

**A STUDY ON SERVICE QUALITY PERCEPTION AND
PREFERENCE OF POLICYHOLDERS ABOUT PUBLIC
AND PRIVATE LIFE INSURANCE COMPANIES
IN TIRUNELVELI DISTRICT**

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DECLARATION

I hereby declare that the thesis entitled “**A STUDY ON SERVICE QUALITY PERCEPTION AND PREFERENCE OF POLICYHOLDERS ABOUT PUBLIC AND PRIVATE LIFE INSURANCE COMPANIES IN TIRUNELVELI DISTRICT**” submitted by me for the Degree of Doctor of Philosophy in Commerce is the result of my original and independent research work carried out under the guidance of **Dr. C. EUGINE FRANCO**, Associate Professor, PG & Research Department of Commerce, St. Xavier's College (Autonomous), Palayamkottai and it has not been submitted for the award of any Degree, Diploma, Associateship, Fellowship of any University / Institution.

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LIST OF ABBREVIATIONS

ANOVA	-	Analysis of Variance
ATM	-	Automatic Teller Machine
BSLI	-	Birla Sun Life Insurance
CEO	-	Chief Executive Officer
D.F	-	Degrees of Freedom
ECS	-	Electronic Clearing System
FY	-	Financial Year
HDFC	-	Housing Development Finance Corporation
ICICI	-	Industrial Credit and Investment Corporation of India
IDBI	-	Industrial Development Bank of India
ING	-	International Netherland Group
IRDA	-	Insurance Regulatory and Development Authority
LIC	-	Life Insurance Corporation of India
LPG	-	Liberalisation, Privaitazation, Globalisation
PLICs	-	Private Life Insurance Companies
SBI	-	State Bank of India
SERVPERF	-	Service Performance
SERVQUAL	-	Service Quality
SPSS	-	Statistical Package for Social Sciences
SSO	-	Satellite Sampark Offices
SSS	-	Salary Savings Scheme
U.S.A	-	United States of America
USD	-	United States Dollar
ULIPs	-	United Linked Insurance Plans

CHAPTER - I

INTRODUCTION AND DESIGN OF THE STUDY

- 1.1 INTRODUCTION**
- 1.2 STATEMENT OF THE PROBLEM**
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CHAPTER - I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

Indian insurance market has been going through a transition phase in the wake of LPG (Liberalization, Privatization and Globalization). In the pre-liberalization era, LIC of India was the monopoly in the insurance sector in India. It was not duly concerning about customer services. The main drawback was the lack of proper information about the available products and services and the absence of any competition. The products were also limited and insurance was mainly purchased for risk covering (Mehlwal, 2006)¹. But in the year 2000, the insurance sector was opened up for private players. The insurance sector has changed drastically after this. The new insurance companies concentrate more on the areas which were uncovered by LIC. The impact of private players can be felt in the areas like product innovation, promotion and service standards (Chawla & Singh, 2008)². Today, the insurance buyers can choose from a large array of products and or services. They can look for a company of their choice. Customers today are more rational- they always look for maximizing values within the bounds and limitations of time, knowledge, search cost, mobility and of course disposable income (Mahfooz, 2005)³. Retaining a customer is always cheaper than attracting a new customer. Now-a-days, only those insurance companies that believe in the highest delivered value or profit to the customers can alone survive and sustain their growth and profitability. In today's scenario, a customer makes value

¹ Mehlwal Geetanjali, (2006), "The face of the Insurance Industry in India", Insurance Chronicle, (Jan) pp.57-63

² Chawala Sonia & Singh Fulbag (2008), "Service Quality Perception of Life Insurance Policyholders in Northern India: Pre-Privatization Vs. Post Privatization" the ICFAI University Journal of Marketing Management, Vol. 7, No. 4, pp 23-53.

³ Mahfooz Yaser, (2005), "CRM: Face-to-Face with the Indian Customer", The business review, Vol.11, No.2, pp.100-105.

assessment in a very rational manner. His value assessment stretches beyond product's value and goes to take into consideration added values such as service value, personal value and image value. All these values put together constitute his total customer value.

With the liberalization and globalisation in insurance, service quality has become an important means of differentiation and path to achieve business success. Such differentiation based on service quality can be a key source of competitiveness for insurance companies and hence have implication for leadership in such organizations. With the increasing demands of customer, insurance sector has become competitive. The one for all or all for one syndrome is being given or 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 expectations and perceptions are continuously 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 have become increasingly hard to differentiate in a fierce competitive market. Insurance companies in India are consequently directing their strategies towards increasing customer satisfaction and loyalty through improved service quality. It has been a desirable factor for insurance companies to develop a customer centric approach for survival and growth. This 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 offers. 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 more or less identical services, such as life insurance, where establishing service quality can be the only way of differentiating oneself. Such differentiation can yield a higher proportion of consumer's choices, and hence means the difference between financial success and failure.

1.1.1 Structure of the Service Sector

The services sector is remarkably diverse. It comprises of a wide array of industries that sell to individual consumers and business customers, as well as to government agencies and non-profit organizations. Services make up the growing bulk of today's economy and also account for a higher percentage of growth in employment. Unless one is already pre-destined for a career in a family manufacturing or agriculture business, the probability is high that he/she will aspire to work in a service organisation. The size of the service sector is increasing in almost all economized countries around the world. As national economy develops, the relative share of employment among agriculture, industry (including manufacturing and mining), and services also change dramatically

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

Market Size

The services sector is the key driver of India's economic growth. The sector contributed around 66.1 per cent of its Gross Value Added growth in 2015-16, thereby becoming an important net foreign exchange earner and the most attractive sector for FDI (Foreign Direct Investment) inflows. As per the first advance estimates of the Central Statistics Office (CSO), the services sector is expected to grow at 8.8 per cent in 2016-17.

According to a report by leading research firm Market Research Store, the Indian telecommunication services market is expected to grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020. The Indian digital classifieds industry is expected to grow three-fold to reach US\$ 1.2 billion by 2020, driven by growth in horizontal classifieds like online services, real estate and automobiles. Out of overall services sector, the sub-sector comprising financial services, real estate and professional services contributed US\$ 305.8 billion or 20.5 per cent to the GDP. The sub-sector of community, social and personal services contributed US\$ 188.2 billion or 12.6 per cent to the GDP.

1.1.2 Concept of Service

A service is not something that is built in a factory, shipped to a store, put on a shelf, and then taken home by a customer. A service is a dynamic living process. A service is something that is executed on behalf of, and often with the involvement of, the customer. A service is performed. A service is rendered. A service is motion and activity - not pieces or parts. The "raw materials" of a service are time and process - not plastic or steel. A service cannot be stored or shipped -- only the means for creating it can. A service cannot be held in one's hand or physically possessed. In short, a service

is not a thing but an intangible aspect of customers' perceptions (Shostack & Kingman-Brundage, 1991:243).

Many definitions of service are available but all contain a common theme of intangibility and simultaneous consumption (Fitzsimmons and Fitzsimmons, 2001). Put in the simplest terms, services are deeds, processes, and performances (Zeithaml and Bitner, 2003:3). The core of a service is that part of the service we think of when we name the service, examples would be the way dinner is served at a nice restaurant or the legal advice obtained from an attorney. The relationship aspect of a service describes the interpersonal process by which the service is delivered and is thought to be especially important in customer interactions with professional service providers (Iacobucci and Ostrom, 2001:258).

The growing importance of the role that services play in both the economies as a whole and organizations in particular cannot be over-estimated. This encompasses not only "pure" service industries as such, but companies selling physical goods where the element of service in their offering is increasingly one of the few sources of competitive differentiation. And while a focus on the customer underpins the marketing of both physical goods and services, it's critical to understand the limitations of traditional marketing when it comes to developing the most effective tools and techniques for services marketing (Young *et al.*, 2002)

1.1.3 Characteristics of Services

The service environment is sufficiently unique to allow us to question the direct application of traditional manufacturing-based techniques to services without some modification.

Ignoring the differences between manufacturing and service requirements will lead to failure, but more importantly, recognition of the special features of services will provide insights for enlightened and innovative management (Fitzsimmons and Fitzsimmons, 2001:21).

The distinctive characteristics of a service that set it apart from physical goods are: intangibility, inseparability, variability (heterogeneity), and perishability (Kotler, *et al.*, 2002:12).

Intangibility

Intangibility is obviously not an absolute term. It would be difficult to think of any service that was purely intangible and had no tangible elements associated with it. Most services, as with most goods, can be viewed as a mix of tangible and intangible offerings to the buyer.

Even within the professional service context, one can view varying degrees of intangibility both between professions and within the service offerings of one profession. We can therefore view intangibility as a relative continuum in the professional service context (Morgan, 1991:9). Intangibility presents several marketing challenges. Services cannot be an inventory one, and therefore fluctuations in demand are often difficult to manage. Services cannot be easily patented, and new service concepts can therefore easily be copied by competitors. Services cannot be readily displayed or easily communicated to customers, so quality may be difficult for consumers to assess (Zeithaml and Bitner, 2003).

Inseparability

Because the service cannot be separated from the service provider, the mode of perception of an individual his or her professionalism, capacity to withstand during problematic situations in economy, goodwill and demeanor – will all be used in judging the quality of the service firm. This inseparability is carried over to those individuals who answer the phones on behalf of the organisation or occupy the receptionist's desk. They often provide the first impressions realised by prospective clients from the service organisation (Kotler, *et al.*, 2002:12). Because these services are often produced and consumed instantly, mass production is difficult though not impossible. The quality of service and consumer satisfaction will be highly dependent on what happens in “real time,” including actions of employees and the interactions between employees and customers (Zeithaml and Bitner, 2003)

Variability (Heterogeneity)

Services, because they are performed and always involve a human element even if only on the part of the user, cannot be standardized in the way that goods can. A service is always subject to some variation in performance and developing realistic standards of performance is extremely difficult (Rushton and Carson, 1989:26). Because services are heterogeneous across time, organizations, and people, ensuring consistent service quality is challenging.

Quality actually depends on many factors that cannot be fully controlled by the service provider, such as the ability of the consumer to articulate his or her needs, the ability and willingness of the personnel to satisfy those needs, the presence (or absence) of other customers, and the level of demand for the service. Because of these complicating factors, the service manager cannot always know for sure that the

service is being executed in a manner consistent with what was originally planned and promoted (Zeithaml and Bitner, 2003)

Perishability

Perishability of services means that they cannot be stored for later sale or use (Kotler, *et al.* 2002:13). If a service is not used when available then the service capacity is wasted. For example, an empty seat on a particular flight from South Africa to Dubai cannot be sold to a passenger leaving on a later flight to Dubai. This characteristic of the service delivery process can cause severe problems if the demand for services (emergency room in a hospital) is not uniformly distributed over time. Strong demand fluctuations require excess capacity and careful planning at the level of the service provider (Vandamme and Leunis, 1993). The fact that services cannot typically be returned or resold also implies a need for strong recovery strategies when things do go wrong (Zeithaml and Bitner, 2003).

1.1.4 Insurance Services

Insurance is a huge business in the United States. As in the case of liability auto insurance, law mandates some insurance and in most states one has to show proof of insurance to obtain a license. Insurance is a must as claimed by the lending institution while releasing housing loan. Medical insurance is necessary to reduce the financial impact of uncontrollable events. Life insurance provides financial security to beloved ones in the event of death. Annuities are basic to retirement planning. Business insurance protects against business interruptions and asset losses. The list goes on unending.

Insurance sector plays a very important role in the development of any economy also, as it provides long term funds for infrastructure development and at the same time strengthens the risk taking ability. The current scenario in the insurance industry is a complex and competitive environment tinged with little stability. The major hassle the industry faces is obtaining clients. This is due to the fact that the big fish in the insurance industry that dominates the sector. It has become increasingly difficult for this particular sector to gain profits while curtailing costs. Insurance is a contract between two parties whereby one party called insurer undertakes, in exchange for a fixed sum called premium to pay the other party an assured sum of money on the occurrence of a certain event or on maturity of a stipulated period. Life insurance protects the economic loss of an individual in the event of his death. A family is generally dependent for its food, clothing and shelter on the income brought by the bread earner of the family. So long as he lives, that family is secured but the death of the person may put the family in a starving situation. Uncertainty of existence is inherent in human life. It is this uncertainty that gives rise to the necessity for some form of protection against the financial loss arising out of death. Life insurance substitutes this uncertainty to some extent.

In LIC and PLICs, consumer orientation is gaining much momentum. Customer satisfaction is a prime factor of the corporations at all levels of their activities. LIC and PLICs have introduced various schemes to provide safety and security to the lives of the people in the country. The main aim of LIC and PLICs has been to mobilize the savings of the household and to offer protection in the event of death and sickness. In recent years insurance has also become a source for tax savings

Insurance has also become so important in building our national economy as well. The billions of money paid into insurance companies as premiums are invested in a wide range of investments to score sufficient earnings to meet the contracted coverage and liabilities. In fact, the insurance industry is reported to be second only to the commercial banking industry as a source of investment funds.

Throughout most people's lives they will have to make some sort of decision relating to these options and will need to make these decisions again and again. New and better insurance products, interest rate changes, family changes, etc., will cause to re-look many times. If need to do the right thing each time but, indeed, it is scary!

From a purely financial perspective, both personal and business, insurance plays a very important role in preserving those hard earned money one has tried so hard to accumulate and one needs to make the best choice possible with each of those money. Our purpose is to give you some insight into this voluntary sector of insurance. The study will not attempt to discuss auto insurance, mortgage insurance, or other similar insurance purposes. Similarly, the study will not attempt to guide you into one product over another or suggest that you trade in your certificate of deposit for an insurance product. The purpose is to inform you of the various products so you can make a selective and suitable decision when the situation warrants.

At some time you may be asked to exchange one life insurance product for another. Since insurance is a constantly evolving industry and there are many new products in the market you may have entered into your current policy at a certain point of time and you may be shown what appears to be a better deal on exchange. Is it a better deal? Should you exchange your old policy for a new one? That is difficult to say without a thorough review of both your old policy and the new policy but particularly your old policy.

1.2 STATEMENT OF THE PROBLEM

Life is full of risks and uncertainties. Since we are all social human beings, we have certain responsibilities too. Indian consumers have big influence of emotions and rationality on their buying decisions. They believe in future rather than the present and desire to have a better and secured future. In this direction, life insurance services have their own value in terms of minimizing risk and uncertainties. Indian economy is developing with huge middle class social status and salaried ones. Their money value for current needs and future desires move the pendulum to the other side to decide the reasons behind holding a policy. Insurance industry is a service-oriented unit. It renders services like providing space, displaying adequate information, maintaining suggestion box and so on to the policyholders. It is essential that insurance schemes should attract and satisfy the policyholders in different ways. Life insurance has today become a mainstay of any market economy since it offers plenty of scope for garnering large sums of money for a long period of time.

Ever since its inception in 1956, the life insurance companies in India have been providing good service to the society. The policyholders once they become a part of the LIC feel free about the safety of their wards. The families of the non-policyholders meet out uncertainty on the death of the bread winner. So, there is an attraction towards life insurance. People who care much about them and their families become policyholders of life insurance. The tastes and preferences of policyholders are indifferent. The LIC of India has been introducing a variety of policies suiting the tastes and preferences of the policyholders.

It is observed that many policyholders have taken more than one policy. It is a clear indication that they are very much interested in availing maximum benefits from LIC. Some people give due importance to money value, high returns on their

investments. But greater risk coverages are inherent advantages expected from LIC products. One can continuously avail the services and products of the corporation in various ways by becoming policyholders. The extent of utilization of LIC policies also differ from person to person for the above said reasons. Optimum utilizations represent the value and the number of LIC products purchased and thereby availing multifarious utilities and services offered by the LIC.

The advent of private foreign insurance companies in India has become a competition to the LIC of India. The policyholders not content with the service of the LIC of India started evaluating the services of the other private life insurance companies. Thus, the attitude of the policyholders towards the LIC of India has started to change in the present days. There are murmurs at different corners as to the services of the LIC of India.

More and more new private insurance companies are coming up year after year. And, these new and private life insurance companies adopt aggressive marketing strategies to introduce their products and to tap the potential policyholders. It is witnessed that new policies like ULIPs are introduced by these new private life insurance companies. It is in this concept this study has been undertaken to assess and analyze the service quality perception and preferences of policyholders towards insurance services offered by public and private insurance companies in Tirunelveli district.

1.3 SCOPE OF THE STUDY

The scope of the study is confined to perception and preferences of customers about service quality in public and private insurance companies in Tirunelveli district. In Tirunelveli district, there are 8 main branches, 3 satellite branches and a good

number of LIC premium paying centers providing insurance services to their customers. The premium paying center provides advanced technologies to collect the premium from customers. The customers need not go to the branch office to pay their premium. Instead they can approach any nearby premium paying points which are being operated by outstanding development officers of LIC of India. This study is confined to the eight main branches of LIC of India. In Tirunelveli there are a number of private life insurance branches providing insurance service to their customers. There are many private life insurance companies in the study area. However, this study is confined to the top five select private life insurance companies namely ICICI Prudential, Bajaj Allianz, SBI Life Insurance, HDFC Standard and Birla Sun Life Insurance. It has been found that private life insurance companies are penetrating the customer base of LIC and it is seen that private insurance companies are giving a tough competition to the LIC and will certainly bag a good volume of business for themselves in the coming days. Thus it has been observed that LIC is very famous with huge market share but private life insurance companies are growing at an exceptionally faster rate. Private companies show due concern in grievance management and bring innovative schemes to attract the customers. Right now they are giving good competition to LIC and very soon they will acquire further more shares from LIC of India.

1.4 OBJECTIVES OF THE STUDY

The following are the objectives of the study:

1. To study **socio-economic profile** of the respondents.
2. To assess the **factors influencing the customers** to avail insurance service.

3. To assess and analyze the **service quality perception** of customers of public and private life insurance companies in Tirunelveli district.
4. To analyze the level of **expected service** and **perceived service quality** of the customers.
5. To measure the **Service Quality Gap** in providing insurance service
6. To find out the **level of satisfaction** of respondents towards insurance services.
7. To find out the **problems faced by the respondents** in availing insurance services.
8. To offer **suggestions to improve the service quality** of LIC and PLICs of India.

1.5 HYPOTHESES OF THE STUDY

The following hypotheses have been formulated for the study:

- “There is no significant relationship between age and level of satisfaction among Public and Private Life Insurance Companies in Tirunelveli District”.
- “There is no significant relationship between gender and level of satisfaction among Public and Private Life Insurance Companies in Tirunelveli District”.
- “There is no significant relationship between marital status and level of satisfaction among Public and Private Life Insurance Companies in Tirunelveli District”.

- “There is no significant relationship between area of residence and level of satisfaction among Public and Private Life Insurance Companies in Tirunelveli District”.
- “There is no significant relationship between educational status and level of satisfaction among Public and Private Life Insurance Companies in Tirunelveli District”.
- “There is no significant relationship between occupational status and level of satisfaction among Public and Private Life Insurance Companies in Tirunelveli District”.
- “There is no significant relationship between monthly income of the family and level of satisfaction among Public and Private Life Insurance Companies in Tirunelveli District”.
- “There is no significant relationship between length of availing of insurance services and level of satisfaction among Public and Private Life Insurance Companies in Tirunelveli District”.

1.6 PERIOD OF STUDY

The study covers a period of three years from April 2014 to July 2017. Since the research is explanatory in nature it requires three years for completing the study. However, the required primary data were collected during the period from April 2016 to December 2016.

1.7 OPERATIONAL DEFINITION OF CONCEPTS

1.7.1 Life Insurance

Life insurance is a contract between a person and the insurance company covering either the life term or a fixed number of years.

1.7.2 Policyholder

Policyholder means one who takes the policy from the insurance company. A policyholder takes the policy based on his age and income. The policyholders get the maturity value on the maturity date. If death occurs, the nominee of the policyholder receives the claim amount from the insurance company.

1.7.3 Preference of Policyholder

Preference of policyholders denotes the way in which policyholders look at the various aspects related to other avenues of savings.

1.7.4 Insurance Policy

Insurance policy is a well-defined contract document which clearly describes the terms and conditions, applicable premium, specifications of the extent of coverage and the heads on which the deduction will be made. It is completely a legal paperwork in which all possible details are mentioned.

1.7.5 Insurance Premium

Insurance premium is the payment made by the policyholder to the insurance company on a regular time span. This payment has to be made by the insured person till the maturity of the insurance policy or the death of the insured whichever earlier occurs.

1.8 RESEARCH METHODOLOGY

Research methodology is the way of systematically and scientifically solving the research problem. It is a blue print of the way in which the research is going to be conducted. The research methodology enlightens the method to be followed in research activities starting from investigation to presentation. Research methodology includes research design, description of the study area, sampling procedures, framework of analysis and limitation.

1.9 RESEARCH DESIGN

The study is about the quality of services offered by the Public and Private Insurance companies in Tirunelveli District. Survey method is adopted. Both secondary and primary data have been used to study the objectives of the research.

1.10 SAMPLING DESIGN

The survey is conducted on the target population of the District of Tirunelveli. Data were collected from 600 respondents, 300 from LIC of India and 300 from top five select private life insurance companies. Although, the universe of the study is all life insurance companies operating in the study area, due to non-feasibility and time constraint, the scope of the study has been restricted to LIC of India and only five select private life insurance companies, namely ICICI Prudential, HDFC Standard, Bajaj Allianz, Birla Sun Life and SBI Life Insurance. For the purpose of taking sample customers, the details regarding customers were collected from the branches of LIC of India and also from the branches of select five private life insurance companies. With regard to sample respondents, disproportionate stratified random sampling was adopted.

1.11 SAMPLE SIZE

In Tirunelveli district, there are eight main branches of LIC of India located in six places namely Ambasamuthuram, Cheranmahadevi, Palayamottai, Sankarankovil, Tenkasi, Valliyor. In Palayamkottai, there are three main branches namely Palayamkottai (Branch Office I), Tirunelveli Town(Branch office II),CA Branch(Carrer Agent Branch Office III). All the eight main branches of LIC of India located in all the six places have been selected for the study.

Table 1.1

BRANCHES OF LIC OF INDIA IN THE STUDY AREA

Sl. No.	Name of the Branches	District
1	Ambasamuthuram	Tirunelveli
2	Cheranmahadevi	Tirunelveli
3	Palayamkottai	Tirunelveli
4	Sankarankovil	Tirunelveli
5	Tenkasi	Tirunelveli
6	Valliyor	Tirunelveli

PRIVATE LIFE INSURANCE COMPANIES

The criterion adopted for selecting the private sector life insurance companies was the private life insurance companies which got registered during 2000 and 2001. A total of ten companies were registered during this time period. Among them, the top five companies based on the premium collection during 2015-16 were selected.

Table 1.2

**YEAR OF ESTABLISHMENT AND TOTAL PREMIUM OF THE TOP FIVE
PRIVATE LIFE INSURANCE COMPANIES DURING THE
FINANCIAL YEAR 2015-16**

Sl. No.	Name of the company	Year of Registration	Total Premium (in crores ₹)	Location of Branch office
1	ICICI Prudential	2000	16528.75	Tirunelveli
2	Bajaj Allianz	2001	11419.71	Tirunelveli
3	SBI Life Insurance	2001	10104.03	Tirunelveli & Tenkasi
4	HDFC Standard	2001	7005.10	Tirunelveli
5	Birla Sun Life	20001	5505.66	Tirunelveli

Source: IRDA Annual Report of the year 2015-2016

Table 1.3

SAMPLE BRANCHES AND SAMPLE SIZE

Sl. No.	Sample Branches	Sample Size
1	Ambasamuthuram (LIC)	50
2	Cheranmahadevi (LIC)	50
3	Palayamkottai (LIC)	50
4	Sankarankovil (LIC)	50
5	Tenkasi (LIC)	50
6	Valliyor (LIC)	50
7	ICICI Prudential (PLIC)	60
8	Bajaj Allianz (PLIC)	60
9	SBI Life Insurance (PLIC)	60
10	HDFC Standard (PLIC)	60
11	Birla Sun Life (PLIC)	60
	Total	600

As stated in the above table, from the six branches of LIC of India, 300 policyholders (50 policyholders from each branch) have been selected on stratified random sampling method and from the five select private life insurance branches such as SBI Life Insurance, HDFC Standard Life Insurance, ICICI Prudential Life Insurance, Bajaj Allianz Life Insurance and Birla Sun Life Insurance in Tirunelveli district, 300 policyholders (60 policyholders from each branch) have been selected on stratified random sampling method.

1.12 FRAMEWORK OF ANALYSIS

To analyze the collected data and thereby to draw inferences, the following statistical tools have been used. The chi-square tests were used to test the formulated hypotheses of the study. The Garrett ranking method was used to find out the ranks as to the problems encountered by the policyholders in availing insurance services from the LIC and PLICs. Further, factor analysis, and SERVQUAL, Expectation and Perception index, ANOVA, Garret ranking technique were used.

The collected data had been processed with the help of appropriate statistical tools. The statistical tools were selected on the basis of the objectives of the study and also the nature of data included for the analysis.

1.12 GEOGRAPHICAL AREA COVERED

The data were collected from Tirunelveli District. The geographical areas covered for this study are: Ambasamuthuram, Cheranmahadevi, Palayamkottai, Sankarankoil. Tenkasi, and Vallior.

1.13 LIMITATIONS OF THE STUDY

The present study is subject to the following limitations:

1. The study is confined to only 300 customers from Life Insurance Corporation of India and 300 customers from top five Private Life Insurance companies in Tirunelveli District.
2. The concept of service quality is new to insurance services in India. So, the literature available in this area is limited.
3. The researcher was not formally allowed to meet customers and collect data from them at branch offices. Hence, the researcher had to approach the sample customers from the public and private life insurance companies in the study area.

1.14 CHAPTER SCHEME

The present study entitled “Service Quality perception and preference of policyholders about Public and Private life insurance companies in Tirunelveli District” has been organized in the following eight chapters:

The first chapter titled “Introduction and design of the study” covers introduction, statement of the problem, scope, objectives of the study, hypotheses, operational definition of concepts, methodology, sampling design, construction of tools, geographical area, period of study, framework of analysis, limitations of the study and chapter scheme.

The second chapter ‘Profile of the study unit’ presents the overall view of the Public and private insurance companies at national, state and district levels.

The third chapter deals with 'Review of Literature' of the study.

The fourth chapter includes 'Conceptual framework of Service Quality'

The fifth chapter consists of demographic profile of the sample respondents, and the factors influencing the respondents to avail insurance service.

The sixth chapter "Service quality perception of customers" deals with service quality gap, expectation and perception index and relationship between customers' socio - economic variables and their expectations and perception.

The seventh chapter envisages 'customers' satisfaction and problems as regards insurance services by Public and Private insurance companies.

The eighth chapter deals with "Summary of findings, suggestions and conclusion" gives a full list of the major findings of the study and puts forth some suggestions and ends with a conclusion.

CHAPTER - II

PROFILE OF THE STUDY UNITS

- 2.1 INTRODUCTION**
- 2.2 LIFE INSURANCE - AN OVERVIEW**
- 2.3 BRIEF HISTORY OF INSURANCE COMPANIES**
- 2.4 PRINCIPLES OF INSURANCE**
- 2.5 LIFE INSURANCE IN INDIA**
- 2.6 OBJECTIVES OF LIC OF INDIA**
- 2.7 INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (IRDA)**
 - 2.7.1 Mission Statement of IRDA
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 - 2.7.4 Powers and Functions of IRDA
- 2.8 INSURANCE COMPANIES**
- 2.9 GLOBAL INSURANCE INDUSTRY**
- 2.10 COMPLEXITY OF INSURANCE POLICY CONTRACTS**
- 2.11 POLICYHOLDER'S ELIGIBILITY**
- 2.12 LIFE INSURANCE PLANS**
- 2.13 PRIVATE LIFE INSURANCE COMPANIES (PLICs) IN INDIA**
- 2.14 SELECT TOP FIVE PLICs FOR THE STUDY**

CHAPTER - II

PROFILE OF THE STUDY UNITS

2.1 INTRODUCTION

There are currently, a total of 24 life insurance companies in India. Of these, Life Insurance Corporation of India (LIC) is the only public sector insurance company. All others are private insurance companies. Many of these are joint ventures between public/private sector banks and national/international insurance-financial companies.

The Life Insurance Corporation of India (LIC) is the largest life insurance company in India and also the country's largest investor. It is fully owned by the Government of India. It also funds close to 24.6% of the Indian Government's expenses. It was founded in 1956. Headquartered in Mumbai, which is considered the financial capital of India, the Life Insurance Corporation of India currently has 8 zonal offices and 101 divisional offices located in different parts of India, at least 2048 branches located in different cities and towns of India along with satellite offices attached to about some 50 branches, and has a network of around one million and 1002149 agents for soliciting life insurance business from the public.

2.2 LIFE INSURANCE - AN OVERVIEW

Life insurance is a contract for payment of a sum of money to the person insured on the event of death of the insured or on maturity whichever occurs earlier. Usually the contract provides for the payment of an amount on the date at periodic intervals or at specified dates at periodic intervals or at unfortunate death, if it occurs earlier. Among other things the contract also provides for the payment of premium periodically to the corporation by the assured. Life insurance is universally acknowledged to be an institution, which eliminates risk substituting certainty for

uncertainty and comes to the timely aid of the family in the unfortunate event of death of the breadwinner by and large, life insurance is vindication's partial solution to the problems caused by death.

Life insurance, in short is concerned with two hazards that stand across the life path of every person that of dying prematurely leaving a dependent family to feed for itself and that of living to old age without visible means of support.

Life insurance provides a monetary benefit to the family of the deceased or other designated beneficiary, and may specifically provide for income to an insured person's family, burial, funeral and other related expenses. Life insurance policies often allow the option of having the proceeds paid to the beneficiary either in a lump sum cash payment or an annuity.

Annuities provide a stream of payments and are generally classified as insurance because they are issued by insurance companies and regulated as insurance and require the same kind of actuarial and investment management expertise that life insurance requires. Annuities and pensions that pay a benefit for life are sometimes regarded as insurance against the possibility that a retiree will outlive his or her financial resources. In that sense, they are the complement of life insurance and, from an underwriting perspective, are the mirror image of life insurance.

Certain life insurance contracts accumulate cash values, which may be taken by the insured if the policy is surrendered or which may be borrowed against. Some policies, such as annuities and endowment policies, are financial instruments to accumulate or liquidate wealth when it is needed.

2.3 BRIEF HISTORY OF INSURANCE COMPANIES

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Though the concept of insurance is largely a development of the recent past, particularly after the industrial era – past few centuries – yet its beginnings date back almost 6000 years.

Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian Soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu Muttylal Seal, the foreign life insurance companies started insuring Indian lives. But Indian lives were being treated as sub-standard lives and heavy extra premiums were being charged on them. Bombay Mutual Life Assurance Society heralded the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism. The Swadeshi movement of 1905-1907 gave rise to more insurance companies. The United India in Madras, National Indian and National Insurance in Calcutta and the Co-operative Assurance at Lahore were established in 1906. In 1907, Hindustan Co-operative Insurance Company took its birth in one of the rooms of the

Jorasanko, house of the great poet Rabindranath Tagore, in Calcutta. The Indian Mercantile, General Assurance and Swadeshi Life (later Bombay Life) were some of the companies established during the same period. Prior to 1912 India had no legislation to regulate insurance business. In the year 1912, the Life Insurance Companies Act, and the Provident Fund Act were passed. The Life Insurance Companies Act, 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated between foreign and Indian companies on many accounts, putting the Indian companies at a disadvantage. The first two decades of the twentieth century saw lot of growth in insurance business. From 44 companies with total business-in-force as Rs.22.44 crore, it rose to 176 companies with total business-in-force as Rs.298 crore in 1938. During the mushrooming of insurance companies many financially unsound concerns were also floated which failed miserably. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business. The demand for nationalization of life insurance industry was made repeatedly in the past but it gathered momentum in 1944 when a bill to amend the Life Insurance Act 1938 was introduced in the Legislative Assembly. However, it was much later on the 19th of January, 1956, that life insurance in India was nationalized. About 154 Indian insurance companies, 16 non-Indian companies and 75 provident ones were operating in India at the time of nationalization. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill. The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely

and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost.

Since life insurance contracts are long term contracts and during the currency of the policy it requires a variety of service. Need was felt in the later years to expand the operations and place a branch office at each district headquarter. Re-organization of LIC took place and large numbers of new branch offices were opened. As a result of re-organization servicing functions were transferred to the branches, and branches were made accounting units. It worked out wonderfully with the performance of the corporation. It may be seen that from about 200 crores of New Business in 1957 the corporation crossed 1000 crores only in the year 1969-70, and it took another 10 years for LIC to cross 2000crore mark of new business. But with re-organization happening in the early eighties, by 1985-86 LIC had already crossed 7000 crore Sum Assured on new policies.

LIC has tied up with some Banks and Service providers to offer on-line premium collection facility in selected cities. LIC's ECS and ATM premium payment facility is an addition to customer convenience. Apart from on-line Kiosks and IVRS, Info Centres have been commissioned at Mumbai, Ahmadabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune and many other cities. With a vision of providing easy access to its policyholders, LIC has launched its SATELLITE SAMPARK offices. The satellite offices are smaller, leaner and closer to the customer. The digitalized records of the satellite offices will facilitate anywhere servicing and many other conveniences in the future.

LIC continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. LIC has issued over one crore policies during the current year. It has crossed

the milestone of issuing 1,01,32,955 new policies by 15th Oct, 2005, posting a healthy growth rate of 16.67% over the corresponding period of the previous year.

From then to now, LIC has crossed many milestones and has set unprecedented performance records in various aspects of life insurance business. The same motives which inspired our fore-fathers to bring insurance into existence in this country also inspire as at LIC to take this message of protection to light the lamps of security in as many homes as possible and to help the people in providing security to their families.

2.4 PRINCIPLES OF INSURANCE

Commercially insurable risks typically share seven common characteristics.

1. A large number of homogeneous exposure units

The vast majority of insurance policies are provided for individual members of very large classes. Automobile insurance, for example, covered about 175 million automobiles in the United States in 2004. The existence of a large number of homogeneous exposure units allows insurers to benefit from the so-called “law of large numbers,” which in effect states that as the number of exposure units increases, the actual results are increasingly likely to become close to expected results. There are exceptions to this criterion.

2. Definite Loss

The event that gives rise to the loss that is subject to insurance should, at least in principle, take place at a known time, in a known place, and from a known cause. The classic example is death of an insured person on a life insurance policy. Fire, automobile accidents, and worker injuries may all easily meet this criterion. Other types of losses may only be definite in theory. Occupational disease, for instance, may involve prolonged exposure to injurious conditions where no specific time, place or

cause is identifiable. Ideally, the time, place and cause of a loss should be clear enough that a reasonable person, with sufficient information, could objectively verify all three elements.

3. Accidental Loss.

The event that constitutes the trigger of a claim should be fortuitous, or at least outside the control of the beneficiary of the insurance. The loss should be 'pure,' in the sense that it results from an event for which there is only the opportunity for cost. Events that contain speculative elements, such as ordinary business risks, are generally not considered insurable.

4. Large Loss

The size of the loss must be meaningful from the perspective of the insured. Insurance premiums need to cover both the expected cost of losses, plus the cost of issuing and administering the policy, adjusting losses, and supplying the capital needed to reasonably assure that the insurer will be able to pay claims. For small losses these latter costs may be several times the size of the expected cost of losses. There is little point in paying such costs unless the protection offered has real value to a buyer.

5. Affordable Premium

If the likelihood of an insured event is so high, or the cost of the event so large, that the resulting premium is large relative to the amount of protection offered, it is not likely that anyone will buy insurance, even if on offer. Further, as the accounting profession formally recognizes in financial accounting standards, the premium cannot be so large that there is not a reasonable chance of a significant loss to the insurer. If there is no such chance of loss, the transaction may have the form of insurance, but not the substance.

2.5 LIFE INSURANCE IN INDIA

In India some Europeans started the first life insurance company in Bengal Presidency, viz., The Orient Life Insurance in 1818. The Year 1870 was a year of landmark in the history of Indian Insurance separating the early period of pioneering attempts at life insurance from the subsequent period of steady development at the establishment of Indian life office, viz., Bombay Mutual Life Assurance Society in 1871.

Up to end of 19th century, the insurance was in the inception stage. Therefore no legislation was required till that usually the Indian Company Acts 1883 was applicable. Since 1956, with the nationalization of insurance industry, the state – run Life Insurance Corporation of India (LIC) has held the monopoly in India. Then comes the LPG (Liberalization, Privatization and Globalization) that paved entry of Private and Foreign Life Insurance players in India during the late 90's and earlier 2000's. Currently India and China are the most lucrative insurance markets in the world. They constitute the home of half of the population of the world and their recent rapid economic development makes them attract foreign investment. The share of life insurance premium to GDP of India was 1.29 percent, which is abysmal in the global standard. Despite these opportunities, however, there is also a rough ride ahead for the new players in India. This is because, unlike in the West, insurance is sold more as an instrument of savings in India than as a product offering for protection and security. LIC's 1996 insurance survey reveals that more than 40 percent of insurance-buyers look at insurance products as a means of savings. Risk coverage is only a secondary objective for them and nearly 26 percent of the insurance policies sold are on considerations of old age security. Only 18 percent of insurance policies are sold on death risk considerations.

2.6 OBJECTIVES OF LIC OF INDIA

- i) Spread Life Insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost.
- ii) Maximize mobilization of people's savings by making insurance-linked savings adequately attractive.
- iii) Bear in mind, in the investment of funds, the primary obligation to its policyholders, whose money it holds in trust, without losing sight of the interest of the community as a whole; the funds to be deployed to the best advantage of the investors as well as the community as a whole, keeping in view national priorities and obligations of attractive return.
- iv) Conduct business with utmost economy and with the full realization that the monies belong to the policyholders.
- v) Act as trustees of the insured public in their individual and collective capacities.
- vi) Meet the various life insurance needs of the community that would arise in the changing social and economic environment.
- vii) Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy.
- viii) Promote amongst all agents and employees of the Corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of Corporate Objective.

2.7 INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (IRDA)

The IRDA Act has established the Insurance Regulatory and Development Authority (“IRDA” or “Authority”) as a statutory regulator to regulate and promote the insurance industry in India and also to protect the interests of holders of insurance policies. Since its enactment has undergone a series of amendments to the Act of 1938 and conferred the powers of the Controller of Insurance on the IRDA. The members of the IRDA are appointed by the Central Government from amongst persons of ability, integrity and standing who have knowledge or experience in life insurance, general insurance, actuarial science, finance, economics, law, accountancy, administration etc. The Authority consists of a Chairperson, not more than five wholetime members and not more than four part-time members.

2.7.1 Mission Statement of IRDA

To protect the interest of and secure fair treatment to policyholders; To bring about speedy and orderly growth of the insurance industry (including annuity and superannuation payments), for the benefit of the common man, and to provide long term funds for accelerating growth of the economy; To set, promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence of those it regulates; To ensure speedy settlement of genuine claims, to prevent insurance frauds and other malpractices and put in place effective grievance redressal machinery; To promote fairness, transparency and orderly conduct in financial markets dealing with insurance and build a reliable management information system to enforce high standards of financial soundness amongst market players; To take action where such standards are inadequate or ineffectively enforced; To bring about optimum amount of self-regulation in day-to-day working of the industry consistent with the requirements of prudential regulation.

2.7.2 Establishment and Incorporation of Authority

With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Act, an Authority to be called "the Insurance Regulatory and Development Authority". The Authority shall be a body corporate by the name aforesaid having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.

2.7.3 Composition of Authority

The Authority shall consist of the following members, namely:-

(a) Chairperson; (b) not more than five whole-time members; and (c) not more than four part-time members, to be appointed by the Central Government from amongst persons of ability, integrity and standing who have knowledge or experience in life insurance, general insurance, actuarial science, finance, economics, law, accountancy, administration or any other discipline which would, in the opinion of the Central Government, be useful to the Authority: Provided that the Central Government shall, while appointing the Chairperson and the whole-time members, ensure that at least one person each is a person having knowledge or experience in life insurance, general insurance or actuarial science, respectively.

2.7.4 Powers and Functions of IRDA

Under sub section 1 of section 14 of the IRDA act, the authority has the following powers and functions:

1. **Registration** Issuance of certificate of registration, or to renew, modify, withdraw, suspend or cancel such registration
2. **Protection** of the interests of policy holders in matters concerning assigning of policy, nomination by policy holders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions in contracts of insurance.
3. **Qualification** Specifying the requisite qualifications, code of conduct and practical training for insurance intermediaries and agents.
4. **Code of conduct** Specifying the code of conduct for surveyors and loss assessors.
5. **Efficiency** Promoting efficiency in the conduct of the insurance business
6. **Professionalism** Promoting and regulating professional organizations connected **with the** insurance and reinsurance business.
7. **Fees Levying** fees and other charges for carrying out the objectives of this Act.
8. **Funds investment** regulating investment of funds, by insurance companies.
9. **Margin of solvency** regulating the maintenance of margin of solvency.
10. **Supervising** the functioning of the Tariff Advisory Committee.

2.8 INSURANCE COMPANIES

Insurance companies may be classified into two groups they are:

- i) Life insurance companies, which sell life insurance, annuities and pension products.

ii) Non-life, General, or Property/Casualty insurance companies, which sell other types of insurance.

- General insurance companies can be further divided into these sub categories.
- Standard Lines
- Excess Lines

In most countries, life and non-life insurers are subject to different regulatory regimes and different tax and accounting rules. The main reason for the distinction between the two types of company is that life, annuity, and pension business is very long-term in nature coverage for life assurance or a pension can cover risks over many decades. By contrast, non-life insurance cover usually covers a shorter period, such as one year.

2.9 GLOBAL INSURANCE INDUSTRY

The global economy is expected to grow moderately over the next two years, supporting continued growth in insurance premium volumes, Swiss Re's publication Global insurance review and outlook for 2017/18 shows. Growth in global non-life premiums is forecast to fall slightly from 2.4% in 2016 in real terms to 2.2% in 2017, and accelerate to 3.0% in 2018. In the life sector, global premiums are expected to grow by 4.8% in 2017 and 4.2% in 2018. The emerging markets, in particular emerging Asia, will be the main driver of premium growth in both the non-life and life sectors.

2.10 COMPLEXITY OF INSURANCE POLICY CONTRACTS

Insurance policies can be complex and some policyholders may not understand all the fees and coverages included in a policy. As a result, people may buy policies on unfavorable terms. In response to these issues, many countries have enacted detailed

statutory and regulatory regimes governing every aspect of the insurance business, including minimum standards for policies and the ways in which they may be advertised and sold.

2.11 POLICYHOLDER'S ELIGIBILITY

Any person who has attained majority and is eligible to enter into a valid contract can take out a life insurance policy for one self and on those in whom one has insurable interest. Policies can also be taken out subject to certain conditions on the life of one's spouse or children. While underwriting proposals, factors such as the state of health of the life to be assured, the proponent and income and other relevant factors are considered by the corporation.

2.12 LIFE INSURANCE PLANS

There are two basic elements of life insurance plans. There is a death cover or death benefit providing for payment of claim only in case of death of policyholder (life assured) within the term of policy. The other is survival benefit which is paid in case of life assured surviving the policy term. The plan offering death covers are called Term Assurance whereas those offering only survival benefit are called Pure Endowment. All traditional life insurance plans are combinations of these two basic plans. A whole life policy is a term assurance plan with unspecified period under which sum assured is paid whenever death occurs. Endowment Assurance is combination of term assurance along with pure endowment plan. Sum assured is paid on survival of specified period or on earlier death. Double Endowment Assurance combination of term assurance along with pure endowment plan. Double the Sum assured is paid on survival of specified period or single Sum Assured is paid on earlier death. Money Back policies offer 20% of sum assured every 5 years and 40% on survival for 20 years and full sum assured on

death anytime within the policy term. The cheapest form of life insurance is the Term Assurance Plans. There is no saving component in them. They are useful source when only death cover is required particularly to cover outstanding loans. Normally insurance premium is paid for whole term of the policy. However for those desiring to pay premium for shorter time, there is option to take Limited Payment Policy. Professionals who expect their earnings not to continue at present rate may take this type of policy. An interesting plan is a term assurance plan for specified term, at the end of which the premiums paid till then are refunded, but cover continues thereafter. With/without Profit policies are issued with option to share the profits of the insurance companies. Bonuses are declared after valuation every year. Policies with profit are required to pay higher premium for the option to participate in the profits of the insurer. Joint Life policies are issued to cover joint lives of individuals or business partners. Even though the policy covers lives of two persons; bonus is calculated only on single basic sum assured only. Returns on life insurance: It is very common for people to avoid or take less insurance for lack of attractive returns.

2.13 PRIVATE LIFE INSURANCE COMPANIES IN INDIA

Private companies that are in life insurance sector are as under

1. AEGON Religare Life Insurance
2. Edelweiss Tokio Life Insurance Co. Ltd
3. Aviva India Life Insurance
4. Shriram Life Insurance
5. Bajaj Allianz Life Insurance
6. Bharti AXA Life Insurance Co Ltd
7. Birla Sun Life Insurance

8. Canara HSBC Oriental Bank of Commerce Life Insurance
9. Star Union Dai-ichi Life Insurance
10. DLF Pramerica Life Insurance
11. Future Generali Life Insurance Co Ltd
12. HDFC Standard Life Insurance Company Limited
13. ICICI Prudential Life Insurance Company Limited
14. IDBI Federal Life Insurance
15. India First Life Insurance Company
16. Exide Life Insurance (ING Vysa)
17. Kotak Life Insurance
18. Max Life Insurance
19. PNB MetLife India Life Insurance
20. Reliance Life Insurance Company Limited
21. Sahara Life Insurance
22. SBI Life Insurance Company Limited
23. TATA AIA Life Insurance

Private life insurance companies in India got access to the life insurance sector in the year 2000. Most private players have tied up with international insurance giants for their life insurance foray.

1. AEGON Life Insurance Company

AEGON Life Insurance is a joint venture between one of the world's leading financial service organization and Bennett, Coleman & Company. The company is focused to provide a customer centric business along with an excellent and innovative working professionals. Started its operation in year 2008 the company works with a multiple channel distribution strategy with an aim to help people to plan their life in a

much better way. The company has launched an array of products that focuses on offering best suited plans to the customers to meet their financial goal. The plans offered by the company are term plan, endowment plan, Group plan, ULIPs plan, pension plan, and protection plan, saving plan, child plan and ruler plan.

2. Edelweiss Tokio Life Insurance Company

Edelweiss Tokio Life insurance established in 2011 is a newly formed private sector insurance provider in India. Edelweiss Group of India and Tokyo Marine Holding of Japan joined hands together and have formed Edelweiss Tokio Life Insurance Company. The company offers a host of life insurance products to the customer with high returns and guaranteed interest payment. Some of the most common plans offered by the company are saving plans, endowment plans, child plans, protection plans and retirement plans. Above all these to fulfill the requirements of the customer the company also provides add-on coverages like accidental death benefit, rider, accidental total and permanent disability rider and critical illness rider.

3. Aviva Life Insurance Company

Aviva Life Insurance is the largest and the most popular insurance provider in the world. The company is a joint venture between the Dabur Group and Aviva Group. With 121 networked centers across the country Aviva Life Insurance serves a large number of customer base country-wise. Among the other insurance companies in India this company is known to have first introduced Unit Link and Unitized With-Profit Plan Schemes in the market. The Aviva Life Insurance Company offers a wide variety of plans to the customers. These plans fulfill all the needs and necessities of the buyers at a very economical price. Some of the most common plans offered by the company

are protection plan, ruler plan, child plan, retirement plan, saving plan, health plan, term plan and group insurance plan.

4. Shriram Life Insurance Company

Shriram Life Insurance was established in year 2005, by a joint venture between Shriram Group and Sanlam Group. The company has a network of 630 branches across India and caters the diverse needs of the customers from the different cities of the country. The company takes pride for efficient usage of capital and low operation cost. The major key features of the company are that it focuses on rural market and serve the more economically weaker section of the society. With a variety of plans offered by the company the maximum tenure of the policy ranges up to 25 years and the eligibility criteria ranges from minimum 18 years to maximum 65 years.

5. Bajaj Allianz Life Insurance Company

Bajaj Allianz Life Insurance is a joint venture between the European financial services company Allianz SE and Bajaj Finserv Limited. The company has gained name as one of the top most life insurance brand in India. Among the other life insurance companies in India Bajaj Allianz Life Insurance Company meet its customers need by providing them a huge range of products right from ULIP and Child Plan to Group and Health Insurance. The companies provide a huge array of customized products that cater the every single demand of the customer and provide them a transparent benefit. Launched in year 2001 this life insurance company provides a one stop solution to the customers and help them in achieving their financial goals.

6. Bharti AXA Life Insurance Company

Headquartered in Mumbai Bharti AXA Life Insurance is a life and general insurance provider company. The company is a joint venture between Bharti Enterprises and AXA Group. The customers can choose from the wide range of policies offered by the company ranging from investment plans to traditional plan or life insurance plan to child plan. The company is flourishing immensely and has a network of 123 offices in different cities across India. The customers have witnessed maximum grievances resolved by the company in a year and had experienced a claim settlement ratio of 80.00%. The policies offered by the company have a maximum tenure of 65 years and the age criteria for the plans starts from minimum 18 years to maximum 65 years.

7. Birla Sun Life Insurance Company

With a 2.5 million customer base the Birla Sun Life Insurance is one of the leading insurance companies in India. Birla Sun Life Insurance came in to existence with the joint venture between Aditya Birla Group and Sun Life Financial Inc. The company is known as a pioneer of Unit Linked Life Insurance plans and has over 600 branches spread over 500 cities across the country. A complete range of insurance services is offered by Birla Sun Life Insurance like protection plan, child plan, health and retirement solution, ULIP plan, customized group product and life stage product to provide complete satisfaction to the customers. With a claim settlement ratio of 88.45% the company offers the best plans for its customers.

8. Canara HSBC OBC Life Insurance Company

Launched on year 2008 Canara HSBC OBC Life Insurance is a joint venture between HSBC Insurance Holding Ltd, Canara Bank and Oriental Bank of commerce. The company works as a pan India network with around 7000 branches of the three shareholder banks across the country. Moreover, the company imparts necessary training and coaching to the bank staff across the 28 centers in the country. With a huge customer base the company provides most customized products to meet the needs of the buyers. The policies offered by the company have a maximum tenure of 40 years and the eligibility criteria range from minimum 18 years to maximum 70 years.

9. Star Union Dai-Ichi Life Insurance Company

The Bank of India, Union Bank of India and the largest life insurance company of Japan Dai-Ichi Life entered into joint venture and have launched Star Union Dai-Ichi Life Insurance Co. Ltd. As one of the paramount insurance solution provider in country the company provides a wide range of insurance products to the customers. Star Union Dai-Ichi Life Insurance cater a large number of customers and clients across the country from numerous economic and social background. The company has pledged for a long term commitment to their buyers and have earned trust over long years. As a customer centric company this leading insurance company offers various products like saving plan, wealth plan, protection plan, child plan, pension plan, credit life plan and term plan.

10. DHFL Pramerica Life Insurance Company

Situated in Gurgaon DHFL Pramerica Life Insurance is considered to be India's premier Life Insurance Providers. The company serves with 67 branches and 2000 employees spread across the country. Despite being a new company the firm is growing

by heaps and bounds and had made a remarkable place in the market. The company offers a variety of plans to the customers within a maximum tenure of 30 years. The company has a claim settlement ratio of 57.19 % from year 2014-2015 and is ranked for maximum grievances settled over the year. DHFL Pramerica Life Insurance has a huge customer base and provides one stop solution for all insurance needs.

11. Future Generali India Life Insurance Company

Established in year 2007, Future Generali Life Insurance India is a joint venture between Generali Group, Future Group and Industrial Investment Trust Limited. The company has a network of 98 branches all over India and since its inception it has sourced over 11 Lakh policies. The company offers one stop solution for all types of financial security to the customer and serves their products on different areas like saving, protection, policies and Unit Linked Policies. The policies are offered with a maximum tenure up to 75 years and the eligibility criteria ranges from 18 years to maximum 56 years. The company has a record of maximum grievances settled and provides a claim ratio of 90.61%.

12. HDFC Standard Life Insurance Company

HDFC Standard Life Insurance Corporation India is a joint venture between Housing Development Financial Corporation Ltd. and Standard Life Plus. Founded in year 2000 HDFC Standard Life insurance is one of the leading insurance firm in India. The company has currently 27 retail and 8 group products in its portfolio. In order to meet the various needs of the customer the company provides an array of individual and group insurance solutions like pension plan, saving and health plan, protection plan, child plan and women plan. With over 414 branches spread in 900 cities and towns in India the company has a claim settlement ratio of 95.02%. HDFC Life

Insurance Company offers plans in a much customized way to fulfill the requirements of the customer.

13. ICICI Prudential Life Insurance Company

ICICI Prudential Life Insurance Corporation of India is a joint venture between ICICI Bank Ltd.; one of the India's leading private sector bank and Prudential Plus; one of the largest international financial service group. The company began its operation in December 2000 as the first private sector Life insurance in India. For over a decade the company has maintained its top most position amongst the private life insurers in the country. To fulfill the different life stage requirements of the customer, ICICI Prudential Life Insurance provides an array of products that enables the buyers to achieve their long term goal. ICICI Prudential life insurance offers products like term plan, ULIP plan, Pension Plan, Child Plan and Investment Plan.

14. IDBI Federal Life Insurance Company

Formed in 2008 IDBI Federal Life Insurance is a joint venture between IDBI Bank, Federal Bank and Ageas a European Insurance Company. With a partnered network of 2137 branches all over the country the company offers a wide range of capital management solution, protection and retirement to the corporate customers as well as individuals. The bank also offers indigenous technological solution to its customers. To be eligible for IDBI Federal Life Insurance one should have a minimum age of 18 years to maximum age of 55 years. The company has a record of maximum grievances over a short period of time and provides a claim settlement ratio of 84.79% for a year.

15. India First Life Insurance Company

The two Indian public sector banks, Bank of Baroda and Andhra Bank went into a joint venture with U.K based investment firm Legal and General and has launched India First Life Insurance Company. Headquartered in Mumbai the company offers investment funds, insurance plans and other policies. The company offers a wide range of plans to cater the need of every individual like saving plans, protection plans, pension plans, term plans and child plans. With branch network numbering 4,800 across the country the company serves over 1000 cities in India and offers a claim settlement ratio of 72.21% over a year. India First Life Insurance Company Ltd not only fulfills all the needs of the customer as also the plans offered to the customer are very economical.

16. Exide Life Insurance Company (ING Vysya)

Found in year 2000 the Exide Life Insurance Company started its operation in 2001. The company was formerly known as ING Vysya Life Insurance Company Ltd. and is 100% owned by Exide industries Ltd. Exide Life Insurance has a network of 200 offices across the country and is supported by over 35,000 advisors. The company is ranked as top 10 Trusted Life Insurance Brand in India. As compared to the other insurance companies in India the plan offered by the company is customized in a way to fulfill the requirements of the customer and is available at very affordable rates. With a customer centric approach the plans are categorized into protection, saving, investment and retirement plan. For all your insurance needs the Exide Life Insurance offers a one stop solution to the customers.

17. Kotak Mahindra Life Insurance Company

Headquartered in Mumbai the Joint venture between Kotak Mahindra Group and Old Mutual Fund is Kotak Mahindra Life Insurance. It is one of the fastest growing insurance companies in India that has 4 million trusted policyholders nationwide. Keeping their customers in high priority the company provides a much affordable range of term plan, ULIP plan, child plan, saving plan, investment plan, protection plan and retirement plan. The company has gained name in the market for delivering outstanding value to its customer through customized products and excellent service. The Kotak Mahindra Life Insurance provide plans with a maximum tenure of 30 years and eligibility criteria with minimum 18 years to maximum 65 years.

18. Max Life Insurance Company

Max Financial Service Ltd. and Mitsui Sumitomo Insurance Co. Ltd joined hands together and have launched Max Life Insurance as one of the foremost insurance company in India. With multi-channel distribution partner and high service providing agencies the company offers the most comprehensive long term protection, saving and retirement schemes. With a strong customer centric approach the company offers one stop solution for all types of insurance and investment needs. Max Life Insurance has a strong track record of 15 years and offers superb investment expertise. With a claim settlement ratio of 96.23% the company has a maximum grievances resolved over a year.

19. PNB MetLife Insurance Company

An association of Punjab National Bank PNB MetLife Insurance is one of the fastest growing life insurance companies in India. The company has over 1,800 corporate clients in India and is spread over 150 different locations in country. The

company is well known for its protection and retirement products. Apart from this there are various plans like child plan, saving plan, ULIP plan, Monthly income plan and money back plan that is offered to the customer. PNB MetLife Insurance Company in India came into action in year 2008 and was recognized as best private sector insurance company for the year 2013-2014. For the insurance products offered by the company the eligibility criteria starts from minimum 18 years to maximum 65 years.

20. Reliance Life Insurance Company

One of India's largest life insurance firm Reliance Life Insurance is a part of Reliance capital of the Reliance Group. The company has over 10 million policyholder country- wide with a network close to 1,230 branches across the country. The company is currently the largest non-bank supported private life insurer in India. Reliance Life Insurance has claim settlement ration of approximately 95.01% and have a record of maximum grievances resolved over a year. The company mainly targets products to individuals along with the groups and corporate entities. The company offers some of the most comprehensive plans like retirement, children, protection, investment and health plan. The maximum tenure of the policies are 35 years and the eligibility criteria starts from minimum 18 years to maximum 55 years.

21. Sahara Life Insurance Company

Established in 2004, Sahara Life Insurance is India's first wholly owned private life insurance company. With acknowledgeable presence in most part of the country the company serves almost all the sections of the society right from rural to middle class and urban base. With a customer centric approach the Sahara Life Insurance Provides an extensive range of products like money back plan, unit link plan, term assurance plan, endowment plan and group assurance plan to cater the insurance needs of every

individual. The company has a claim settlement ratio of 89.97% and has resolved the maximum number of grievances for the customers over the year.

22. SBI Life Insurance Company

Introduced in year 2001, SBI Life Insurance Company is a Joint venture between State Bank of India and BNP Paribas Cardif. Holding a share of 6.12% of the total market currently the company is the biggest private sector insurance company in India. SBI Life Insurance Company offers an inclusive range of life insurance and pension products at a very economical rate. With a claim settlement ratio of 95.70% the customers testify that most number of grievances have been resolved by this company. As one of the top most insurance company in India it offers various plans like saving plan, unit linked plan, protection plan, child plan and pension plan to cater the need of individuals.

23. TATA AIA Life Insurance Company

TATA Sons and the AIA Group teamed up to form a joint venture and have launched TATA AIA life Insurance Company. In this venture the majority of stake i.e. 75% is held by TATA Sons and 26 % by AIA Group of company. The company works with a customer centric approach and offers an extensive range of Insurance Product to people, association and corporate insurance buyers. Started working in year 2001 the company provides various plan in multiple segments like group plan, child plan, wealth plan, protection plan, saving plan and micro insurance plan. Among the numerous insurance companies in India, TATA AIA Life Insurance holds a remarkable position in the insurance sector of the country.

2.14 SELECT TOP FIVE PLICs FOR THE STUDY

In this Study, among the 23 Private Insurance Companies, the researcher has selected the top five private insurance companies based on total premium collection which are operating their businesses in Tirunelveli District

1. ICICI Prudential Life Insurance Company Limited
2. Bajaj Allianz Life Insurance
3. SBI Life Insurance Company Limited
4. HDFC Standard Life Insurance Company Limited
5. Birla Sun Life Insurance

ICICI Prudential Life Insurance Company Limited

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank and Prudential PLC, a leading international financial services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from Insurance Regulatory and Development Authority of India (IRDAI). As of 2010, the managing director and CEO was Sandeep Maheshwari. It is a life insurance company based in India. As of 2015 it reported assets of over Rs. 100,000 Cr. ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank and Prudential PLC, a leading international financial services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from Insurance Regulatory and Development Authority of India (IRDAI). As of 2010, the managing director and CEO was Sandeep Bakhshi.

ICICI Prudential Life's capital infused stands at Rs. 48.16 billion (as of March 31, 2015) with ICICI Bank Ltd. and Prudential PLC holding 68% and 32% stake respectively. For the financial year 2015, the company garnered a total premium of Rs. 153.07 billion. The company has assets under management of Rs. 1001.83 billion as on March 31, 2015. ICICI Prudential Life Insurance Company Ltd. (ICICI Prudential Life) is a joint venture between ICICI Bank Ltd., one of India's largest private sector banks, and Prudential Corporation Holdings Limited. ICICI Prudential Life began its operations in fiscal year 2001 and has consistently been the market leader* amongst private players in the Indian life insurance sector. Our Assets under Management (AUM) as on 31st March 2017 were `1,229.19 billion.

ICICI Prudential Life operates on the core philosophy of customer centricity. It offer long term savings and protection products to meet different life stage requirements of our customers. ICICI Prudential Life Insurance developed and implemented various initiatives to provide cost-effective products, superior quality services, consistent fund performance and a hassle-free claim settlement experience to our customers. ICICI Prudential Life is the first private life insurer to attain assets under management of ₹ 1 trillion and In-force sum assured of over ₹ 3 trillion. ICICI Prudential Life is also the first insurance company in India to be listed on NSE and BSE.

Values

The success of the company will be founded in its unflinching commitment to 5 core values - Integrity, Customer First, Boundaryless, Humility and Passion. Each of the values describes what the company stands for, the qualities of our people and the way we work. Every member of the ICICI Prudential team is committed to the 5 core values and these values shine forth in all that we do.

- Boundaryless: I will treat organisation agenda as paramount
- Integrity: What I do when nobody is watching me
- Humility: Openness to change and learn
- Customer First: Service excellence towards Internal and External Customers
- Passion: Demonstrates infectious energy and enthusiasm

Bajaj Allianz Life Insurance Company Limited

Bajaj Allianz Life Insurance is a joint venture between Bajaj Finserv Limited (formerly part of Bajaj Auto Limited) owned by the Bajaj Group of India and Allianz SE, a European financial services company. Being one of the private insurance companies in India, it offers insurance products for financial planning and security. It is led by Anuj Agarwal, who is the Managing director and Chief Executive Officer of the company. The company was founded in 2001 in Pune, India. The total asset of the company is INR 4,361,583Cr. Bajaj Allianz is a joint venture between Allianz AG one of the world's largest insurance companies, and Bajaj Auto, one of the biggest two and three wheeler manufacturer in the world. Bajaj Allianz is into both life insurance and general insurance. Allianz Group is one of the world's leading insurers and financial services providers. Founded in 1890 in Berlin, Allianz is now present in over 70 countries with almost 174,000 employees. Allianz is a leading insurance conglomerate globally and one of the largest asset managers in the world, managing assets worth over a Trillion Euros (Over Rs. 55,00,000 crores). Allianz SE has over 115 years of financial experience in over 70 countries. Today, Bajaj Allianz is one of India's leading and fastest growing insurance companies. Currently, it has presence in more than 550 locations with over 60,000 Insurance Consultants.

SBI Life Insurance Company Limited

SBI Life Insurance is a joint venture between State Bank of India (SBI) and BNP Paribas Cardif. SBI owns 74% of the total capital and BNP Paribas Cardif the remaining 26%. State Bank of India (SBI) is a multinational banking and financial services company based in India. The Bank represents a sterling legacy of over 200 years serving over 301 million customers, delivers full range of cross-border finance solutions. The Bank is India's largest commercial Bank in terms of assets, deposits, profits, branches, number of customers and employees, enjoying the continuing faith of millions of customers across the social spectrum. It is the oldest commercial Bank in the Indian subcontinent, strengthening the nation's trillion-dollar economy and serving the aspirations of its vast population. SBI provides a wide range of products and services to personal, commercial enterprises, large corporates, public bodies and institutional customers through its various branches and outlets, joint ventures, subsidiaries and associate companies. SBI is serving the country with over 16,500 branches in India and 198 foreign offices, 5 banking subsidiaries, 15 domestic non-banking subsidiaries, 7 foreign banking subsidiaries and 4 foreign non-banking subsidiaries and also having over 2 lacs employees. SBI has surpassed ` 31,900 billion in business size. SBI has over 140,000 touch points (branches, ATMs, CSPs) that directly serve customers everywhere. BNP Paribas Cardif is the life, property and casualty insurance arm of BNP Paribas, one of the strongest banks in the world. BNP Paribas Group, having presence in 75 countries ranks highly in Retail Banking, Investment Solutions and Corporate & Investment Banking. BNP Paribas Cardif is one of the world leaders in creditor insurance. BNP Paribas Cardif's success is anchored in an innovative business model. The company develops savings and insurance products and services and distributes them through a network of partners including banks, credit

companies, the insurance units of automobile manufacturers, telecom operators, insurance brokers, retail chains etc. With a presence in 36 countries, BNP Paribas Cardif aims at being the global benchmark for insurance partnerships and the leading provider of personal insurance solutions. The global footprint of BNP Paribas Cardif is backed by integrated information systems and platforms to facilitate either local or global management of partnerships. SBI Life's mission is to emerge as the leading company offering a comprehensive range of Life Insurance and Pension products at competitive prices, ensuring high standards of customer service and world-class operating efficiency. SBI Life has a unique multi-distribution model encompassing vibrant Bancassurance, Retail Agency, Institutional Alliances and Corporate Solutions distribution channels. SBI Life extensively leverages the State Bank Group relationship as a platform for cross-selling insurance products along with its numerous banking product packages such as housing loans and personal loans. SBI's access to over 100 million accounts across the country provides a vibrant base for insurance penetration across every region and economic strata in the country, thus ensuring true financial inclusion. Agency channel, comprising of the most productive force of over 92,000 Insurance Advisors, offers door-to-door insurance solutions to customers.

COMPANY HIGHLIGHTS

The Company, SBI Life, has delivered another successful year of operational excellence, financial performance, growth & recognitions. Balancing profitability and growth, despite worsening global financial environment & slowdown in Indian insurance industry, SBI Life has posted a record profit of ₹ 861 crores reflecting a growth of 5%. The Company collected a total Gross Written Premium (GWP) of ₹ 15,825 crores, comprising ₹ 7,107 crores New Business Premium and ₹ 8,719 crores Renewal Premium. The Company has registered a growth of 39% in its First Year

Premium and a growth of 37% in its Individual new business measured on Annualized Premium Equivalent (APE) basis. The performance in Renewal Premium collection led to improvement in the Company's 49th month persistency by 2015 basis points and 61st month persistency by 742 basis points. The Company retained a private market share of 17.3% and a total market share of 5.1% for the financial year 2015-16. Reflecting excellence in its operational efficiency, SBI Life continued to maintain one of the lowest Operating Expense (excl. service tax on ULIP charges) to GWP Ratio at 9.21%, amongst private sector life insurance companies. The Asset under Management (AUM) of the Company rose by 12% to ₹ 79,828 crores as on March 31, 2016 as against ₹ 71,339 crores as on March 31, 2015. The Company is committed to maintain a stricter solvency margin level than the regulatory requirement. The Solvency ratio of the Company stands at 2.12 as on March 31, 2016 as against the regulatory requirement of 1.50, indicating the strong & stable financial health of the Company. All key distribution channels namely Bancassurance, Agency and Corporate Solutions demonstrated profitable business growth during the year. The Agency Channel contributed to 27% of total new business premium, Bancassurance contributed 54% of the total new business premium and Corporate Solutions contributed 18% of total new business premium. During the financial year 2015-16, the Company grew at a steady pace and strengthened its base by adding 1,206 employees and 7,181 CIFs. Testifying Company's approach towards life insurance inclusion, 24% of total lives covered by the Company are from the rural segment and 285,027 lives covered are from the underprivileged social sector, leading to the Company exceeding the minimum Rural & Social regulatory requirements.

HDFC Standard Life Insurance Company Limited

HDFC Standard Life Insurance Company Ltd. is one of India's leading private insurance companies, which offers a range of individual and group insurance solutions. HDFC Standard Life Insurance Co. Ltd. is a joint venture between HDFC Ltd., India's largest housing finance institution and Standard Life Assurance Company, Europe's largest mutual life company. It was the first life insurance company to be granted a certificate of registration by the IRDA on the 23rd of October, 2000. HDFC holds about 72.43% of the equity, Standard Life holds 26% while the rest is held by others. Standard Life, UK was founded in 1825 and has an experience of over 185 82 years. The company is rated as "very strong" by Standard & Poor's (AA) and "excellent" by Moody's (Aa2). Headquartered in Edinburgh, Standard Life has around 9,000 employees across the UK, Canada, Ireland, Germany, Austria, India, USA, Hong Kong and mainland China. The Standard Life group includes savings and investments businesses, which operate across its UK, Canadian and European markets; corporate pensions and benefits businesses in the UK and Canada; Standard Life Investments is a global investment manager. HDFC Limited, India's premier housing finance institution has assisted more than 3.8 million families to own a home, since its inception in 1977 across 2400 cities and towns through its network of over 289 offices. It has international offices in Dubai, London and Singapore with service associates in Saudi Arabia, Qatar, Kuwait and Oman to assist NRI's and PIO's to own a home back in India. HDFC has set benchmarks for the Indian housing finance industry. Recognition for the service to the sector has come from several national and international entities including the World Bank that has lauded HDFC as a model housing finance company for the developing countries. HDFC has undertaken a lot of consultancies abroad

assisting different countries including Egypt, Maldives, Mauritius, Bangladesh in the setting up of housing finance companies.

Birla Sun Life Insurance Company Limited (BSLI)

Birla Sun Life Insurance Company Limited (BSLI) is an Indian provider of insurance products. It is a subsidiary of Aditya Birla Nuvo Limited, a joint venture between Indian Aditya Birla Group and Canadian Sun Life Financial Inc. It was founded in 2000 in Mumbai, India. It is led by Pankaj Razdan (MD and CEO) who is the Managing director and Chief Executive Office of the company. With an experience of over 10 years, BSLI has contributed significantly to the growth and development of the life insurance industry in India and currently ranks amongst the top 7 private life insurance companies in the country. Known for its innovation and creating industry benchmarks, BSLI has several firsts to its credit. It was the first Indian Insurance Company to introduce "Free Look Period" and the same was made mandatory by IRDA for all other life insurance companies. Additionally, BSLI pioneered the launch of Unit Linked Life Insurance plans amongst the private players in India. To establish credibility and further transparency, BSLI also enjoys the prestige to be the originator of practice to disclose portfolio on monthly basis. These category development initiatives have helped BSLI be closer to its policy holders expectations, which gets further accentuated by the complete bouquet of insurance products (viz. pure term plan, life stage products, health plan and retirement plan) that the company offers. It has an extensive reach through its network of 600 branches and 1,47,900 empanelled advisors.

This impressive combination of domain expertise, 86 product range, reach and ears on ground, helped BSLI cover more than 2.4 million lives since it commenced operations and establish a customer base spread across more than 1500 towns and cities in India. BSLI has ensured that it has lowest outstanding claims ratio of 0.00% for FY 2010-11. The company has web-enabled IT systems for better customer services and a strong distribution channel. It has professional knowledge and global expertise of Aditya Birla Group.

CHAPTER - III

REVIEW OF LITERATURE

INTRODUCTION

The review of literature is not mere reading for reading sake; it is also not a casual reading like reading a story or novel. It is focused and directed towards specific purposes. It is also selective. A researcher has to select the kinds of literature to be reviewed and determine the purposes for which he has to study them. The literature review starts with the selection of a problem for research, continues through the various stages of the research process and ends with report writing. This chapter includes a comprehensive list of related literature and previous theses.

FOREIGN STUDIES

Clare Chow-Chua and Geraldine Lim (2000) in their research article titled, “A Demand Audit of the Insurance Market in Singapore”, observe that effective service rendered by both the insurer and agents leads to customer satisfaction.¹

Tam and Wong (2001) in their study captioned, “Interactive Selling: A Dynamic Framework for Services”, finds that salespersons - agents, brokers, development officers etc., enhanced relationship with the insurance customer improves the customer satisfaction and it in turn leads to the intention of repurchase.²

Eminbabakus et al., (2003) examined the conceptualization of Management Commitment to Service Quality (MCSQ). The best indicator of MCSQ is empowerment, followed by rewards and training. The training, empowerment and

¹ Clare Chow-Chu and Geraldine Lim (2000), “A Demand Audit of the Insurance Market in Singapore”, *Managerial Auditing Journal*, Vol.15 (7), pp.372 - 382.

² Tam Jackie L.M. and Wong Y.H. (2001), “Interactive Selling: A Dynamic Framework for Services”, *Journal of Services Marketing*, Vol.15 (5), pp. 379 - 396

rewards jointly affect Service Recovery Performance through the mediating roles of employee's job satisfaction and effective organization commitment. The MCSQ exerts a stronger influence on Service Recovery Performance through effective organization commitment than through employees' satisfaction.³

Hess et al., (2003) identified that customer and organization relationships can help to shield a service organization from the negative effects of failures on customer satisfaction .when the first suffering effect, was predicted, a direct effect from customers' expectation of relationship continuity to customers service recovery expectations whereas the second suffering effect is attributions of causality.⁴

Srinivasa Durvasula et al., (2004) carried out a study entitled, "Forging Relationship with Services: The Antecedents that have an Impact on Behavioral Outcomes in the Life Insurance Industry", with a view to investigate the linkages between service quality, satisfaction, perceived value, repurchase intention and willingness to recommend to others. They find that customers are very much satisfied with the factors such as price, reliability, product knowledge and helping tendency of the service provider's representative which lead their intention to re-purchase.⁵

Ndubisi, Nelson Oly, and Chan Wah (2005) conducted a study on the Malaysian banking sector. The study concluded by saying that banks can generate customer satisfaction by exhibiting trustworthiness behaviour, commitment to service, communicating information to customers efficiently and accurately, delivering services

³ Eminbabakus, UgurYavas and Osman, Karatepe(2003), "The effect of management commitment to service quality of employees' affective and performance outcomes", Journal of the academy of Marketing Science, 31 (3), Pp.272-286.

⁴ Ronald L.Hess, Shankar Ganesan and Naveen M.Klerin, (2003), "Service failure and Recovery: The impact of relationship Factors on customer satisfaction", Journal of Academy of Marketing science, 31 (2), Pp.127-145.

⁵ Srinivas Durvasula, Steven Lysonski, Subhash, C. Mehta and Buck Peng Tang (2004), "Forging relationships with services: The antecedents that have an impact on behavioural outcomes in the life insurance industry", Journal of Financial Services Marketing, Vol.VIII (4), pp. 314 - 326.

in a competent manner, handling potential and tackling conflicts skillfully, and improving overall customer relationship quality.⁶

Halil Nadiri, Kashif Hussian (2005) found in their study that SERVPERF scale maintains its reliability. Within the help of explanatory factor analysis, researchers arrived at the conclusion that SERVPERF instrument failed to prove its five dimensions - reliability, responsiveness, tangibility, assurance, and empathy. Tangibles and intangibles were the two dimensions which were formed as a result of the study.⁷

Evangelos Tsoukatos and Rand (2006) in their study titled, “Path Analysis of Perceived Service Quality, Satisfaction and Loyalty in Greek Insurance”, find that tangibility is the leading factor that influences customer satisfaction along with reliability, assurance, responsiveness and empathy.⁸

Graham K. Rand et al., (2007) investigated the cultural influences on service quality and customer satisfaction: evidence from Greek insurance: The purpose of this study is twofold. First, the study aims to determine whether culture is related to service quality and whether the importance of service quality dimensions are connected to the dimensions of culture. Second, to examine whether the importance of service quality dimensions determine the strength of their relationships with customer satisfaction and hence whether culture is a determinant of the latter.⁹

Tamzid Ahmed Et Al. (2007) studied the perceptions of the customers towards insurance companies in Bangladesh with the help of **servqual** model. The researcher

⁶ Ndubisi, Nelson Oly, and Chan Wah (2005), “Factorial and discriminant analysis of the underpinnings of relationship marketing and customer satisfaction”, *International Journal of Bank Marketing*, 23(7), Pp542

⁷ Halil Nadiri, and Kashif Hussian, (2005). “Perceptions of Service quality in north Cyprus hotels” *International Journal of contemporary Hospitality Management*, 17(6), Pp468 - 480

⁸ Evangelos Tsoukatos and Rand Graham K. (2006), “Path Analysis of Perceived Service Quality, Satisfaction and Loyalty in Greek Insurance”, *Managing Service Quality*, Vol.17 (4), pp. 467 - 485.

⁹ Tsoukatos, E. and Rand, G.K. (2007), “Path analysis of perceived service quality, satisfaction and loyalty in Greek insurance”, *Managing Service Quality*, Vol. 16 No. 5, pp. 501-19.

concluded that the demographic trends suggest that as private insurance companies (both local and multinational) have proliferated in Dhaka city.¹⁰

Montserrat Guillen et al., (2008) empirically investigated the need to monitor customer loyalty and business risk in the European insurance industry. This study describes the reasons why insurance companies should perform customer loyalty and business risk monitoring and develop guidelines for the implementation of this procedure.¹¹

Hui-Boon Tan et al., (2009) in their study captioned, “The effect of consumer factors and firm efficiency on Malaysian Life Insurance Expenditure”, observe that the demand for the life insurance in Malaysia and the policyholders’ satisfaction is closely linked to the efficiency of the insurance companies. It means the insurance companies with higher efficiency have higher customer satisfaction and it leads to increased demand from customers.¹²

J.D. Power (2011) in their article titled, “Policyholders’ Satisfaction with the Agency-Based Sales Surpasses Satisfaction with Direct Sales in Japan”, reveals that customers are more satisfied with timely services, procedure and documentation followed, low premium and innovative products offered by the Prudential Life Insurance Company.¹³

¹⁰ Tamzid Ahmed Et Al. (2007), “Perceptions Of The Customers Towards Insurance Companies In Bangladesh-A Study Based On The Survqual Model”, BRAC University Journal, Vol. IV, No. 2, 2007, pp. 55-66

¹¹ Montserrat guillen et al., (2008), “The private insurance industry in Greece”, Archives of Economic History, Vol. 15 No. 2, pp.105-22

¹² Hui-Boon Tan, Mei-Foong Wong and Siong-Hook Law (2009), “The Efficiency of Consumer Factors and Firm Efficiency on Malaysian Life Insurance Expenditure”, International Journal Business and Society, Vol. 10 (1), pp. 59 - 73.

¹³ J.D. Power and Associates (2011), “Policyholders Satisfaction with the Agency-Based Sales Surpasses Satisfaction with Direct Sales in Japan”, www.jdpower.co.jp/press/.../2011Japan

Loke and Goh (2012) determined that the socio-demographic and economic factors that have significant influence on the demand for life insurance in Malaysia. A hurdle count-data model is used to accommodate the separate decisions on the demand for life insurance which is divided into two parts: whether to purchase a life insurance policy and if so, how many policies to purchase. The results show that there are some slight differences in the factors that determine the decision to purchase life insurance and the quantity of life insurance policies that a consumer will purchase.¹⁴

Curak et al., (2013) explained that according to the theoretical and empirical literature, life insurance demand is influenced by various economic, institutional, social, and demographic factors. The aim of this study is to analyze social and demographic determinants of life insurance consumption in Croatia. The empirical research is based on the survey data collected on the sample of 95 respondents. The research result shows that age, education and employment impact life insurance demand of household in Croatia while gender, marital status and number of family members do not have statistically significant influence.¹⁵

Rao (2014) explained that liberalization of the financial services sector has led to insurance companies functioning increasingly under competitive pressures; so companies are consequently directing their strategies towards increasing customer satisfaction and loyalty through improved service quality. With the opening of insurance industry to private players, the competition has intensified and it has become very difficult for the companies to attract and retain the policyholders. Every company has recognized the need for shifting from a traditional strategy to survive in the market.

¹⁴ Loke Y.J. & Goh Y.Y., "Purchase Decision of Life Insurance Policies among Malaysians", *International Journal of Social Science and Humanity* (2012), 2 (5), 415-420.

¹⁵ Curak M., Dzaja I. & Pepur, "The Effect of Social and Demographic Factors on Life Insurance Demand in Croatia" *International Journal of Business and Social Science* (2013), 4(9), 65-72.

It is in this context, the process of CRM has been adopted by all private and public sector insurance companies as well. CRM technologies and campaign management tools are maturing and finding wider adoption with large insurance companies. This study is an endeavour to examine and evaluate the various CRM initiatives in life insurance companies and compare the strategies used by public sector LIC with private sector companies.¹⁶

Mouna Zerriaa and Hedi Noubbigh (2015), in their research paper, “Determinants of Life Insurance Demand in the MENA Region” have tried to investigate the determinants of life insurance consumption in the Middle East and North Africa (MENA) region using a sample of 17 countries over the period 2000- 2012. They have used two measures of life insurance demand: insurance density and insurance penetration. This research states that consumption increases with income, interest rates and inflation and also it highlights that country’s level of financial development, life expectancy and educational attainment stimulates life insurance demand in a nation.¹⁷

Luqman Adedamola Sulaiman, Stephen Migiro, Tessema Yeshihareg (2015), from south Africa in their research work, “Investigating the factors influencing the life insurance market in Ethiopia” have made a study using secondary data on eleven independent variables - six of which are economic and five demographic variables for a period of 28 years from 1979/1980 to 2007/2008 and for analysis purpose error correction mechanism (ECM), the Johansen co integration test and the Augmented Dickey-Fuller test were utilized. The study found that Inflation had a

¹⁶ Rao C.R., “A Comparative Analysis on Customer Relationship Management in Public Sector and Private Sector Life Insurance Companies”, *Global Research Analysis* (2014), 3(3), 85-87.

¹⁷ Noubbigh, M. Z. A. H. (2015). "Determinants of Life Insurance Demand in the MENA Region." *Proceedings of 10th Annual London Business Research Conference, Imperial College, London*

statistically noticeable negative impact on the demand and supply in the life insurance market. In addition, there was a statistically significant negative effect of young dependency ratio on life insurance market demand while old dependency ratio had a statistically significant positive relation to life insurance supply. The researchers have recommended that during high inflation, life insurance companies should revise price decisions to enhance the life insurance market and to minimize the inverse effect of young dependants; insurers need extensive sensitization on the young age through their families and promote products that suit the young children - such as children's education policies.¹⁸

INDIAN STUDIES

Parasuraman (1985) whose research has provided a well known framework for measuring service quality, defined service quality as the gap between consumers' expectations and their perception of how the service is performed. Service tends to be intangible, inseparable from their providers perishable and inconsistent in their delivery. These qualities make services, high in Experience and Credence qualities, so consumers have a more difficult time, evaluating services than they do goods. (Darby and Karni 1973; Zeithmal 1981; Rushton and Carson 1989). Nothing the unique nature of service offerings, Levitt (1983) describes a service as a promise of satisfaction such promises both implicit and explicit, made by service organizations, influence customer's expectations of the service experience (Bitner, 1995) because expectations are the standards against which customers evaluate service quality. Prior research suggests that both satisfaction and Service quality judgments result when consumers compare their service expectations prior to consumption to perception of service

¹⁸ Luqman Adedamola Sulaiman, S. M. T. Y. (2015). "Investigating the factors influencing the life insurance market in Ethiopia". *Problems and Perspectives in Management* Vol. 13(Issue 2).

performance during and after consumption. [A review of satisfaction literature (Woodruff et al., 1983; Miller, 1977)]. Normative expectations (Summers and Granbois 1997) and desired expectations (Swan et al., 1982; Spreng and OLshavsky, 1993; Oliver 1985; Milton and Nicosia 1986) talk about positive and negative disconfirmation. Positive disconfirmation (performance exceeds expectations) results in satisfaction, while negative disconfirmation (expectations exceed performance) results in dissatisfaction. Thus, the higher the initial expectations, the more difficult it becomes to satisfy a customer. Service Quality is defined as the difference between what service customers expect and the service, which a company delivers (Parasuraman et al., 1985).¹⁹

Lawrence and Nancy Stephens (1987) in their study titled, “Effects of Relationship Marketing on Satisfaction, Retention and Prices in the Life Insurance Industry”, reveal that well-organized marketing enrich the service quality which in turn improves the policyholder’s level of satisfaction. Policyholders’ expectation varies depending on every individual’s mentality and his environment according to the services and facilities provided by the life insurance company. The policyholders’ are satisfied only when the insurance company fulfills their expectations. To ascertain the variables which influence the policyholders’ satisfaction on the services of private life insurers in India, the following studies have been appraised.²⁰

Parsuraman, Leonard L.Berry, and Valarie A. Zeithami, (1988) in their study described about development of 22 - item instrument in the assessment of service quality perceptions of customers in service and retail firms, which was called as”

¹⁹ Parasuraman, A., Lenoard L.Berry, and Valarie A. Zeithamal.(1985), “A Conceptual model of Service quality and its implications for future research”, *Journal of Marketing*, Pp.49

²⁰ Lawrence A. Crosby and Nancy Stephens (1987), “Effects of Relationship Marketing on Satisfaction, Retention and Prices in the Life Insurance Industry”, *Journal of Marketing Research*, Vol.24 (4), pp. 404-411.

SERVQUAL”. This study was revolutionary as it didn’t depend on the earlier dimensions of good quality in the manufacturing sector. This initial study based on the focus groups yielded 10 dimensions of service quality that included access, competence, courtesy, credibility, security, tangibles, reliability, responsiveness, communication, and understanding the customer. In concluding remarks, authors proposed that SERVQUAL scale can help a vast range of service and retail firms to assess the customer expectations and perceptions of service quality as it had a variety of potential applications.²¹

Parasuraman (1991) Service marketers can make better use of resources by investing directly in improving performance to meet/exceed adequate expectations levels on essential service dimensions, rather than choosing an ‘ideal’ standard on less essential dimensions. Using SERVQUAL gap scores, by adding adequate expectation measures, if the given level of performance falls below the minimum standard on an attribute, attention can be prioritized accordingly.²²

Ashley et al., (1999) in their article entitled, “The Focus of Business is Customer Satisfaction”, reveals that agent’s thorough knowledge of the product, capability to understand the customer needs and recommend suitable policy to the customer, prompt delivery of product and responsiveness increases the policyholder’s satisfaction.²³

Nerurkar (2000) analyzed the SERVQUAL dimensions in India and concluded that service quality should form the basis for all customer retention strategies. Services

²¹ Parsuraman, Leonard L.Berry, and Valarie A. Zeithami, (1988), “SERVQUAL: A multiple-item scale for measuring perceptions of service quality”, *Journal of Marketing*, 64(1), Pp12-40.

²² Parasurman (1991), (Parasuraman, A. Berry L.L and Zeithmal V.A(1991) “Refinement and reassessment of the SERVQUAL Scale” *Journal of Retailing* Vol.67, No.4 .

²³ Ashley H. Aiken, Charles E. Harmon, Cary B. Overmeyer and Christopher D. Kline (1999), “The Focus of Business is Customer Satisfaction”, [www.orgassess.com/ pdf-Files/focusofbusinessrpt.pdf](http://www.orgassess.com/pdf-Files/focusofbusinessrpt.pdf).

are defined as: the activities , which are involved in producing intangible products as education, entertainment, food and lodging, transportation, insurance, trade, government financial, real estate, medical, consultancy, repair and maintenance like occupation. Quality has become a strategic tool for obtaining efficiency in operations improved business performance.²⁴

Shainesh and MukulMathur (2000) identified the service quality factors in railways as ability to provide safe and fast delivery, cost of transportation, encouraging flexibility and bilateralism, attitude of staff and officers, convenient wagon allotment procedure, terminal facilities and providing and sharing information.²⁵

Xavier and Shainesh (2000) revealed that service plays a key role in determining behavioural intentions, like the intention to repurchase, and increase usage, the intention to use other offerings, and the intention to recommend the service. The study revealed a positive relationship between service quality and disconfirmation, satisfaction, service value, behavioural intentions and objective price.²⁶

Brady and Joseph (2001) defined the customers' perception of the organization's technical and functional quality, service product, service delivery and service environment, and found that reliability, responsiveness, empathy; assurance and tangibles are associated with the service experience.²⁷

²⁴ Nerurkar, O. (2000), "A preliminary investigation of SERVQUAL dimensions in India." Proceedings of the international Conference on Delivering Service Quality Managerial Challenges for the 21st century, NewDelhi, Pp571 - 80

²⁵ Shainesh, G. and MukulMathur (2000), "Service quality measurement: The case of Railway Freight Services",Vikalpa, 25(3), July-September, Pp15

²⁶ Xavier, M.J., and Shainesh, G.,(2000),"Modeling Customer Evaluation of Banking Service - The Antecedents and Consequences of Service Value", Delivering Service Quality, M.Ragahavachari and K.V. Ramani, McMillian India Ltd. Pp78

²⁷ Brady Michael and Cronin, Joseph, J., (2001), "Some New Thoughts on Conceptualizing Perceived Service Quality: A hierarchical Approach", Journal of Marketing, 65(3), Pp34

Johnson, William C, and Anuchit Sirikit (2002) conducted a study on the landline and mobile users of the Thai telecommunication industry using the SERVQUAL scale (reliability, responsiveness, assurance, empathy, and tangibles). The study was conducted with the objectives of finding whether service quality ratings predict a competitive advantage among Thai telecommunication firms as indicated by future customer intentions and whether SERVQUAL reliably assesses service quality perception/ expectations among customers in the Thai telecommunication industry.²⁸

Darshan Parikh (2002) analysed the gap between perceptions and expectations of customers on retail service quality at five dimensions namely physical aspects, reliability, personal interaction, problem solving and policy. The highest average gap between the customers' perceptions and expectations is identified in the problem solving dimension, followed by the area of interest shown in physical aspects dimension. The study also revealed that customers have their own preferences and expectations different from what service providers think.²⁹

Saibaba et al., (2002) had a study on perception and attitude of women towards life insurance policies. Nowadays many insurance companies are trying hard to woo the female population. The study finds that women feel that their lives are not as valuable as their husbands, they perceive insurance as a tool for risk coverage and not as a tax saving device, there is also lack of knowledge about suitable insurance plans.³⁰

Prabhakaran and Satya (2003) identified rate of interest as the important criteria to choose the final service provider. There is a fair degree of association

²⁸ Johnson, William, C., and Anuchit Sirikit. (2002), "Service quality in the Thai telecommunication industry: A tool for achieving a sustainable competitive advantage Management Decision", 40(7/8), Pp693 - 701.

²⁹ Darshan Parikh (2002), "Measuring Retail Service Quality: An Empirical Study in a Developing Country", South Indian Journal of Management, 12(2), April - June, pp.43-57.

³⁰ Saibaba et al (2002), "Perception and attitude of women towards life insurance policies", Journal of Marketing, pp

between reliability and responsiveness, reliability and tangibility, empathy and responsiveness, empathy and tangibility and assurance and reliability.³¹

Spake et al., (2003) revealed that comfort was identified as an important construct in the development and maintenance of relationships with retailers and service providers. The comfort was shown to have a significant impact on trust, commitment, satisfaction and active service. The incremental understandings of the traditional satisfaction-trust-commitment paradigm have been identified.³²

G. Doss Steward (2003) discusses a holistic methodology to assess the quality of Life Insurance Services. To measure the Service Quality in totality, a linear weighted service quality index was created. The index indicates a moderate service quality for LIC of India. The findings reveal that customer satisfaction of life insurance policies and office services are just moderate, while the agents services are perceived as below satisfactory. This paper has also identified the latent factors determining the satisfaction of the quality parameter that would help in improving the service.³³

G.S. Sureshchandar, Chandrasekharan Rajendran, and R.N Anantharaman (2003) critically examined the service quality issues from the customer's point of view. In their study conducted in a developing country like India, authors selected three groups of banks for their study viz. Public sector, Private sector and foreign banks. Authors in their study found that in terms of the customer perceptions of service quality, the technological factors appear to contribute more in differentiating the three sectors and the people - oriented factors appear to contribute

³¹ Prabhakaran, S., and Satya, S., (2003), "A Right into Service Attributes in Banking Sector", Journal Services Research, X 3 (1), April - September, Pp157-169

³² Deboarh F.Spake, Sharon E.Beathy, Beverly K.Brockman and Tammy Neal Crutchfield (2003), "Consumer Comfort in Service Relationships", Journal of Services Research, 5(4), pp316-332.

³³ Doss.G Steward, (2003), National Insurance Academy Pune, Assessment of Services Quality of Life Insurance Delivering service, Quality managerial challenges for the 21st Century" Macmillian India Ltd.

less in differentiation among the three sectors. In terms of performance, foreign banks topped among the three and performance of public sector banks is even less than private sector banks.³⁴

Alka Sharma, vershan Mehta, (2004) found in their empirical study in the banking sector that among the public and private sector banks, all five dimensions of the service quality are of equal importance. In terms of score comparison, the scores for the public sector have been higher than the private sector.³⁵

Chowdhary (2004) opined that the customers' presence is followed by their demands for customization and responses are to be shifted to their requirements by the frontline personnel. Any service to be provided to the customer can be differentiated by the service provider from the rest of the service providers as it possesses some unique selling proposition.³⁶

Gustafsson and Johnson (2004) concluded that the statistical estimates of importance identify those attributes that have had the greatest impact on customers' more recent consumption experience whereas direct ratings capture what is more globally salient to customers and thus important over time. As direct and derived ratings contain somewhat different and complementary information, an implication of our result is that researchers might gainfully employ both measures to operationalize importance as a more latent construct to explain loyalty.³⁷

³⁴ Anatharaman R.N. Chandrasekharan Rajendran, and G.S Sureshchandar. (2003). "Customer Perception of Service quality in the banking sector of a developing economy: A critical analysis" *International Journal of Bank Marketing*, 21(3), Pp233.

³⁵ Alka Sharma and Mehta Versha. (2004) "Service quality perceptions in financial service: A case study of banking services. *Journal of Services Research*, 4(2), Pp7 - 14

³⁶ Chowdhary, Nunit and Bhagawati P. Saraswat (2004), "Service Leadership Study". *Journal of Services Research*, 3(2), Pp.105-123.

³⁷ Anders Gustafsson and Michael D.Johnson (2004), "Determining attribute importance in a service satisfaction model", *Journal of Services Research*, 7(2) November, Pp.124-141.

Sanjay and Garima (2004) found that while the SERVPERF scale is a more convergent and discriminate valid explanation of the service construct, it possesses greater power to explain variations in the overall service quality scores, and is also a more parsimonious data collection instrument. It is SERVQUAL scale which entails superior diagnostic power to pinpoint areas for managerial intervention.³⁸

Clement(2005) found service quality gaps in sixteen dimensions namely management perceptions, service quality strategy, service design, and service quality specifications in terms of customers' expectations, service gaps, quality supportive financial function internal communication, co- ordination, organizations in the value system, service delivery, external communication, contact personnel's perceptions of customer's expectations, and human element in consumer perceptions and service quality evaluation.³⁹

Mushtaq A. Bhat (2005) concluded that Indian Banks fall much below the perceptions of their customers on all the five dimensions of service quality whereas, in case of foreign banks, these banks are exceeding the perceptions of their customers on two dimensions of service quality namely; tangibility and reliability. This finding revealed the notion that Indian banks in terms of service quality do not meet the expectations of their customers. In case of foreign banks, perceptions and expectations of the customers about service quality offered by the banks do not have a big gap.⁴⁰

Rajesham and Rajender (2006) also discuss the changing scenario of the Indian insurance sector. They point out the challenges in the present scenario as

³⁸ Sanjay, K.Jain and Garima Gupta, (2004), Measuring Service Quality: Servqual Variables SERVPERF scales", 29(2) April-June, Pp25-37.

³⁹ Clement (2005), "Service Quality Gap Models: A Re-examination and Extension", SMART Journal of Business Management Studies, 1 (2), July-December, Pp.87

⁴⁰ Mushtaq A.Bhat (2005) "Service quality perceptions in banks" A comparative analysis. Journal of Business Prospective, 9(1), Pp11- 20

increasing India's share in the global insurance market, having qualified, skilled actuaries, penetration in rural markets, developing customized policy for clients etc.⁴¹

Rajagopalan (2006) does a comparative evaluation of the traditional insurance policies available in the Indian market from a consumer perspective. He suggests that, it is better for an individual to buy the cheapest term insurance for the required amount of death protection and term. In case of endowment policy, instead of buying non-participating endowment policy, it is better to invest the extra premium in a PPF account.⁴²

Barkur et al., (2007) study the influence of five critical factors on service quality in the insurance sector and attempts to obtain a generic solution to enhance the quality of service. The research is based on system dynamics methodology, which involves sequential phases. The results of this research have indicated that the key parameters, e.g. past experience, personal needs, external communication, word of mouth, and active clients have significant influence on service quality in the insurance sector.⁴³

Praveen Sahu (2009) assessed Buying Behavior of Consumers towards Life Insurance Policies. The researcher identified the consumer's perception towards Life Insurance Policies is positive. It developed a positive mind set for their investment pattern, in insurance policies.⁴⁴

⁴¹ Rajesham and Rajender (2006), "The changing scenario of the Indian insurance sector", Journal of Bank Marketing, pp.45

⁴² Rajagopalan (2006), "Comparative evaluation of the traditional insurance policies available in the Indian market from a consumer perspective", Journal of Marketing, Vol. 18 No. 4, pp. 36-44

⁴³ Barkur et al (2007), "A Conceptual Model of Service Quality and its implications for future research", Journal of Marketing 49(2) pp.42

⁴⁴ Praveen Sahu (2009), "Buying Behavior of Consumers towards Life Insurance Policies", Journal of Marketing Pp23.

Vikas Gautam (2011) in his study infers that service quality means relating the superiority of the service with the global judgment of a person about it and explicated it as involving evaluations of the outcome (i.e., what the customer actually receives from service) and process of service act (i.e., the manner in which service is delivered).⁴⁵

Swati Anand & Kailash Saklani (2010) The service quality of Internet - banking operative in Delhi from customers' perspective, it is observed that customers are satisfied with the reliability of the services provided by the banks but are not very much satisfied with the dimension 'User Friendliness'. A seven dimension model using regression analysis is developed for measuring the overall quality of Internet-banking.⁴⁶

Karthikeyan et al., (2010) in their study captioned, "An Empirical Study on Customers Attitude Towards the Services of Insurance Companies in India", to examine the factors that influence the customers attitude towards services offered by insurance companies in Nagapatinam District, they identified that low interest rate on policy revival, additional benefits like accidental death, loan etc., with the policy, sending reminders at the time of lapse of policy, easy loan repayment system, additional benefit at the time of settlement, convenience in receiving the maturity amount and immediate release of the document pledged for loan after settlement are the main factors that highly influence the customers satisfaction towards the services of insurers.⁴⁷

⁴⁵ Gautam, vikas. (2011). Service Quality perceptions of customers about insurance companies: An emprical study. Indian Jouranl of Marketing , Vol 41, Issue 3, Pp 8-20

⁴⁶ Anand swati & Kailah (2010), "Customer's perception regarding service quality of Internet Banking - An Emprical study of Delhi, Journal of Banking Information technology and Management Vol. 7, No.1, January - June Pp.43.

⁴⁷ Karthikeyan, K., R. Karthi and S. Sakthivel (2010), "An Empirical Study on Customers Attitude Towards the Services of Insurance Companies in India", *Interdisciplinary Journal of Contemporary Research in Business*, Vol.2 (6), pp.180 - 192.

Kaur et al., (2010) carried out a study entitled, “A Study on Customer Satisfaction with Life Insurance in Chandigarh, Tricity”, observed that policyholders are more satisfied with the policy features, price, maturity benefits and tax saving contents.⁴⁸

Masood H. Siddiqui et al., (2010) carried out a study captioned, “Measuring the Customer Perceived Service Quality for Life Insurance Services: An Empirical Investigation”, with a view to identify the various attributes of service quality construct with respect to life insurance industry and to determine hierarchical framework of these attributes as perceived by customers. They found that among the selected six service quality dimensions namely, assurance, personalize financial planning, competence, corporate image, tangibles and technology, assurance is the most important determinant of service quality followed by personalized financial planning, competence, corporate image, tangibles and technology.⁴⁹

Dr. Sandhya Joshi (2011) Network quality has been found to be a very important factor in determining service quality. So, every telecom provider should give emphasis on improving the Network coverage so that more and more customers can be retained. So, emphasis should be on strong Network Coverage. The managers should lay emphasis on developed good customer care centers, and should provide proper training to the staff, so that they can handle the problems of the customers in a better manner.⁵⁰

⁴⁸ Kaur, Paramjit Negi and Meenakshi (2010), “A Study on Customer Satisfaction with Life Insurance in Chandigarh Tricity”, *Journal of Institute of Management Technology*, Vol.14 (2).

⁴⁹ Masood H. Siddiqui and Tripti Ghosh Sharma (2010), “Measuring the Customer Perceived Service Quality for Life Insurance Services: An Empirical Investigation”, *International Business Research*, Vol.III (3), pp. 171 - 86.

⁵⁰ Joshi Sandhya (2011) “A study on Service quality and customer satisfaction across various service providers in the telecom sector”, *Indian journal of marketing*, Pp55

Deepika Upadhyaya and Manish Badlani (2011) carried out a study entitled, “Service Quality Perception and Customer Satisfaction in Life Insurance Companies in India”, With a view to identified customer satisfaction in retail life insurance in India they identified that the customers are more satisfied with the pricing factor followed by employee competence, product and service, technology, physical appearances, trust, service delivery, advertising and service management.⁵¹

Pushp Deep Dagar and Sunil Phougat (2011) in their article on “Impact of Privatization of Life Insurance Sector on Consumer” reveal that the policyholders are more satisfied with the services of private insurers than LIC with regard to the attractive policy offerings with low premium and long period and their consistent services.⁵²

Uma et al., (2011) in their article titled, “A Survey of Life Insurance Customers Awareness, Perception and Preferences”, observes that a majority of customers are satisfied the policy features whereas few customers are dissatisfied with the incomplete information provided to them and suppression of information about the policy terms and conditions.⁵³

B.V.R. Naidu (2012) A service is an economic activity that creates value and provides benefits for customers at specific times and places by bringing about a desired change in, or on behalf of, the recipient of the service. Amusingly, services have also been described as something that can “be bought and sold, but which cannot be dropped on your foot”. The service sector is going through an almost revolutionary

⁵¹ Deepika Upadhyaya and Manish Badlani (2011), “Service Quality Perception and Customer Satisfaction in Life Insurance Companies in India”, *International Conference on Technology and Business Management*, pp.1011-1024.

⁵² Push Deep Dagar and Sunil Phougat (2011), “Impact of Privatization of Life Insurance Sector on Consumer”, *Southern Economist*, Vol. 45 (23), pp. 38 - 42.

⁵³ Uma, K., S. Selvanayaki and M. Sankar (2011), “A Survey of Life Insurance Customer’s Awareness, Perception and Preferences”, *Marketing Mastermind*, pp. 33 - 37.

change, which dramatically affects the way in which we live and work. New services are being launched continuously satisfy our existing needs and meet the needs that we never expected.⁵⁴

Anshuja Tiwari and Babita Yadav (2012) in their article “Analytical Study on Indian Life Insurance Industry in Post Liberalisation” reveal that prompt customer service, after-sales services, innovative products with flexibility and better communication influences the customer satisfaction towards private life insurers than public sector insurer, LIC.⁵⁵

G.RajeshBabu (2013) the retailing sector consists of both tangible and intangible factors while assessing the service quality and measuring service quality in organized retail outlets is different from any other sector or segment. The present study observes the critical factors effecting service quality and should concentrate more on personal interaction and Reliability of the store in order to enhance their service. The study also revealed that service quality factors will significantly effect customer satisfaction. It was proved that except policy of the store, Personal interaction, Reliability, physical aspects and problem solving help the organized retail outlets to focus on critical areas of service where to improve, where to modify and where to cut down and enable them to take effective service strategies. The study can be extended to several retail segments and generic factors for Indian retail service quality can be discovered.⁵⁶

⁵⁴ Naidu B.V.R., (2012), “ Perceptions of Investors on the service quality of Reliance Life Insurance: A study in the west Godavari district of Andhra Pradesh”, *Indian Journal of Marketing*, August Pp.9

⁵⁵ Anshuja Tiwari and Babita Yadav (2012), “Analytical study on Indian Life Insurance Industry in Post Liberalisation”, *International Journal of Social Science Tomorrow*, Vol.1 (2), pp.1 - 10.

⁵⁶ Babu Rajesh. G (2013), “Service quality and customer satisfaction on organized retail outlets in Trivandram district”, *Research explorer* ISSN : 2250-1940, Vol. 1 :Issue 3 February. Pp.636

Savithri (2013) States that the banking business is essentially other people's money and bankers brain. The secret of its success lies in satisfying customer needs for which the banks will have to discover the marketing concept. Today is an era of innovation and technology. The major influencing factor for the survival of banks is going to be technology. The implementations of highly automatic facilities must be made in all the branches including the rural ones. Though the banking industry has been successful in attaining its fundamental goals, it has got to lower a large its fundamental goals, field of operation to match with the needs of the upcoming century. The task for the day is that the banking industries are to become modernized because the world today is electronic.⁵⁷

C Kalpana Naidu Dr. C Paramasivan (2015) Indian financial system is highly influence with the banking and insurance sector which attracts flow of savings and investments to the country. Insurance sector in India is one of the growing sectors of the economy. The insurance sector, along with other elements of marketing, as well as financial infrastructure, have been touched and influenced by the process of liberalization and globalization in India. The customer is the king in the market. Life insurance companies deal in intangible products. With the entry of private players, the competition is becoming intense. In order to satisfy the customers, every company is trying to implement new creations and innovative product characteristics to attract customers. This research attempts to study the Public & Private Life Insurance Companies in India and compare the perception of customers in terms of service

⁵⁷ Savithri. N (2013), "Service quality measurement and consumer perception about the services of state bank of India, Trichirapalli city corporation" Research explorer ISSN : 2250-1940, Vol. 1:Issue 3 February. Pp.722

quality and analyze the performance of public and private life insurance companies in India.⁵⁸

Reenu Lulla (2015) in the study it has been found that LIC is the giant of the insurance sector. The overall size of LIC is much more than that of all private insurance companies. Private insurers are in expansion mode and are increasing their size but are still much behind LIC. Total premium deposits in LIC are much higher than the private insurance companies. Total premium of LIC in FY 2012-13 is three times more than that of private insurance companies. The number of branches of private insurance companies is increasing as the new players are entering in this market. Also the established players are in expansion phase and hence are expanding their business.⁵⁹

K. Sankaranarayanan (2016) the study suggested that the measures such as special events for policyholders, providing of prompt service, reducing the time period of surrendering the policy, increase the loan amount with policy, improvement in infrastructure, creativity and innovativeness, understanding the policyholders needs, policyholders contact programmes, providing updated information, staff involvement, user friendly skills, customer complaint monitoring cell and quality improvement strategy will improve service quality of the LIC of India. This study has also found that majority of policyholders are willing to continue with LIC. This shows their trust and faith forced with the Life Insurance Corporation. “The LIC must know the need of their

⁵⁸ Naidu Kalpana C (2015) A Comparative Study Of Public & Private Life Insurance Companies In India Research explorer ISSN : 2250-1940, Voll:Issue 3 February. Pp.755

⁵⁹ Reenu Lulla (2015), Changing Perception of Consumers Towards Insurance Products International Journal of Engineering Technology, Management and Applied Sciences, www.ijetmas.com March 2015, Volume 3 Special Issue, ISSN 2349-4476

policyholders to serve better than any other private players” will make LIC remain as the market leader.⁶⁰

The above mentioned reviews of related literature and relevant previous theses have addressed several issues of service quality perception of customers of various services in general and insurance service in particular. Nevertheless, such studies did not address service quality perception of Public and Private Insurance Companies in Tirunelveli District. Moreover, such study was not carried out earlier in the present study area of Tirunelveli District. Thus, a research gap has been identified. Therefore, this study “A study on Service Quality Perception and Preference of policyholders about Public and Private Insurance Companies in Tirunelveli District” was undertaken so as to fill the identified research gap.

⁶⁰ Sankaranarayanan K. (2016), Policyholders’ Satisfaction Towards Services Offered By Life Insurance Corporation Of India - A Study With Reference To Nagapatinam District International Journal of World Research, Vol: I Issue XXIX, May 2016,pp80

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CHAPTER - IV

SERVICE QUALITY - A CONCEPTUAL FRAMEWORK

4.1 INTRODUCTION

Although service quality is an extensively researched concept, still its discussion is not straightforward. To understand the concept of service quality better, discussion of its components, i.e. service and quality is required. Services are processes of activities aiming to provide solutions to customers' problems, with most other characteristics of services being consequences of their process nature (**Gronroos, 2000; 2001**).

The majority of services are first sold and then simultaneously produced and consumed, very often requiring the physical presence of customers (Berry, 1999). The “inseparability” or production and consumption, prevents services from being subject to a predetermined quality control process or marketed in traditional ways (**Gronroos, 2000**).

Being very often produced during service employee-customer encounters (**Drew- Rosen et al., 2003**), services are “heterogeneous” as the performance of humans, whether employee or customer, is not same in all different service encounters. Services are heterogeneous even when delivered through automated channels due to varying customer behaviour in interacting with automated and information technology using electronic machines of this new era tech world.

Although certain tangible elements may be included, the essence of services is “intangibility” (**Zeithaml et al., 1990**) that leads customers to perceive services in subjective and often highly abstract ways (**Gronroos, 2000**). Services are perceived as

performances, and these performances are “what” the service provides and “how” it is delivered, depending on front-line employee’s interactions with customers, the organization and its facilities, a number of “peripheral” services facilitate the offering of the core service (**Gronroos, 2000**).

Fitzsimmons and Fitzsimmons (2001) define a service bundle as a package of goods and services consisting of supporting facilities, facilitating goods, and explicit services.

The American Society for Quality (www.asq.org/), in line with **Feigenbaum (1983)**, defines quality as “a subjective term for which each person has his or her own definition “while the international standard ISO 8402 (1994) defines quality as “the totality of characteristics of an entity (product, service, process, activity, system, organization, person) that bear on its ability to satisfy stated and/or implied needs”.

Intangibility implies that the criteria for a flawless service are not only less specific than the criteria for a defect-free tangible good (**Berry and Parasuraman, 1991**) but also exceptionally complex and very difficult to realize. Marketers view service quality as the level needed to make the service acceptable in the market place and try to ascertain certain standard of service quality prior to delivery of service to customers.

On the other hand, customers make “during” and “after use” evaluations (**Marwa, 2005**) comparing the service delivered to them with their previous experiences (**Gronroos, 1982; Lehtinen and Lehtinen, 1982; Lewis and Booms, 1983**). The result of this comparison is perceived service quality (**Gronroos, 1982; 1984; Takeuchi and Quelch, 1983; Parasuraman et al., 1985**). Hence, services must conform to the wishes of customers rather than to any predetermined set of

specifications (Berry et al., 1988). As Lewis (1993) puts it, “there is no other fact or reality about service quality but it is what customers perceive about a service”.

Several studies were conducted on the issue of service quality in various countries. Some studies were consulted for proper understanding of the concepts discussed in this study. Various models have been developed to determine, measure and assess the determinants of service quality. SERVQUAL is based on the idea of a gap between expectations of the customers about service quality by service provider and their assessment of actual performance of service by the service provider. Since Parasuarman et al., (1998) developed the SERVQUAL instrument, many researchers have used and developed the 22 - item scale to study service quality in different sectors of the services industry.

In service marketing, managing service quality is very important. Customers form service expectations from many sources such as past experiences, word-of- mouth, and advertisements.

Generally, customers compare the perceived service with the expected service. If the perceived service falls below the expected service, customers are disappointed. If the perceived service meets or exceeds their expectations, customers will continue to be with the same service provider. Zeithmal, Parasuraman and Berry developed a model which suggests that customers become dissatisfied when their perceptions about service performance don't match their expectations.

4.2 HISTORICAL BACKGROUND

Quality came to the service literature at the beginning of the 1980s. This is quite in contrary to the manufacturing sector where in quality management has a long and

rich history. In the twentieth century, especially the second half, increasing global competition has forced many manufacturing companies to develop and adopt quality management practice aimed at increasing competitiveness by eliminating waste, increasing efficiencies, reducing costs, improving customer satisfaction and involving every member of the organization in doing so.

However, from 1980s the interest in service quality has increased tremendously. One reason why service quality is becoming an important issue is that all the developed countries as well as number of developing countries have become service economies. In India also services sector is the largest contributor to GDP, ahead of agriculture as well as industry sector.

Another reason for the rising importance of service quality is that it is proving to be a winning competitive strategy. More and more companies are emphasizing on providing excellent service quality in order to have a distinctive competitive advantage over their competitors in a world where establishing a long term technology based competitive advantage is becoming increasingly difficult.

4.2.1 Definition of Quality

Quality is a word quite commonly used by all of us. We expect quality in almost everything in our life. It is nothing but a perception of what we are looking for in a product or service.

At the same time it varies from person. As beauty is said to lie in the beholder's eyes, the meaning of quality also varies from individual to individual. In the circumstances, it is difficult to define quality in such a way that it is universally accepted.

There are many definitions of quality, spelt out by very great gurus and they are found to be widely accepted.

- ❖ W. Edwards Deming defines “Quality is a predictable degree of uniformity, at low cost and suited to the market”.
- ❖ Joseph M.Juran attempts to define in simple form as “Quality is fitness for use”
- ❖ Philip B. Corsby gives a definition as “Quality is conformance to requirement”
- ❖ Genechi Taguchi defines as “Quality is the minimum loss imparted by a product when it is shipped”.
- ❖ “Quality is in essence, a way of managing the organization”, By Feigenbaum.
- ❖ “Quality is correcting and preventing loss not living with loss”. This is the definition by Hoshin.
- ❖ “Quality is a company-wide issue and must be an all pervasive influence on the way every issue of business is conducted” according to Prof. Kaoru Ishikawa.
- ❖ Quality can also be quantified as $Q = P / E$, where Q = quality; P = performance; E =expectations.

If Q is greater than 1.0, then the customer has a good feeling about the service.

4.3 SERVICE QUALITY

The service quality has become the success mantra in all sectors ranging from health care to retailing. The need for understanding the service dimension of each sector is extremely essential as it forms the basis of evaluation of service itself. If the service provider is able to comprehend customer's evaluation criteria and design its service strategy accordingly and executes it, then the efficiency level is enhanced, resulting in customer's satisfaction. This is the ultimate objective of all the service providers as it is proved by earlier researchers that getting new customers is time consuming and involves higher costs than retaining the existing customer.

Service quality is the foundation for services marketing because the core product being marketed is a performance. The performance is the product; the performance is what customers buy. A stronger service gives companies the opportunity to compete for customers; a strong performance of the service builds competitiveness by earning customers' confidence and reinforcing branding, advertising, selling and pricing (Berry and Parasuraman, 1991:5). Parasuraman, *et al.*, (1988) found that the customer's perception of quality is not a unidimensional concept. They identified five dimensions that a client considers in his or her assessment of service quality.

4.3.1 Service Quality in India

The service sector is also assuming increasing importance in Indian economy. The share of agriculture sector, which constituted over 50 percent of GDP in 1960s, has now come down to around 28 percent. There has been substantial increase in the manufacturing sector but the bulk of transformation has been in the service sector. The weightage of service sector has been increasing in the overall GDP. This growing share

of service sector is an indication that in future, India's GDP will be influenced considerably by the service sector.

According to a report of the International Monetary Fund (IMF), the service sector in India has consistently outperformed the rest of the economy in recent years, and by a wide margin the in the 1980s in response to the reform programmes undertaken since 1991. The report entitled India: 'Economic Reform and Growth' looks at reform programmes in India since 1991 and the response of the economy to the various liberalization and stabilization measures. The report indicates that within the overall growth picture since the 1991-92 crisis, sectoral performance has diverged remarkably with industrial growth falling below long term trends till 1993-94 after which it recovered broadly, with output having increased by 9% in

1994-95. against this, agriculture and services grew more steadily. In fact, the response to liberalization has probably been more in service sector, partly because of lower fixed investment requirements. Moreover, technological progress have made it possible for India to compete on a global basis in the areas such as software development and information services. Reduced restrictions on private sector involvement have also played an important role in the growth of this sector.

4.4 COMPONENTS OF SERVICE QUALITY

There are two components of service quality:

1. External Service Quality
2. Internal Service Quality

4.4.1. External Service Quality

External Service Quality, which refers to the quality of service delivered to the customers, has gained much promise in the context of increasing customers' expectations and changing customer preference. External service quality offered to customers is generally referred to as service quality. Providing high quality services enhances customer retention rates, helps to attract new customers through positive word of mouth advertising, increases productivity, leads to higher market share, financial performance and profitability.

Different researchers have identified different dimensions to measure external service quality. Garnin (1984) measured the ESQ with the help of performance, features, reliability, conformance, durability, serviceability, aesthetics and prestige. Driver and Johnson (2001) estimated the ESQ (External Service Quality) with different dimensions namely alternativeness, care, courtesy, flexibility, reliability, competence, integrity, access, availability and functionality.

4.4.2. Internal Service Quality

In service organizations, the employees come into contact with the customer in the process of production and consumption of services. The inseparable nature of services stresses the point that the human factor forms a key element in service sector in service businesses, the service personnel reflect the organizational realities. It is through the interaction with the staff that the customers form an opinion about the organisation. Therefore, it becomes essential for the service marketers to motivate the employees to serve the customers better.

The main prerequisite for motivating employees to deliver quality service to customers is delivering quality service to internal customers.

Internal service quality is defined as the feeling that employees have towards their job, colleagues and company. It refers to the quality of work life among the employees. Internal service quality has been measured by the employee's attitude on pay, benefits, opportunities, job security pride in the work, openness, fairness and friendliness in the organisation.

4.5 PERSPECTIVE OF SERVICE QUALITY

The word quality means different things to people according to the context. David Garvin identifies five perspectives on quality. The transcendent view of quality is synonymous with innate excellence; a mark of uncompromising standards and high achievement. The product-based approach sees quality as a precise and measurable variable. User-based definitions start with the premise that quality lies in the eyes of the beholder. These definitions equate quality with maximum satisfaction. The manufacturing-based approach is supply based and is concerned primarily with engineering and manufacturing practices. Value-based definition defines quality in terms of quality of value and price. Garvin suggested that these alternative views of quality help to explain the conflicts that sometimes arise between managers in different functional departments.

The most extensive research into service quality is strongly user oriented. From focus group research, Valarie Zeithmal, A.Parasuraman, and Leonard Berry identified 10 criteria consumers used in evaluating service quality. In subsequent research, they found a high degree of correlation among several of these variables and so consolidated them into five broad dimensions:

- Tangibles (Appearance of Physical Elements)
- Reliability (Dependable, Accurate Performance)
- Responsiveness (Promptness And Helpfulness)
- Assurance (Competence, Courtesy, Credibility, and Security)
- Empathy (Easy Access, Good Communication, and customer Understanding)

Only one of these five dimensions, Reliability, has a direct parallel to findings from Garvin's research on manufacturing quality.

4.5.1 Approaches to Service Quality

The word 'quality' has different meanings and can be used in different ways. Garvin (1984) indentified five categories or approaches to the concept of quality:

- The transcendent approach
- The manufacturing - based approach
- The user - based approach
- The product - based approach
- The value - based approach

The **transcendent approach** follows the Pocket Oxford Dictionary's definition. 'degree of excellence, relative nature. 'Quality in this sense is innate excellence. It reflects the 'best' therein. So, for example, a five-star hotel would be classified as a quality hotel as against a single star family-run hotel.

The **manufacturing - based** approach relates to conformance with design or specification. A quality service or product would be one which is free of errors, where an error would be defined as non - compliance with specification. The performance of a child playing a simple piece of music with no wrong notes and the correct timing could,

with this approach, be classified as a quality performance, while a concert pianist playing a difficult piece of music by A.R. Rahman and hitting the odd wrong note, could be classified as of inferior quality.

The **user - based approach** adopts the attitude that, if a service/product meets the requirements of the user, then it is a quality service/product. Another phrase commonly used with the approach is fitness for purpose. A cheap watch which keeps time accurately and meets the requirements of the wearer would be classified as a quality watch. On the other hand, if one of the requirements of the watch was to help create the 'right' image for a successful, well-off, power-wielding young executive, then a gold Titan would be more appropriate, and the cheap but accurate watch could not be considered as quality watch.

The **product - based approach** is a quantitative based approach, and considers measurable characteristics. In most cases, more equates with better, and is thus deemed to be of higher quality. A car with an acceleration of 0 - 60 kmph in 6 seconds would be of higher quality than one which took 8 seconds. On the other hand, less would sometimes be classified as of higher quality. For example, a dentist who took only 5 minutes, as compared with 10 minutes, to complete a filling would be considered as providing a higher - quality service.

The **value - based approach** is based on customs and traditions. If the service conforms to traditional benefits and emotions, it is perceived to be of high value.

4.5.2 Capturing the Customer's Perspective of Service Quality

To measure consumer satisfaction with different aspects of service quality, Valarie Zeithmal and her colleagues developed a survey research instrument called

SERVQUAL. It's based on the premise that customers can evaluate a firm's service quality by comparing their perceptions of its service with their own expectations. SERVQUAL is seen as a generic measurement tool that can be applied across a broad spectrum of service industries. Although SERVQUAL has been widely used by service companies, doubts have been expressed about both its conceptual foundation and methodological limitations. Susan Develin and H.K Dong offered guidelines on how to measure service quality across every aspect of the business in a real-world setting. To help customers recall and evaluate their service experiences, these authors suggested taking customers through each step of their service encounters (this approach is sometimes referred to as a walk - through audit).

4.6 SERVICE QUALITY DIMENSIONS

Research suggests that customers do not perceive quality in a one-dimensional way, but rather judge quality based on multiple factors relevant to the context. The dimensions of service quality have been identified through the pioneering research of Parasuraman, Valarie Zeithmal, and Leonard Berry. Their research identified five specific dimensions of service quality that apply across a variety of service contexts. The five dimensions defined here are shown as drivers of service quality. These five dimensions are: Reliability, Responsiveness, Assurance, Empathy and Tangibles. Although Tangibles are often used by service companies to enhance their image, provide continuity, and signal quality to customers, most companies combine Tangibles with another dimension to create a service quality strategy for the firm.

4.6.1 The Ten Original Dimensions of Service Quality

The dimensions of service quality are listed below:

1. Tangibles

The physical appearance of the facilities, staff, buildings, etc., e.g. Does the equipment appear modern? How clean is the waitress's apron?

2. Reliability

The ability to respond to the same level of service again and again e.g. Is feedback regarding student progress always given? Are messages always passed on?

3. Responsiveness

The speed with which queries etc. are dealt with e.g. Are letters replied to by return of post, or does it take a month? Is feedback on assignments given within a week in time for students to assimilate the information, or does the feedback come too late, after the examination has been taken?

4. Communication

The clarity and understanding of the information given to the client, e.g. Does the doctor take the time to explain in terms the patient can understand, what is going to happen next? Does the solicitor explain clearly what the legal jargon mean?

5. Credibility

Credibility refers to the trustworthiness of the service provider. E.g. Does the newspaper reporter report all the facts or only those which support his/her argument? Does the financial adviser present all the options or only those which earn him/her the most commission?

6. Security

The physical safety of the customer or privacy of client information. E.g. Are the medical records of patients kept confidential? Are the bays in the football ground strong enough to support the weight of all the supporters?

7. Competence

The actual technical expertise of the service provider, e.g. Is the doctor really qualified to perform heart surgery? Does the financial adviser have sufficient knowledge of all the relevant tax regulations?

8. Courtesy

The attitude of the service provider and manner adopted by the server, e.g. Is the receptionist friendly, helpful and polite? Does the doctor treat the patient as an inferior being?

9. Understanding

How well the provider of the service understands the client's needs e.g. Does the bank recognize that most clients cannot get to the bank in during working hours? Are there mirrors fitted in the hotel bathrooms which allow guests to see the back of their hair?

10. Access

How easy it is to reach the service provider, geographically or by phone, e.g. Are there car parking facilities close to the solicitor's office? Does it always take five attempts to get the solicitor on the phone?

4.7 MEASURING SERVICE QUALITY

Measuring service quality is a challenge because customer satisfaction is determined by many intangible factors. Unlike a product with physical features that can be objectively measured (e.g., the fit and finish of a car), service quality contains many psychological features (e.g., the ambience of a restaurant). In addition, service quality often extends beyond the immediate encounter because, as in the case of health care, it has an impact on a person's future quality of life (Fitzsimmons and Fitzsimmons, 2001). Finding out what customers expect is essential in providing service quality, and marketing research is a key vehicle for understanding customer expectations and perceptions of services. In services, as with any offering, a firm that does no marketing research at all is unlikely to understand its customers. A firm that carries out marketing research, but not on the topic of customer expectations, may also fail to know what is needed to stay in tune with changing customer requirements. Marketing research must focus on service issues such as what features are most important to customers, what levels of these features customers expect, and what customers think the company can and should do when problems occur in service delivery (Zeithaml and Bitner, 2003). High service quality appears to result in measurable benefits, sometimes directly detectable as increase in profits and market share. The Strategic Planning Institute of Cambridge, Massachusetts has compiled data concerning 2600 firms over the last 15 years. The results of their research have shown that the perceived quality of a company's goods and services is directly tied to financial performance. In particular, they found that, from almost any performance measure - including market share, return on investment and asset turnover - those businesses that offer higher quality perform better. Among the most powerful tool for shaping perceptions of overall quality is customer service. The point simply is that quality measurement and customer

satisfaction deserve special attention if service firms are to remain competitive (Rosen, *et al.*, 2003).

Market research methods can be divided into primary and secondary data collection. Primary data collection refers to data collected for the first time, such as through interviews or questionnaire surveys, whereas secondary data are taken from other sources that have already carried out primary data collection (Luck, *et al.*, 2000). The most widely used and tested service quality survey instrument has been SERVQUAL (Bennington and Cummane, 1998).

4.8 MODEL OF SERVICE QUALITY PERCEPTION

The present study is based on the SERVQUAL Model suggested by Parasuraman, Zeithamal, and Berry (1998) which explains the service quality on the basis of gap between perceived service quality and expected service quality.

This model is different from other models as it helps in finding out more than one aspect of service encounters. Rust and Oliver in 1994 in their research showed that overall service quality perceptions are based on various dimensions of service encounters.

4.9 SERVQUAL

SERVQUAL is an instrument “for assessing customer perceptions of service quality in service and retailing organizations” (Parasuraman, *et al.*, 1988). Exploratory research conducted in 1985 showed that clients judge service quality by using the same general criteria, regardless of the type of service. Parasuraman *et al.*, (1988) captured these criteria using a scale composed of 22 items (statements) designed to load on five dimensions reflecting service quality as defined by its authors. Each item is used twice:

firstly to determine customers' expectations about firms in general, within the service category being investigated; secondly to measure perceptions of performance of a particular firm (Llosa, *et al.*, 1998). The 22 statements in the survey describe aspects of the five dimensions of service quality. The evaluations of these 22 statements are collected using a seven-point Likert scale.

According to Parasuraman *et al.*, (1988), the service quality is the difference between customers' perceptions and expectations. The SERVQUAL score is given by the equation (Llosa, *et al.*, 1998):

$$Q = \frac{1}{22} \sum_{i=1}^{22} (P_i - E_i)$$

The score for the quality of service is calculated by computing the difference between the ratings that customers assign to paired expectation and perception statements. This score is referred to as GAP 5. Scores for the other four gaps can also be calculated in a similar manner (Fitzsimmons and Fitzsimmons, 2001:49).

Q = Perceived service quality

P_i = Performance level perceived on attribute I for the delivered service

E_i = Expected performance level on attribute I for the service quality

An average score for each dimension is then calculated across all respondents. Also an overall service quality score is calculated by taking the mean score for the five dimensions.

Positive scores show better than expected service while negative scores show poor quality. A zero score implies that quality is satisfactory. In Parasuraman *et al.*, (1991), a more recent version of the instrument includes a third section that measures the relative importance of the five dimensions to the customer. These scores are then used to weigh the perceived service quality measure of each dimension, the main

purpose being to give a more accurate overall perceived service quality score (Robinson, 1999).

Data gathered through a SERVQUAL survey can be used for a variety of purposes (Zeithaml and Bitner, 2003):

- To determine the average gap score (between customers' perceptions and expectations) for each service attribute.
- To assess a company's service quality along each of the five SERVQUAL dimensions.
- To track customers' expectations and perceptions (on individual service attributes and/or on the SERVQUAL dimensions) over time.
- To compare a company's SERVQUAL scores against those of competitors.
- To identify and examine customer segments that differ significantly in their assessments of a company's service performance.
- To assess internal service quality (that is, the quality of service rendered by one department or division of a company to others within the same company).

Despite all well-documented criticism, it is still widely used as there are no other well-established alternatives. Parasuraman *et al.*, (1988; 1991; 1993) claim that the instrument is applicable to a wide variety of service industries although it may be necessary to reward and/or augment some of the items. This instrument spawned many studies focusing on service quality assessment and is used all over the world in service industries. Published studies have used SERVQUAL and adaptations of it in a variety of contexts: real estate brokers, physicians in private practice, public recreation

programs, a dental school patient clinic, a business school placement centre, a tyre store, motor carrier companies, an accounting firm, discount and department stores, a gas and electric utility company, hospitals, banking, pest control, dry cleaning, fast food, and higher education (Zeithaml and Bitner, 2003). A negative aspect in using this survey in the Middle East is that the development of service quality dimensions was based on research conducted across multiple contexts within the United States. As a general rule, reliability was found to be the most important dimension of service quality in the United States, with responsiveness typically the second most important. One question that researchers (Furrer,

Liu and Sudharshan, 2000) have begun to investigate is whether the dimensions and relative importance of the dimensions are the same across cultures.

The SERVQUAL scale is the gap between the perception and expectation on various service quality variables (Churchill and Surprenant, 1982). As there is a gap or difference between customers' expectations and perceptions, service quality is viewed as lying along a continuum ranging from 'ideal quality' to 'totally unacceptable quality' with some points along with continuum, representing satisfactory quality. The SERVQUAL scale is measured by

$$SQS_i = \sum_{j=1}^k (P_{ij} - E_{ij})$$

Where SQS_i - SERVQUAL Scale on Service variable of individual 'i'

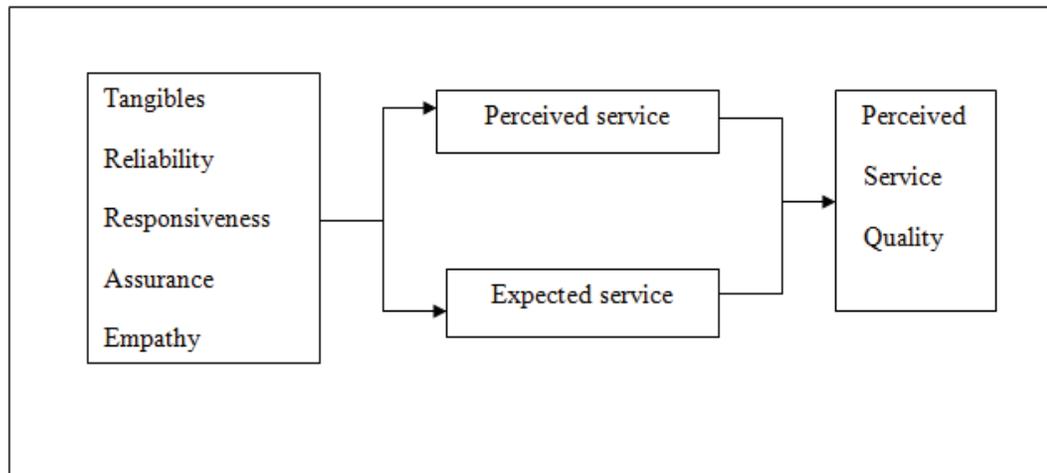
- P - Perception of individual 'i' with respect to performance of a service firm attributes 'j'
- E - Expectation of individual 'i' with respect to a service firm attribute 'j'
- K - Number of Services attributes/items

The importance of SERVQUAL scale is evident by its application in a number of empirical studies (Kassim and Bojei 2002; Witkowski and Woljinbarger, 2002; Gani and Bhat 2003, Aggarwal and Gupta, 2003, Jain and Gupta, 2004, Gouguland Rali Sehgal, 2004 and). Some major objections against the scale, relate to use of (P-E) gap scores, length of the questionnaire, predictive power of the instrument, and validity of the five - dimension structure (Shepherd and Thorpe, 2000; Teas 1993, Cronin and Taylor, 1992; Bahakus and Boller, 1992)

Peter Churchill and Brown (1993) found different scores being reset with psychometric problems. Validity of SERVQUAL scale framework has also come under attack, due to problems with the conceptualization and measurement of expectation component of the SERVQUAL scale. While perception is definable and measurable in a straight forward manner as the consumer's belief about the service is experienced, expectation is subject to multiple interpretations and as such, has been operationalised differently by different authors (Babukas and Inhofe, 1991; Dabholkar et al., 2000). As there is vagueness in the expectation concept, some researchers like Bolton and Drew (1991), Brown et al., (1993) stressed the need for developing a methodologically more precise scale. The SERVPERF scale developed by Cronin and Taylor (1992) is one of the important variants for the SERVQUAL scale.

Figure 4.1

Model of Service Quality Perception



4.9.1 Criticisms of Servqual

Many criticisms of the SERVQUAL scale have appeared over recent years: Blanchard and Galloway (1994) argued that it confuses outcome, process and expectation; Chen *et al.*, (1994) stated that it neglects the price factor, and suffers from multicollinearity due to the averaging of measured gaps. Carmen (1990) argued that it is not generic and needs to be customized to the service in question. He also suggests that the instrument could only be used as a guide to research service quality in various industries. He also suggested a problem exists in Parasuraman, Zeithaml and Berry's treatment of expectations where a respondent error could exist due to different interpretations of questions. Expectations could be rated according to their importance, as forecasts, ideal, deserved and/or as minimum tolerable.

Brown *et al.*, (1993) reported psychometric problems with the use of the difference scores and suggested that the five dimensions may in fact represent a one-dimensional construct. Another matter suggests that the model should not be limited to the five dimensions proposed by Parasuraman, Zeithaml and Berry. Up to

seven or eight dimensions have been identified by various researchers in a variety of studies (Carman, 1990). The validity of the dimensions was also shared by Parasuraman, Zeithaml and Berry, and continues to be debated, but Parasuraman, *et al.*, (1998) state that the model is generic (a skeleton) and dimensions will change from one industry to another.

Cronin and Taylor (1992) argued that this negative perception of expectations, or the term they use “disconfirmation paradigm” that SERVQUAL instrument applied in determining service quality was inappropriate for measuring service quality. They pointed out that this “disconfirmation paradigm” measures customer satisfaction instead of service quality. In their study, Cronin and Taylor (1992) used the performance scale (SERVPERF) and found that SERVPERF outperformed SERVQUAL. Cronin and Taylor (1992) indicate that

SERVPERF was a more appropriate measure, because they felt that consumer satisfaction has a greater influence over the purchase intentions of the consumer, than service quality.

Despite numerous suggestions regarding reappraisal and restructuring, expectations of what service quality might be - fed by the sheer mass of Parasuraman, Zeithaml and Berry - inspired literature - have now become our perceptions of what service quality really is; and this perception continues to inform mainstream service quality research today. Even where work is primarily focused on the technical and functional aspects of service quality, the SERVQUAL dimensions may still be used to inform, or even determine, their structure (Woodall, 2001). This instrument has been widely used in many service industries, including hotels, dentistry, travel, higher

education, real estate, accountancy, architecture, hospitals and construction services (Foster, 2001).

4.10 SERVPERF SCALE

Cronin and Taylor (1992) provided empirical evidence from industries on using the SERVPERF scale. He used the perception on service quality as a tool for the measurement of service quality. The SERVPERF scale is expressed by

$$SQ_i = \sum_{j=1}^k P_{ij}$$

Where

SQ_i = Perceived Service Quality of individual 'i'

P = Perception of individual 'i' with respect to performance of a service firm attributes 'j'

K = Number of Services attributes/items

The researchers have increasingly started making use of SERVPERF scale to measure service quality (Andaleeb and Basu. 1994, Cronin et. al., 2000; Brady et al., 2002). The SERVPERF measure has outperformed the SERVQUAL scale (Cronin and Brand. 2002).

4.11 CAUSES OF SERVICE QUALITY PROBLEMS

Several reasons have been put forward as explanations of poor service quality:

Inseparability of production and consumption and labour intensity

The provision of service, as distinct from the manufacture of goods, occurs in the presence of customers. Inevitable as with any human encounter, problems do arise. The service employee may exhibit poor presentational skills, conduct himself

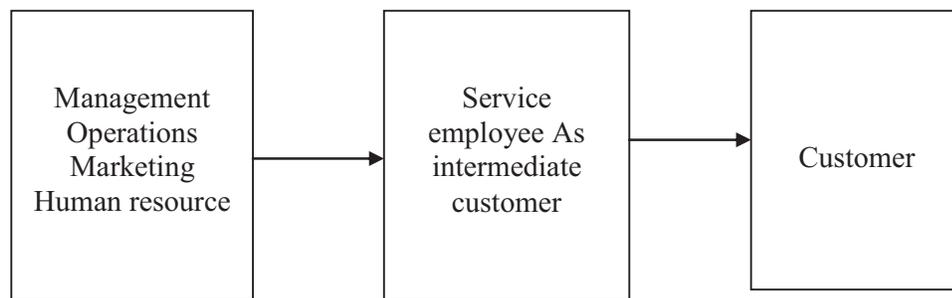
improperly and dress inappropriately. All of these and more may influence the customers' perception of service quality. The intensive involvement of human in service delivery will always have the potential to pose problems for quality.

Inadequate services to intermediate or internal customers.

The frontline employees is by definition at the 'sharp - end' of the service delivery system. To execute the service effectively, the employee requires proper support from further back office in the organisation.

Figure 4.2

Importance of Employee Support in the Execution of Effective Service



The support will emanate from the main management functions (operations, marketing and human resource) and involve:

1. Equipment e.g. tools, materials, uniforms
2. Skills training
3. Information e.g. of a new service launch's operating procedures.

Communication gaps

Good communication is the life - blood of a healthy organisation, and its contact with customers. However, it is a problem of some magnitude and manifests itself in the following ways:

1. Failure to deliver promises made
2. Failure to keep a customer informed
3. Failure to communicate in a manner the customer can understand
4. Failure to listen

Viewing customers as statistics

For a service organisation there are often compelling reasons for offering a standardised service, not least of which are the efficiencies to be gained from treating a large number of customers in a standardised manner. For, the customer, this approach to service delivery, is often welcomed. By contrast, customisation of the service seeks to recognise the particular needs of individual customers. Service organisations should be sensitive to how their customers feel about how they are treated. A remark made by a student perhaps exemplifies the issue. He said, 'In my two years at college, not once did a lecturer recognise me by name'.

Short - run view of the business

Organisations take a short view of the business when it comes to performance evaluation. Managements are frequently required to meet targets on a yearly basis. The obsession inevitably becomes one of cost reduction and productivity increases to meet a profit target. This is understandable but detrimental to building a quality service in the longer term.

4.12 IMPROVING SERVICE QUALITY

Improving service quality is certainly not a simple, straightforward exercise. It will have implications for the whole culture of the organisations. Some ideas put forward are worthy of considerations.

4.12.1 Identifying primary quality determinants

Knowing what determines quality is, of course, crucial. However, consumers and producers of services do not necessarily perceive service quality on common dimensions and even when they do hold common dimensions, they evaluate them differently.

4.12.2 Managing Customer expectation

To attract customers, organisations are often tempted to raise customer expectations. Companies make promises to consumer on aspects of their business that they think the customer will value in order to give the organisation a competitive advantage. However care must be exercised in making such promises to customers. For example, consider the following samples taken from the yellow pages directory:

- ‘Nobody does it better’
- ‘The very best of care’
- Immediate delivery from stock’
- ‘On time - every time’
- ‘You can’t beat our service’

They are both difficult to measure and raise consumer expectations unrealistically. As a rule it is better to exceed customer expectations than to let the customer down.

4.12.3 Managing evidence

The evidence from the viewpoint of a service organisation includes many things which the consumers look to as an indicator of what the service might be like

(Pre-service expectation) and what, in fact, the service was like after using it (Post-service evaluation).

Physical and human evidence play a significant part in image formation. Retailers are interested in several aspects relating to architecture and design for promoting an image. Similarly, atmosphere influences image. The term 'atmosphere' has been coined to define the conscious design of space to influence buyers. The atmosphere influences the buyer's expectations and perceptions of the service. For example lawyers' offices and banks are designed to communicate confidence.

Various factors such as colors, music, furnishing, space etc. can evoke a variety of feelings about the service organizations, e.g. friendliness, austerity, sobriety, authority, rationality, stability, flexibility. The physical aspects of a service will allow us to make sense of it and we expect the physical signs to be in tune with the nature of the service. Incongruity can make us uncertain and uncomfortable.

4.12.4 Educating consumers about the service

Helping the customer to understand the service would appear to be a sine qua non for dispensing a quality service. However, for many services, e.g. garage repair business, professional services, the challenge can be daunting one and one that perhaps they are not willing to confront. Equally, the willingness of the customer 'to be educated' requires evaluation along with their capacity to assimilate the nature of the service being delivered.

4.12.5 Developing a quality culture

Quality is not delivered in a vacuum but through an organisation with all its imperfections. Commitment to quality must pervade the whole organisation. A number

of institutional factors can either help or hinder the provision of quality service. They are:

1. Human - job descriptions, selection, training, rewards, and career path.
2. Organization/Structure - integration/coordination of functions and reporting structure.
3. Measurement - complaint and customer satisfaction tracking and performance evaluation.
4. Systems support - technical, computers, and databases.
5. Services - value added, range and quality, standards or performance, satisfying needs and expectations.
6. Programmes - complaint management, sales/promotional tools, management tools.
7. Communication (internal) - policies and procedures, feedback within the organization.
8. Communication (external) - consumer education, creation of expectation, image.

4.12.6 Automating quality

The variability in quality service emanating from human inadequacy can be avoided through automation. Before such a decision is made, research needs to establish which parts of the service reasons other than automation.

4.12.7 Following up the service

Organisations need to continuously monitor their performance by contacting customers to determine their view of the service delivered.

More recently, organisations have been asked to consider five imperatives for improving service quality:

1. Define a clear service role and standard for service employees and communicate and reinforce these standards.
2. Compete for talent - allocate people to jobs according to ability and aptitude and give them more flexibility and control to do the job. The problem with this is that many service jobs are by nature narrow in scope and perceived as 'dead end'.
3. Emphasize service teams - getting people to work as a team is an attractive proposition and potentially very effective for delivering quality. However, entrenched attitudes to work and strong personalities can quite easily prevent the development of a team spirit. The action of management is crucial here. Good employees need to see management doing something about the members of the team who are simply not pulling their weight.
4. Go for reliability - at the heart of excellence in service is reliability and it is argued that nothing less than 100 percent reliability is acceptable.
5. Be great at problem resolution - service organizations cannot avoid things going wrong for a customer but it is their reaction to this that is critical. Their response can make things better or worse. Customers need to feel that actions are being taken to try to resolve the problem. For large service organizations client dissatisfaction of attempts at problem resolution is a real issue.

Quality leadership curve model enables you to set your expectations on the journey to quality, to act strategically, and to watch for problems and opportunities on the way. There are a series of leadership steps, or more correctly transitions, towards the quality goal. Each phase has its own special characteristics and there is likely to be some degree of 'turbulence' before breaking through from one phase to the next.

Quality leadership could be any company's strategic intent, when success is measured against customer expectations, within defined target markets. Just what this might entail will always be vague at the outset. Commitment to a precise goal at an early stage could lead to an incorrect choice. 'Quality leadership' is a qualitative target. Having said that, there are steps to take, and these will involve transitions in the way things are normally done. This is a process of 'learning by doing'. These steps can be logically planned to advantage, individual projects set up and completed, and motivational and organizational structures put in place. All this can be achieved in term of commitment to a super ordinate quality leadership goal.

CHAPTER - V

DEMOGRAPHIC AND FACTOR ANALYSIS

5.1 INTRODUCTION

5.2 DEMOGRAPHIC AND FACTOR ANALYSIS

5.2.1 Age

5.2.2 Gender

5.2.3 Marital Status

5.2.4 Area of Residence

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5.2.15 Reasons for Buying Insurance Policy by Customers of LIC

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5.2.17 Reasons for Buying Insurance Policy by Total Customers

5.3 SUMMARY

CHAPTER - V

DEMOGRAPHIC AND FACTOR ANALYSIS

5.1 INTRODUCTION

This chapter deals with analysis and interpretation of data that have been collected for the study. This chapter chiefly includes demographic analysis and factor analysis. The socio-economic profile of the individuals is the base for any psychological study. Especially in insurance marketing, the socio-economic profile of the sample customers influences their service quality perception towards insurance services. The various factors motivating the respondents to select insurance service were analyzed with the help of factor analysis.

5.2 DEMOGRAPHIC AND FACTOR ANALYSIS

5.2.1 Age

Since age is a main factor of life insurance the same has been accounted carefully while categorising the respondents. Age of respondents affects their perception and preference towards life insurance policies and companies. Therefore, the age wise classification of respondents is given in the following table 5.1.

Table 5.1

Age wise classification of the respondents

Age	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
20 - 30 years	30	10.0	41	17.3	71	11.9
31 - 40 years	99	33.0	98	30.7	197	32.8
41 - 50 years	101	33.7	85	34.7	186	31.0
51 - 60 years	49	16.3	52	12.0	101	16.8
Above 60 years	21	7.0	24	5.3	45	07.5
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

Table shows that the largest group of respondents (32.8%) is aged 31 to 40 years. The next largest group (31.0%) is aged 41 to 50 years. Smaller groups of respondents are aged 20 to 30 years (11.9%) and above 60 years (07.5%).

It could be inferred from table that out of 300 customers of **LIC**, 33.7 per cent comes under the age group of 41 to 50 years followed by 33.0 per cent comes under the age group of 31 to 40 years, while 16.3 per cent are in the age group of 51 to 60 years, 10.0 per cent of the respondents are in the age group of 20 to 30 years and the

remaining 7.0 per cent are in the age group of above 60 years. From Table 5.1, it is understood that among the customers of **PLICs**, about 34.7 per cent are in the age group of 41 to 50 years, while 30.7 per cent of the respondents are in the age group of 31 to 40 years followed by 17.3 per cent comes under the age group of 20 to 30 years, 12.0 per cent of the respondents are in the age group of 51 to 60 years and the remaining 5.3 per cent are in the age group of above 60 years. Majority of the respondents are in the age group of 31-40 years.

5.2.2 Gender

Like age, gender also plays a vital role in the classification of respondents. Gender of the respondents influences their perceptions and preference towards life insurance companies. Hence, the gender wise classification of respondents is given in the following table 5.2.

Table 5.2

Gender wise classification of respondents

Gender	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Male	201	67.0	187	62.3	388	64.7
Female	99	33.0	113	37.7	212	35.3
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

Customers are of two different gender groups namely male and female who have been visiting the Life insurance Corporation of India and Private Life Insurance companies. The table 5.2 shows the gender wise classifications of customers in Tirunelveli District.

It is clear from table that out of 600 respondents, majority of the respondents are male. There are 388 male respondents (64.7%) and the remaining 212 respondents (35.3%) are female.

Table also shows that out of the total customers of **LIC**, 201 respondents (67.0%) are male and the remaining 99 respondents (33%) are female. Table further shows that out of the total customers of **PLICs**, about 187 respondents (62.3%) are male and the remaining 113 respondents (37.7%) are female. So the majority of the respondents are Male.

5.2.3 Marital Status

An Individual shows very little interest in availing insurance policies due to the fact that his death does not affect monetarily anybody excepting the parents who cannot survive independently. Therefore the marital status wise classification of the respondents is given below:

Table 5.3

Marital status wise classification of the respondents

Marital status	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Married	275	91.7	259	86.3	534	89.0
Single	25	8.3	41	13.7	66	11.0
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

The survey indicates that out of 600 respondents in the study area, the majority of the respondents (89%) are married, 11.0% of the respondents are single. It is found that majority of the respondents are married.

The above table indicates that out of 300 customers of **LIC**, 91.7% are married and 8.3% are single. Table further indicates that among the customers of **PLICs**, 86.3% of respondents are married, 13.7 % of the respondents are single.

5.2.4 Area of Residence

The origin of the respondents does play an important role in the classification of respondents because the mentality of people in the urban, rural and sub urban differ due to their life style, earnings, social setup, education and expectations. Therefore, the area of residence wise classification of the respondents is given in the following table 5.4.

Table 5.4

Area of residence wise classification of the respondents

Area of Residence	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Urban	206	68.7	126	42.0	332	55.3
Rural	77	25.7	119	39.7	196	32.7
Sub urban	17	5.6	55	18.3	72	12.0
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

Table shows that out of the total 600 respondents, 55.3 per cent of the respondents reside in urban areas followed by 32.7 per cent of the respondents reside in rural area followed by 12 per cent of the respondents reside in suburban. It is clear from table that majority of the respondents are residing in urban area.

Table clearly reveals that among the customers of **LIC**, about 68.7 per cent of the respondents reside in urban area, 25.7 per cent of the respondents reside in rural area and 5.6 per cent of the respondents reside in sub urban area. Among the customers

of PLICs, majority of the respondents 42 per cent of the respondents reside in urban area, 39.7 per cent of the respondents reside in rural area and 18.3 per cent of the respondents reside in sub urban area.

5.2.5 Educational Qualification

The availing of insurance policies floated by the insurance companies mainly depends upon the educational qualification of individuals. Generally, educated ones understand and avail policies to meet out their full requirements of loss of life as well as tax savings. Hence, the education wise of classification of respondents given below:

Table 5.5

Education wise classification of the respondents

Educational Qualification	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Illiterate	23	7.7	22	7.3	45	7.5
SSLC	50	16.7	37	12.3	87	14.5
+2	48	16.0	47	15.7	95	15.8
Diploma	19	6.3	23	7.7	42	7.0
Undergraduate	82	27.3	86	28.7	168	28.0
Post graduate	47	15.7	51	17.0	98	16.4
Professional	31	10.3	34	11.3	65	10.8
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

Table shows that out of 600 sample respondents, 28 per cent of the respondents have undergraduate educational qualification, it is to be noted that 16.4 per cent of the respondents have completed Post graduation. The respondents constituted 15.8 per cent

have completed +2 and 14.5 per cent have completed SSLC , about 10.8 per cent of the sample respondents are professionals and 7.5 per cent of the respondents are illiterate and about 7.0 per cent respondents have completed diploma course.

Table further shows that among the customers of **LIC**, 27.3 per cent of the respondents have undergraduate educational qualification, it is to be noted that 16.7 per cent of the respondents have completed SSLC. The respondents constituting 16.0 per cent have completed +2 about 15.7 per cent of the respondents completed post-graduation and 10.3 per cent of the respondents are professional degree holders and about 7.7 per cent of the respondents are illiterates and 6.3 per cent respondents have diploma course.

Table exhibits that among the customers of **PLICs**, 28.7 per cent of the respondents have undergraduate educational qualification, it is to be noted that 17 per cent of the respondents have completed post-graduation. The respondents constituting 15.7 per cent have completed +2, about 12.3 per cent of the sample respondents are SSLC and 11.3 per cent of the respondents have professional degree and about 7.7 percent of the respondents have diploma course.

5.2.6 Occupation

Though availing of insurance policies depends upon so many factors, it benefits only those who can maintain the policies in force by remitting the premium on time and without break. Keeping in force their policies mainly depends upon their income. Hence, the occupation wise classification of respondents is given in the following table 5.6.

Table 5.6
Occupation wise classification of respondents

Occupation	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Daily Wage Earner	12	4.0	12	4.0	24	4.0
Businessmen	56	18.7	52	17.3	108	18.0
Professionals	33	11.0	30	10.0	63	10.5
Agriculturalist	13	4.3	19	6.3	32	5.3
Government Employee	56	18.7	51	17.0	107	17.8
Private Sector Employee	95	31.7	97	32.4	192	32.0
Home Makers	35	11.6	39	13.0	74	12.4
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

It is clearly understood from table 5.6 that out of 600 respondents, 32.30 per cent of the respondents are private sector employees, followed by 18.0 per cent of the respondents are businessmen, and 17.8 per cent of the respondents are government employees, followed by 12.4 per cent of the respondents are homemakers, and 10.5 per cent of the respondents are professionals and 5.3 per cent of the respondents are agriculturalists and the remaining 4 per cent of the respondents are daily wage earners.

It is clearly understood from the above table that among the customers of LIC, 31.7 per cent of the respondents are private sector employees, followed by 18.7 per cent of the respondents each are businessmen and government employees respectively, followed by 11.6 per cent of the respondents are homemakers, and 11.0 per cent of the respondents are professionals and 4.3 per cent of the respondents are agriculturalists and the remaining 4.0 per cent of the respondents are daily wage earners.

Table exhibits that among the customers of PLICs, 32.4 per cent of the respondents are private sector employees, followed by 17.3 per cent of the respondents are businessmen and 17.0 per cent of the respondents are government employees, followed by 13 per cent of the respondents are homemakers, and 10.0 per cent of the respondents are professionals and 6.3 per cent of the respondents are agriculturalists and the remaining 4.0 per cent of the respondents are daily wage earners.

5.2.7 Family Income

Family income plays an important role in influencing individuals to avail insurance service. In general, individuals think of availing insurance service only when they have disposable income or surplus income. Further, family income also affects individuals' perception towards insurance services offered by both LIC and PLICs. Hence, the family income wise respondents is given table 5.7.

Table 5.7**Family income wise classification of the respondents**

Family Income (in ₹)	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Up to ₹10000	133	44.4	127	42.4	260	43.3
₹10001 - ₹20000	66	22.0	66	22.0	132	22.0
₹20001 - ₹30000	61	20.3	64	21.3	125	20.8
₹30001 - ₹40000	18	6.0	19	6.3	37	6.2
₹40001 - ₹50000	07	2.3	08	2.7	15	2.5
Above ₹50000	15	5.0	16	5.3	31	5.2
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

The study has brought to surface that out of 600 respondents, a majority of 43.3 per cent of the respondents have the family monthly income of up to ₹ 10,000 it is to be noted that 22 per cent of the respondents have the monthly income of ₹ 10,001 - ₹ 20,000, about 20.8 per cent of the respondents have the monthly income of ₹ 20,001 - ₹ 30,000 and 6.2 per cent of the respondents have the monthly income of ₹ 30,001 - ₹ 40,000 and 5.2 per cent of the respondents have the monthly income of above ₹ 50,000 and the remaining 2.5 per cent of the respondents have the monthly income of ₹ 40,001 - ₹ 50000.

The above table shows that among the customers of **LIC**, a majority of 44.4 per cent of the respondents have the family monthly income of up to ₹ 10, 000 followed by 22.0 per cent of the respondents have the monthly family income of ₹ 10,001 - ₹ 20, 000.

It is clear from table that among the customers of **PLICs** a majority of 42.4 per cent of the respondents have the monthly family income of up to ₹ 10,000 followed by 22 per cent of the respondents have the monthly family income of ₹ 10,001 - ₹ 20,000.

5.2.8 Monthly Savings

Individuals' spending pattern and eventually their savings also play an important role in availing of life insurance policies. Hence, average monthly savings of the respondents have been tabulated in the following table 5.8.

Table 5.8

Average monthly savings of the respondents

Average Monthly savings (in ₹)	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Up to ₹ 3000	152	50.7	162	54.0	314	52.3
₹ 3001 - ₹ 6000	79	26.3	72	24.0	151	25.2
₹ 6001 - ₹ 9000	19	6.3	26	8.7	45	7.5
Above ₹ 9000	50	16.7	40	13.3	90	15
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

Table clearly shows that out of 600 respondents, 52.3 per cent of the respondents have the average monthly savings of up to ₹ 3000 and 25.2 per cent of the respondents have the average monthly savings of ₹ 3001 - ₹ 6000 followed by 15 per cent of the respondents have the average monthly savings are above ₹ 9000 and 7.5 per cent of the respondents have the average monthly savings of ₹ 6001 - ₹ 9000.

Table further shows that out of Customers of LIC, 50.7 per cent of the respondents have the average monthly savings of Up to ₹ 3000 and 26.3 per cent of the respondents have the average monthly savings of ₹ 3001 - ₹ 6000 followed by 16.7 per cent of the respondents have the average monthly savings of above ₹ 9000 and 6.3 per cent of the respondents have the average monthly savings of ₹ 6001 - ₹ 9000.

Table further shows that out of customers of PLICs, 54 per cent of the respondents have the average monthly savings of Up to ₹ 3000 and 24 per cent of the respondents have the average monthly savings of ₹ 3001 - ₹ 6000 followed by 13.3 per cent of the respondents have the average monthly savings of above ₹ 9000. Thus, the majority of the respondents have the average monthly savings of up to ₹ 3000

5.2.9 Monthly Savings in Insurance

No two individuals' pattern of savings will be the same. Individuals differ in their savings pattern. Accordingly, respondents differ in their habits of saving their hard earned money in various forms of savings. Therefore, average respondents monthly savings in insurance is given in the following table 5.9.

Table 5.9

Respondents' average monthly savings in insurance

Average monthly savings in insurance	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Below ₹ 1000	138	46.0	107	35.7	245	40.8
₹ 1000 - ₹ 2000	60	20.0	113	37.7	173	28.8
₹ 2001 - ₹ 3000	45	15.0	32	10.6	77	12.9
Above ₹ 3000	57	19.0	48	16.0	105	17.5
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

Table clearly shows that out of 600 respondents, 40.8 per cent of the respondents have the average monthly savings of below ₹ 1000 in insurance and 28.8 per cent of the respondents have the average monthly savings of ₹ 1000 - ₹ 2000 in insurance followed by 17.5 per cent of the respondents have the average monthly savings of above ₹ 4000 in insurance and 12.9 per cent of the respondents have the average monthly savings of ₹ 2001 - ₹ 3000 in insurance.

Table further shows that out of customers of **LIC**, 46.0 per cent of the respondents have the average monthly savings of below ₹ 1000 in insurance and 20.0 per cent of the respondents have the average monthly savings of ₹ 1000 - ₹ 2000 in insurance followed by 19.0 per cent of the respondents have the average monthly savings of above ₹ 3000 in insurance and 15.0 per cent of the respondents have the average monthly savings of ₹ 2001 - ₹ 3000 in insurance.

Table further shows that out of customers of **PLICs**, 37.7 per cent of the respondents have the average monthly savings of ₹ 1000 - ₹ 2000 in insurance and 35.7 per cent of the respondents have the average monthly savings of below ₹ 1000 in insurance followed by 16.0 per cent of the respondents have the average monthly savings of above ₹ 3000 in insurance and the rest 10.6 per cent of the respondents have the average monthly savings of ₹ 2001 - ₹ 3000. So, the majority of the respondents have the average monthly savings of below ₹ 1000 in insurance.

5.2.10 Policies Purchased

Individuals can purchase different types of life insurance policies of their own choice. The two major types of life insurance policies are traditional policies and ULIPs. Hence, the types of policies purchased are given in the following table 5.10.

Table 5.10
Types of policies purchased by the respondents

Type of Policy Purchased	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Traditional Policies	259	86.3	256	85.3	515	85.8
ULIPS	19	6.3	23	7.7	42	7.0
Both	22	7.4	21	7.0	43	7.2
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

It is clear from table that out of 600 respondents, 85.8 per cent of the respondents are having the traditional policies followed by 7.2 per cent of the respondents are using both policies and the rest of 7 per cent of the respondents are using ULIPs.

Table further shows that out of 300 customers of **LIC**, 86.3 per cent of the respondents are having the traditional policies followed by 7.4 per cent of the respondents are using both. And the rest of 6.3 per cent of the respondents are using ULIPs

Table further shows that out of 300 customers of **PLICs**, 85.3 per cent of the respondents are having the traditional policies followed by 7.7 per cent of the respondents having the ULIPs and 7 per cent of the respondents are using both. Hence, it is inferred that most of the LIC as well as PLICs customers, have bought traditional insurance policies.

5.2.11 Mode of Premium Payment

There are different modes of premium payment namely monthly, quarterly, half-yearly, yearly, SSS, and single premium mode. Individuals' mode of premium payment influences their perception and preference towards life insurance companies. Therefore, respondents' mode of premium payment is given in the following table 5.11.

Table 5.11

Respondents' mode of premium payment

Mode of Premium payment	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Monthly	52	17.3	66	22.0	118	19.7
Quarterly	110	36.7	121	40.3	231	38.5
Half Yearly	40	13.3	49	16.3	89	14.8
Yearly	30	10.0	28	9.3	58	9.7
Salary Savings Scheme	62	20.7	28	9.3	90	15.0
Single Premium	6	2.0	08	2.8	14	2.3
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

Table shows that out of 600 respondents, 38.5 per cent of the respondents pay their premium quarterly followed by 19.7 per cent of the respondents who pay their premium by monthly mode and 15.0 per cent of the respondents pay their premium by Salary Savings Scheme (SSS) followed by 14.8 per cent of the respondents who pay Half yearly and 9.7 per cent of the respondents pay their premium yearly and the rest of 2.3 per cent of the respondents pay their premium by single premium mode.

Table further shows that out of 300 customers of **LIC**, 36.7 per cent of the respondents pay their premium quarterly followed by 20.7 per cent of the respondents who pay their premium by Salary Savings Scheme (SSS) and 17.3 per cent of the respondents pay Monthly followed by 13.3 per cent of the respondents who pay Half yearly and 10.0 per cent of the respondents pay their premium by Yearly basis and the rest of 2 per cent of the respondents pay their premium by single premium.

Table further shows that out of 300 customers of **PLICs**, 40.3 per cent of the respondents pay their premium quarterly followed by 22 per cent of the respondents who pay their premium by monthly mode and 16.3 per cent of the respondents pay half yearly followed by 9.3 per cent of the respondents who pay yearly as well as by Salary Savings Scheme (SSS) and the rest of 2.8 per cent of the respondents pay their premium by single premium.

5.2.12 Length of Availing Life Insurance

Length of availing life insurance services affects respondents' perception and preference towards the insurance companies. Based on the length of availing in life insurance services, respondents differ in their views towards the quality of life insurance services offered by the insurance companies. Therefore, the length of availing life insurance services is given in the following table 5.12.

Table 5.12**Length of availing life insurance services**

Length	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Below 5 Years	61	20.3	111	37.0	172	28.7
5 - 10 Years	98	32.7	89	29.7	187	31.2
10 - 15 Years	65	21.7	64	21.3	129	21.5
Above 15 Years	76	25.3	36	12.0	112	18.6
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

Table clearly shows that out of 600 respondents, 31.2 per cent of the respondents availing of insurance services from 5 - 10 years and 28.7 per cent of the respondents have been availing of insurance services below 5 years category and 21.5 per cent of the respondents have been availing of insurance services from 10-15 years followed by 18.6 per cent of the respondents who have been availing of insurance services from above 15 years.

Table further shows that out of 300 customers of LIC, 32.7 per cent of the respondents are availing of insurance services from 5 - 10 years and 25.3 per cent of the respondents are availing of insurance services above 15 years followed by 21.7 per cent of the respondents who are availing of insurance services from 10 - 15 years and 20.3 per cent of the respondents availing of insurance services below 5 years.

Table further shows that out of customers of PLICs, 37 per cent of the respondents availing of insurance services from below 5 years and 29.7 per cent of the respondents are availing of insurance services from 5-10 years followed by

21.3 per cent of the respondents who are availing of insurance services from 10-15 years and 12.0 per cent of the respondents availing insurance services above 15 years.

5.2.13 Number of Policies Held by Respondents

Individuals can avail any number of insurance policies for their safety and life security. So, the respondents can avail one or two or even more number of life insurance policies. The number of policies held by the respondents also influences their perception and preference towards life insurance policies. Therefore, the number of life insurance policies held by the respondents is given in the below table 5.13.

Table 5.13

Number of life insurance policies held by respondents

Number of policies held	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
One	260	86.7	271	90.4	531	88.6
Two	31	10.3	25	8.3	56	9.3
Three to Five	07	2.3	04	1.3	11	1.8
Five to Ten	02	0.7	-	-	02	0.3
More than Ten	-	-	-	-	-	-
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

It is clear from table that out of 600 respondents, 88.6 per cent of the respondents are availing only one Life Insurance Policies followed by 9.3 per cent of the respondents are availing two number of policies followed by 1.8 of the respondents are availing Three to Five number of policies and the rest of 0.3 per cent of the respondents are availing Five to Ten number of policies.

Table further shows that out of 300 customers of **LIC**, 86.7 per cent of the respondents are availing only one Insurance Policies followed by 10.3 per cent of the respondents are availing two number of policies followed by 2.3 of the respondents are availing Three to Five number of policies and the rest of 0.7 per cent of the respondents are availing Five to Ten number of policies Table further shows that out of 300 customers of **PLICs**, 90.4 per cent of the respondents are availing only one insurance policy followed by 8.3 per cent of the respondents are availing two number of policies and the rest of 1.3per cent of the respondents are availing Three to Five number of policies.

5.2.14 Rating About Life Insurance Policies

Respondents' rating about life insurance policies differs from one policyholder to another. Hence, the following table 5.14 gives respondents' rating about life insurance policies.

Table 5.14
Respondents' rating about life insurance policies

Rating	LIC		PLICs		Total Customers	
	No.	%	No.	%	No.	%
Very essential	247	82.3	207	69.0	454	75.7
Essential	53	17.7	93	31.0	146	24.3
Unnecessary	-	-	-	-	-	-
Useless	-	-	-	-	-	-
Total	300	100.0	300	100.0	600	100.0

Source: Primary Data

It is clear from table that out of 600 respondents, 75.7 per cent of the respondents come under the rating of Very Essential category followed by 24.3 per cent of the respondents under Essential category. Table further shows that out of 300

customers of LIC, 82.3 per cent of the respondents come under the rating of Very Essential part followed by 17.7 per cent of the respondents come under Essential part. Table further shows that out of 300 customers of PLICs, 69 per cent of the respondents come under the rating of Very Essential part followed by 31 per cent of the respondents as Essential.

5.2.15 Reasons for Buying Insurance Policy by Customers of LIC

Customers of LIC of India buy life insurance policies for many reasons. A few major reasons for buying life insurance policies are risk coverage, tax savings, investment opportunity. The following table 5.15 describes the various reasons for buying life insurance policies by customers of LIC of India.

Table 5.15
Reasons for buying insurance policy by customers of LIC

Sl. No.	Reasons	Garret mean score	Rank
1	Investment opportunity	66.41	I
2	Risk coverage	65.41	II
3	Tax savings	65.19	III
4	Capital Appreciation	62.06	IV
5	A good mode of savings	51.53	V
6	More Security	43.36	VI
7	Low Service Charges	37.03	VII
8	Investment for Children's education	29.78	VIII
9	Stability of company	28.57	IX

Source: Primary Data

Table 5.15 clearly shows the reasons for buying insurance policy along with their respective GARRET mean score and ranks. It is obvious from table 5.15 that of the nine reasons for buying insurance policy, 'investment opportunity' is ranked first

with the highest Garret mean score of 66.41 followed by ‘risk coverage’ with a mean score of 65.41. The reason ‘tax savings’ has been ranked third with a mean score of 65.19 followed by ‘capital appreciation’ with a mean score 62.06. ‘A good mode of savings’ has been ranked fifth with the Garret mean score of 51.53. ‘More security’ has been ranked Sixth with the Garret mean score of 43.36. ‘Low service charges’ has been ranked as seventh with the mean score of 37.03. ‘Investment for children’s education’ has been ranked as eighth with the mean score of 29.78. ‘Stability of the company’ scores the least rank with the Garret mean score of 28.57.

5.2.16 Reasons for Buying Insurance Policy by Customers of PLICs

Customers of private life insurance companies (PLICs) buy life insurance policies for many reasons. A few major reasons are tax savings, risk coverage and investment opportunity. The following table 5.16 describes the various reasons for buying life insurance policies by the customers of PLICs.

Table 5.16
Reasons for buying insurance policy by customers of PLICs

Sl. No.	Reasons	Garret mean score	Rank
1	Tax savings	69.06	I
2	Risk coverage	68.33	II
3	Investment opportunity	61.96	III
4	Capital Appreciation	54.45	IV
5	More Security	52.95	V
6	A good mode of savings	39.91	VI
7	Stability of company	30.12	VII
8	Investment for Children’s education	27.84	VIII
9	Low Service Charges	17.62	IX

Source: Primary Data

Table 5.16 clearly shows the reasons for buying insurance policy along with their respective GARRET mean score and ranks. It is obvious from table 5.16 that of the nine reasons for buying insurance policy, ‘tax savings’ is ranked first with the highest Garret mean score of 69.06 followed by ‘risk coverage’ with a mean score of 68.33. The reason ‘investment opportunity’ has been ranked third with a mean score of 61.96 followed by ‘capital appreciation’ with a mean score of 54.45. ‘More security’ has been ranked fifth with the Garret mean score of 52.95. ‘A good mode of savings’ has been ranked sixth with the Garret mean score of 39.91. ‘Stability of company’ has been ranked as seventh with the mean score of 30.12. ‘Investment for children education’ has been ranked as eighth with the mean score of 27.84. ‘Low service charge’s scores the least Garret mean score of 17.06.

5.2.17 Reasons for Buying Insurance Policy by Total Customers

Customers of both LIC of India and PLICs buy life insurance policies for various reasons. The different reasons for buying life insurance policies by total customers are listed in the following table 5.17.

Table 5.17

Reasons for buying insurance policy by total customers

Sl. No.	Reasons	Garret mean score	Rank
1	Tax savings	67.24	I
2	Risk coverage	67.14	II
3	Investment opportunity	64.05	III
4	Capital Appreciation	58.26	IV
5	More Security	52.25	V
6	A good mode of savings	44.13	VI
7	Low Service Charges	38.48	VII
8	Stability of company	30.26	VIII
9	Investment for Children’s education	28.21	IX

Source: Primary Data

Table 5.17 clearly shows the reasons for buying insurance policy along with their respective GARRET mean score and ranks. It is obvious from table 5.17 that of the nine reasons for buying insurance policy; ‘Tax Savings’ is ranked first with the highest Garret mean score of 67.24 followed by ‘Risk coverage’ with a mean score of 67.14. The reason ‘Investment Opportunity’ has been ranked three with a mean score of 64.05 followed by ‘Capital Appreciation’ with a mean score 58.26 ‘More Security’ has been ranked with the Garret mean score of 52.25. ‘A Good mode of Savings’ has been ranked six with the Garret mean score of 44.13. ‘Low service charges’ has been ranked as seven with the mean score of 38.48. ‘Stability of Company has been ranked as eight with the mean score of 30.26 and the ‘Investment for Children’s Education scores with the least Garret mean score of 28.21.

Factors influencing the Customers of LIC to select Insurance - Factor analysis

Factor analysis helps to reduce the innumerable variables into limited number of latent factors having inter-correlation within themselves. Hence, factor analysis is attempted to reduce the numerous variables into limited number of factors. In order to apply factor analysis, the basic assumption to be fulfilled is the factorability of the correlation matrix. KMO measures of sampling adequacy and the Bartlett’s test of sphericity determine the factorability of the correlation matrix. The results of the calculation are presented in table.

Table 5.18

Findings of KMO and Bartlett’s Test for LIC Customers

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.873
Bartlett's Test of Sphericity Approx. Chi-Square	1.3723
DF	105
Significance	0.000

Table 5.18 shows the findings of the KMO and Bartlett's test for LIC customers. Table reveals that the factor analysis can be rightly employed in this context as evidenced through a higher KMO measure (0.873) and a significant Bartlett's test result. Hence factor analysis is attempted. Analysis of factors influencing the LIC customers to select insurance in Tirunelveli District are made through rotated factor matrix which reveals that there are four major factors responsible for select insurance . The findings of the rotated factor analysis on the influencing of LIC customers to select insurance in Tirunelveli District are presented in the following table.

Table 5.19
Factors influencing the Customers of LIC to select Insurance
Rotated Factor Analysis

Variables	F1	F2	F3	F4	h ²
Provide friendly service	0.723	0.210	0.138	0.229	1.300
Convenient Service Hours	0.712	0.049	0.311	0.289	1.361
Clean surroundings and premises	0.683	0.135	0.319	0.050	1.187
Provide prompt service	0.651	0.232	0.224	0.087	1.194
Provide visually appealing facilities	0.649	0.011	0.049	0.365	1.074
Have competent employees for better performance	0.636	0.132	0.060	0.396	1.224
Provide E - Insurance marketing	0.626	0.317	0.368	0.239	1.550
Provide value added service	0.410	0.704	0.378	0.081	1.573
Provide Better Communication System	0.382	0.648	0.095	0.130	1.255
Offer convenient location	0.379	0.555	0.231	0.269	1.434
Offer Competitive Pricing	0.344	0.238	0.667	0.245	1.494
Perform Services right at the first time	0.285	0.015	0.631	0.308	1.239
Existence of Physical evidences for Quality Service	0.281	0.004	0.596	0.048	0.929
Provide full particulars about life insurance	0.231	0.419	0.293	0.662	1.605
Simple and easy Process/Procedures	0.133	0.493	0.264	0.567	1.457
Eigen Value	5.322	1.171	1.114	1.033	
Percent of Variation	35.480	7.807	7.430	6.888	
Cumulative Percentage	35.480	43.287	50.717	57.605	

Rotated factor analysis categorizes the factors influencing the LIC customer's select insurance services into four broad groups. The details are presented in the table. The detailed lists of factors falling under four groups are presented below.

First Factor

- i) Provide friendly service
- ii) Convenient Service Hours
- iii) Clean surroundings and premises
- iv) Provide prompt service
- v) Provide visually appealing facilities
- vi) Have competent employees for better performance
- vii) Provide E - Insurance marketing

Second Factor

- i) Provide value added service
- ii) Provide Better Communication System
- iii) Offer convenient location

Third factor

- i) Offer Competitive Pricing
- ii) Perform Services right at the first time
- iii) Existence of Physical evidences for Quality Service

Fourth factor

- i) Provide full particulars about life insurance
- ii) Simple and easy process/procedures

Table reveals that the first factor F1 accounts for **35.480 per cent** variation in the total variables set. There are seven variables positively loaded in this factor. They are:- Provide friendly service, convenient service hours, clean surroundings and premises, provide prompt service, provide visually appealing facilities, have competent employees for better performance and provide E - Insurance marketing. These seven variables are positively loaded in the factor F1. It implies that there is a positive correlation among these seven variables and make a variation of 35.480 per cent in the factors influencing the LIC customers to select insurance in Tirunelveli District.

Table reveals that the second factor F2 accounts for **7.807 per cent** variation in the total variables set. There are three variables positively loaded in this factor. They are: providing value added service, provide better communication system and offer convenient location. These three variables are positively loaded in the factor F2. It implies that there is a positive correlation among these three variables and make a variation of 7.807 per cent in the factors influencing the LIC customers to select insurance in Tirunelveli District.

Table reveals that the third factor F3 accounts for **7.430 per cent** variation in the total variables set. There are three variables positively loaded in this factor. They are:-offer competitive pricing; perform right at the first time, existence of physical evidences for quality service. These three variables are positively loaded in the factor F3. It implies that there is a positive correlation among these three variables and make a variation of 7.430 per cent in the factors influencing the LIC customers to select insurance in Tirunelveli District.

Table reveals that the fourth factor F4 accounts for **6.888 per cent** variation in the total variables set. There are two variables positively loaded in this factor. They are:

providing full particulars about life insurance, simple and easy process/ procedures. These two variables are positively loaded in the factor F4. It implies that there is a positive correlation among these two variables and make a variation of **6.888 per cent** in the factors influencing the LIC customers to select insurance in Tirunelveli District.

Factors influencing the Customers of PLICs to select Insurance - Factor analysis

Factor analysis helps to reduce the innumerable variables into limited number of latent factors having inter-correlation within themselves. Hence, factor analysis is attempted to reduce the numerous variables into limited number of factors. In order to apply factor analysis, the basic assumption to be fulfilled is the factorability of the correlation matrix. KMO measures of sampling adequacy and the Bartlett’s test of sphericity determine the factorability of the correlation matrix. The results of the calculation are presented in table.

Table 5.20

Findings of KMO and Bartlett’s Test for PLICs Customers

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.866
Bartlett's Test of Sphericity Approx. Chi-Square	1.1003
DF	105
Significance	0.000

Table 5.20 shows the findings of the KMO and Bartlett’s test for PLICs customers. Table reveals that the factor analysis can be rightly employed in this context as evidenced through a higher KMO measure (0.866) and a significant Bartlett’s test result. Hence, factor analysis is attempted. Analysis of factors influencing the PLICs customers to select insurance in Tirunelveli District are made through rotated factor matrix which reveals that there are four major factors responsible for selecting

insurance. The findings of the rotated factor analysis on the influencing of PLICs customers in Tirunelveli District are presented in table.

Table 5.21

**Factors influencing the Customers of PLICs to select Insurance
Rotated Factor Analysis**

Variables	F1	F2	F3	F4	h²
Convenient Service Hours	0.692	0.106	0.194	0.312	1.304
Provide Visually Appealing Facilities	0.689	0.059	0.266	0.137	1.151
Clean Surroundings and Premises	0.683	0.242	0.004	0.039	0.968
Have competent employees for better performance	0.635	0.123	0.262	0.015	1.035
Provide Friendly Services	0.615	0.224	0.207	0.112	1.158
Provide Value Added Service	0.608	0.355	0.240	0.170	1.373
Provide Prompt Service	0.587	0.339	0.114	0.067	1.107
Provide Better Communication System	0.318	0.612	0.084	0.328	1.342
Existence of physical evidences for quality service	0.302	0.574	0.099	0.273	1.248
Provide E-Insurance Marketing	0.201	0.560	0.305	0.301	1.367
Offer competitive pricing	0.288	0.525	0.464	0.355	1.632
Perform services right at the first time	0.249	0.390	0.699	0.049	1.387
Offer convenient location	0.209	0.153	0.625	0.034	1.021
Simple And Easy Process / Procedures	0.387	0.136	0.349	0.585	1.457
Providing full particulars about life insurance	0.355	0.224	0.303	0.543	1.425
Eigen Value	4.745	1.245	1.183	1.095	
Percent of Variation	31.632	8.301	7.887	7.301	
Cumulative Percentage	31.632	39.933	47.820	55.121	

Rotated factor analysis categorizes the factors influencing the PLICs customer's select insurance services into four broad groups. The details are presented in the table. The detailed list of factors falling fewer than four groups are presented below.

First Factor

- i) Convenient Service Hours
- ii) Provide visually appealing facilities
- iii) Clean surroundings and premises
- iv) Have competent employees for better performance
- v) Provide friendly service
- vi) Provide value added service
- vii) Provide Prompt service

Second Factor

- i) Provide Better Communication System
- ii) Existence of physical evidences for quality service
- iii) Provide E-Insurance Marketing
- iv) Offer competitive pricing

Third factor

- i) Perform services right at the first time
- ii) Offer convenient location

Fourth factor

- i) Simple and easy process/procedures
- ii) Provide full particulars about life insurance

Table reveals that the first factor F1 accounts for **31.632 per cent** variation in the total variables set. There are seven variables positively loaded in this factor. They are : Convenient Service Hours, Provide Visually Appealing Facilities, Clean

Surroundings and Premises, Have competent employees for better performance, Provide Friendly Services, Provide Value Added Service, Provide Prompt Service. These seven variables are positively loaded in the factor F1. It implies that there is a positive correlation among these seven variables and make a variation of 31.632 per cent in the factors influencing the LIC customers to select insurance in Tirunelveli District.

Table reveals that the second factor F2 accounts for **8.301 per cent** variation in the total variables set. There are four variables positively loaded in this factor. They are: Provide Better Communication System, Existence of physical evidences for quality service, Provide E-Insurance Marketing, Offer competitive pricing. These four variables are positively loaded in the factor F2. It implies that there is a positive correlation among these four variables and make a variation of 8.301 per cent in the factors influencing the PLICs customers to select insurance in Tirunelveli District.

Table reveals that the third factor F3 accounts for **7.887 per cent** variation in the total variables set. There are two variables positively loaded in this factor. They are: Perform services right at the first time, Offer convenient location. These two variables are positively loaded in the factor F3. It implies that there is a positive correlation among these two variables and make a variation of 7.887 per cent in the factors influencing the PLICs customers to select insurance in Tirunelveli District.

Table reveals that the fourth factor F4 accounts for **7.301. Per cent** variation in the total variables set. There are two variables positively loaded in this factor. They are: simple and easy process/procedures, providing full particulars about life insurance. These two variables are positively loaded in the factor F4. It implies that there is a positive correlation among these two variables and make a variation of **7.301 per cent**

in the factors influencing the PLICs customers to select insurance in Tirunelveli District.

Factors influencing the Total Customers to select Insurance - Factor analysis

Factor analysis helps to reduce the innumerable variables into limited number of latent factors having inter-correlation within themselves. Hence, factor analysis is attempted to reduce the numerous variables into limited number of factors. In order to apply factor analysis, the basic assumption to be fulfilled is the factorability of the correlation matrix. KMO measures of sampling adequacy and the Bartlett’s test of sphericity determine the factorability of the correlation matrix. The results of the calculation are presented in table.

Table 5.22

Findings of KMO and Bartlett’s Test for Total Customers

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.880
Bartlett's Test of Sphericity Approx. Chi-Square	2.393
DF	105
Significance	0.000

Table 5.22 shows the findings of the KMO and Bartlett’s test for total customers. Table reveals that the factor analysis can be rightly employed in this context as evidenced through a higher KMO measure (0.880) and a significant Bartlett’s test result. Hence, factor analysis is attempted. Analysis of factors influencing the total customers to select both LIC and PLICs insurance in Tirunelveli District are made through rotated factor matrix which reveals that there are four major factors responsible for selecting insurance. The findings of the rotated factor analysis on the influencing of total customers in Tirunelveli District are presented in Table.

Table 5.23

Factors influencing the Total Customers to select Insurance
Rotated Factor Analysis

Variables	F1	F2	F3	F4	h ²
Convenient service hours	0.700	0.138	0.124	0.373	1.335
Clean Surroundings and premises	0.681	0.252	0.101	0.098	1.132
Provide friendly service	0.663	0.163	0.189	0.191	1.206
Provide visually availing service	0.661	0.012	0.297	0.131	1.101
Have competent employees for better performance	0.630	0.084	0.309	0.062	1.085
Provide prompt service	0.621	0.302	0.162	0.058	1.143
Provide value added service	0.408	0.563	0.666	0.322	1.959
Provide E-Insurance Marketing	0.365	0.552	0.138	0.345	1.400
Provide better communication system	0.351	0.504	0.006	0.157	1.018
Offer competitive pricing	0.319	0.032	0.761	0.460	1.572
Existence of physical evidences for quality service	0.290	0.042	0.736	0.015	1.083
Perform services at right at the first time	0.266	0.261	0.647	0.018	1.192
Offer convenient location	0.247	0.375	0.354	0.739	1.715
Simple and easy process/ easy procedures	0.214	0.310	0.369	0.656	1.549
Providing full particulars about life insurance	0.146	0.384	0.330	0.579	1.439
Eigen Value	5.001	1.189	1.107	1.072	
Percent of Variation	33.337	7.930	7.377	7.144	
Cumulative Percentage	33.337	41.267	48.643	55.787	

Rotated factor analysis categorizes the factors influencing the total customers selecting insurance services into four broad groups. The details are presented in the table. The detailed list of factors falling under four groups are presented below.

First Factor

- i) Convenient service hours
- ii) Clean Surroundings and premises
- iii) Provide friendly service
- iv) Provide visually availing service
- v) Have competent employees for better performance
- vi) Provide prompt service

Second Factor

- i) Provide value added service
- ii) Provide E-Insurance Marketing
- iii) Provide better communication system

Third factor

- i) Offer competitive pricing
- ii) Existence of physical evidences for quality service
- iii) Perform services at right at the first time

Fourth factor

- i) Offer convenient location
- ii) Simple and easy process/ easy procedures
- iii) Providing full particulars about life insurance

Table reveals that the first factor F1 accounts for **33.337 per cent** variation in the total variables set. There are six variables positively loaded in this factor. They are convenient service hours, Clean Surroundings and premises, Provide friendly service, Provide visually availing service, have competent employees for better performance, Provide prompt service. These six variables are positively loaded in the factor F1.

It implies that there is a positive correlation among these six variables and make a variation of **33.337 per cent** in the factors influencing the total customers to select insurance in Tirunelveli District.

Table reveals that the second factor F2 accounts for **7.930 per cent** variation in the total variables set. There are three variables positively loaded in this factor. They are: Provide value added service, Provide E-Insurance Marketing, Provide better communication system. These three variables are positively loaded in the factor F2. It implies that there is a positive correlation among these three variables and make a variation of **7.930 per cent** in the factors influencing the total customers to select insurance in Tirunelveli District.

Table reveals that the third factor F3 accounts for **7.377 per cent** variation in the total variables set. There are three variables positively loaded in this factor. They are: Offer competitive pricing, Existence of physical evidences for quality service, Perform services at right at the first time. These three variables are positively loaded in the factor F3. It implies that there is a positive correlation among these three variables and make a variation of **7.377 per cent** in the factors influencing the total customers to select insurance in Tirunelveli District.

Table reveals that the fourth factor F4 accounts for **7.144 per cent** variation in the total variables set. There are three variables positively loaded in this factor. They are: Offer convenient location, Simple and easy process / easy procedures, Providing full particulars about life insurance. These three variables are positively loaded in the factor F4. It implies that there is a positive correlation among these three variables and make a variation of **7.144 per cent** in the factors influencing the total customers to select insurance in Tirunelveli District.

5.3 SUMMARY

This chapter aims at studying the socio-economic profile of the sample customer respondents. It was inferred that the factors such as provide friendly service, convenient service hours, clean surroundings and premises, provide prompt service have been identified as first factors influencing the respondents in selecting insurance service.

CHAPTER - VI

SERVICE QUALITY PERCEPTION OF CUSTOMERS

6.1 INTRODUCTION

This chapter includes the service quality gap that is found between customers' expectation and perception. Expectation and perception index have also been included in this part of the study. To assess whether there is any significant difference between sample customer respondents' demographic variables and their level of satisfaction, ANOVA has been used and accordingly inferences were drawn.

6.2 SERVICE QUALITY GAP

The data have been collected using SERVQUAL tool from 600 samples for both expectation and perception regarding quality measurement of insurance services. The service quality gap is described by the following equation $SQ = E_{jk} - P_{jk}$, where $E_{jk} = E$ for Expectation of service dimension, j for response to a service attribute and k for number of service attributes. $P_{jk} = P$ for perception of service dimension, j for response to a service attribute and k for number of service attributes. SQ is service quality gap. The average mean score for 5 dimensions and 33 statements of customers' expectation and perception are shown in table 6.1.

Table 6.1**Service Quality Gap of Customers of LIC**

Sl. No	Dimension	Mean (E)	Mean (P)	GAP (E-P)
	Tangibility	4.23	3.68	0.55
1	Adequate infrastructural facilities	4.46	3.89	0.57
2	Physical appearance of the staff is professional	4.01	3.72	0.29
3	Visually appealing features	4.04	3.81	0.23
4	Location is easily accessible	4.25	3.85	0.4
5	Location is free from pollution	4.20	3.61	0.59
6	Insurance company uses latest technology in providing service	4.46	3.78	0.68
7	Vehicle parking facility is available	4.29	3.30	0.99
8	Company is having a memorable advertisement	4.26	3.74	0.52
9	Information is easily available	4.33	3.88	0.45
10	Beautiful elevation of the office building	4.05	3.30	0.75
	Reliability	4.39	3.91	0.48
11	Get things right at the first time	4.40	3.81	0.59
12	Provides service at time in promise to do so	4.33	3.80	0.53
13	Insists on error free records	4.42	3.89	0.53
14	Company has competitive pricing compared to others	4.24	4.09	0.15
15	Provision of documentary evidences for insurance services	4.56	3.97	0.59
	Responsiveness	4.37	3.70	0.67
16	Personnel tell exactly when the service will be performed	4.32	3.80	0.52
17	Staff or prompt in responding to questions and queries	4.48	3.56	0.92
18	Front office staff respond to phone calls instantaneously	4.45	3.76	0.69
19	Staff are willing to help at anytime	4.30	3.58	0.72
20	Organized time table	4.32	3.81	0.51

Sl. No	Dimension	Mean (E)	Mean (P)	GAP (E-P)
	Assurance	4.45	4.07	0.38
21	Employees are trustworthy and honest	4.56	4.13	0.43
22	Employees in company have knowledge and competence to solve customers' problems	4.34	4.01	0.33
23	Company is widely known	4.48	4.14	0.34
24	Company is well liked	4.45	4.05	0.4
25	Company is unique compared to others	4.41	4.10	0.31
26	Insurance Agent/advisor gives assurance as to deliverance of the services	4.44	4.17	0.27
27	Data revealed by customers are kept confidential	4.50	4.09	0.41
28	Office staff give assurance with regard to their efficient service	4.46	3.89	0.57
	Empathy	4.39	3.91	0.47
29	Customer gets individual attention	4.86	4.09	0.77
30	Company has its customers' best interest in heart	4.38	4.01	0.37
31	Client friendly service	4.30	3.85	0.45
32	Office staff have concern and they understand customers' problem	4.25	3.80	0.45
33	Seeks to understand customers' needs problems	4.17	3.84	0.33

Source: Primary Data

It is clear from the table 6.1 that the mean scores of expectations are high and ranged from 4.01 (for item 2 physical appearance of the staff is professional) to 4.86 (for item 29 customers gets individual attention). Total mean score of customer's expectation is 4.36. Among the five dimensions, the highest expectation is related to the assurance, reliability and empathy dimensions (dimensions' mean score: assurance = 4.45, reliability and empathy = 4.39) and the lowest expectation is related to the responsiveness and tangibility dimensions (dimensions' mean score: responsiveness = 4.37, tangibility = 4.23).

The mean score of the perceptions ranged from 3.30 (for item 7 and 10 vehicle parking facility is available and beautiful elevation of the office building) to 4.14 (for item 23 company is widely known.) The total mean score of customer's perception is 3.85. Among the five dimensions of quality, the highest perception is related to the assurance dimension (dimensions mean score = 4.07) and the lowest perception is related to the tangibility (dimension's mean score = 3.68).

The gap score of each item and dimension was computed by subtracting the perception score from the expectation score. Table shows that the highest gap of the quality relates to the responsiveness dimension (gap mean score = 0.67) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the assurance dimension (gap mean score = 0.38)

Table 6.2

Service Quality Gap of Customers of PLICs

Sl. No.	Dimension	Mean (E)	Mean (P)	GAP (E-P)
	Tangibility	4.41	3.84	0.57
1	Adequate infrastructural facilities	4.50	3.82	0.68
2	Physical appearance of the staff is professional	4.21	3.85	0.36
3	Visually appealing features	4.50	3.77	0.73
4	Location is easily accessible	4.28	4.02	0.26
5	Location is free from pollution	4.29	3.78	0.51
6	Insurance company uses latest technology in providing service	4.58	3.96	0.62
7	Vehicle parking facility is available	4.60	3.68	0.92
8	Company is having a memorable advertisement	4.37	3.92	0.45
9	Information is easily available	4.37	3.93	0.44
10	Beautiful elevation of the office building	4.45	3.76	0.69
	Reliability	4.48	4.10	0.38
11	Get things right at the first time	4.52	3.97	0.55
12	Provides service at time in promise to do so	4.45	4.01	0.44
13	Insists on error free records	4.45	4.16	0.29
14	Company has competitive pricing compared to others	4.52	4.24	0.28
15	Provision of documentary evidences for insurance services	4.48	4.14	0.34
	Responsiveness	4.43	3.90	0.53
16	Personnel tell exactly when the service will be performed	4.50	4.10	0.4
17	Staff are prompt in responding to questions and queries	4.58	3.84	0.74
18	Front office staff respond to phone calls instantly	4.41	4.00	0.41
19	Staff is willing to help at anytime	4.36	3.80	0.56
20	Organized time table	4.32	3.80	0.52
	Assurance	4.51	4.09	0.42
21	Employees are trustworthy and honest	4.44	3.98	0.46

Sl. No.	Dimension	Mean (E)	Mean (P)	GAP (E-P)
22	Employees in company have knowledge and competence to solve customers' problems	4.34	3.96	0.38
23	Company is widely known	4.54	4.22	0.32
24	Company is well liked	4.49	4.08	0.41
25	Company is unique compared to others	4.69	4.10	0.59
26	Insurance Agent/advisor gives assurance as to deliverance of the services	4.61	4.08	0.53
27	Data revealed by customers are kept confidential	4.64	4.29	0.35
28	Office staff give assurance with regard to their efficient service	4.37	4.06	0.31
	Empathy	4.48	3.95	0.53
29	Customer gets individual attention	4.49	3.98	0.51
30	Company has its customers' best interest in heart	4.49	3.97	0.52
31	Client friendly service	4.52	3.90	0.62
32	Office staff have concern and they understand customers' problem	4.45	4.01	0.44
33	Seeks to understand customers' needs problems	4.45	3.89	0.56

Source: Primary Data

It is clear from the table 6.2 that the mean scores of expectations are high and ranged from 4.21 (for item 2 physical appearance of the staff is professional) to 4.69 (for item 25 company is unique compared to others). Total mean score of customers' expectation is 4.46. Among the five dimensions, the highest expectation is related to the assurance, reliability and empathy dimensions (dimensions' mean score: assurance = 4.51, reliability and empathy = 4.48,) and the lowest expectation related to the responsiveness, tangibility dimensions (dimensions' mean score: responsiveness = 4.48, tangibility = 4.41)

The mean score of the perceptions ranged from 4.01 (for item 12 provides service at time in promise to do so.) to 4.29 (for item 27 data revealed by customers are kept confidential.) The total mean score of customer's perception is 3.97. Among the five dimensions of quality, the highest perception is related to the reliability dimension (dimension's mean score = 4.10) and the lowest perception related to the tangibility (dimension's mean score = 3.84).

The gap score of each item and dimension was computed by subtracting the perception score from the expectation score. Table shows that the highest gap of the quality relates to the tangibility dimension (gap mean score = 0.57) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the reliability dimension (gap mean score = 0.38).

Table 6.3

Service Quality Gap of Total Customers

Sl. No.	Dimension	Mean (E)	Mean (P)	GAP (E-P)
	Tangibility	4.32	3.76	0.56
1	Adequate infrastructural facilities	4.48	3.86	0.62
2	Physical appearance of the staff is professional	4.11	3.78	0.33
3	Visually appealing features	4.27	3.79	0.48
4	Location is easily accessible	4.26	3.94	0.32
5	Location is free from pollution	4.24	3.70	0.54
6	Insurance company uses latest technology in providing service	4.52	3.87	0.65
7	Vehicle parking facility is available	4.44	3.49	0.95
8	Company is having a memorable advertisement	4.32	3.83	0.49
9	Information is easily available	4.35	3.90	0.45
10	Beautiful elevation of the office building	4.25	3.53	0.72
	Reliability	4.43	4.06	0.37
11	Get things right at the first time	4.46	3.89	0.57

Sl. No.	Dimension	Mean (E)	Mean (P)	GAP (E-P)
12	Provides service at time in promise to do so	4.39	3.90	0.49
13	Insists on error free records	4.44	4.02	0.42
14	Company has competitive pricing compared to others	4.38	4.16	0.22
15	Provision of documentary evidences for insurance services	4.52	4.06	0.46
	Responsiveness	4.40	3.80	0.6
16	Personnel tell exactly when the service will be performed	4.41	3.95	0.46
17	Staff are prompt in responding to questions and queries	4.53	3.70	0.83
18	Front office staff respond to phone calls instantaneously	4.43	3.88	0.55
19	Staff is willing to help at anytime	4.33	3.69	0.64
20	Organized time table	4.32	3.80	0.52
	Assurance	4.48	4.08	0.40
21	Employees are trustworthy and honest	4.50	4.06	0.44
22	Employees in company have knowledge and competence to solve customers' problems	4.34	3.98	0.36
23	Company is widely known	4.51	4.18	0.33
24	Company is well liked	4.47	4.06	0.41
25	Company is unique compared to others	4.55	4.10	0.45
26	Insurance Agent/advisor give assurance as to deliverance of the services	4.52	4.12	0.4
27	Data revealed by customers are kept confidential	4.57	4.19	0.38
28	Office staff give assurance with regard to their efficient service	4.42	3.98	0.44
	Empathy	4.43	3.93	0.50
29	Customer gets individual attention	4.68	4.04	0.64
30	Company has its customers' best interest in heart	4.44	3.99	0.45
31	Client friendly service	4.41	3.88	0.53
32	Office staff have concern and they understand customers' problem	4.35	3.90	0.45
33	Seeks to understand customers' needs problems	4.31	3.86	0.45

Source: Primary Data

It is clear from the table 6.3 that the mean scores of expectations are high and ranged from 4.11 (for item 2 physical appearance of the staff is professional) to 4.68 (for item 29 customers gets individual attention). Total mean score of customers' expectation is 4.41. Among the five dimensions, the highest expectation is related to the assurance, reliability dimensions (dimension's mean score: assurance = 4.48, reliability and empathy = 4.43) and the lowest expectation related to the responsiveness, tangibility dimensions (dimensions' mean score = responsiveness = 4.40, tangibility = 4.32)

The mean score of the perceptions ranged from 3.49 (for item 7 vehicle parking facility is available to 4.19 (for item 27 data revealed by customers are kept confidential). The total mean score of customer's perception is 3.92. Among the five dimensions of quality, the highest perception is related to the assurance dimension (dimension's mean score = 4.08) and the lowest perception is related to the tangibility (dimension's mean score = 3.76).

The gap score of each item and dimension was computed by subtracting the perception score from the expectation score. Table shows that the highest gap of the quality relates to the responsiveness dimension (gap mean score = 0.60) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the assurance dimension (gap mean score = 0.40).

Customers Expectation Index- Methodology

Expectation is a qualitative variable which cannot be quantitatively measured, because level of expectation cannot be quantitatively measured. It is a relative term which cannot be relatively measured and compared with one customer to another. Hence, in quantifying the qualitative variable namely level of expectation of the customers, scaling technique is employed. The qualitative variable namely expectation of customers is assessed through scaling technique. Likert type of five point scale is employed to collect data related to level of expectation. The expectation scores collected through scaling technique are consolidated in a systematic way through customers' expectation index. Customers' Expectation Index (CEI) measures the expectation of customers in five major categories of services of LIC & PLICs. They are Tangibility, Reliability, Responsiveness, Assurance, and Empathy. In these five major categories of insurance services, there are 33 questions used in the study.

The expectation of the customers is assessed at five levels. They are: highly expected, expected, moderate, not expected and not at all expected. The scoring pattern of the expectation for these five stages is given in the table.

Table 6.4

Expectation Scores

Sl.No	Level of Expectation	Scores
1	Highly Expected	5
2	Expected	4
3	Moderate	3
4	Not expected	2
5	Not at all expected	1

Table 6.4 assigns '5' scores for highly expected, '4' score for expected, '3' scores for moderate, '2' for not expected and '1' score for those customers who have not at all expected. Keeping this scoring pattern as the base for all the 33 expectations (variables), the Customers' Expectation Index (CEI) is constituted.

Customers' expectation index is an unstandardised one developed by the researcher used to measure the level of expectation. Since the index is first of its kind and an unstandardised one the reliability of the index is tested through reliability analysis. Cronbach's alpha validated the reliability of the unstandardised tools. Cronchbach's alpha is calculated as,

$$\alpha =$$

Where,

$$K = \text{Number of variables considered}$$

$$r = \text{Inter-items correlation}$$

The proposed index comprises of 33 variables (expectations) falling under five categories in relation to them, the scores of expectation are assigned. In order to include the 33 variables in the index and to measure the internal consistency among them Cronbach's alpha is used.

Mathematically customers' expectation index is presented as

$$CEI = \sum_{i=1}^n CEV_i$$

Where,

$$CEI = \text{Customer Expectation Index}$$

$$CEV_i = \text{Customer Expectation in Variable } i$$

$$i = 1 \dots n \text{ or Number of expectation variable included in the index.}$$

$$n = 33$$

A customer with high expectation in terms of all 33 expectation variables in terms of any of the 33 variables can get a maximum score of 165 scores and a customer with not at all expected response a minimum of 33 score. Thus, by employing the Customers' Expectation Index (CEI), the level of expectation of customers can be assessed. Analysis of expectation through Customer Expectation Index in different categories of insurance services in Tirunelveli District highlights expectation of customers.

Customers' Expectation

Expectation of customers as measured through Customer Expectation Index (CEI) in different categories of insurance services in Tirunelveli District is presented in Table 6.5.

Table 6.5

Customer Expectation

Customer Expectation (as measured through CEI in scores)	Type of Customers		Total Customers
	LIC Customers	PLICs Customers	
Below 100	3(1)	-	3(0.5)
100 to 120	19(6.3)	12(4)	31(5.2)
121 to 140	87(29)	72(24)	159(26.5)
141 to 160	165(55)	158(52.7)	323(53.8)
Above 160	26(8.7)	58(19.3)	84(14)
Total	300(100)	300(100)	600(100)

Source: Computed Data

The table 6.5 shows the level of expectation of different type of customers as regards insurance service in Tirunelveli District. Out of 600 respondents in Tirunelveli

District, 323 respondents (53.8 per cent) have expectation scores of 141 to 160 points, 159 respondents (26.5 per cent) have expectation scores of 121 to 140 points, 84 respondents (14 per cent) have expectation scores of above 160 points and only 34 respondents (5.7 per cent) have expectation score level of below 120 points.

Table shows that among the LIC customers, only 22 respondents (7.3 per cent) have expected at the low level of below 120 scores, 165 respondents (55 per cent) have expected to the level of 141 to 160 points, 87 respondents (29 per cent) have scored 121 to 140 points and 26 respondents (8.7 per cent) have scored above 160 points.

Table further shows that among the PLICs customers, only 12 respondents (4 per cent) have expected at the lower level of below 120 points, 158 respondents (52.7 per cent) have expected at the higher level of 141 to 160 points scores, 72 respondents (24 per cent) have 121 to 140 points score and 58 respondents (19.3 per cent) have expected at the higher level scores of above 160 points.

For an in-depth analysis on the basis of the level of expectation, the customers are group under into three categories as given below:

- Customers with high level expectation
- Customers with moderate level expectation
- Customers with low level expectation

In order to categorise the client into three categories, the mean (\bar{x}) and standard deviation (σ) have been used. The mean and standard deviation of the scores of expectation of customers are calculated for each category separately. The boundary levels for categorization are worked out accordingly by using the mean and standard deviation. The boundaries for three groups are fixed as below $\bar{x} \pm \sigma$. Thus, the upper boundary for lower level of expectation is worked out as $\bar{x} - \sigma$ and the lower boundary

for higher level of expectation is worked out as $x+\sigma$. Those customers with scores in between these two boundaries are regarded as customers with moderate level of expectation. The table presents the boundary for grouping of customers under three categories.

Table 6.6

Boundary for Categorization of Customers

Type of Customers	Mean X	Standard deviation Σ	Level of Scores for Expectation		
			Low <(x- σ)	Moderate (x- σ) to (x+ σ)	High > (x+ σ)
LIC customers	142.82	13.67	<129	129-156	>156
PLICs customers	147.24	12.97	<134	134-160	>160

Source: Computed Data

The above table fixes the boundary levels for three categories of customers. The different types of customers are categorized into three categories on the basis of their expectation scores and the details are furnished in table 6.6.

Table 6.7

Level of Expectation

Level of Expectation	Type of Customers		Total Customers
	LIC Customers	PLICs Customers	
Low	36(12)	48(16)	84(14)
Moderate	221(73.7)	194(64.7)	415(69.2)
High	43(14.3)	58(19.3)	101(16.8)
Total	300(100)	300(100)	600(100)

Source : Computed Data

(Figures in parentheses indicate percentage)

From table 6.7, it could be understandable that 415 (69.2 per cent) customers are moderately expecting the service quality of insurance services, 101 respondents (16.8 per cent) are expecting at high level and 84 respondents (14 per cent) have expected the service quality of insurance services at low level.

Among the LIC customers out of 300 respondents, 221 respondents (73.7 per cent) have moderately expected the service quality of insurance services, 43 customers (14.3 per cent) are in the high expectation level and 36 respondents (12 per cent) have expected the service quality of insurance services at low level.

Out of 300 respondents of PLICs customers, 194 respondents (64.7 per cent) have moderately expected the service quality of insurance services, 58 respondents (19.3 per cent) have expected the service quality of insurance services at high level and 48 respondents (16 per cent) have expected the service quality of insurance services at low level.

Customers' Perception Index- Methodology

Perception is a qualitative variable which cannot be quantitatively measured, because level of perception cannot be quantitatively measured. It is a relative term which cannot be relatively measured and compared with one customer to other. Hence, in quantifying the qualitative variable namely level of perception of the customers, scaling technique is employed. The qualitative variable namely perception of customers is assessed through scaling technique. Likert type of five point scale is employed to collect data related to level of perception. The perception scores collected through scaling technique are consolidated in a systematic way through customers' perception index. Customers' Perception Index (CPI) which measures the perception of customers in five major categories of services of LIC and PLICs. They are Tangibility, Reliability,

Responsiveness, Assurance, and Empathy. In these five major categories of insurance services, there are 33 questions used in the study.

The perception of the customers is assessed at five levels. They are: highly satisfied, satisfied, moderate, not satisfied and not at all satisfied. The scoring pattern of the perception for these five levels is given in the table 6.8.

Table 6.8
Perception Level Scores

Sl.No	Perception Level	Scores
1	Highly Satisfied	5
2	Satisfied	4
3	Moderate	3
4	Dissatisfied	2
5	Highly Dissatisfied	1

Table assigns '5' scores for highly satisfied, '4' scores for satisfied, '3' scores for moderate, '2' for dissatisfied and '1' score for those customers who are highly dissatisfied. Keeping this scoring pattern as the base for all the 33 perception (variables), the Customers' Perception Index (CPI) is constituted.

Customers' perception index is an unstandardised one developed by the researcher used to measure the level of perception. Since the index is first of its kind and an unstandardised one the reliability of the index is tested through reliability analysis. Cronbach's alpha validated the reliability of the unstandardised tools. Cronchbach's alpha is calculated as,

$$\alpha =$$

Where,

$$K = \text{number of variables considered}$$

$$r = \text{Inter-items correlation}$$

The proposed index comprises of 33 variables (perception) falling under five categories in relation to them, the scores of perception are assigned. In order to include the 33 variables in the index and to measure the internal consistency among them Cronbach's alpha is used.

Mathematically customer perception index is presented as

$$CPI = \sum_{i=1}^n CPV_i$$

Where,

$$CPI = \text{Customer Perception Index}$$

$$CPV_i = \text{Customers' Perception in Variable}_i$$

$$i = 1 \dots n \text{ or Number of perception variable included in the index.}$$

$$n = 33$$

A customer with highly satisfied level in terms of all 33 perception variables in terms of any of the 33 variables can get a maximum score of 165 scores and a customer with not at all satisfied response a minimum of 33 score. Thus, by employing the Customers' Perception Index (CPI), the level of perception of customers can be assessed. Analysis of perception through Customer Perception Index in different categories of insurance services in Tirunelveli District highlights perception of customers.

Customers' Perception

Perception of customers as measured through Customers' Perception Index (CPI) in different categories of insurance services in Tirunelveli District is presented in Table 6.9.

Table 6.9

Customer Perception

Customer Perception (as measured through CPI in scores)	Type of Customers		Total Customers
	LIC Customers	PLICs Customers	
Below 100	16(5.3)	16(5.3)	32(5.3)
100 to 120	93(31)	36(12)	129(21.5)
121 to 140	156(52)	192(64)	348(58)
141 to 160	35(11.7)	44(14.7)	79(13.2)
Above 160	-	12(4)	12(2)
Total	300(100)	300(100)	600(100)

Source : Computed Data

(Figures in parentheses indicate percentage)

The above table shows the level of perception of different type of customers as regards insurance service in Tirunelveli District. Out of 600 respondents in Tirunelveli District, 348 respondents (58 per cent) have satisfied to the scores of 121 to 140 points, 129 respondents (21.5 per cent) have satisfied in between to the scores of 100 to 120 points, 79 respondents (13.2 per cent) have satisfied in between the scores of 141 to 160 points and only 32 respondents (5.3 per cent) have satisfied at the score level of below 100 points.

Table shows that among the LIC customers, only 16 respondents (5.3 per cent) have satisfied at the low level of below 120 scores, 156 respondents (52 per cent) have satisfied to the level of 121 to 140 points, 93 respondents (31 per cent) have scored 100 to 120 points and 35 respondents (11.7 per cent) have scored 141 to 160 points.

Table further shows that among the PLICs customers, only 16 respondents (5.3 per cent) have satisfied at the lower level of below 100 points, 192 respondents (64 per cent) have satisfied at the higher level of 121 to 140 point scores, 44 respondents (14.7 per cent) have 141 to 160 point scores and 12 respondents (4 per cent) have satisfied at the higher level scores of above 160 points.

For an in -depth analyses on the basis of the level of perception, the customers are group into three categories given below:

- Customers with high level perception
- Customers with moderate level perception
- Customers with low level perception

In order to categorise the customer into three categories, the mean (\bar{x}) and standard deviation (σ) has been used. The mean and standard deviation of the scores of perception of customers are calculated for each category separately. The boundary levels for categorization are worked out accordingly by using the mean and standard deviation. The boundaries for three groups are fixed as below $\bar{x} \pm \sigma$. Thus, the upper boundary for lower level of perception is worked out as $\bar{x} - \sigma$ and the lower boundary for higher perception is worked out as $\bar{x} + \sigma$. Those customers with scores in between these two boundaries are regarded as customers with moderate level of perception. The table presents the boundary for categorization of customers grouping into three categories.

Table 6.10**Boundary for Categorisation of Customers**

Type of Customers	Mean \bar{x}	Standard deviation Σ	Level of Scores for Perception		
			Low <(x- σ)	Moderate (x- σ) to (x+ σ)	High >(x+ σ)
LIC customers	123.37	13.09	<110	110-136	>136
PLICs customers	130.75	15.25	<116	116-146	>146

Source: Computed Data

The above table fixes the boundary levels for three categories of customers. The different types of customers are grouped into three categories on the basis of their perception scores and the details are furnished in table 6.10.

Table 6.11**Level of Perception**

Level of Perception	Type of Customers		Total Customers
	LIC Customers	PLICs Customers	
Low	45(15)	32(10.6)	77(12.8)
Moderate	200(66.7)	224(74.7)	424(70.7)
High	55(18.3)	44(14.7)	99(16.5)
Total	300(100)	300(100)	600(100)

Source : Computed Data**(Figures in parentheses indicate percentage)**

From table 6.11, it could be understood that 424 (70.7 per cent) customers are moderately satisfied with the service quality of insurance services, 99 respondents (16.5 per cent) are satisfied at high level and 77 respondents (12.8 per cent) have satisfied with the service quality of insurance services at low level.

Among the LIC customers of 300 respondents, 200 respondents (66.7 per cent) have moderately satisfied with the service quality of insurance services, 55 consumers (18.3 per cent) are in the high satisfaction level and 45 respondents (15 per cent) are satisfied with the service quality of insurance services at low level.

Out of 300 respondents of PLICs customers, 224 respondents (74.7 per cent) have moderately satisfied with the service quality of insurance services, 44 respondents (14.7 per cent) are satisfied with the service quality of insurance services at high level and 32 respondents (10.6 per cent) are satisfied with the service quality of insurance services at low level.

ANOVA

Expectation

Expectation has relationship with socio-economic conditions of customers. This variability in expectation could be observed in relation to these socio-economic variables. Hence, expectation is analyzed in terms of these socio economic variables.

Age and Expectation

Expectation about service quality of LIC and PLICs differs among different age group of customers. Customers belonging to different ages have different expectations. While the young age customers have expected at a higher level, the aged customers have expected at lower level. Hence, the age has relationship with expectation. In order to find out the significant difference in expectation among different age group of customers, analysis of variance (ANOVA) is attempted with the null hypothesis as, “There is no significant difference in expectation among different age group of LIC and PLICs customers in Tirunelveli District”. The result of ANOVA for expectation among customers of different age group is given in table.

Table 6.12**Expectation among Customers of different Age group-ANOVA**

Type of Customers	Expectation	Sum of Squares	Df	Mean Square	F	p Value
LIC Customers	Between Groups	372.795	4	93.199	0.495	0.739
	Within Groups	55518.191	295	188.197		
	Total	55890.987	299			
PLICs Customers	Between Groups	52.123	4	13.031	0.077	0.989
	Within Groups	50247.624	295	170.331		
	Total	50299.747	299			
Total Customers	Between Groups	161.678	4	40.420	0.221	0.927
	Within Groups	108959.515	595	183.125		
	Total	109121.193	599			

Source: Computed Data

From the ANOVA test, the 'F' value for expectation among different age group of LIC and PLICs customers and total customers in Tirunelveli District is 0.495, 0.077 and 0.221 which is significant at the 'p' value of 0.739, 0.989 and 0.927. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore it may be concluded that there is no significant difference in expectation among the different age group of LIC and PLICs customers and total customers. It is concluded that age is not a significant variable in influencing the expectation among LIC and PLICs customers and total customers in Tirunelveli District.

Gender and Expectation

Expectation about service quality of LIC and PLICs differs among different gender group of customers. The male customers have expected towards service quality of LIC and PLICs at a higher level, while the female customers have expected at lower level. Hence, the gender has relationship with expectation towards service quality of LIC and PLICs. In order to find out the significant difference in expectation about service quality of LIC and PLICs among different gender group of customers, 't' test is attempted with the null hypothesis as, "There is no significant difference in expectation among different gender group of LIC and PLICs customers in Tirunelveli District". The result of 't' test for expectation among customers of different gender group is given in table.

Table 6.13
Expectation among Customers of different Gender Group -T Test

Type of Customers	Expectation	F	Sig.	t	df	p Value
LIC customers	Equal variances assumed	.751	.387	.079	298	0.937
PLICs customers	Equal variances assumed	8.153	.005	1.185	298	0.237
Total customers	Equal variances assumed	5.345	.021	.688	598	0.491

Source: Computed Data

The table 6.13 shows the expectation among customers of different gender group of LIC, PLICs and total customers. It is clear from table that among LIC, PLICs and total customers, since the 'p' value is higher than 0.05, the null hypothesis is accepted. It shows that gender wise there is no significant difference in expectation among LIC, PLICs and total customers. It is further clear from the table that gender is not a significant variable in influencing the expectation among LIC, PLICs and total customers.

Marital Status and Expectation

Expectation about service quality of LIC and PLICs differs among different marital status of customers. Customers belonging to different marital status have different expectation about service quality of LIC. Married customers have expected towards service quality of LIC at a higher level, other customers have expected at lower level. Hence the marital status has relationship with expectation towards service quality of LIC. In order to find out the significant difference in expectation about service quality of LIC among different marital status of customers, 't' test is attempted with the null hypothesis as, "There is no significant difference in expectation among different marital status of LIC and PLICs customers in Tirunelveli District". The result of 't' test for expectation among customers of different marital status is shown in the table.

Table 6.14

Expectation among Customers of different Marital Status -T Test

Type of Customers	Expectation	F	Sig.	T	df	Sig. (2-tailed)
LIC customers	Equal variances assumed	0.054	0.816	-0.402	298	0.688
PLICs customers	Equal variances assumed	1.060	0.304	0.688	298	0.492
Total customers	Equal variances assumed	0.443	0.506	-0.083	598	0.934

Source: Computed Data

The table 6.14 reveals the expectation among customers of different marital status. It is clear from table that among LIC, PLICs and total customers, since the 'p' value is higher than 0.05, the null hypothesis is accepted. It shows that marital status wise there is no significant difference in expectation among LIC, PLICs and total customers. It is further clear from the table that marital status is not a significant variable in influencing the expectation among LIC, PLICs and total customers.

Educational Level and Expectation

Expectation about service quality of LIC and PLICs differs among different educational level of customers. Customers of high educational level have expected towards service quality of LIC at a higher level, others of illiterate customers have expected at lower level. Hence the educational level has relationship with expectation about service quality of LIC. In order to find out the significant difference in expectation towards service quality of LIC among different educational level of customers, analysis of variance (ANOVA) is attempted with the null hypothesis as, “There is no significant difference in expectation among different educational level of LIC and PLICs customers in Tirunelveli District”. The result of ANOVA for expectation among customers of different educational level is shown in table.

Table 6.15

Expectation among Customers of different Educational Level-ANOVA

Type of Customers	Expectation	Sum of Squares	Df	Mean Square	F	p Value
LIC customers	Between Groups	654.776	6	109.129	0.579	0.747
	Within Groups	55236.210	293	188.519		
	Total	55890.987	299			
PLICs customers	Between Groups	992.799	6	165.466	0.983	0.437
	Within Groups	49306.948	293	168.283		
	Total	50299.747	299			
Total customers	Between Groups	835.510	6	139.252	0.763	0.600
	Within Groups	108285.683	593	182.607		
	Total	109121.193	599			

Source: Computed Data

From the ANOVA test, the 'F' value for expectation among different educational level of LIC, PLICs and total customers in Tirunelveli District is 0.579, 0.983 and 0.763 which is significant at the 'p' value of 0.747, 0.437 and 0.600. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore it may be concluded that there is no significant difference in expectation among the different educational level of LIC, PLICs and total customers. It is concluded that educational level is not a significant variable in influencing the expectation among LIC, PLICs and total customers in Tirunelveli District.

Occupation and Expectation

Expectation about service quality of LIC and PLICs differs among different occupation of customers. Customers of government and private employees have expected towards service quality of LIC and PLICs at a higher level, others of daily wage earners and coolie customers have expected at lower level. Hence, the occupation has relationship with expectation about service quality of LIC and PLICs. In order to find out the significant difference in expectation towards service quality of LIC and PLICs among different occupation of customers, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in expectation among different occupation of LIC and PLICs customers in Tirunelveli District". The result of ANOVA is given in table.

Table 6.16**Expectation among Customers of different Occupation-ANOVA**

Type of Customers	Expectation	Sum of Squares	df	Mean Square	F	p Value
LIC customers	Between Groups	2132.574	6	355.429	1.937	0.075
	Within Groups	53758.412	293	183.476		
	Total	55890.987	299			
PLICs customers	Between Groups	1781.683	6	296.947	1.793	0.100
	Within Groups	48518.064	293	165.591		
	Total	50299.747	299			
Total customers	Between Groups	1236.057	6	206.009	1.132	0.342
	Within Groups	107885.136	593	181.931		
	Total	109121.193	599			

Source: Computed Data

From the ANOVA test, the 'F' value for expectation among different occupation of LIC, PLICs and total customers in Tirunelveli District is 1.937, 1.793 and 1.132 which is significant at the 'p' value of 0.075, 0.100 and 0.342. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore, it may be concluded that there is no significant difference in expectation among the different occupation of LIC, PLICs and total customers. It is concluded that occupation is not a significant variable in influencing the expectation among LIC, PLICs and total customers in Tirunelveli District.

Monthly Income and Expectation

Expectation about service quality of LIC and PLICs differs among different monthly income of customers. Customers of high monthly income have expected towards service quality of LIC and PLICs at a higher level, while customers of low

monthly income have expected at lower level. Hence the monthly income has relationship with expectation about service quality of LIC and PLICs. In order to find out the significant difference in expectation towards service quality of LIC and PLICs among different monthly income of customers, analysis of variance (ANOVA) is attempted with the null hypothesis as, “There is no significant difference in expectation among different monthly income of LIC and PLICs customers in Tirunelveli District”. The result of ANOVA for expectation among customers of different monthly income is given in table.

Table 6.17

Expectation among Customers of different Monthly income - ANOVA

Type of Customers	Expectation	Sum of Squares	Df	Mean Square	F	P Value
LIC customers	Between Groups	1723.120	5	344.624	1.870	0.099
	Within Groups	54167.867	294	184.244		
	Total	55890.987	299			
PLICs customers	Between Groups	3410.678	5	682.136	4.277	0.001
	Within Groups	46889.069	294	159.487		
	Total	50299.747	299			
Total customers	Between Groups	3399.733	5	679.947	3.820	0.002
	Within Groups	105721.461	594	177.982		
	Total	109121.193	599			

Source: Computed Data

From the ANOVA test, the ‘F’ value for expectation among different monthly income of LIC customers in Tirunelveli District is 1.870 which is significant at the ‘p’ value of 0.099. Since the ‘p’ value is higher than 0.05, the null hypothesis is accepted. Therefore it may be concluded that there is no significant difference in expectation

among the different monthly income of LIC customers. It is concluded that monthly income is not a significant variable in influencing the expectation among LIC customers in Tirunelveli District.

Table further shows that the 'F' value for expectation among different monthly income of PLICs and total customers in Tirunelveli District is 4.277 and 3.820 which is significant at the 'p' value of 0.001 and 0.002. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore it may be concluded that there is a significant difference in expectation among the different monthly income of PLICs and total customers. It is concluded that monthly income is a significant variable in influencing the expectation among PLICs and total customers in Tirunelveli District.

Perception

Perception has relationship with many socio-economic variables related to LIC and PLICs customers. These variability in perception could be observed in relation to these variables. Hence, perception is analyzed in terms of these variables.

Age and Perception

Perception about service quality of LIC and PLICs differs among different age group of customers. Customers belonging to different ages have different perception, while the young age customers have satisfied at a higher level, the aged customers have satisfied at lower level. Hence the age has relationship with perception. In order to find out the significant difference in perception among different age group of customers, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in perception among different age group of customers of LIC and PLICs in Tirunelveli District". The result of ANOVA is given in table.

Table 6.18**Perception among Customers of different Age group -ANOVA**

Type of Customers	Perception	Sum of Squares	Df	Mean Square	F	p Value
LIC customers	Between Groups	1118.600	4	279.650	1.646	0.163
	Within Groups	45877.821	295	169.918		
	Total	46996.422	299			
PLICs customers	Between Groups	1579.452	4	394.863	1.714	0.147
	Within Groups	67972.295	295	230.415		
	Total	69551.747	299			
Total customers	Between Groups	1410.190	4	352.547	1.634	0.164
	Within Groups	122949.869	595	215.702		
	Total	124360.059	599			

Source: Computed Data

From the ANOVA test, the 'F' value for expectation among different age group of LIC, PLICs and total customers in Tirunelveli District is 1.646, 1.714 and 1.634 which is significant at the 'p' value of 0.163, 0.147 and 0.164. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore it may be concluded that there is no significant difference in expectation among the different age group of LIC, PLICs and total customers. It is concluded that age is not a significant variable in influencing the perception among LIC, PLICs and total customers in Tirunelveli District.

Gender and Perception

Perception about service quality of LIC and PLICs differs among different gender group of customers. The male customers have satisfied towards service quality of LIC at a higher level, others of female customers have satisfied at lower level. Hence the gender has relationship with perception towards service quality of LIC and PLICs. In order to find out the significant difference in perception about service quality of LIC and PLICs among different gender group of customers, 't' test is attempted with the null hypothesis as, "There is no significant difference in perception among different gender group of customers of LIC and PLICs in Tirunelveli District". The result of 't' test for perception among customers of different gender group is given in table.

Table 6.19

Perception among Customers of different Gender group - T Test

Type of Customers	Perception	F	Sig.	T	df	P Value)
LIC customers	Equal variances assumed	3.256	0.072	0.607	298	0.544
PLICs customers	Equal variances assumed	1.806	0.180	1.818	298	0.070
Total Customers	Equal variances assumed	3.983	0.046	1.475	598	0.141

Source: Computed Data

The table 6.19 shows that among LIC, PLICs and total customers, since the 'p' value is higher than 0.05, the null hypothesis is accepted. It shows that gender wise there is no significant difference in perception among LIC, PLICs and total customers. It is further clear from the table that gender is not a significant variable in influencing the perception among LIC, PLICs and total customers.

Marital Status and Perception

Customers belonging to different marital status have different perception about service quality of LIC and PLICs. Married customers have satisfied towards service quality of LIC at a higher level, other customers have satisfied at lower level. Hence the marital status has relationship with perception towards service quality of LIC and PLICs. In order to find out the significant difference in perception about service quality of LIC and PLICs among different marital status of customers, 't' test is attempted with the null hypothesis as, "There is no significant difference in perception among different marital status of customers of LIC and PLICs in Tirunelveli District". The result of 't' test for perception among customers of different marital status is shown in table.

Table 6.20

Perception among Customers of different Marital Status -T Test

Type of Customers	Perception	F	Sig.	T	df	P Value
LIC customers	Equal variances assumed	0.541	0.462	-0.490	298	0.625
PLICs customers	Equal variances assumed	1.184	0.277	-0.320	298	0.749
Total customers	Equal variances assumed	0.887	0.347	-0.962	598	0.337

Source: Computed Data

The table reveals that among LIC, PLICs and total customers, since the 'p' value is higher than 0.05, the null hypothesis is accepted. It shows that marital status wise there is no significant difference in perception among LIC, PLICs and total customers. It is further clear from the table that marital status is not a significant variable in influencing the perception among LIC, PLICs and total customers.

Educational Level and Perception

Perception about service quality of LIC and PLICs differs among different educational level of customers. Customers of high educational level have satisfied towards service quality of LIC and PLICs at a higher level, others of illiterate customers have satisfied at lower level. Hence the educational level has relationship with perception about service quality of LIC and PLICs. In order to find out the significant difference in perception towards service quality of LIC and PLICs among different educational level of customers, analysis of variance (ANOVA) is attempted with the null hypothesis as, “There is no significant difference in perception among different educational level of customers of LIC and PLICs in Tirunelveli District”. The result of ANOVA for perception among customers of different educational level is given in table.

Table 6.21

Perception among Customers of different Educational Level -ANOVA

Type of Customers	Perception	Sum of Squares	Df	Mean Square	F	p Value
LIC customers	Between Groups	395.709	6	65.951	0.379	0.892
	Within Groups	46600.713	293	173.883		
	Total	46996.422	299			
PLICs customers	Between Groups	888.019	6	148.003	0.632	0.705
	Within Groups	68663.727	293	234.347		
	Total	69551.747	299			
Total customers	Between Groups	872.407	6	145.401	0.669	0.675
	Within Groups	123487.652	593	217.408		
	Total	124360.059	599			

Source: Computed Data

Table reveals that since the 'p' value of perception among LIC, PLICs and total customers is higher than 0.05, the null hypothesis is accepted. It shows that there is no significant difference in perception among different educational level of LIC, PLICs and total customers in Tirunelveli District. Therefore it is concluded that educational level is not a significant variable in influencing perception among LIC, PLICs and total customers.

Occupation and Perception

Perception about service quality of LIC and PLICs differs among different occupation of customers. Customers of government and private employees have satisfied towards service quality of LIC and PLICs at a higher level, others of daily wage earners have satisfied at lower level. Hence, the occupation has relationship with perception about service quality of LIC and PLICs. In order to find out the significant difference in perception towards service quality of LIC and PLICs among different occupation of customers, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in perception among different occupation of customers of LIC and PLICs in Tirunelveli District". The result of ANOVA for perception among customers of different occupation is given in table.

Table 6.22**Perception among Customers of different Occupation-ANOVA**

Type of Customers	Perception	Sum of Squares	Df	Mean Square	F	p Value
LIC customers	Between Groups	2611.432	6	435.239	2.628	0.017
	Within Groups	44384.990	293	165.616		
	Total	46996.422	299			
PLICs customers	Between Groups	1959.175	6	326.529	1.415	0.208
	Within Groups	67592.572	293	230.691		
	Total	69551.747	299			
Total customers	Between Groups	208.459	6	34.743	0.159	0.987
	Within Groups	124151.600	593	218.577		
	Total	124360.059	599			

Source: Computed Data

Table reveals that since the 'p' value of perception among LIC customers is less than 0.05, the null hypothesis is rejected. It shows that there is a significant difference in perception among different occupation of LIC customers in Tirunelveli District. Therefore it is concluded that occupation is a significant variable in influencing perception among LIC customers.

Table further reveals that since the 'p' value of perception among PLICs and total customers is higher than 0.05, the null hypothesis is accepted. It shows that there is no significant difference in perception among different occupation of PLICs and total customers in Tirunelveli District. Therefore it is concluded that occupation is not a significant variable in influencing perception among PLICs and total customers.

Monthly Income and Perception

Perception about service quality of LIC and PLICs differs among different monthly income of customers. Customers of high monthly income have satisfied towards service quality of LIC and PLICs at a higher level, while customers of low monthly income have satisfied at lower level. Hence the monthly income has relationship with perception about service quality of LIC and PLICs. In order to find out the significant difference in perception towards service quality of LIC and PLICs among different monthly income of customers, analysis of variance (ANOVA) is attempted with the null hypothesis as, “There is no significant difference in perception among different monthly income of customers of LIC and PLICs in Tirunelveli District”. The result of ANOVA for perception among customers of different monthly income is given in table.

Table 6.23

Perception among Customers of different Monthly Income-ANOVA

Type of Customers	Perception	Sum of Squares	df	Mean Square	F	p Value
LIC customers	Between Groups	2742.854	5	548.571	3.335	0.006
	Within Groups	44253.568	294	164.511		
	Total	46996.422	299			
PLICs customers	Between Groups	2988.064	5	597.613	2.640	0.024
	Within Groups	66563.682	294	226.407		
	Total	69551.747	299			
Total customers	Between Groups	2197.507	5	439.501	2.047	0.071
	Within Groups	122162.552	594	214.697		
	Total	124360.059	599			

Source: Computed Data

From the ANOVA test, the 'F' value for perception among different monthly income of LIC and PLICs customers in Tirunelveli District is 3.335 and 2.640 which is significant at the 'p' value of 0.006 and 0.024. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore it may be concluded that there is a significant difference in perception among the different monthly income of LIC and PLICs customers. It is concluded that monthly income is a significant variable in influencing the perception among LIC and PLICs customers.

Table further reveals that since the 'p' value of perception among total customers is higher than 0.05, the null hypothesis is accepted. It shows that there is no significant difference in perception among different monthly income of total customers in Tirunelveli District.

CHAPTER - VII

CUSTOMERS' SATISFACTION AND PROBLEMS

On the basis of level of satisfaction score, the LIC, PLICs and Total customers are categorized into three categories as follows:

1. Customers with high level satisfaction
2. Customers with moderate level satisfaction
3. Customers with low level satisfaction

In order to categorize the customers into three categories, the respective scores have been averaged and the mean is calculated. Their respective standard deviation is calculated. The boundary levels of categorization are worked out by using formula $x \pm \sigma$. Thus, the upper boundary for low level satisfaction is worked out as $x - \sigma$ and the lower boundary for high level satisfaction is worked out as $x + \sigma$. Those customers with scores in between these two boundaries are regarded as customers with moderate level of satisfaction.

Table 7.1
Level of Satisfaction

Sl. No.	Types of customers	Level of satisfaction			Total
		Low	Moderate	High	
1	LIC customers	54	184	62	300
2	PLICs customers	46	190	64	300
3	Total customers	100	374	126	600

Source: Computed Data

Table 7.1 reveals that among the LIC customers, 54 respondents have low level of satisfaction, 184 respondents have moderate level of satisfaction and 64 respondents have high level satisfaction.

Table further reveals that among the PLICs customers, 46 respondents have low level of satisfaction, 190 respondents have moderate level of satisfaction and 64 respondents have high level satisfaction.

Level of satisfaction among different socio economic conditions of customers

The level of satisfaction differs from one customer to another customer. The level of satisfaction depends upon socio-economic conditions of customers. In order to find out whether there is any significant relationship between socio economic conditions of customers and level of satisfaction, the chi-square test is applied and presented below:

Age and level of satisfaction

The level of satisfaction differs among different among age group of LIC customers and PLICs customers. In order to find out the level of satisfaction among different age group of the LIC and PLICs customers, the data have been collected and presented in the table 6.13.

As people grow they have different point of views over the services. The experience, education and the environment decides the level of satisfaction of different individuals. The expectation and perceptions of individuals vary among different age group.

Table 7.2**Level of satisfaction among different age group of customers**

Type of customers	Age	Level of satisfaction			Total
		Low	Moderate	High	
LIC customers	20 - 30	6	16	8	30
	31-40	20	61	18	99
	41-50	18	61	22	101
	51-60	8	31	10	49
	Above 60	2	15	4	21
	Total	54	184	62	300
PLICs customers	20 - 30	14	16	11	41
	31-40	9	75	14	98
	41-50	15	48	22	85
	51-60	4	37	11	52
	Above 60	4	14	6	24
	Total	46	190	64	300
Total customers	20 - 30	20	32	19	71
	31-40	29	136	32	197
	41-50	33	109	44	186
	51-60	12	68	21	101
	Above 60	6	29	10	45
	Total	100	374	126	600

Source: Computed Data

It is clear from table 7.2 that out of 600 respondents, 100 respondents are at low level of satisfaction, 374 respondents are at moderate level of satisfaction and 126 respondents are at high level of satisfaction.

Table further reveals that 136 respondents who are in the age group of 31 - 40 age group have moderate level of satisfaction, 33 respondents are in the age group of 41 - 50 age group have low level of satisfaction, 44 respondents are in the age group of

41 - 50 age group have high level of satisfaction. It is evident from table that majority of the respondents are in the age group of 41 to 50 have high level satisfaction.

Customers of different age groups have satisfied at different level. The old customers are highly satisfied, other customers have low satisfaction. In order to study the relationship between satisfaction and age groups, ‘Chi-square’ test is attempted with the null hypothesis, “there is no significant relationship between age and level of satisfaction among LIC and PLICs customers in Tirunelveli District”. The result of ‘Chi - square’ test is presented in table 7.3.

Table 7.3
Age and Level of Satisfaction - Chi-Square Test

Types of Customers	Particulars	Value	df	Asymp. sig (2-sided) P value
LIC Customers	Pearson Chi-Square	2.865	8	0.943
	Likelihood Ratio	2.995	8	0.935
	Linear-by-Linear Association	0.259	1	0.611
	N of Valid Cases	300		
PLICs Customers	Pearson Chi-Square	25.774	8	0.001
	Likelihood Ratio	24.792	8	0.002
	Linear-by-Linear Association	1.993	1	0.158
	N of Valid Cases	300		
Total Customers	Pearson Chi-Square	18.658	8	0.017
	Likelihood Ratio	17.868	8	0.022
	Linear-by-Linear Association	2.252	1	0.133
	N of Valid Cases	600		

Source: Computed Data

Table shows that the ‘p’ value of level of satisfaction among different age group of LIC customers is higher than 0.05, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between level of satisfaction and age

group of LIC customers. Table further shows that the ‘p’ value of level of satisfaction among different age group of PLICs customers and total customers is less than 0.05 the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and age group of PLICs customers and total customers.

Gender and level of satisfaction

The level of satisfaction differs among different gender group of the LIC and PLICs customers. The level of satisfaction among different gender group of the LIC, PLICs and total customers is presented in the table 7.4.

Table 7.4

Level of satisfaction among different gender group of customers

Type of customers	Gender	Level of satisfaction			Total
		Low	Moderate	High	
LIC customers	Male	37	130	34	201
	Female	17	54	28	99
	Total	54	184	62	300
PLICs customers	Male	28	114	45	187
	Female	18	76	19	113
	Total	46	190	64	300
Total customers	Male	65	244	79	389
	Female	35	130	47	211
	Total	100	374	126	600

Source: Computed Data

Table 7.4 shows that out of 600 respondents, 244 respondents are in the group of male are moderate level of satisfaction , 65 respondents are in the group of male have low level of satisfaction, 79 respondents are in the group of male have high level

of satisfaction. It is evident from table that majority of the respondents are in the group of male have moderate level satisfaction.

Table further shows that among the LIC customers, 130 respondents of male have moderate level of satisfaction, 37 respondents of male have low level of satisfaction, 34 respondents of male have high level of satisfaction.

It is clear from table that among the PLICs, 114 respondents of male have moderate level of satisfaction, 45 respondents of male level of satisfaction is high and 28 respondents of male level of satisfaction is low. It is evident from table that majority of the male respondents have moderate level of satisfaction.

Table 7.5

Gender and Level of Satisfaction - Chi - Square Test

Types of Customers	Particulars	Value	Df	Asymp.sig (2 - sided) P value
LIC Customers	Pearson Chi-Square	5.314	2	0.070
	Likelihood Ratio	5.138	2	0.077
	Linear-by-Linear Association	2.721	1	0.099
	N of Valid Cases	300		
PLICs Customers	Pearson Chi-Square	2.218	2	0.330
	Likelihood Ratio	2.274	2	0.321
	Linear-by-Linear Association	1.302	1	0.254
	N of Valid Cases	300		
Total Customers	Pearson Chi-Square	0.465	2	0.793
	Likelihood Ratio	0.461	2	0.794
	Linear-by-Linear Association	0.361	1	0.548
	N of Valid Cases			

Source: Computed Data

Table shows that the 'p' value of level of satisfaction among different age group of LIC customers is less than 0.05, the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and gender group of LIC customers. Table further shows that the 'p' value of level of satisfaction among different gender group of PLICs customers is less than 0.05, the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and gender group of PLICs customers and among the total customers the 'p' value is higher than 0.05 the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between level of satisfaction and gender group of total customers.

Marital Status and Level of Satisfaction

The level of satisfaction differs among different marital status of the customers. The level of satisfaction of the married customers may be different from single. The level of satisfaction among different marital status of customers is presented in the table.

Table 7.6

Level of Satisfaction among different Marital Status of customers

Type of customers	Marital status	Level of satisfaction			Total
		Low	Moderate	High	
LIC Customers	Married	48	167	60	275
	Single	6	17	2	25
	Total	54	184	62	300
PLICs customers	Married	33	166	60	259
	Single	13	24	4	41
	Total	46	190	64	300
Total customers	Married	81	333	120	534
	Single	19	41	06	66
	Total	100	374	126	600

Source: computed Data

Table 7.6 shows that out of 600 respondents, 534 respondents are married and among them 333 respondents who are married have moderate level of satisfaction, 81 respondents have low level of satisfaction, and another 120 respondents have high level of satisfaction.

Table further shows that among the LIC customers, 275 respondents are married and among them 167 respondents who are married have moderate level of satisfaction, 48 respondents have high level of satisfaction and 60 respondents have low level of satisfaction.

It is clear from table that among the PLICs customers, 259 are married and among them 166 respondents are satisfied at moderate level, 33 respondents are at high level of satisfaction and only 60 respondents who are married satisfied at low level. It is

evident from table that most of the respondents who are married have moderate level of satisfaction.

Customers with different marital status have different level of satisfaction. In order to study the relationship between satisfaction and marital status, ‘Chi - square’ test is attempted with the null hypothesis as, “there is no significant relationship between the marital status and level of satisfaction among LIC, PLICs and total customers in Tirunelveli District”. The result of ‘Chi - square’ test is presented in the table.

Table 7.7
Marital Status and Level of Satisfaction - Chi - Square Test

Types of Customers	Particulars	Value	Df	Asymp.sig (2 - sided) p value
LIC Customers	Pearson Chi-Square	2.860	2	0.239
	Likelihood Ratio	3.400	2	0.183
	Linear-by-Linear Association	2.454	1	0.117
	N of Valid Cases	300		
PLICs Customers	Pearson Chi-Square	11.460	2	0.003
	Likelihood Ratio	10.475	2	0.005
	Linear-by-Linear Association	10.185	1	0.001
	N of Valid Cases	300		
Total Customers	Pearson Chi-Square	14.038	2	0.001
	Likelihood Ratio	14.425	2	0.001
	Linear-by-Linear Association	13.833	1	0.000
	N of Valid Cases	600		

Source: Computed Data

Table shows that the ‘p’ value of level of satisfaction among marital status of LIC customers is less than 0.05, the null hypothesis is rejected. Hence it is concluded

that there is a significant relationship between level of satisfaction and age group of LIC customers. Table further shows that the ‘p’ value of level of satisfaction among marital status of PLICs customers and total customers is less than 0.05 the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and marital status of PLICs customers and total customers.

Area of Residence and Level of satisfaction

The level of satisfaction differs among different area of residence of the customers. The area of residence influences the level of satisfaction of respondents. The level of satisfaction among different area of residence of the customers is presented in the table.

Table 7.8

Level of Satisfaction among different area of residence of customers

Type of customers	Area of residence	Level of satisfaction			Total
		Low	Moderate	High	
LIC customers	Urban	34	124	48	206
	Rural	16	49	12	77
	Suburban	04	11	02	17
	Total	54	184	62	300
PLICs Customers	Urban	12	76	38	126
	Rural	24	79	16	119
	Suburban	10	35	10	55
	Total	46	190	64	300
Total customers	Urban	46	200	86	352
	Rural	40	128	28	210
	Suburban	14	46	12	38
	Total	100	374	126	600

Source: Computed Data

Table 7.8 shows that out of 600 respondents, 200 respondents reside in urban area have moderate level of satisfaction, 46 respondents reside in urban and rural area have low level of satisfaction, 86 respondents reside in urban have high level of satisfaction. It is evident from table that majority of the respondents reside in urban area have moderate level satisfaction.

Table further shows that among the LIC customers, 124 respondents reside in urban area have moderate level of satisfaction, 34 respondents reside in urban area have low level of satisfaction, and 48 respondents reside in urban area have moderate level of satisfaction.

It is clear from table that among the PLICs customers, 79 respondents reside in rural area have moderate level of satisfaction, 24 respondents reside in rural area have high level of satisfaction and 38 respondents reside in urban area have low level of satisfaction. It is evident from table that majority of the respondents reside in rural area have moderate level of satisfaction.

Customers with different area of residence such as rural, urban and sub urban have satisfied at different level. The customers reside in urban area are highly satisfied, while others in rural and sub urban area have low satisfaction. In order to study the relationship between satisfaction level and area of residence, 'Chi - square' test is attempted with the null hypothesis is rejected, "there is a significant relationship between the area of residence and level of satisfaction among LIC, PLICs and total customers in Tirunelveli District". The result of 'Chi - square' test is presented in the following table.

Table 7.9**Area of Residence and Level of Satisfaction - Chi - Square Test**

Types of Customers	Particulars	Value	Df	Asymp.sig (2 - sided)
LIC Customers	Pearson Chi-Square	3.323	4	0.050
	Likelihood Ratio	3.471	4	0.048
	Linear-by-Linear Association	2.985	1	0.084
	N of Valid Cases	300		
PLICs Customers	Pearson Chi-Square	13.562	4	0.009
	Likelihood Ratio	13.833	4	0.008
	Linear-by-Linear Association	7.902	1	0.005
	N of Valid Cases	300		
Total Customers	Pearson Chi-Square	14.250	4	0.007
	Likelihood Ratio	14.766	4	0.005
	Linear-by-Linear Association	13.203	1	0.000
	N of Valid Cases	600		

Source: Computed Data

Table shows that the 'p' value of level of satisfaction among area of residence in LIC customers is less than 0.05, the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and age group of LIC customers. Table further shows that the 'p' value of level of satisfaction among area of residence of PLICs customers and total customers is less than 0.05 the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and marital status of PLICs customers and total customers.

Education Level and Level of Satisfaction

Customers with different educational level have satisfaction at different levels. The level of satisfaction among different educational status of the customers is presented in the table.

Table 7.10

Level of satisfaction among different Educational status of customers

Type of customers	Educational level	Level of satisfaction			Total
		Low	Moderate	High	
LIC customers	Illiterate	-	15	08	23
	SSLC	11	28	11	50
	+2	09	25	14	48
	Diploma	04	14	01	19
	Undergraduate	15	52	15	82
	Post graduate	08	34	05	47
	Professional	07	16	08	31
	Total	54	184	62	300
	Illiterate	-	14	08	22
PLICs Customers	SSLC	08	22	07	37
	+2	08	28	11	47
	Diploma	07	14	02	23
	Undergraduate	10	59	17	86
	Post graduate	08	34	09	51
	Professional	05	19	10	34
	Total	46	190	64	300
Total customers	Illiterate	-	29	16	45
	SSLC	19	50	18	87
	+2	17	53	25	95
	Diploma	11	28	03	42
	Undergraduate	25	111	32	168
	Post graduate	16	68	14	98
	Professional	12	35	18	65
	Total	100	374	126	600

Source: Computed Data

It is clear from table that among the LIC customers, 111 respondents with undergraduate qualification have moderate level of satisfaction. 32 respondents of undergraduates have high level of satisfaction, 25 respondents of undergraduates have

low level of satisfaction. It is evident from table that majority of the LIC respondents with UG educational status have moderate level of satisfaction.

Table further exhibits that among the PLICs customers, 52 respondents of undergraduates have moderate level of satisfaction. 15 respondents with undergraduate qualification have high level of satisfaction. 15 respondents of undergraduates have low level of satisfaction. It is evident from table that majority of the respondents with UG educational status have moderate level of satisfaction.

Customers with different educational status such as graduate and professional education are satisfied at different level. While the customers with graduate qualification have highly satisfied, others with low level of satisfaction. In order to study the relationship between satisfaction and educational level, 'Chi- square' test is attempted with the null hypothesis as, "there is no significant relationship between the educational status and level of satisfaction among LIC, PLICs and total customers in Tirunelveli District". The result of 'Chi - square' test is presented in the table.

Table 7.11**Educational Level and Level of Satisfaction - Chi - Square Test**

Types of Customers	Particulars	Value	df	Asymp.sig (2 - sided)
LIC Customers	Pearson Chi-Square	17.010	12	0.149
	Likelihood Ratio	21.918	12	0.038
	Linear-by-Linear Association	2.893	1	0.089
	N of Valid Cases	300		
PLICs Customers	Pearson Chi-Square	15.309	12	0.225
	Likelihood Ratio	17.882	12	0.119
	Linear-by-Linear Association	0.148	1	0.700
	N of Valid Cases	300		
Total Customers	Pearson Chi-Square	26.041	12	0.011
	Likelihood Ratio	33.887	12	0.001
	Linear-by-Linear Association	1.160	1	0.281
	N of Valid Cases	600		

Source: Computed Data

Table shows that the ‘p’ value of level of satisfaction among educational status of LIC customers is less than 0.05, the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and educational status of LIC customers. Table further shows that the ‘p’ value of level of satisfaction among educational status of PLICs customers is higher than 0.05 the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between level of satisfaction and educational status of PLICs customers Table further shows that the ‘p’ value of level of satisfaction among educational status of total customers is less than 0.05, the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and educational status of total customers.

Occupation and Level of Satisfaction

Customers of different occupations have different level of satisfaction towards Insurance. The level of satisfaction among different occupations of customers is presented in the table.

Table 7.12

Level of Satisfaction among Occupations of Customers

Type of customers	Occupation level	Level of satisfaction			Total
		Low	Moderate	High	
LIC customers	Daily wage Earner	01	11	-	12
	Businessman	06	40	10	56
	Professionals	06	22	05	33
	Agriculturalist	02	10	01	13
	Government Employee	05	40	11	56
	Private Sector Employee	27	47	21	95
	Home Maker	07	14	14	35
	Total	54	184	62	300
PLICs Customers	Daily wage Earner	-	12	-	12
	Businessman	06	40	06	52
	Professionals	03	24	03	30
	Agriculturalist	02	14	03	19
	Government Employee	04	37	10	51
	Private Sector Employee	24	45	28	97
	Home Maker	07	18	14	39
	Total	46	190	64	300
Total customers	Daily wage Earner	01	23	-	24
	Businessman	12	80	16	108
	Professionals	09	46	08	63
	Agriculturalist	04	24	04	32
	Government Employee	09	77	21	107
	Private Sector Employee	51	92	49	192
	Home Maker	14	32	28	74
	Total	100	374	126	600

Source: Computed Data

Table 7.12 shows that 92 respondents of private sector employees have moderate level of satisfaction, 51 respondents as private sector employees are with high level of satisfaction, 49 respondents of private sector employees have low level of satisfaction. It is evident from table that majority of the respondents of private sector employees have moderate level of satisfaction.

Table 7.12 exhibits that among LIC customers, 47 respondents of private sector employees have moderate level of satisfaction. 27 respondents of private sector employees have low level of satisfaction, 21 respondents of private sector employees have high level of satisfaction. It is evident from table that majority of the respondents with private sector employment have moderate level satisfaction.

Table further shows that among PLICs customers, 45 respondents of private sector employees have moderate level of satisfaction, 28 respondents are from private sector employees with high level of satisfaction, and 24 respondents are private sector employees with low level of satisfaction. It is evident from table that majority of the respondents with private sector employment have moderate level of satisfaction.

In order to study the relationship between satisfaction and occupational level, 'Chi - square' test is attempted with the null hypothesis as, "there is no significant relationship between the occupation level and level of satisfaction among LIC, PLICs and total customers in Tirunelveli District". The result of 'Chi-square' test is presented in the table.

Table 7.13**Occupation and Level of Satisfaction - Chi - Square Test**

Types of Customers	Particulars	Value	df	Asymp.sig (2 - sided) p value
LIC Customers	Pearson Chi-Square	30.491	12	0.002
	Likelihood Ratio	32.302	12	0.001
	Linear-by-Linear Association	0.106	1	0.745
	N of Valid Cases	300		
PLICs Customers	Pearson Chi-Square	36.917	12	0.000
	Likelihood Ratio	41.030	12	0.000
	Linear-by-Linear Association	1.494	1	0.222
	N of Valid Cases	300		
Total Customers	Pearson Chi-Square	51.970	12	0.000
	Likelihood Ratio	55.718	12	0.000
	Linear-by-Linear Association	0.743	1	0.389
	N of Valid Cases	600		

Source: Computed Data

Table shows that the 'p' value of level of satisfaction among different occupational status of LIC customers is higher than 0.05, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between level of satisfaction among educational status of LIC customers. Table further shows that the 'p' value of level of satisfaction among different educational status of PLICs customers and total customers is less than 0.05 the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and educational status of PLICs customers and total customers.

Monthly Income of the family and level of satisfaction

The level of satisfaction differs among customers of different monthly income of the family. The level of satisfaction among different monthly income of the family of customers is presented in the table.

Table 7.14

Level of satisfaction among different monthly income of the family

Type of customers	Monthly savings (In ₹)	Level of satisfaction			Total	
		Low	Moderate	High		
LIC Customers	Upto 10000	24	80	29	133	
	10001 - 20000	16	42	08	66	
	20001 - 30000	05	41	15	61	
	30001 - 40000	06	08	04	18	
	40001 - 50000	-	05	02	07	
	Above 50000	03	08	04	15	
	Total	54	184	62	300	
PLICs Customers	Upto 10000	20	79	28	127	
	10001 - 20000	12	42	12	66	
	20001 - 30000	06	45	13	64	
	30001 - 40000	06	08	05	19	
	40001 - 50000	-	06	02	08	
	Above 50000	02	10	04	16	
		Total	46	190	64	300
Total Customers	Upto 10000	44	159	57	260	
	10001 - 20000	28	84	20	132	
	20001 - 30000	11	86	28	125	
	30001 - 40000	12	16	09	37	
	40001 - 50000	-	11	04	15	
	Above 50000	5	18	08	31	
		Total	100	374	126	600

Source: Computed Data

Table 7.14 reveals that among the LIC customers, 80 respondents belong to monthly income of up to 10,000 have moderate level of satisfaction. 24 respondents belong to monthly income of up to 10,000 have low level of satisfaction and 29 respondents belong to monthly income of up to 10,000 have high level of satisfaction.

Table further reveals that among the PLICs customers, 79 respondents belong to monthly income of up to 10,000 have moderate level of satisfaction. 20 respondents belong to monthly income of up to 10,000 have low level of satisfaction and 28 respondents belong to monthly income of up to 10,000 have high level of satisfaction. It is evident from table that majority of the respondents belong to monthly income of up to 10,000 have moderate level of satisfaction.

Customers with different monthly income of the family are satisfied at different level. While the customers with low monthly income of the family are highly satisfied, other customers of high income of the family have low level of satisfaction. In order to study the relationship between satisfaction and income level, 'Chi - square' test is attempted with the null hypothesis as, "there is no significant relationship between the monthly income of the family and level of satisfaction among LIC, PLICs and total customers in Tirunelveli District". The result of 'Chi - square' test is presented in the table.

Table 7.15**Monthly Income and Level of Satisfaction - Chi -Square Test**

Types of Customers	Particulars	Value	Df	Asymp.sig (2 - sided) p value
LIC Customers	Pearson Chi-Square	13.235	10	0.211
	Likelihood Ratio	15.130	10	0.127
	Linear-by-Linear Association	0.441	1	0.507
	N of Valid Cases	300		
PLICs Customers	Pearson Chi-Square	9.212	10	0.512
	Likelihood Ratio	10.040	10	0.437
	Linear-by-Linear Association	0.246	1	0.620
	N of Valid Cases	300		
Total Customers	Pearson Chi-Square	21.796	10	0.016
	Likelihood Ratio	23.248	10	0.010
	Linear-by-Linear Association	1.197	1	0.274
	N of Valid Cases	600		

Source: Computed Data

Table shows that the ‘p’ value of level of satisfaction among different monthly income of LIC customers is higher than 0.05, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between level of satisfaction among of monthly income of LIC customers. Table further shows that the ‘p’ value of level of satisfaction among different monthly income of PLICs customers is higher than 0.05, the null hypothesis is accepted. Hence, it is concluded that there is no significant relationship between level of satisfaction and monthly income of PLICs customers. According to total customers, the p value is less than 0.05 the null hypothesis is rejected. Hence, it is concluded that there is a significant relationship between level of satisfaction and monthly income of total customers.

Length of availing of life insurance services

The level of satisfaction differs among customers length of availing life insurance services. The level of satisfaction among customers length of availing of life insurance services is presented in the table 7.16.

Table 7.16

Level of satisfaction among length of availing life insurance services

Type of customers	Availing of life insurance service	Level of satisfaction			Total
		Low	Moderate	High	
LIC customers	Below 5 Years	09	43	09	61
	5 - 10 Years	20	60	18	98
	10 - 15 Years	13	24	28	65
	Above 15 Years	12	57	07	76
	Total	54	184	62	300
PLICs customers	Below 5 Years	12	53	13	78
	5 - 10 Years	13	68	18	99
	10 - 15 Years	14	29	27	70
	Above 15 Years	07	40	06	53
	Total	46	190	64	300
Total customers	Below 5 Years	21	96	22	139
	5 - 10 Years	33	128	36	197
	10 - 15 Years	27	53	55	135
	Above 5 Years	19	97	13	129
	Total	100	374	126	600

Source: Computed Data

Table 7.16 shows that among the total customers, 128 respondents belong to 5 - 10 years of availing of life insurance are with moderate level of satisfaction, 33 respondents belong to 5 - 10 years of availing of life insurance with low level of

satisfaction and 55 respondents belong to 10 - 15 years of availing of life insurance service are with high level of satisfaction.

Table further shows that among the LIC customers, 57 respondents belong to above 15 years of availing of life insurance are with moderate level of satisfaction, 28 respondents belong to 10 - 15 years of availing of life insurance with high level of satisfaction, and 20 respondents belong to 5 - 10 years of availing of life insurance are with low level of satisfaction. It is evident from the table that majority of the respondents belong to 5 - 10 years of availing of life insurance have moderate level of satisfaction.

Table exhibits that among the PLICs customers, 68 respondents belong to 5 - 10 years of availing of life insurance with moderate level of satisfaction, 27 respondents belong to 10 - 15 years of availing of life insurance with high level of satisfaction, and 14 respondents belong to 10 - 15 years of availing of life insurance with low level of satisfaction. It is evident from that majority of the respondents belong to 5 - 10 years of availing of life insurance have moderate level of satisfaction.

Table 7.17

**Length of Availing Life Insurance Services and Level of Satisfaction -
Chi - Square Test**

Types of Customers	Particulars	Value	df	Asymp.sig (2 - sided) p value
LIC Customers	Pearson Chi-Square	32.392	6	0.000
	Likelihood Ratio	30.871	6	0.000
	Linear-by-Linear Association	0.005	1	0.942
	N of Valid Cases	300		
PLICs Customers	Pearson Chi-Square	22.208	6	0.001
	Likelihood Ratio	21.506	6	0.001
	Linear-by-Linear Association	0.142	1	0.706
	N of Valid Cases	300		
Total Customers	Pearson Chi-Square	52.571	6	0.000
	Likelihood Ratio	49.078	6	0.000
	Linear-by-Linear Association	0.744	1	0.388
	N of Valid Cases	600		

Source: Computed Data

Table shows that the 'p' value of level of satisfaction among the tenure of availing of life insurance services and level of satisfaction of LIC customers is higher than 0.05, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between level of satisfaction among of monthly income of LIC customers. Table further shows that the 'p' value of level of satisfaction among of the tenure of availing of life insurance services of PLICs customers is higher than 0.05, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between level of satisfaction and monthly income of PLICs customers .According to total customers the tenure of availing of life insurance services and level

of satisfaction is less than 0.05 the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between level of satisfaction and tenure of availing insurance services and level of satisfaction of total customers.

Table 7.18

Problems Faced by Customers of LIC

Sl. No.	Problems	Garret Mean Score	Rank
1	Waiting for a long time	65.22	I
2	Inadequate staff	63.11	II
3	Lack of proper direction by office staff	61.12	III
4	Agents' belated service	58.26	IV
5	Unsatisfactory services	53.21	V
6	Unfriendly staff	51.93	VI
7	Inadequate infrastructure	45.12	VII
8	Exaggeration of benefits	38.76	VIII
9	No proper and timely reminders	37.56	IX
10	No complete information about insurance service	32.66	X

Source: Primary Data

Table 7.18 clearly shows the customers' problems while availing insurance services with respective GARRET mean score and ranks. It is obvious from the table that of the ten identified problems, 'waiting for a long time' is ranked first with the highest Garret mean score of 65.22 which is followed by 'inadequate staff' with a mean score of 63.11. The 'Lack of proper direction by office staffs' has been ranked third with a mean score of 61.12 which is followed by 'agents belated service' with a mean score 58.26. The 'unsatisfactory services' has been ranked fifth with a mean score of 53.21. 'Unfriendly staff' has been ranked sixth with the mean score of 51.93, the

problem ‘inadequate infrastructure’ has been ranked seventh with the mean score of 45.12. ‘Exaggeration of benefits’ has been ranked eighth with the mean score of 38.76 followed by ‘no proper and timely reminders’ which has been ranked ninth with the mean score of 37.56. ‘No complete information about insurance service’ has been ranked as the last one with the least Garret mean score of 32.66.

Table 7.19

Problems Faced by Customers of PLICs

Sl. No.	Problems	Garret Mean Score	Rank
1	Inadequate staff	57.07	I
2	Unsatisfactory services	55.51	II
3	Waiting for a long time	55.21	III
4	Inadequate infrastructure	53.60	IV
5	Lack of Proper direction by office staff	53.17	V
6	Unfriendly Staff	51.69	VI
7	Exaggeration of benefits	50.79	VII
8	Agents’ belated service	46.08	VIII
9	No Proper and Timely Reminders	39.15	IX
10	No complete information about insurance service	24.37	X

Source: Primary Data

Table 7.19 clearly shows the customers’ problems while availing insurance services with respective GARRET mean score and ranks. It is obvious from the table that of the ten identified problems, ‘inadequate staff’ is ranked first with the highest Garret mean score of 57.07 which is followed by ‘unsatisfactory services’ with a mean score of 55.51. ‘Waiting for a long time’ has been ranked third with a mean score of 55.21 which is followed by ‘inadequate infrastructure’ with a mean score 53.60.

The problem ‘lack of proper direction by office staff’ has been ranked fifth with a mean score of 53.17. ‘Unfriendly staff’ has been ranked sixth with the mean score of 51.69, followed by ‘exaggeration of benefits’ has been ranked seventh with the mean score of 50.79. ‘Agents in prompt service’ has been ranked eighth with the mean score of 46.08 followed by ‘No proper and timely reminders’ which has been ranked ninth with the mean score of 39.15. ‘No complete information about insurance services’ has been ranked with the least Garret mean score of 24.37.

Table 7.20

Problems Faced by Total Customers

Sl. No.	Problems	Garret Mean Score	Rank
1	Waiting for a long time	60.22	I
2	Unsatisfactory services	59.53	II
3	Unfriendly staff	57.67	III
4	Inadequate Staff	56.40	IV
5	Lack of proper direction by office staff	53.19	V
6	Inadequate infrastructure	49.36	VI
7	Agents’ in prompt service	46.86	VII
8	Exaggeration of benefits	42.42	VIII
9	No proper and timely reminders	38.32	IX
10	No complete information about insurance service	33.70	X

Source: Primary Data

Table 7.20 clearly shows the customers’ problems while availing insurance services with respective GARRET mean score and ranks. It is obvious from the table that of the ten identified problems, ‘wait for a long time’ is ranked first with the highest Garret mean score of 60.22 which is followed by ‘unsatisfactory services’ with a mean

score of 59.53. ‘Unfriendly Staff’ has been ranked third with a mean score of 57.67 which is followed by ‘Inadequate staff’ with a mean score 56.40. ‘Lack of proper direction by office staff’ has been ranked fifth with a mean score of 53.19. ‘Inadequate infrastructure’ has been ranked sixth with the mean score of 49.36, followed by ‘agents’ in prompt service’ which has been ranked seventh with the mean score of 46.86. ‘Exaggeration of benefits’ has been ranked eighth with the mean score of 42.42 followed by ‘no proper and timely reminders’ has been ranked ninth with the mean score of 38.32. ‘No complete information about insurance services’ has been ranked with the least Garret mean score of 33.70.

Table 7.21

Preference of Policyholders of LIC

Sl. No.	Preference of LIC Policyholders	Garret Mean Score	Rank
1	Better Service	60.25	I
2	Attractive Schemes	55.48	II
3	Diversified Policies	53.15	III
4	Less Insurance Premium	52.20	IV
5	Quick Maturity Period	49.41	V
6	Claim Settlement	47.13	VI
7	Growth in Investment	41.71	VII
8	Flexibility	40.15	VIII

Source: Primary Data

Table 7.21 clearly shows that the preferences of LIC policyholders to select insurance services with respective GARRET mean score and ranks. It is obvious from the table that of the eight items, ‘better service’ is ranked first with the highest Garret mean score of 60.25 which is followed by ‘attractive schemes’ with a mean score of

55.48 'diversified policies' has been ranked third with a mean score of 53.15 which is followed by 'Less Insurance Premium' with a mean score 52.20. 'Quick maturity period' has been ranked fifth with a mean score of 49.41. 'Claim settlement' has been ranked sixth with the mean score of 47.13, followed by 'Growth in investment' which ranked seventh with the mean score of 41.71. 'Flexibility' has been ranked as the least Garret mean score of 40.15

Table 7.22

Preference of Policyholders of PLICs

Sl. No.	Preference of PLICs Policyholders	Garret Mean Score	Rank
1	Claim Settlement	62.38	I
2	Better Service	54.34	II
3	Attractive Schemes	53.13	III
4	Diversified Policies	52.64	IV
5	Less Insurance Premium	50.34	V
6	Quick Maturity Period	43.92	VI
7	Flexibility	43.69	VII
8	Growth in Investment	42.96	VIII

Source: Primary Data

Table 7.22 clearly shows that the preferences of PLICs policyholders to select insurance services with respective GARRET mean score and ranks. It is obvious from the table that of the eight items, 'Claim settlement' is ranked first with the highest Garret mean score of 62.38 which is followed by 'Better service' with a mean score of 54.34 'Attractive Schemes' has been ranked third with a mean score of 53.13 which is followed by 'Diversified policies' with a mean score 52.64. 'Less Insurance Premium' has been ranked fifth with a mean score of 50.34. 'Quick maturity period' has been

ranked sixth with the mean score of 43.92, followed by 'Flexibility' which ranked seventh with the mean score of 43.69. 'Growth in investment' has been ranked as the least Garret mean score of 42.96.

7.4 SUMMARY

This chapter aims at assessing customers' level of satisfaction about insurance services provided by LIC and PLICs. To find out whether there is any significant relationship between respondents' demographic variables and their level of satisfaction, chi-square test has been used and accordingly inferences were drawn. And, to assess the pressing problems that have been faced by the sample respondents in availing insurance service from LIC and Private Life Insurance Companies, Garret ranking technique was used and it is inferred that the problems' waiting for a long time. Inadequate staff and Unfriendly Staff were ranked as the top three problems.

CHAPTER - VIII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

8.1 INTRODUCTION

8.2 SUMMARY OF FINDINGS

8.2.1 The socio-economic profile of customers

8.2.2 Factors Motivating the Decision-Making in availing insurance services

8.2.3 Findings as to Service Quality Gap

8.2.4 Findings of Customers' expectation and perception

8.2.5 Findings based on ANOVA

8.2.6 Findings on Testing of Hypotheses

8.2.7 The Problems faced by sample customers

8.3 SUGGESTIONS

8.3.1 Suggestions Offered by Customers of LIC

8.3.2 Suggestions Offered by Customers of PLICs

8.3.3 Suggestions offered by the researcher based on the major findings of the study

8.4 CONCLUSION

8.5 AREA OF AND SCOPE FOR FURTHER RESEARCH

CHAPTER - VIII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

8.1 INTRODUCTION

This study has been undertaken with the following specific objectives: to study the socio economic conditions of the respondents, to study the profile of the LIC and PLICs of India, to analyses the factors to select life insurance, to identify the service quality gap and level of satisfaction of customers and analyze the problems faced by the customers as in availing insurance services and to offer suitable suggestions to overcome the problems.

The study was primarily based on primary data. Nevertheless, secondary data have also been used. The required primary data were collected from the sample customers through the structured interview schedules. The collected primary data were duly analysed with the help of statistical tools like Chi - Square test, Garrett's ranking technique, factor analysis, servqual, percentage analysis and inferences were drawn accordingly. This part of study includes a summary of the major findings of the study, the suggestions and conclusion.

8.2 SUMMARY OF FINDINGS

The following is the summary of the major findings of the study:

8.2.1 The socio economic profile of customers

1. It is inferred that the largest group of respondents (32.8%) is aged 31 to 40 years. The next largest group (31.0%) is aged 41 to 50 years. Smaller groups of respondents are aged 20 to 30 years (11.9%) and above 60 years (7.5%).

2. Majority of the respondents are male. There are 389 male respondents (64.8%) and the remaining 211 respondents (35.2%) are female.
3. In the study area, the majority of the respondents (89%) are married. Only 11% of the respondents are single. It is found that majority of the respondents are married.
4. It is inferred from the study that 55.3 per cent of the respondents reside in urban areas and 32.7 per cent of the respondents reside in rural area followed by 12 per cent of the respondents reside in sub urban area. It is clear from the study that majority of the respondents are residing in urban areas.
5. It is inferred from the study that 28 per cent of the respondents have undergraduate educational qualification, it is to be noted that 16.3 per cent of the respondents have completed Post graduation. The respondents constituted 15.8 per cent have completed +2 and 14.5 per cent have completed SSLC , about 10.8 per cent of the sample respondents are professionals and 7.5 per cent of the respondents are illiterate and about 7.0 per cent respondents have completed diploma course.
6. It is inferred that 32.30 per cent of the respondents are private sector employees, followed by 18.0 per cent of the respondents are businessmen, and 17.8 per cent of the respondents are government employees, followed by 12.4per cent of the respondents are homemakers, and 10.5 per cent of the respondents are professionals and 5.3 per cent of the respondents are agriculturalists and the remaining 4 per cent of the respondents are daily wage earners.
7. Majority of the respondents 43.3 per cent of the respondents have the family monthly income of up to ₹ 10,000, it is to be noted that 22 per cent of the

respondents have the monthly income of ₹ 10,001 - ₹ 20,000, about 20.8 per cent of the respondents have the monthly income of ₹ 20,001 - ₹ 30,000 and 6.2 per cent of the respondents have the monthly income of ₹ 30,001 - ₹ 40,000 and 5.2 per cent of the respondents have the monthly income of above ₹ 50,000 and the remaining 2.5 per cent of the respondents have the monthly income of ₹ 40,001 - ₹ 50000.

8. It is inferred that 52.3 per cent of the respondents have the average monthly savings of below ₹ 3000 and 25.2 per cent of the respondents have the average monthly savings of ₹ 3000 - ₹ 6000 followed by 15 per cent of the respondents have the average monthly savings are above ₹ 9000 and 7.5 per cent of the respondents have the average monthly savings of ₹ 6000 - ₹ 9000.
9. It is found that 40.8 per cent of the respondents have the average monthly savings of below ₹ 1000 in insurance and 28.8 per cent of the respondents have the average monthly savings of ₹ 1000 - ₹ 2000 in insurance followed by 17.5 per cent of the respondents have the average monthly savings of above ₹ 4000 in insurance and 12.9 per cent of the respondents have the average monthly savings of ₹ 2000 - ₹ 3000 in insurance.
10. It is inferred from the study that 85.8 per cent of the respondents are having the traditional policies followed by 7.2 per cent of the respondents are using both policies and the rest of 7 per cent of the respondents are using ULIPs.
11. It is inferred from the study that 38.5 per cent of the respondents pay their premium quarterly followed by 19.7 per cent of the respondents who pay their premium by monthly savings mode and 15.0 per cent of the respondents pay their premium by Salary Savings Scheme (SSS) followed by 14.8 per cent of the

respondents who pay Half yearly and 9.7 per cent of the respondents pay their premium by yearly and the rest of 2.3 per cent of the respondents who pay their premium by single premium mode.

12. It is inferred from the study that 31.2 per cent of the respondents availing of insurance services from 5 - 10 years and 28.7 per cent of the respondents have been availing of insurance services from below 5 years and 21.5per cent of the respondents have been availing of insurance services from 10-15 years followed by 18.6 per cent of the respondents who have been availing of insurance services from above 15 years.
13. It is found that from the study that 88.5 per cent of the respondents are availing only one Life Insurance Policies followed by 9.3 per cent of the respondents are availing two number of policies followed by 1.8 per cent of the respondents are availing three to five number of policies and the rest of 0.3 per cent of the respondents are availing five to ten number of policies.
14. It is inferred from the study that 75.7 per cent of the respondents give the rating of 'very essential' about life insurance policies.
15. It is found from the study that reasons for buying insurance services by LIC, PLICs and total customers that of the nine reasons for buying insurance policy; 'tax savings' is ranked first with the highest Garret mean score of 67.24 followed by 'risk coverage' with a mean score of 67.14. The reason 'investment opportunity' has been ranked third with a mean score of 64.05

8.2.2 Factors Motivating the Decision-Making in availing insurance services

It was found out that first of all ‘provide friendly service’ gives the maximum insights of availing decision of insurance service of the LIC customers in the study area. It was also found that factors like ‘convenient service hour’ and ‘clean surroundings and premises’ were also play an important role in decision making as to availing of insurance service. It could be inferred that the availing decision of the LIC customers was significantly influenced by the factors namely ‘provide prompt service’ and ‘provide visually appealing facilities.

As regards customers of PLICs, it was found that ‘convenient service hours’ provides the maximum insights of availing of insurance service decision in the study area.

The factors ‘providing visually appealing facilities and ‘clean surroundings and premises’ ‘have competent employees for better performance’ were also important in making decision as to availing of insurance service. The selection decision behavior of the PLICs customers was also influenced by ‘provide friendly services’.

Considering the total customers into account, it was found that first of all ‘convenient service hours’ provide the maximum insights of availing decision of insurance service in the study area.

It was also found that factors like ‘clean surrounding and premises’ and ‘provide friendly service’ were also playing an important role in arriving at decision as to availing of insurance service. It could be inferred that the factor ‘provide visually availing service’ was also playing an important role as regards the total customers’ decision in availing insurance service.

8.2.3 Findings as to Service Quality Gap

As regards the perception of LIC customers, it was found that the highest gap of the quality relates to the responsiveness dimension (gap mean score = 0.67) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the assurance dimension (gap mean score = 0.38).

With regard to PLICs customers, it was found that the highest gap of the quality relates to the tangibility dimension (gap mean score = 0.56) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the reliability dimension (gap mean score = 0.38).

As far as total customers are concerned, it was found that the highest gap of the quality relates to the responsiveness dimension (gap mean score = 0.60) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the assurance dimension (gap mean score = 0.40).

8.2.4 Findings of Customers' expectation and perception

Out of 600 respondents in Tirunelveli District, 323 respondents (53.8 per cent) have expectation scores of 141 to 160 points, 159 respondents (26.5 per cent) have expectation scores of 121 to 140 points, 84 respondents (14 per cent) have expectation scores of above 160 points and only 34 respondents (5.7 per cent) have expectation score level of below 120 points. Among the LIC customers, only 22 respondents (7.3 per cent) have expected at the low level of below 120 scores, 165 respondents (55 per cent) have expected to the level of 141 to 160 points, 87 respondents (29 per cent) have scored 121 to 140 points and 26 respondents (8.7 per cent) have scored above 160 points. Among the PLICs customers, only 12 respondents (4 per cent)

have expected at the lower level of below 120 points, 158 respondents (52.7 per cent) have expected at the higher level of 141 to 160 points scores, 72 respondents (24 per cent) have 121 to 140 points score and 58 respondents (19.3 per cent) have expected at the higher level scores of above 160 points.

It was found that 415 (69.2 per cent) customers are moderately expecting the service quality of insurance services, 101 respondents (16.8 per cent) are expecting at high level and 84 respondents (14 per cent) have expected the service quality of insurance services at low level.

Among the LIC customers out of 300 respondents, 221 respondents (73.7 per cent) have moderately expected the service quality of insurance services, 43 customers (14.3 per cent) are in the high expectation level and 36 respondents (12 per cent) have expected the service quality of insurance services at low level.

Out of 300 respondents of PLICs customers, 194 respondents (64.7 per cent) have moderately expected the service quality of insurance services, 58 respondents (19.3 per cent) have expected the service quality of insurance services at high level and 48 respondents (16 per cent) have expected the service quality of insurance services at low level.

Out of 600 respondents in Tirunelveli District, 348 respondents (58 per cent) have satisfied to the scores of 121 to 140 points, 129 respondents (21.5 per cent) have satisfied in between to the scores of 100 to 120 points, 79 respondents (13.2 per cent) have satisfied in between the scores of 141 to 160 points and only 32 respondents (5.3 per cent) have satisfied at the score level of below 100 points. Among the LIC customers, only 16 respondents (5.3 per cent) have satisfied at the low level of below 120 scores, 156 respondents (52 per cent) have satisfied to the level of 121 to 140

points, 93 respondents (31 per cent) have scored 100 to 120 points and 35 respondents (11.7 per cent) have scored 141 to 160 points. Among the PLICs customers, only 16 respondents (5.3 per cent) have satisfied at the lower level of below 100 points, 192 respondents (64 per cent) have satisfied at the higher level of 121 to 140 point scores, 44 respondents (14.7 per cent) have 141 to 160 point scores and 12 respondents (4 per cent) have satisfied at the higher level scores of above 160 points.

It was found that 424 (70.7 per cent) customers are moderately satisfied with the service quality of insurance services, 99 respondents (16.5 per cent) are satisfied at high level and 77 respondents (12.8 per cent) have satisfied with the service quality of insurance services at low level.

Among the LIC customers of 300 respondents, 200 respondents (66.7 per cent) have moderately satisfied with the service quality of insurance services, 55 consumers (18.3 per cent) are in the high satisfaction level and 45 respondents (15 per cent) are satisfied with the service quality of insurance services at low level.

Out of 300 respondents of PLICs customers, 224 respondents (74.7 per cent) have moderately satisfied with the service quality of insurance services, 44 respondents (14.7 per cent) are satisfied with the service quality of insurance services at high level and 32 respondents (10.6 per cent) are satisfied with the service quality of insurance services at low level.

8.2.5 Findings based on ANOVA

It is inferred that there is no significant difference in expectation among the different age group of LIC and PLICs customers and total customers. It is concluded

that age is not a significant variable in influencing the expectation among LIC and PLICs customers and total customers in Tirunelveli District.

It is inferred that there is no significant difference in expectation among different gender group of LIC and PLICs customers in Tirunelveli District". The result of 't' test for expectation among customers of different gender group.

It was found that marital status wise there is no significant difference in expectation among LIC, PLICs and total customers. It is further clear from that marital status is not a significant variable in influencing the expectation among LIC, PLICs and total customers.

It is inferred that there is no significant difference in expectation among the different educational level of LIC, PLICs and total customers. It is concluded that educational level is not a significant variable in influencing the expectation among LIC, PLICs and total customers in Tirunelveli District.

It was found that there is no significant difference in expectation among the different occupation of LIC, PLICs and total customers. It is concluded that occupation is not a significant variable in influencing the expectation among LIC, PLICs and total customers in Tirunelveli District.

It is inferred that there is no significant difference in expectation among the different monthly income of LIC customers. It is concluded that monthly income is not a significant variable in influencing the expectation among LIC customers in Tirunelveli District.

It is found that there is a significant difference in expectation among the different monthly income of PLICs and total customers. It is concluded that monthly income is a significant variable in influencing the expectation among PLICs and total customers in Tirunelveli District.

It is concluded that age is not a significant variable in influencing the perception among LIC, PLICs and total customers in Tirunelveli District.

It is found that gender is not a significant variable in influencing the perception among LIC, PLICs and total customers.

It is found that marital status is not a significant variable in influencing the perception among LIC, PLICs and total customers.

It is inferred that educational level is not a significant variable in influencing perception among LIC, PLICs and total customers.

It is inferred that occupation is not a significant variable in influencing perception among PLICs and total customers.

It is found that monthly income is a significant variable in influencing the perception among LIC and PLICs customers there is no significant difference in perception among different monthly income of total customers in Tirunelveli District.

8.2.6 Findings on Testing of Hypotheses

1. It is found that “**there is no significant relationship** between level of satisfaction and age group of LIC customers”. Yet, there is significant relationship between the level of satisfaction and age group of PLICs customers and total customers.

2. It is found that “**there is no significant relationship** between level of satisfaction and gender group of total customers. Yet, there is significant relationship between the level of satisfaction and age group of LIC customers and PLICs customers
3. It is found that “**there is significant relationship** between the marital status of LIC, PLICs and total customers and their level of satisfaction.”
4. It is found that “**there is significant relationship** between the area of residence of LIC, PLICs and total customers and their level of satisfaction.
5. It is found that “**there is no significant relationship** between the education level of PLICs customers and their level of satisfaction.” However, there is significant relationship between the educational status of LIC and total customers and their level of satisfaction”.
6. It is found that “**there is no significant relationship** between the occupation of LIC customers and their satisfaction”. And, “there is significant relationship between the occupation level of PLICs customers and total customers and their level of satisfaction.”
7. It is found that “**there is no significant relationship** between the monthly income of the family of LIC and PLICs customers and their satisfaction. And, “**there is significant relationship** between the monthly income of the family of total customers and their level of satisfaction.

8. It is found that “**there is no significant relationship** between the length of availing of life insurance of LIC customers and PLICs and their level of satisfaction.” Further, it is found that there is significant relationship between the length of availing of insurance services of total customers and their level of satisfaction.

8.2.7 The Problems faced by sample customers

As regards LIC customers, the problem ‘waiting for a long time’ is ranked first with the highest Garret mean score of 65.22 which is followed by ‘inadequate staff’ with a mean score of 63.11, ‘no complete information about insurance service’ has been ranked as the last one with the least Garret mean score of 32.66.

As regards PLICs customers, the problem ‘inadequate staff’ is ranked first with the highest Garret mean score of 57.07 which is followed by ‘Unsatisfactory services’ with a mean score of 55.51, ‘No complete information about insurance service’ has been ranked was the last one with the least Garret mean score of 24.37.

In the case of total customers, the problem ‘waiting for a long time’ is ranked first with the highest Garret mean score of 60.22 which is followed by ‘Unsatisfactory services’ with a mean score of 59.53, ‘No complete information about insurance service’ has been ranked with the last one with the least mean score of 33.70.

8.2.8 Preference of Policyholders

As regards LIC policyholders ‘better service’ is ranked first with the highest Garret mean score of 60.25 which is followed by ‘attractive schemes’ with a mean score of 55.48 ‘diversified policies’ has been ranked third with a mean score of 53.15

which is followed by 'Less Insurance Premium' with a mean score 52.20. 'Flexibility' has been ranked as the least Garret mean score of 40.15.

As regards PLICs customers 'claim settlement' is ranked first with the highest Garret mean score of 62.38 which is followed by 'Better service' with a mean score of 54.34 'Attractive Schemes' has been ranked third with a mean score of 53.13 which is followed by 'Diversified policies' with a mean score 52.64. 'Growth in investment' has been ranked as the least Garret means score of 42.96.

8.3 SUGGESTIONS

The researcher presents suggestions in three dimensions. They are: suggestions offered by LIC customers; suggestions offered by PLICs customers; and suggestions offered by the researcher based on the findings of the study.

8.3.1 Suggestions Offered by LIC Customers

Most of the LIC customers suggest that staff should do their work properly and they should improve their knowledge and staff must be present in office on time and they should provide friendly service to customers, reminder should be sent properly and communication system should be developed. LIC of India should meet the agents monthly and customers should not be made wait for long time in a counter.

A large number LIC of India respondents suggest that LIC should provide the information to customers through SMS; agents should provide accurate information to the customers; quick claim settlement should be made by LIC for its customers; advertisement of LIC should be strengthened as they felt that there is no enough advertisement about new policies; customers should be given still better service and in

private life insurance companies and customers should be well received and be given due respect.

8.3.2 Suggestions Offered by Customers of PLICs

Most of the PLICs customers suggest that own building is a must for every branch at every place for private life insurance companies of India; bonus rate has to be increased and rate of interest on loan has to be curtailed; latest technology on IT can be utilized to the optimum, E.office governance, paperless office and 'Go Green' project may be implemented by PLICs of India; prompt and proper reminders should given for renewal premium payment; and more efforts especially promotional efforts should be taken by PLICs to attract more potential customers towards them.

A large number of customers of PLICs suggest that staff should serve still friendlier; information about policy should be clearly explained to the customers and the policy maturity amount should be settled within the time and there must be no delay in claim/final settlement; counter facilities should be improved in the branch offices of PLICs. Tangibility aspects should be developed in branch offices of PLICs and establish more number of branch office in Tirunelveli District.

A few PLICs customers suggest that there should be no lock in period and whatever amount paid by the policyholder should be given back; whenever there is a shift of residence, new address needs to be updated without fail and delay; and both agents and office staff should give answers/ explanations in a polite way to the customers when customers pose questions/queries.

8.3.3 Suggestions offered by the researcher based on the major findings of the study

As there is a considerable service gap between the customers' expectation and perception of both LIC and PLICs as to responsiveness dimension, it is suggested that the staff of branch offices of LIC and PLICs of India need to be more responsive in rendering services to the customers.

As regards PLICs customers, there is a considerable service gap between the customers' expectation and perception with regard to tangibility dimension, the branch offices of PLICs of India should pay more focus on improving infrastructural facilities including provision of vehicle parking facility.

As majority of the respondents are moderately satisfied with the service quality of insurance services of LIC and PLICs of India, the authorities need to pay adequate attention in making customers with high level of satisfaction.

As there is a significant relationship between the occupational status of customers of LIC and PLICs and their level of satisfaction, it is suggested that LIC and PLICs of India have to design still more specific marketing programmes for such occupation based segmented markets.

Both the customers of LIC and PLICs ranked the problem 'waiting for a long time' 'inadequate staff', and 'lack of proper direction by office staff' as the top three problems. Hence, it is suggested that the branch office staff of LIC and PLICs of India should see that customers are given quality service as quick as possible despite it's under - staffing. It is also suggested that customers should always be given proper direction by branch office staff.

8.4 CONCLUSION

The researcher feels that the study has served the purposes for which it was carried out. As the study is a novel one, a humble and a maiden attempt has been made by the researcher to explore the avenues as to fulfill the objectives of the study. Sincere efforts have been made by the researcher to study the chosen problem of assessing service quality perception of customers of LIC and PLICs about life insurance services in the study area. Despite the inherent and inevitable limitations of the study, all the specified objectives have been genuinely arrived at.

As life insurance matters a lot to every individual of a nation, the researcher gets a sense of satisfaction in completing this tiny research endeavor. The study gives a vivid picture of the socio-economic profile of the sample customer respondents and their pattern of availing insurance service from the branches of LIC and PLICs, the factors that are responsible for availing life insurance service are duly presented in the study. The researcher hopes that the findings of the study would be of great help for the officers and agents of LIC and PLICs to enhance the service quality. The researcher strongly believes that if the suggestions that are offered both by the sample respondents of the study and also by the researcher are duly considered and subsequently if necessary remedial measures are taken by the officials concerned, prompt delivery of the promised quality life insurance services could be arrived. Despite the above mentioned fruits of this research endeavour, the researcher is not fully contented with the study due to its own inherent and inevitable limitations. The researcher hopes very strongly that still there is an ample scope for further research on different dynamics and dimensions of service quality in insurance marketing.

The researcher is confident that this small piece of research work on service quality perception of customers LIC and PLICs about life insurance services will definitely kindle a keen interest in the minds of the budding and future researchers. The researcher takes pride in concluding the study with her vision of “India with fully insured individuals by 2020” since life insurance protects every individual both during one’s existence and even beyond one’s existence.

8.5 AREA OF AND SCOPE FOR FURTHER RESEARCH

Based on the findings of the present study, the following issues have been identified for further research:

1. Clients’ perception and preferences towards private life insurance companies.
2. Marketing of insurance services in India in the post liberalization era.
3. The perception and preferences of policyholders towards health insurance in Tamilnadu with particular reference to Tirunelveli District.
4. A comparative study on service quality perception of customers of public and private sector insurance companies in Tamilnadu.
5. A descriptive study on health insurance industry in India with particular reference to Tamilnadu.

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