Chapter 8

SUGGESTIONS

It can be observed from the study that the insurance companies have invested huge money for personal selling by their sales representatives even though it could not create a very significant influence on clients in choosing an insurance company. Insurance companies must go for further training of their sales personnel. We think it would be better for the insurance companies to follow the marketing concepts along with selling concept. They should do marketing research to find the actual services along with cost structure the clients are looking for before sending the sales people.

Market Vision, Structure, and Analysis markets need to be defined so that buyers and competition can be analyzed. For a market to exist there must be (1) people with particular needs and wants and one or more products that can satisfy buyers’ needs, and (2) buyers willing and able to purchase a product that satisfies their needs and wants. A product-market consists of a specific product (or line of related products) that can satisfy a set of needs and wants for the people (or organizations) willing and able to purchase it. The term *products* used to indicate either a physical good or an intangible service.

From the political and social behaviour of the people it can be said that demand for these services will be higher in near future. Even staying more with an insurance company is also dominated by many special services. Insurance companies, especially Public one must think about more value added services. In designing new and improved value added services the insurance providers can follow the strategies mentioned below:

- Regularly collect information about customer needs (Minimizing Gap-1)
- Perform marketing activities based on knowledge about customers (Minimizing Gap 1, 2 and 3)
- Ensure that the firm’s activities enhance customer satisfaction (Minimizing Gap-4)
- Do marketing survey to design customer oriented and customer focused services (Minimizing Gap-1 and 7)
• When a customer is dissatisfied, redo services to minimize Gap 1, 4 and 6.
• Base prices on what competitors charges (requires industry analysis)
• Base prices on what the market and the customer is willing to pay
• Base prices on what it costs to your operations and services (cost accounting system)

Analyzing product-markets and forecasting how they will change in the future are vital to business and marketing planning. Decisions to enter new product-markets, how to serve existing product-markets, and when to exist in unattractive product-markets are critical strategic choices. The objective is to identify and describe the buyers, understand their preferences for products, estimate the size and rate of growth of the market, and find out what companies and products are competing in the market.

Evaluation of competitors’ strategies, strengths, limitations and plans is also a key aspect of the situation analysis. It is important to identify both existing and potential competitors. Competitor analysis includes evaluating each key competitor. The analyses highlight the competition’s important strengths and weaknesses. A key issue is trying to figure out what each competitor is likely to do in future.

As there is an association between the market research and survey with flurry of media, it is suggested that efforts need to be diverted by the insurance companies to establish market research department in insurance companies. Market research provides the precise information for insurance companies and enables them to choose a right mix of promotional strategies to inform and pursued the end users of insurance products.

Researchers recommended that brand communication should be cautiously done by the insurance companies to project the right kind of image in the mind of customer. Researcher has already proved that there is different expectations exist in the mind of customers of life insurance services. Since the customer expectations form a key element of the brand strategy based on which a suitable brand positioning is evolved.
Recommendations for Improving Service Quality

Ten lessons have been given by researchers for improving service quality across service industries (Berry, Parasuraman, Zeithamal, 2003) -

(1) **Listening**: Understand what customers really want through continuous learning about the expectations and perceptions of customers and non-customers.

(2) **Service Design**: Develop a holistic view of the service while managing its many details.

(3) **Fair Play**: Service companies must make special efforts to be fair and to demonstrate fairness to customers and employees.

(4) **Reliability**: Reliability is the single most important dimension of service quality and must be at service priority.

(5) **Recovery**: To satisfy customers who encounter a service problem, service companies should encourage customers to complain (and make it easy for them to do so) respond quickly and personally and develop a problem resolution system.

(6) **Basic Service**: Service companies must deliver the basics and do what they are supposed to do – keep promises, use common sense, listen to customers, keep customers informed and to determined to deliver value to customers.

(7) **Teamwork**: Teamwork is what enables large organizations to deliver service with care and attentiveness by improving employee motivation and capabilities.

(8) **Servant Leadership**: Quality service comes from inspired leadership throughout the organization, from excellent service system design, from the effective use of information and technology and from a slow to change, invisible, all powerful, internal force called corporate culture.

(9) **Surprising Customers**: Customers should be given surprises with uncommon swiftness grace, courtesy, competence, commitment and understanding.

(10) **Employee Research**: Conduct research with employees to reveal why service problems occur and what companies must do to solve problems.
The demographic pattern suggests few important factors which need to be catered well in order to keep the investors satisfied. As earlier studies Hansanbanu & Nagajyothi (2007), report the impact of demographic factors on investors perception, this study also reports the impacts of these factors on investors overall satisfaction. In the present study, demographic factors like age, employment, educations level and monthly income were found to have significant association with the satisfaction of investors. The study was not exhaustive and further, the association ship between satisfaction & the factors of SERVQUAL model can be ascertained. As in the present age families, both husband & wife take decisions. So the companies should come up with better policies targeted towards the married people.

The demographic trends suggest that as insurance companies (both public and private) have proliferate in Indore city, better educated and more affluent people have gravitated to these insurance companies for insurance services. These people/clients are likely to have better information about the quality of services provided by both public and private insurance companies and their inclination to select private insurance companies suggests, implicitly, that the quality of service is better at these private firms even though their (private insurance companies) service cost is somewhat higher. Moreover, many branch operations of private insurance companies help the people to make evaluation among them and making an insurance decision in favour of those which are trustworthy.

- Time to time basis company collect information about requirement of the customers towards the policies.
- Perform marketing activities based on the demographic information.
- Carefully choose smart and presentable personnel who will be interacting with the investors.
- Provide specific effort to encourage customers to tell others about your services.
- Communicate in local language with the investors.
- Company should improve after sales services.
- Encourage the existing customers to promote your services to the new customers and use newspaper as the prime media for advertisement to show the cost benefit of insurance policy.
- Insurance companies must be concentrating on their physical infrastructure and wide distribution facilities.
Use technology to maximize the service quality and to reduce the fluctuation in service quality. Provide service above standard as promised to the customers to reduce the service gaps.

According to the findings of the research, the following suggestions are made to open new horizons for improving service quality and promoting customer satisfaction in insurance industry:

- Continuous measurement of customer satisfaction and expectations.
- Defining and evaluating quality from customers’ point of view, i.e. updating and implementing Service quality standards based on customer needs, analyzing customer complaints to identify its causes and problems and participating actively in quality tests.
- Creating business-oriented work culture consistent with comprehensive quality and customer satisfaction.

In order to minimize the gap between the customers’ expectations and their perceptions of actual service delivered, the insurance service providers have to ensure that every contact with customers results in positive experience for the customers. First, it is necessary to define quality standards that are transparent and measurable. Those appear as procedural quality dimensions, including timeliness, willingness to meet the customers’ needs and properly controlled coordination; and as social dimensions, including positive attitude, solving current problems, giving individual attention etc. Within this context, it should:

- Continuously monitor changes in consumer demands and develop different recovering strategies when errors in the service delivery does happen;
- Conduct intensive investment policy for innovations, expansion and revitalization
- Intensify the development of new programs and encourage investments
- Stimulate cooperation in the area of market research, promotions and product placement;
- Put the emphasis on recruiting, education, training and motivation of employees.

Prior to any planning, it is necessary to establish company’s current position. It is achieved by objective assessment of the level and quality of service delivered in the insurance industry. The results of this and similar researches may contribute to
estimation of current level of service quality and support in planning aimed at correcting current deficiencies.

Development of insurance industry depends on further permanent application of total quality management, the approach applied within the whole organization aiming at continuous quality advancement for all organizational processes, products and service. The approach to management within an organization is targeted at quality, based upon participation of all members, aimed at long-term success by satisfying the customers’ needs and for the benefit of all members of the organization and society.

Managerial Implications

Improve Satisfaction through Reliability of Service Provider

The present study provides empirical support that customer satisfaction in the industry could be significantly influenced by improving upon the customer perception of the Reliability of the service provider. This factor is critical to the insurance industry of Indore as a growing industry. Customers seem to be particular about how reliable an insurance company is to them. Customers want an insurance company that would be more reliable to them in helping customers have a readily available insurance cover and claims for their undertakings as and when it becomes necessary. Since insurance involves taking precautions against future risk, having a reliable insurance company to rely upon for your insurance services becomes critically important factor. Therefore, when customers undertake any insurance policy they highly expect their insurance service providers to be reliable and trusted in all matters and this in turn affect customer satisfaction/dissatisfaction of the insurance service providers.

Since the study found that the reliability of the service provide is a key driver of customer satisfaction in the insurance industry, it is recommended that the management of insurance companies should be guided by following marketing strategies in improving upon its their reliability to customers:

1. Ensure timely delivery of insurance services
2. Ensure truthfulness in keeping to promises to customers
3. Being dependable and consistent in service delivery in solving customers’ complaints
4. Ensure the performance of services right the first time insist on error-free records regarding customer information

**Improve satisfaction through Responsiveness of Service Provider**

Since the study found that the responsiveness of the service provider is a key driver of customer satisfaction in the insurance industry, it is recommended that the management of insurance companies should be guided by following marketing strategies in improving upon it’s their responsiveness to customers: Insurance company must consistently:

1. Ensure that customers are informed of exactly when services will be performed
2. Ensure that their employees attend to customers’ needs/problems promptly and give customers prompt customer services consistently.
3. Ensure that employees’ are willing to help customers in emergency situations.
4. Ensure the employees are approachable and easy to contact by customers
5. Ensure that the employees are able to communicate clearly and effectively with customers.

**Improve Satisfaction through Other Quality Areas**

Even though, the present study found that Technical quality, Price, and image quality do not significantly affect customer satisfaction determination, it does mean that these *other factors are not important*. Rather it means that significantly, reliability is most important to the customers. Therefore, service providers should endeavor to ensure that technical quality, price and image of the company are consistently improved since such factors could have been found in previous to be significant in influencing customer satisfaction and behaviour intention.

**Influence Behaviour Intentions through Satisfaction**

Since the study found, as in previous studies, that satisfaction is a strong predictor of behaviour intentions in this study, it is recommend that insurance service providers should endeavour to satisfy and delight their customers as a means of influencing behaviour intentions. When customers are satisfied they are more likely to recommend the insurance service to their peers, less likely to switch and more likely to re-patronise services.
**Theoretical Implications**

Theoretically, the study contributes to the literature on the determinants of customer Satisfaction in insurance sector, and in particular in Indore and developing country context. Knowledge is practically lacking on which factors determine customer satisfaction in Ghana’s insurance industry. The study is among the first to research into the determinants of customer satisfaction in insurance industry. It provides empirical support that customer satisfaction in the industry could be significantly influenced by service quality which is well supported by other previous research in general. The study specifically, provides empirical support for the fact that relative importance of reliability of the service provider in determining customer satisfaction. Again, the study provides empirical evidence regarding the impact of satisfaction on behaviour intentions of customers. It has contributed to literature by establishing that customer satisfaction positively influences behaviour intentions of customers such as likelihood to recommend, switching intentions and repurchase intention.

The study also contributes to the body of knowledge in the area of the impact of customer demographic variables on satisfaction. It provides empirical evidence that demographic variables may significantly not influence the relationship between customer satisfaction and customer behaviour intentions.

The study importantly provides the basis for further empirical research work in the Area of examining the nature and relative importance of reliability criteria that customers consider in evaluating their satisfaction and behaviour intentions in context insurance service providers in developing country.

A quick highlight is given below regarding the suggestions and recommendations we gathered from the respondents at the time of survey regarding their views in service improvement of private insurance companies:

- Private insurance companies must increase the rate of payment to encourage more accounts. Private insurance companies must pay attention to understand the problems of the clients. A short response time is expected from the private firms. It was observed that respondents have noticed malpractices in the banks regarding insurance policy processing and other specialized services. It was suggested to take steps to eliminate hustle in getting payment after any incident.
• Use a combination of cost and competition based costing system as gradually competition based costing will be popular in the industry due to increment in the number of competitors. It will be better for the insurance companies to provide more customized services to the customers which in turn will permit them to follow demand based pricing (Minimizing Gap-1 & 7).

• Use heavy informative advertisement to show how the service can be better utilized. But as the insurance company’s benefit of service is long should practice more of reminder advertisement (to minimize Gap 1 & 2).

• Encourage the existing customers to promote your services to the new customers and use newspaper as the prime media for advertisement to show the cost benefit of insurance policy (Minimizing Gap-5).

• For the institutional insurance service provider, empower your customer by close contact through sending mail and knowledgeable sales personnel (Minimizing Gap- 3 & 4).

• Choose service providing employees very carefully; train them highly to make them knowledgeable regarding the service standards (Minimizing Gap-3 & 6).

• Use technology to keep in touch with your customers even after sales. Insurance companies must be concentrating on their physical infrastructure and wide distribution facilities (Minimizing Gap 3).

• Use technology to maximize the service quality and to reduce the fluctuation in service quality. Provide service above standard as promised to the customers to reduce the service gaps (Minimizing Gap 5 & 6).

• Do marketing research through field level marketing managers to prepare customer driven services and make marketing decisions participatory (Minimizing Gap 1, 2 & 7). Revision of service and service delivery mechanism are required according to marketing research result and activities of the competitors.

• As there is an association between the market research and survey with flurry of media, it is suggested that efforts need to be diverted by the insurance companies to establish market research department in insurance companies. Market research provides the precise information for insurance companies and enables them to choose a right mix of promotional strategies to inform and pursued the end users of insurance services.
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Results of the present study being an indicator, the deficiencies of private insurance sector are required to be identified to bring them at least at par with public insurance industry.

In view of global competition, it has become inevitable for all types of organizations to be competitive even for survival. Indian organizations cannot be an exception. Hence, intensive as well as extensive research studies need to be carried out to ensure the best service to customer in the global market.

The results of the present study should be utilized as this work can become a base for designing various programmes for Total Quality Assurance under the banner of customer service quality to win the competitive edge.

The insurance companies can expand their target market by identifying and by providing responsive diversified services (Rahman, 2000). “While the industry is stuck to the traditional insurance services, the world is changing fast. The need for innovation is felt frequently which the industry can’t provide. Unless insurance industry devotes its attention to innovative needs of the economy, neither the economy nor the insurance industry is likely to flourish”.