



## A Study of Satisfaction of the Customers about the Services Provided By the Life Insurers in Khammam

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### ABSTRACT

In the modern society, based on the several factors customers are trying to estimate their satisfaction with their service providers where considering various needs and requirements of the customers, service providers are also always in various ways trying to provide better quality of services to the customers to fulfill their satisfaction and the life insurers are no exception to this. In the present context, a study on the customer satisfaction in respect of the Indian life insurance sector with special reference to Khammam customers. To perform the analyses, here, accepted 100 usable customers' responses were considered as the sample size .

**Keywords:** Customer Satisfaction, Life Insurance.

### 1. INTRODUCTION

Satisfaction of the customers comes only when their needs and wants are fulfilled. Rust and Oliver(1994) explained the customer satisfaction as “a summary of cognitive and affective reaction to a service incident (or sometimes to a long-term service relationship). Satisfaction (or dissatisfaction) results from experiencing a service quality encounter and comparing that encounter with what was expected”. Customer satisfaction has now emerged as the most important objective of the firm through which they will be able to retain their own customers as well as will be able to attract the new customers in the global competitive market and for this purpose, like any other company, almost every life insurance company tries to provide quality of services and products to their customers in order to satisfy them. After the entrance of private and foreign insurance companies in Indian life insurance market, the customers' perception of quality of services from the insurance companies has already been changed. Realizing the present situation, life insurance companies are now trying to concentrate their focus on the customer satisfaction. To understand this in the better way, considering all aspects, an extensive study has been conducted at here on the satisfaction of the life insurance customers about the services provided by all the life insurance companies operating their business in Khammam.

### 2. REVIEW OF LITERATURE

Cardozo (1965) for the first time proposed the concept of customer satisfaction but in the past few decades including Olshavsky and Miller (1972) and Anderson's (1973) studies, lots of research works as well as developments of theory had taken place in the area of customer satisfaction. Conceptually, satisfaction is not only the customer attitude about a service provider (Levesque and McDougall, 1996) but also the reflection of positive feelings of a

customer about a service (Cronin et al., 2000). Boulding et al. (1993) stated that from a specific transaction or from an accumulative view, satisfaction may also be understood. Kotler (2000); Hoyer and MacInnis (2001) and Hansemark and Albinsson (2004) revealed that satisfaction is an indication of customers' overall attitude or behavior about the service provider or the emotional reaction about the difference between customers' expectation and perception, regarding the achievement of various need, want or goal. Dwyer et al. (1987); Ganesan (1994) and other researchers stated that customer's satisfaction is an important indicator of successful relationship management as well as a future-oriented indicator of the profits of the company (Fornell, 1992) where according to Anderson et al.'s (1994) opinion, the more fundamental indicator of past, current and future performance of the firm is cumulative satisfaction. Wirtz and Bateson (1999) stated that customer satisfaction is the evaluative response of the customer to the services rendered by the provider. Bitner and Hubbert (1994) indicated that at the specific encounter level or at the overall satisfaction level the customer satisfaction may be examined. Products and services are both included in customer satisfaction which are away from consideration of zero defects and fitness for purpose (Talor, 1995 and Reis et al., 2003).

### 3. METHODOLOGY

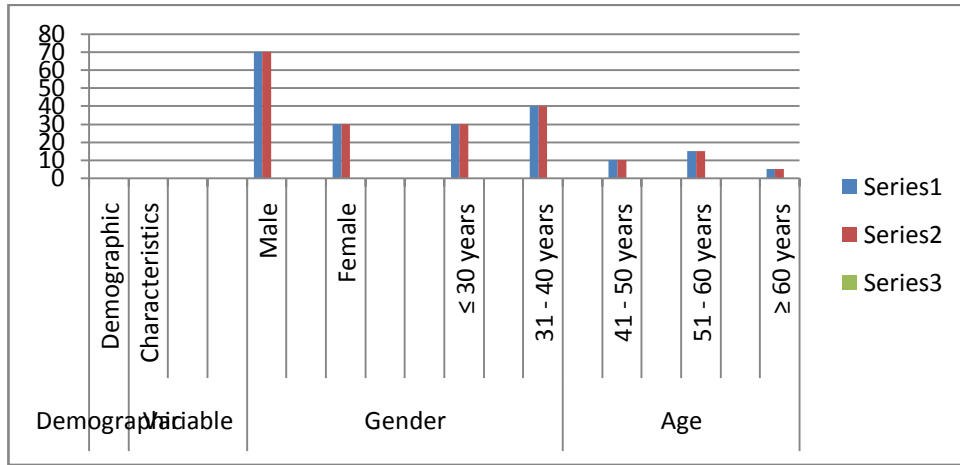
In order to conduct the study on the satisfaction of the customers about the services provided by all the life insurance companies in Khammam, the initial questionnaire was developed as a survey instrument. To collect the necessary data, along with the other items, the fulfilment of customers' various needs with the insurer, performance of the insurer according to client's ideal service, customers' satisfaction with creativity of the insurers, customers' satisfaction with effectiveness of the insurers' work and overall satisfaction of the customers with the insurers were included in the survey instrument. After proper formation of the survey instrument study was conducted where researcher randomly selected 100 customers. Based on this study, the preliminary analysis established the internal consistency of the items within questionnaire and gave the confirmation of validity and reliability of final survey instrument. The structure of the questionnaire is both open-ended and close-ended and consisted 7 point Likert scale ranging from 1-strongly disagree to 7-strongly agree as well as 1-not at all satisfied to 7-completely satisfied. After successful completion of the pilot study, considering different demographic profile of the respondents and using random sampling technique, total 100 questionnaires were distributed among the customers where 100 customers were agreed to give response and finally obtained 80 usable responses which was considered as the sample size for this study.

### 4. RESULTS AND DISCUSSIONS

In order to obtain the data for the purpose of the present study, a cross-sectional survey was conducted in KHAMMAM among the customers of all the life insurance companies operating their business where researcher carefully considered the different demographic profile such as gender, age, income status, occupation, educational qualification, locality of living and modern aids accessed by the customers. The summarized demographic profile of the customers of the study is now given below:

**Table 1: Demographic profile of the customers**

Demographic Variable	Demographic Characteristics	Frequency	Percentage (%)
Gender	Male	70	70
	Female	30	30
Age	≤ 30 years	30	30
	31 - 40 years	40	40
	41 - 50 years	10	10
	51 - 60 years	15	15
	≥ 60 years	5	5

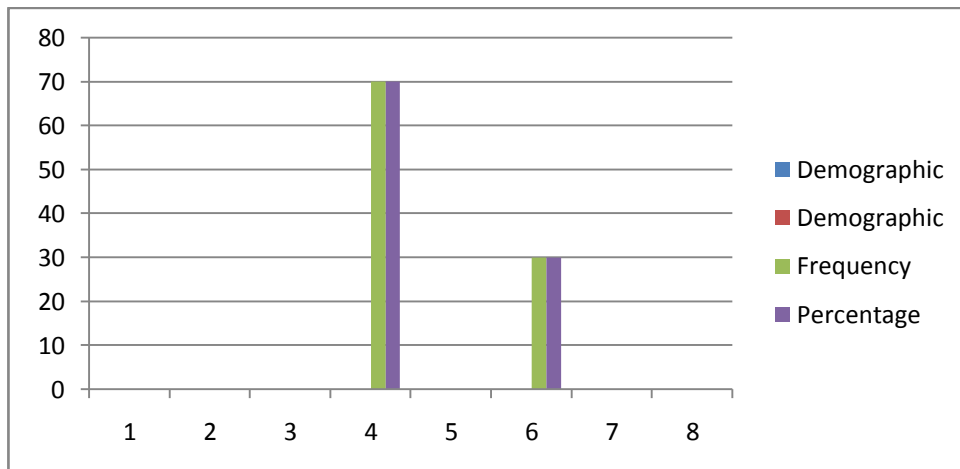


From the available data, the satisfaction of the life insurance customers was assessed in respect of the fulfillment of customers' various needs with the insurer, performance of the insurer according to client's ideal service, customers' satisfaction with creativity of their insurers, customers' satisfaction with effectiveness of their insurers' work and overall satisfaction of the customers with their insurers.

First of all, the result of the fulfillment of various needs of the customers with their insurers is presented at Table 2.

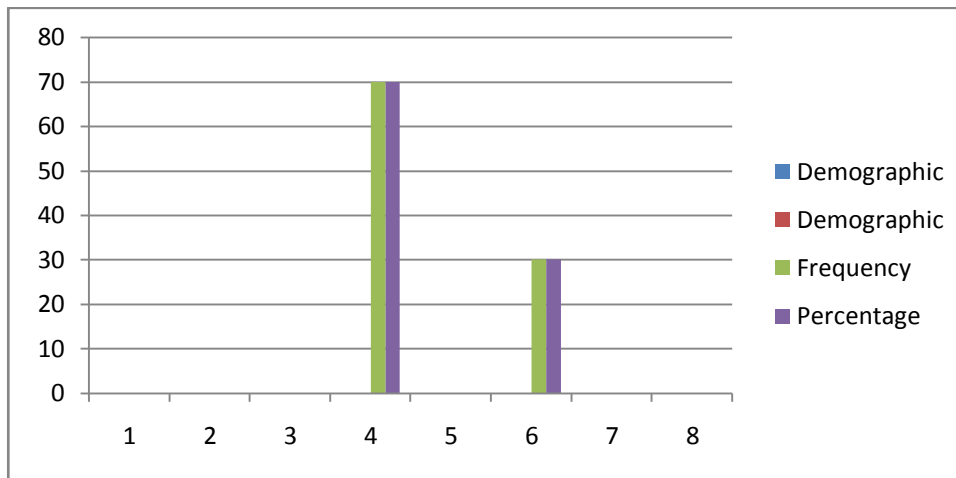
**Table 2: Analysis of fulfilment of customers' various needs with the insurer**

VARIABLE	CHARACTERISTICS	FREQUENCY	PERCENTAGE
Fulfillment of customers needs with the insurer	Strongly disagree	10	10
	disagree	20	20
	Disagree somewhat	5	5
	undecided	10	10
	Agree somewhat	30	30
	Agree	5	5
	Strongly agree	20	20



**Table 3: Analysis of performance of the insurer according to client's ideal service**

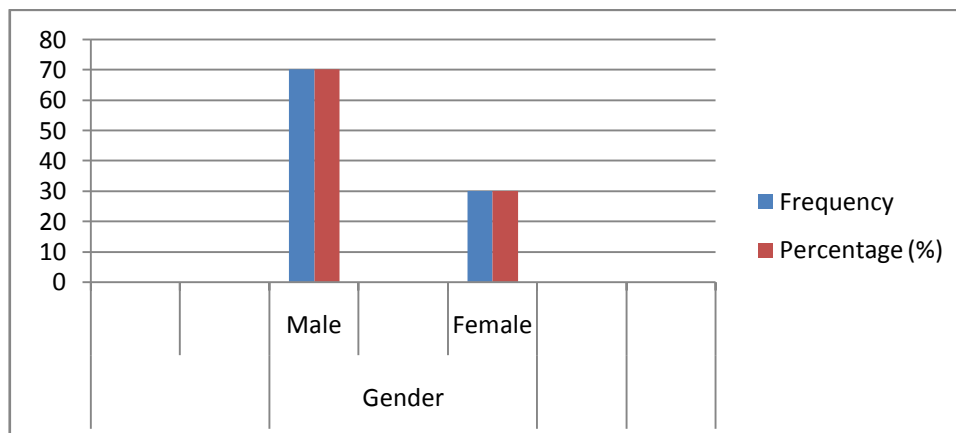
VARIABLE	CHARACTERISTICS	FREQUENCY	PERCENTAGE
Performance	Strongly disagree	5	5
	disagree	10	10
	Disagree somewhat	15	15
	undecided	10	10
	Agree somewhat	15	15
	Agree	5	5
	Strongly agree	40	40



Now, the result of the satisfaction of the life insurance customers with creativity of the insurers is presented at Table 4.

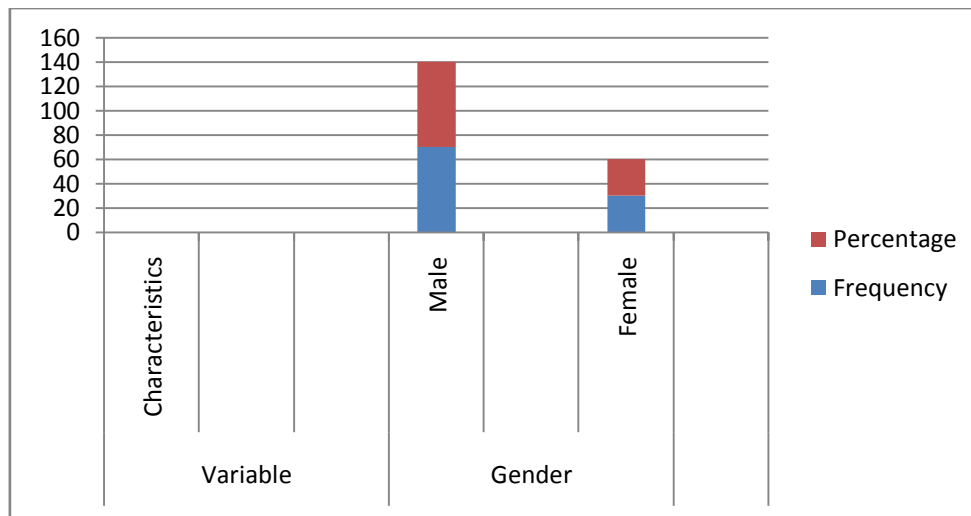
**Table 4: Analysis of Satisfaction with the creativity of the insurer**

VARIABLE	CHARACTERISTICS	FREQUENCY	PERCENTAGE
Satisfaction with the creativity of the insurer	Strongly disagree	2	2
	disagree	10	10
	Disagree somewhat	5	5
	undecided	3	3
	Agree somewhat	4	4
	Agree	40	40
	Strongly agree	34	34



The result of customers' satisfaction with effectiveness of the insurer is presented in Table 5:

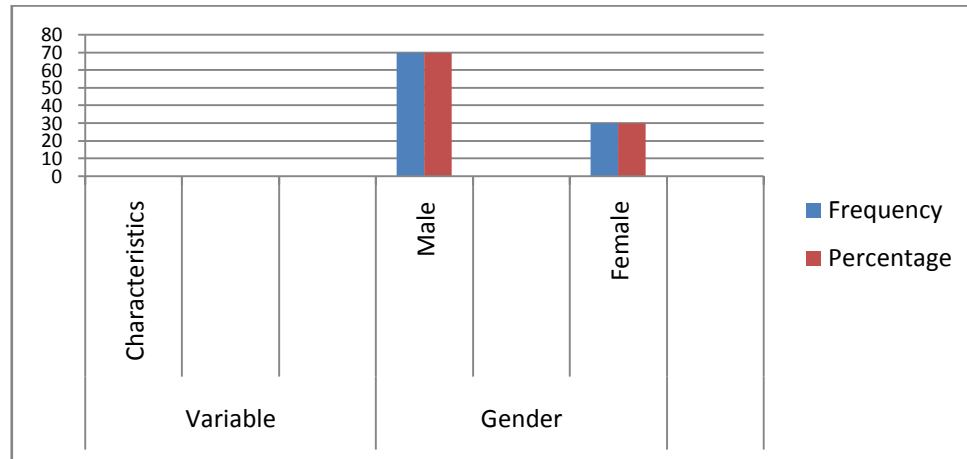
VARIABLE	CHARACTERISTICS	FREQUENCY	PERCENTAGE
Satisfaction with the efficiency of the insurer	Strongly disagree	1	1
	disagree	3	3
	Disagree somewhat	5	5
	undecided	8	8
	Agree somewhat	5	5
	Agree	40	40
	Strongly agree	38	38



Customers' overall satisfaction with the insurer is presented in Table 6:

**Table 6: Analysis of customers' overall satisfaction with the insurer**

VARIABLE	CHARACTERISTICS	FREQUENCY	PERCENTAGE
Customers' overall Satisfaction with the insurer	Strongly disagree	1	1
	disagree	2	2
	Disagree somewhat	5	5
	undecided	4	4
	Agree somewhat	3	3
	Agree	30	30
	Strongly agree	55	55



## 5. CONCLUSION

In the study of the satisfaction of the customers about the services provided by the life insurers in Khammam, we tried to examine the satisfaction of the life insurance customers in respect of the fulfilment of customers' various needs with the insurer, performance of the insurer according to client's ideal service, customers' satisfaction with creativity of their insurers, customers' satisfaction with effectiveness of their insurers' work and overall satisfaction of the customers with their insurers. Study established that except the case of the creativity of the insurers, majority of the customers were almost satisfied in other cases by their insurers. Thus, current study indicates that though customers have overall satisfaction with their insurers but considering various needs and requirements of these customers, along with other areas insurers have to improve their creativity in various aspects as well as have to involve dedicatedly in the development of new strategies for the purpose of the customer satisfaction through which they will be able to achieve maximum growth in the present competitive life insurance market and will survive in the future.

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