliness. It can be inferred from the study that the policyholders have moderate level of satisfaction with regard to the location and timeliness of the Life Insurance Corporation India.

The majority of the respondents experienced low level of satisfaction. 30 per cent and 16 per cent of the respondents felt moderate and high level of satisfaction with regard to basic amenities. Therefore, it can be inferred from the study that the most of the policyholders feel a
low level of satisfaction with regard to basic amenities of the Life Insurance Corporation of India.

Out of 360 respondents, the majority of the respondents expressed low satisfaction, nearly 21 per cent and 17 per cent of the respondents experienced moderate and high level of satisfaction with service qualities of the study unit. It can be inferred from the study that the most of the policyholders perceive low satisfaction with regard to insurance services offered by the life insurance corporation of India in the study area.

Out of 360 respondents, nearly 47 per cent of the respondents have low levels of satisfaction, about 33 per cent and 21 per cent of the respondents expressed moderate and high level of satisfaction with regard to the ease of procedure of the insurance services offered by the study unit. It can be inferred from the study that the policyholders perceive low satisfaction with regard to the ease of procedures of the insurance services offered by the Life Insurance Corporation of India in the study area.

Out of 360 respondents nearly 23 per cent, 49 per cent and 29 per cent of the respondents revealed low, moderate and high level of satisfaction with respect to a company image of the study unit. Therefore, it can be inferred from the study that the policyholders have satisfied with regard to the company image of the Life Insurance Corporation of India in the study area.

Among the selected respondents, the majority of the respondents have low level of satisfaction with regard to the company-client relationship with regard to the study unit. About 19 per cent and 12 per cent of the respondents have moderate and high level of satisfaction. It implies that the majority of the policyholders perceive low satisfaction with regard to the company-client relationship with the Life Insurance Corporation of India in the study area.
Out of 360 respondents, the majority of the respondents experienced low level of satisfaction, about 16 per cent and 11 per cent of the respondents revealed moderate and high level of satisfaction with regard to the technology. Therefore, it can be inferred from the table that most of the customers feel low level of satisfaction with technology used to provide insurance service in the study area.

The majority of the respondents expressed low satisfaction, 27 per cent and 13 per cent of the respondents experienced moderate and high level of satisfaction with overall insurance services. Therefore, it can be inferred from the study that the policyholders are highly dissatisfied with the overall services provided by the Life Insurance Corporation of India in the study area.

It is found that there is a significant difference in the mean scores obtained from the respondents for policyholders’ satisfaction.

The study shows that there is a significant positive correlation between overall satisfaction and basic amenities, between overall satisfaction and service quality, between overall satisfaction and ease of the procedure, between overall satisfaction and company-client relationship and between overall satisfaction and technology. There is no association between overall satisfaction and company image and there is a positive association between overall satisfaction and the location and timeliness, but it is not statistically significant.

Out of 214 respondents who experienced low level of satisfaction the majority of them male and nearly 32 per cent are female respondents. Therefore, it can be inferred from the table that the male policyholders are very much dissatisfied with the insurance services of the study unit in the study area when compared to female policyholders in the study area.

Out of 214 respondents who expressed low level of satisfaction with the majority of the respondents belong to the age group of 40-50 years, about 22 per cent of the respondents fall
under the age group of 30-40 years. Nearly 13 per cent of the respondents belong to above 50 years of age. The small portion of the respondents falls in the age group of less than 30 years of age. Therefore, it can be inferred from the study that the policyholders above 40 years of age are highly dissatisfied with the insurance services of the study unit in the study area.

Among the respondents who experienced low level of satisfaction the majority of the respondents are undergraduate, nearly 13 per cent of the respondents have studied up to higher secondary level, 8 per cent of the respondents are postgraduate and 4 per cent of the respondents have studied diploma/certificate courses. Therefore, it can be inferred from the study that the highly educated policyholders are very much dissatisfied with insurance services of the study unit in the study area.

Out of 214 respondents who experienced low level of satisfaction, the majority of them are employees followed by 21 per cent of the respondents are agriculturalists. A meager portion of 7 per cent and 3 per cent of the respondents are businessmen and housewives. Therefore, it can be inferred from the study that the employees and agriculturalists are highly dissatisfied with insurance services of the study unit in the study area.

Out of 214 respondents who revealed low level of satisfaction about 49 per cent of the respondents belong to the income group of 20,001 – 30,000 followed by 35 per cent of the respondents fall in the income group of above 30001 and 16 per cent of the respondents belong to the income group of below 20,000. Therefore, it can be inferred from the study that the higher income policyholders are highly dissatisfied with the insurance services of the study unit in the study area.
The study shows that sex, age, educational qualifications, occupation and income have no significant difference in the level of satisfaction of the respondents with insurance service, which implies that irrespective of demographic variables all the policyholders perceive the same level of satisfaction with regard to insurance services of the Life Insurances Corporation in the study area.

The study indicates that there is a strong relationship between the service quality and policyholder satisfaction and service quality is a strong predictor of policyholders’ satisfaction. The study further indicates that if service quality is monitored carefully, this can improve policyholders’ satisfaction.

6.3 SUGGESTIONS AND RECOMMENDATIONS

Based on the major findings of this study, the researcher has made several recommendations to the Life Insurance Corporation of India to increase service quality and enhance policy holder satisfaction. The recommendations are highlighted in the succeeding pages.

The findings of the study suggest that the Life Insurance Corporation of India needs to focus more tangibles, reliability, responsiveness, assurance and empathy to enhance service quality, which could contribute to raise the level of policyholders’ satisfaction.

The result of the study shows that the policy holders have low perception about tangibles, therefore, it is suggested that the Life Insurance Corporation of India should be more conscious of the policy holders’ need of latest technology and should modify its physical facilities, which should be visually appealing to enhance the policy holders’ satisfaction.

The findings of the study reveal that the policy holders have a low level of perception about the reliability. Therefore, LIC should provide better service at the right time as it
promises. This can be done through increasing the performance of the employees, prompt service delivery, monitoring, coordinating and controlling their activities.

The LIC should ensure that its employees are polite towards policy holders while transacting their business.

The LIC should provide adequate support to its employees to do their job well.

To retain existing policy holders and attract new customers, the Life Insurance Corporation of India should give prompt service to its policyholders and inculcate its employees to help the policy holders always to get better insurance services.

The Life Insurance Corporation of India should pay more attention to customers’ needs. It should increase policy holders’ satisfaction by increasing its capacity to respond promptly to policy holders’ problems and should politely listen to the policy holders while addressing the issue.

To improve service quality, the Life Insurance Corporation of India should give individual attention to their policyholders and understand the specific needs of their policy holders.

The Life Insurance Corporation of India should rearrange its business hours, which should be convenient for all its policy holders.

In order to increase service quality, the Life Insurance Corporation of India should create and implement excellent complaint handling systems. The grievance handling system should be fast enough so that policyholders can redress their grievances in time.

There is a need for the management of Life Insurance Corporation of India to train their employees in relationship marketing skills. Such training would build a policy holders-oriented climate in which contact staff can deliver services efficiently and effectively, acknowledging that
acquiring and retaining policyholders is the very essence of marketing. Consequently, policy holders relations behaviors can serve as the criteria for employees performance, evaluations and promotions.

The Life Insurance Corporation of India needs to concentrate more on policyholder satisfaction measures by implementing a good policy holder relationship management. For that purpose, the Life Insurance Corporation of India should conduct a policy holder meeting periodically to get their feedback about the service quality.

The employees of the Life Insurance Corporation of India who are directly linked to service delivery should be trained in order to tackle routines and varying situation.

The 24x7 customer care is an important area and produces a direct impact on customer satisfaction. Therefore, the Life Insurance Corporation of India should take efforts for the best customer care services.

The Life Insurance Corporation of India should increase the number of service counter so that policyholders can avoid standing in long queues and there should be a separate inquiry counter to address the needs of the policy holders.

Basic amenities like Parking space, sitting arrangement, toilet facility, drinking water, fan etc. should be a focus area of Life Insurance of India.

The Life Insurance Corporation of India should improve its infrastructure and use the latest technology to provide better service to policy holders.

The LIC should remind the policy holders periodically about the payment premium and loan through its employees and its agents and also through e-mail and SMS to policy holder’s mobile phone.
The LIC should promote easy online transaction regarding payment of premium and settlement of claims.

The LIC should grand loan against policy at a satisfactory interest rate and ensure easy loan collection procedure, flexible loan re-payment time, minimum time to sanction loans to enhance policy holders’ satisfaction.

To increase the level of insurance penetration LIC may focus on bringing products that suit to the both the urban and rural customers.

The LIC if possible should invest in advertising, conduct road shows, and spend money on Hoardings, so that it can better propagate awareness about its various lesser known products.

The LIC should have customer friendly documentation i.e. it should be made easier and faster.

The LIC must provide effective training to its agents so that they can satisfy customer and doubts effectively.

The claim settlement process should be made fast and must not involve a lengthy decision making process.

LIC should recruit qualitative insurance agents so that they can provide after sale service because it has been seen that insurance agents are only bothered for new. The LIC should work towards the development of alternate distribution channels for insurance policies.

In the area of Customer Satisfaction LIC need to focus on meeting the expectations of product and services for the customers, providing timely delivery of service to its policyholders and also by creating satisfactory basic amenities, as on all these parameters the score of satisfaction is low for the sector.

LIC has to improve their promotional strategies to create awareness among the policy holders.
The LIC needs to carry out research studies continually to study quality perceptions of the policy holders and initiate measures for improvement. This requires total management commitment as well as employees involvement in the process.

6.4 CONCLUSION

The result of the study indicates that policy holders perceived service quality as poor in all service quality dimensions of tangibles, reliability, responsiveness, assurance and empathy. In this regard, all the dimensions show a gap between perceived service and expected service. The study also reveals that the overall satisfaction of the policy holders is poor in Life Insurance Corporation of India in the study area. The study indicates that there is a strong relationship between the service quality and policy holders’ satisfaction and service quality is a strong predictor of customer satisfaction.

It is pertinent to mention that the entry of private sector insurance companies into the Indian insurance sector triggered off a series of changes in the industry. Even with the stiff competition in the market place, it is evident from the study that the public sector giant LIC dominates the Indian insurance industry. In today’s competitive world, customer satisfaction has become an important aspect to retain the customers, not only to grow but also to serve. Increased competition, wide range of product offerings and multiple distribution channels cause companies to value satisfied and highly profitable customers.

Customer service is the critical success factor in a company and providing top notch customer service differentiates great customer service from indifferent customer service. In the fast paced environment that surrounds industries today, companies find themselves faced with the pressure to discover foolproof ways to
manage their businesses. The insurance industry in India is no exception and is undergoing revolutionary changes. Competition has been central to the agenda of companies and it has become one of the enduring themes of our time. The Insurance Industry today is experiencing intense competition and the major players, including LIC have come under pressure.

In lieu of this, retaining a Customer is cheaper than finding a new Customer. LIC should focus on assurance and empathy to further strengthen the level of satisfaction. Major players in the market especially LIC have to concentrate on retaining existing customers, which could offer huge business potential. Time based competition, quality, product range, timely advertisement, follow up, prompt and error free service are the key ingredients for the good service and it will boost up the sale of insurance products.

6.5 SUGGESTIONS FOR FURTHER RESEARCH

Further research should be carried out in order to enhance the understanding of the concepts of service quality and customer satisfaction, how they are measured because they are very important for service organizations in terms of profitability and growth. A similar study could be conducted with a larger sample size so that results could be generalized to a larger population. It is also recommended that similar future research could be conducted taking in all the states in India and with more sample sizes; also to differentiate between public and private sector insurance companies. This study may be carried out in other areas comprised of multiple cultures in order to find out the applicability of the SERVQUAL model in other service organizations.