

## Dimension wise Satisfaction Level on Service Quality with LIC

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### Abstract:

*Customer satisfaction in life insurance is the difference between the desired level of performance by the customers from the insurer and the actual experience of the customer on performance of insurer. In today's competitive market customer and his satisfaction is of immense importance for the marketers to survive. Life insurance industry is not an exception to this. Customer satisfaction with the best quality of service, need based, customized, innovative and competitive products, will be the key to succeed in this competition. Keeping this in view, the topic under study has made an attempt to find out the dimension wise level of satisfaction on service quality offered by LIC'. The dimensions viz. Product/Plans of LIC, Price, Advertisements, Culture and Process have been considered for the purpose and sample of 2500 have been taken to collect the primary data. The statistical tools percentage, mean, SD, ranks and One Sample 't' test were used for analysis. The research revealed that the samples are satisfied with the simplicity of claim settlement procedure of LIC and grievance redressal mechanism while highly dissatisfied with Rate of additional Premium for Riders.*

**Key words:** Customer Satisfaction, Performance, Customized Service Quality, Grievance, Claim Settlement.

## **Introduction:**

The marketing concept has undergone different approaches from product concept to societal marketing. In traditional marketing the main focus was 'sales' rather than 'customer relationship'. In today's competitive environment, the traditional approach has become outdated. Modern marketing focuses on two major activities retaining existing customers and adding new customers. Customer satisfaction is a major determinant of customer retention, customer loyalty. The marketers are now concentrating not only on attracting new customers but also on retaining the existing customers. Acquiring new customers is more costly than satisfying and retaining the existing customers. Kotler quoted "Just attracting new customers is like adding water to a leaking bucket" (Kotler P. and Keller, K. 2006). Marketers have realized that customer retention is the function of customer satisfaction. Therefore, efforts are being made to delight the customers through efficient service and thereby to retain them. The studies observed that 'a highly satisfied customer is an asset of the firm', (ICFAI University). Customer is supposed to be the king of market. In the service industry like life insurance, customer assumes the prime importance in the marketing process. Every effort of the insurer is targeted to satisfy the customer through customized and innovative products and quality after sale services. Customer expectation and customer satisfaction are correlated terms. Usually, customers desire something from the service and the service provider. Customer expectations are the desired level of performance of the services. There is always a certain minimum desired level of service performance the customers are ready to accept. Customers form their expectations about a product or service on the basis of their

past experiences, experiences of others, advice of friends, relatives, information provided by marketers as well as competitors. Customer satisfaction is a major outcome of marketing activity, in which various stages of the consumer buying behaviour are connected i.e. if he is satisfied with a particular product or service after its use, and then they are more likely to go for repeat purchase.

“Everything we do is aimed at either getting a customer or keeping a customer”. (ICFAI University) In the modern dynamic and competitive market, it is the universal practice to treat customer as king of market. Customer is thus considered as ‘centre Point’ of the marketing process. Therefore, the marketers of goods or services do their level best to satisfy their customers. Satisfaction occurs when one gets what one needs, desires, expects, deserves or deems to be one’s entitlement. (Santha Gopinathan 1980)

Customer satisfaction is a person’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance (outcome) in relation to his or her expectations. If the performance falls short of his expectations, the customer is dissatisfied. If the performance matches his expectations, the customer is satisfied. If the performance exceeds his expectations, the customer is highly satisfied or delighted. (Kotler P. and Keller, K. 2006) Customers generally, wish to have something more than what they expect. Complete customer satisfaction permanently/forever is not possible for any marketer because it is not static rather it is ever changing. Satisfaction or dissatisfaction, is reflected by the customer through his positive or negative reactions i.e. anger, pain, tension, irritation, annoyance, complaints, helpless feeble reactions, avoiding association of the sellers/products/services repeated purchases, mouth publicity, positive feedback, feeling proud to be the customer of the brand and so on. Again, the same quality of service or performance of product which has met the expectations of strata of the society may not do the

same in case of another because needs and expectations of the different strata of the society are different. (Santha Gopinathan 1980)

### **Review of Literature:**

Sharma Manoj (2012) found that gender and satisfaction level of customers in life insurance is independent. The researcher further found that marital status and satisfaction level are also independent of each other. The demographic factors like age, employment, education level and monthly income found to have association with satisfaction of investors. However, Gregory A. Kuhlemeyer and Garth H. Allen (1999) observed that individual characteristics such age, gender, marital status do not correlate to consumer satisfaction. Gregory A. Kuhlemeyer and Garth H. Allen. (1999) found that by and large customers are satisfied with their agents and do not generally plan on changing agent. The researcher further found that consumers who use only agents are bit more satisfied than consumers who use both agent and direct purchasing. This study showed that trust, competency, product selection and meeting goals and needs were significantly higher for satisfied consumers with agents and the agents' academic background has no impact on satisfaction level. Thus, findings of Sharma Manoj and Gregory A. Kuhlemeyer & Garth H. Allen (1999) are different about satisfaction level in relation to gender and marital status of the respondents. The former observed that both the variables and satisfaction level are associated with each other, while the later observed that age, marital status and gender and satisfaction level are not correlated.

However, there are variations in some of the factors taken into account to assess the satisfaction. For example, Shukla Rajeev et.al. has considered the factors- error free services provided by channel intermediaries, services provided on time, processing fee charged, uniqueness in services

offerings and after sale services provided by different channel intermediaries, information & advisory services, quick action against customer complaints, better technology support, process of acquiring insurance policy, claim management process customized services to assess satisfaction level of the customers with agents. On the other hand, Gregory A. Kuhlemeyer & Garth H. Allen (1999) considered trustworthiness, knowledgeable, using appropriate products and explaining the products well, academic background, professional designations, a long business history, and individual characteristics.

Krishnan A.R. and Selvamani R. (2012) observed that 22% and 30% respondents are satisfied and highly satisfied with service provided to the customers. The researcher further found that 23.30% and 21% are dissatisfied and highly dissatisfied respectively on product information, 30% feel highly secured, while 52% accept that the company has enough branches.

K. Uma et. al. (2011) found that 95% of the respondents were satisfied with their current life insurance policies. Patil S.J. (2011) found that 95% of the respondents were satisfied with products and services of LIC of India. Thus, these two studies show similar findings.

Siddiqui Masood H and Ghosh Sharma Tripti (2010) found that 'assurance' and 'personalized financial planning' are significant predictors of 'satisfaction with the insurance agent'. Further, 'personalized financial planning', 'technology', 'competence' and 'corporate image' are significant predictors of 'satisfaction with the functional services provided by the insurance company'. 'Corporate image' and 'tangibles' are the significant predictors of 'satisfaction with the insurance company'. The researcher found that there is significant relationship among the three dimensions of satisfaction i.e 'satisfaction with the life insurance agents', 'satisfaction with functional services provided' and 'satisfaction with the insurance company'.

Venkatachalam A. and Sivkumar M., (2010) observed that the factors such age, education, marital status, nature of policy, period of policy, income, occupation and awareness influence the satisfaction level of customers. However, there are variations in the findings of Siddiqui Masood H and Ghosh Sharma Tripti (2010) and Venkatachalam A. and Sivkumar M., (2010). According to the former there is significant relationship among three factors viz. satisfaction with the life insurance agents', 'satisfaction with functional services provided' and 'satisfaction with the insurance company'. On the other hand Venkatachalam A. and Sivkumar M., (2010) found that nature of policy, period of policy, income; occupation and awareness influence the satisfaction level of customers. Further, research of Siddiqui Masood H and Ghosh Sharma Tripti (2010) was undertaken in the cosmopolitan cities of Lucknow, Delhi-NCR, Mumbai, Bangalore and Hyderabad using the Quota and shopping mall intercept sampling schemes. So, it is likely that the particular class of customers who visit shopping malls would have interviewed for collecting the data. Therefore, the findings of this research should not be generalized.

Shil Nikhil Chandra and Huda Muzakkeerul M. (2011) highlighted the importance of customer satisfaction. According to the researchers customer satisfaction is a multidimensional facet. Quality is an important and core factor in satisfying customers. The researcher opined that Quality and satisfaction go hand in hand and is a key to success in today's highly competitive environment. The positive relationship between quality and satisfaction leads to customer retention, increased market share and profitability. Satisfaction leads to improved profits, word of mouth recommendation and less marketing expenditure. Therefore there is a scope for further study to find out the factors responsible for customer satisfaction or dissatisfaction in life insurance.

Bandopadhyaya Nirmaly et al. (2012) discussed the paradigms of the satisfaction research. The authors opined

that study of consumer behaviour and satisfaction has become the area of interest for the researchers especially in the last three decades. According to the researchers, consumer loyalty, reduction in customer defection and customer acquisition are influenced by their satisfaction or dissatisfaction. Customer satisfaction indicates the 'effectiveness of marketing system', 'social well being' and 'individual's emotional feelings' in Economics, Sociology and Psychology respectively.

Malik Manju Rani (2011) opined that in the present era, customer is the centre point of all marketing activities. The objective of marketers has shifted from 'maximization of profits' to 'maximization of customer satisfaction.' The author emphasized that marketers should concentrate on the five dimensions of customer satisfaction: Product characteristics, Price factors, Physical aspects, Promotional schemes, Personal interaction.

Altaf Ahmad Dar et. al. (2012) found that 'culture' is one of the important dimensions of service quality in life insurance sector. The researcher used Culture as new dimension of service quality that included five variables- respects the local culture, Company works for the welfare of society, Company is in line with local values, Company has the good image among local population and Company gives attention to women, children and handicapped. The study revealed that employee's 'willingness to help and behavior instilled confidence' were given highest preference. Further, policy benefits, timely promised service and convenient operating hours received higher scores.

Bhattacharjee Mrinmoy & Dey Nikhil Bhusan (2010) found that the satisfaction level decreases with the increase in age of the respondents. The researcher used six attributes of life insurance to ascertain service quality level of satisfaction- risk coverage, partial withdrawal facility, multiple benefits from single policy, premium, regular returns or income and

specific or special benefits like pension, child marriage, education.

### **Research Methodology:**

The study is descriptive inferential in nature that describes the level of dimension wise satisfaction level of the customers of LIC. The study was undertaken with the objective 'to assess the satisfaction level of customers of LIC'. A sample of 2500 was selected from the policyholders of LIC of India in Kolhapur district of Maharashtra (India) including 1321 urban and 1179 rural samples. 788 urban and 668 rural samples have visited the LIC branch, 460 urban and 358 rural samples have undergone medical examination before taking a life policy, 37 urban and 28 rural samples have settled claims with LIC while 35 samples each from urban and rural areas have revived their lapsed policies while 9 urban and 18 rural samples came across grievance with LIC. Quota sampling method has been used to collect data from all twelve tahasils in Kolhapur district and all eleven branches of LIC in the district. Care has been made to collect the data from samples with different demographic profile. The secondary data related to conceptual framework was collected through reference books, journals, newspapers, websites, office records of LIC of India, by visiting the Divisional Office situated at Kolhapur and Branch Offices spread in Kolhapur District.

A Structured Schedule was used to collect primary data from the respondents. The schedule was divided into different parts. The questions in the schedule were close ended and codified so as to facilitate data feeding and analysis. The first part of schedule consisted of information related to demographic profile of the respondents and the second part consisted of 10 dimensions of service quality with 46 parameters. The satisfaction level has measured on five point scale as 1=strongly disagree and 5=strongly agree. One variable

i.e. The statistical tools percentage, mean, SD and ranks were used for analysis and interpretation. SPSS software was brought in use for analysis.

Following parameters/factors have been used considering the earlier research studies to assess the satisfaction level of customers of LIC and the service quality.

a) **Product/Offerings/Plans:** The life insurance plans/products are the major determinants of service quality as well as the satisfaction level among the respondents. Variety of plans, fulfillment of needs of the customers, Innovative plans, Bonus offered, Multiple benefits from single policy, Competitiveness and the liquidity are the sub factors taken into account for the present study.

b) **Price:** As most of the customers are price conscious, it is the most important factor that determines satisfaction level of customers. Rate of premium charged for insurance policies is the price in insurance industry. Along with premium the factors such as additional premium charged for Riders, charges for medical examination, charges for revival of lapsed policy

c) **Advertisements:** advertisement is the source that provides information to the public about the features, benefits, etc. of the offer/product. Appealing and impressiveness, regularity, understandability, educative, informative, ethical considerations are the ingredients of advertisement expected by the public.

d) **Assurance:** Assurance is the confidence created by the service provider and felt by the customer about the service. It is feeling safe while dealing with the company. Safety, feeling confident, courteousness and knowledge of Employees are the variables used in the present study to assess the assurance dimension.

e) **Culture:** Culture is the way of life or customs. Respecting local culture is sensitive factor for the residents. Therefore, the service providers have to consider the cultural

factors while performing the business activities. They include respecting the local culture, working for the welfare of society, to be in line with local values, creating good image among local population, giving attention to all members of society.

**Analysis and Interpretation of Data:**

**Satisfaction Level about Products/Plans:**

**Table 1 Satisfaction Level about Products / Plans (n=2500)**

| Sr. | Parameters of Service Quality in 'Product'                      | Consolidated |      |      | Urban (n=1321) |      |      | Rural (n=1179) |      |      |
|-----|---|--------------|------|------|----------------|------|------|----------------|------|------|
|     |   | Mean         | SD   | Rank | Mean           | SD   | Rank | Mean           | SD   | Rank |
| 1   | LIC has large variety of plans                                  | 3.95         | 1.09 | 1    | 3.96           | 1.09 | 1    | 3.95           | 1.09 | 1    |
| 2   | LIC offers need fulfilling products                             | 3.45         | 1.13 | 3    | 3.47           | 1.13 | 2    | 3.42           | 1.14 | 3    |
| 3   | Products of LIC have Innovative benefits                        | 3.35         | 1.13 | 4    | 3.37           | 1.13 | 4    | 3.34           | 1.13 | 4    |
| 4   | LIC offers reasonable/fair Bonus and other benefits             | 3.46         | 1.07 | 2    | 3.46           | 1.08 | 3    | 3.46           | 1.07 | 2    |
| 5   | Products give Multiple benefits from single policy              | 3.01         | 1.07 | 7    | 3.02           | 1.08 | 7    | 3.00           | 1.07 | 7    |
| 6   | Products are Competitive (benefits compared to other companies) | 3.16         | 1.16 | 6    | 3.18           | 1.17 | 6    | 3.15           | 1.15 | 6    |
| 7   | Products of LIC have liquidity                                  | 3.24         | 1.08 | 5    | 3.26           | 1.07 | 5    | 3.23           | 1.08 | 5    |
|     | Spearman's rank correlation between consolidated and urban      |              |      |      |                |      |      | .964**         |      |      |
|     | Spearman's rank correlation between consolidated and rural      |              |      |      |                |      |      | 1.000**        |      |      |
|     | Spearman's rank correlation between urban and rural             |              |      |      |                |      |      | .964**         |      |      |
|     | **. Correlation is significant at the 0.01 level (2-tailed).    |              |      |      |                |      |      |                |      |      |

Source: (compiled from Field data)

From table number 1 it has seen that the range of opinions on mean fall between 3.01 and 3.95 with a standard deviation ranging from 1.07 to 1.16 for consolidated opinion. The mean

score of urban samples fall between 3.02 and 3.96 with a stand deviation ranging from 1.07 to 1.17 and of rural samples the mean score falls between 3.00 and 3.95 with a standard deviation ranging from 1.07 to 1.15. It can be stated that the range of mean score for all the 7 parameters opined by all samples, urban samples and rural samples more or less same.

The Spearman's rank correlation between opinions of consolidated samples and opinions of urban samples is 0.964, between consolidated samples and rural samples is 1.00 and between urban samples and rural samples is 0.964 which is strong positive at 0.01 level of significance.

It has found that there is no parameter carrying the mean value more than 4.0 and standard deviation is also reasonably more signifies that samples have different of opinions.

Samples opined that 'LIC has large variety of plans' since the entire samples agree towards it with a mean score of 3.95 followed by mean score of urban samples is 3.96 and that to of rural samples 3.95. The standard deviation in the opinion found to be 1.09 with all samples, urban samples and rural samples which is reasonably more. This parameter is ranked first by all samples as well as urban and rural samples.

The parameters 'LIC offers reasonable/fair Bonus and other benefits' carried mean score of 3.46, 'LIC offers need fulfilling products' carried a mean score 3.45, Products of LIC have Innovative benefits' carried a mean score of 3.35, 'Products of LIC have liquidity' carried mean score 3.24, 'Products are Competitive (benefits compared to other companies)' carried a mean score of 3.16 and 'Products give Multiple benefits from single policy' carried a mean score of 3.01 for consolidated opinions. It can be stated that mean scores of the opinions of samples on these six parameters fall between 3.0 and 3.5 with significant standard deviations. All these parameters of quality and satisfaction need special attention from LIC. Though, the parameter 'Products give Multiple benefits from single policy'

has secured mean score more than 3.0 showing agreement of the samples, the standard deviation is 1.07 denotes reasonably considerable variations in the opinions. This parameter is rated low by the samples and it is on the verge of disagreement.

### Satisfaction Level about 'Price' Dimension:

**Table 2 Satisfaction Level about 'Price' Dimension**

| S<br>r<br>r | Parameters of service quality in 'Price'                     | Consolidated (n=2500) |      |           |      | Urban (n=1321) |      |           |      | Rural (n=1179) |      |           |      |
|-------------|--|-----------------------|------|-----------|------|----------------|------|-----------|------|----------------|------|-----------|------|
|             |  | N                     | Mean | SD        | Rank | N              | Mean | SD        | Rank | N              | Mean | SD        | Rank |
| 1           | Rate of additional Premium for Riders is low                 | 2500                  | 2.55 | 1.36      | 3    | 1321           | 3.10 | 1.10      | 3    | 1179           | 2.52 | 1.35      | 3    |
| 2           | Charges for medical examination are low                      | 818                   | 4.13 | 0.98      | 1    | 460            | 4.10 | 1.01      | 1    | 358            | 4.18 | .94       | 1    |
|             | One Sample 't' test  | (t)32.806             |      | (sig).000 |      | (t)23.029      |      | (sig).000 |      | (t)23.675      |      | (sig).000 |      |
| 3           | Charges for revival of lapsed policy are low                 | 70                    | 3.83 | 1.07      | 2    | 35             | 3.83 | 1.01      | 2    | 35             | 3.83 | 1.15      | 2    |
|             | One Sample 't' test  | 6.440                 |      | (sig).000 |      | (t)4.833       |      | (sig).000 |      | 4.262          |      | (sig).000 |      |
|             | Spearman's rank correlation between consolidated and urban   |                       |      |           |      |                |      |           |      | 1.000**        |      |           |      |
|             | Spearman's rank correlation between consolidated and rural   |                       |      |           |      |                |      |           |      | 1.000**        |      |           |      |
|             | Spearman's rank correlation between urban and rural          |                       |      |           |      |                |      |           |      | 1.000**        |      |           |      |
|             | **. Correlation is significant at the 0.01 level (2-tailed). |                       |      |           |      |                |      |           |      |                |      |           |      |

Source: (compiled from Field data)

Table number 2 revealed the opinion of samples on charges for medical examination. Medical examination was applicable to only 818 samples. The opinion of these samples were assessed and it was found that the mean agreement on the statement that 'charges for medical examination are low' has mean score of 4.13 with standard deviation of 0.98. With urban population (n=460) the mean satisfaction score is 4.10 with a standard deviation of 1.01 and that to with rural samples (358) mean score is 4.18 with standard deviation of 0.94. The one sample 't' test resulted into 't' score of 32.80 which is significant at 5% level of significance hence, it can be stated that the samples shows agreement towards low medical charges of LIC.

Amongst total samples, only 70 samples had revived lapsed policies. The mean score of the opinions on the

parameter ‘Charges for revival of lapsed policy are low’ is 3.83 with the standard deviation 1.07. 35 samples each from urban and rural areas had revived lapsed policy. Mean score of opinions of urban samples are 3.83 with standard deviation of 1.01. The same is 3.83 and 1.15 respectively in case of rural samples. ‘t’ value of one sample ‘t’ test is 6.440 which is significant at 5% level of significance. Thus, it can be stated that the respondents agree on the low charges of revival of lapsed policy.

First parameter in the above stated table i.e. ‘Rate of additional Premium for Riders is low’ carried a mean score of 2.55 with standard deviation of 1.36 on the opinions of consolidated samples. Mean scores on the opinions of urban samples is 3.10 with standard deviation of 1.10 and in case of rural samples mean values are 2.52 with standard deviation of 1.35. This shows that the samples do not agree on the low rate of additional premium.

Spearman’s rank correlation is calculated to find out whether there is any correlation regarding this dimension among the opinions of the samples. It has observed that relationships between opinions of consolidated samples and opinions of urban samples, between consolidated samples and rural samples and also between urban samples and rural samples are perfect positive. The spearman’s rank correlation between all samples and urban samples, between consolidated samples and rural samples and between urban and rural samples is 1.000 which is significant at 0.01 level of significance.

**Table 3 Satisfaction Level about ‘Advertisements’**

| Sr. No. | Sub-Dimensions of Service Quality in ‘Advertisement’ | Consolidated |       |      | Urban    |      |      | Rural    |      |      |
|---------|--|--------------|-------|------|----------|------|------|----------|------|------|
|         |  | (n=2500)     |       |      | (n=1321) |      |      | (n=1179) |      |      |
|         |  | Mean         | SD    | Rank | Mean     | SD   | Rank | Mean     | SD   | Rank |
| 1       | Advertisements are appealing and impressive          | 3.89         | 0.848 | 2    | 3.87     | .847 | 2    | 3.95     | .899 | 1    |

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|  |   |      |       |   |      |      |   |         |      |   |
|--|---|------|-------|---|------|------|---|---------|------|---|
| 2  | Advertisements of LIC are regular                               | 3.93 | 0.909 | 1 | 3.92 | .918 | 1 | 3.81    | .947 | 3 |
| 3  | Language in the advertisement is understandable                 | 3.80 | 0.953 | 3 | 3.78 | .959 | 3 | 3.65    | 1.08 | 4 |
| 4  | Advertisement gives complete Information about Product features | 3.64 | 1.08  | 4 | 3.64 | 1.08 | 4 | 3.60    | 1.00 | 5 |
| 5  | Advertisements are educative to customer                        | 3.59 | 0.995 | 5 | 3.58 | .992 | 5 | 3.53    | .943 | 6 |
| 6  | Advertisements are Ethical                                      | 3.55 | 0.918 | 6 | 3.56 | .895 | 6 | 3.90    | .850 | 2 |
| Spearman's rank correlation between consolidated and urban   |   |      |       |   |      |      |   | 1.000** |      |   |
| Spearman's rank correlation between consolidated and rural   |   |      |       |   |      |      |   | .314    |      |   |
| Spearman's rank correlation between urban and rural          |   |      |       |   |      |      |   | .314    |      |   |
| **. Correlation is significant at the 0.01 level (2-tailed). |   |      |       |   |      |      |   |         |      |   |

Source: (compiled from Field data)

Table number 3 shows opinions of the samples on 6 parameters used in dimension 'Advertisements' of LIC to assess the satisfaction level of respondents towards LIC viz. 'Advertisements are appealing and impressive', 'Advertisements of LIC are regular', 'Language in the advertisement is understandable', 'Advertisement gives complete Information about Product features', 'Advertisements are educative to customer' 'Advertisements are Ethical'.

The table indicates that the range of opinions on mean fall between 3.55 and 3.93 with a standard deviation ranging from 0.848 to 1.08 for consolidated opinions. The mean score of urban samples fall between 3.56 to 3.92 with a stand deviation ranging from 0.847 to 1.08 and mean score of rural samples falls between 3.530 and 3.95 with a standard deviation ranging from 0.899 to 1,08. Thus, it is revealed that there no much variation among range of mean scores for all the 6 parameters by consolidated samples, urban samples and rural samples.

Spearman's rank correlation is calculated to establish the correlation among opinions of all samples, urban samples and rural samples. It is found that relationships between opinions of consolidated samples and opinions of urban samples strongly positive, between opinions of consolidated samples and

rural samples and between urban samples and rural samples is positive but negligible. The Spearman's rank correlation between all samples and urban samples is 1.000; between consolidated samples and rural samples is 0.314 which is significant at 0.01 level of significance. The Spearman's rank correlation between urban and rural samples is 0.0.314 which is found to be significant at 0.01 level of significance.

It is found that no parameter in 'Advertisement' dimension carried mean score 4.0 or more. Range of mean scores on the opinions of consolidated samples, urban samples as well as rural samples for all parameters fell between 3.53 and 3.95.

The parameter 'Advertisements of LIC are regular' carried highest mean score on the opinions of consolidated samples with standard deviation 0.909 which is considerable. The mean score for this parameter on opinions of urban samples is 3.92 with standard deviation 0.918 and on opinions of rural samples is 3.81 with standard deviation of 0.947. Though, this parameter is ranked first by consolidated and urban samples while third by rural samples, there is more agreement towards the parameter because the mean values on the opinions of these three types of samples fall between 3.5 and 4.0. Thus, it indicates that the samples agree that the advertisements of LIC are regular.

It is revealed that in case of all 6 parameters in 'advertisement' dimension; mean scores of the opinions of all samples fall between 3.55 and 3.93 indicating more agreement of the samples on these parameters. 'Advertisements are appealing and impressive' carried mean score of 3.89, 'Advertisements of LIC are regular' carried mean score of 3.93, 'Language in the advertisement is understandable' carried mean score of 3.80, 'Advertisement gives complete Information about Product features' carried mean score of 3.64, 'Advertisements are educative to customer' carried mean score of 3.59 and 'Advertisements are Ethical' carried mean score

3.55 showing agreement towards all parameter but no parameter has crossed the mean value 4.0 i.e. total agreement hence it can be stated that there is good scope make the advertisements customer friendly. Mean scores for urban and rural samples also fall below 4.0 indicating more agreement towards the parameters.

The parameters 'Language in the advertisement is understandable' carry mean score on the opinion of rural samples 3.65 with standard deviation of 1.08 and 'Advertisement gives complete Information about Product features' carry mean score of 3.60 on the opinions of rural sample with standard deviation of 1.00. Though these means and standard deviations are acceptable, there are considerable variations.

**Table 4 Satisfaction Level about 'Process'**

| S<br>r | Sub-<br>Dimensions  | Consolidated |      |           |      | Urban    |      |           |      | Rural     |      |           |      |
|--------|---|--------------|------|-----------|------|----------|------|-----------|------|-----------|------|-----------|------|
|        |   | N            | Mean | SD        | Rank | N        | Mean | SD        | Rank | N         | Mean | SD        | Rank |
| 1      | Minimum waiting time is consumed  | 1456         | 3.57 | 0.97      | 3    | 788      | 3.60 | .974      | 2    | 668       | 3.54 | 0.96      | 3    |
| 2      | Hassle free service for change in address, nomination, assignment, revival of lapsed policy | 1456         | 3.51 | 1.20      | 4    | 788      | 3.52 | 1.19      | 4    | 668       | 3.49 | 1.20      | 4    |
| 3      | Claim settlement procedure is simple  | 65           | 3.94 | 1.17      | 2    | 37       | 3.57 | 1.32      | 3    | 28        | 4.43 | 0.69      | 1    |
|        | One Sample 't' test   | (t)27.117    |      | (sig).000 |      | (t)2.608 |      | (sig).000 |      | (t)10.954 |      | (sig).000 |      |
| 4      | LIC has smooth grievance redressal mechanism  | 27           | 4.15 | 0.94      | 1    | 9        | 4.56 | .52       | 1    | 18        | 3.94 | 1.05      | 2    |
|        | One Sample 't' test   | (t)22.717    |      | (sig).000 |      | (t)8.854 |      | (sig).000 |      | (t)3.796  |      | (sig).000 |      |

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|  |  |       |
|--|--|-------|
|  | Spearman's rank correlation between consolidated and urban   | 0.800 |
|  | Spearman's rank correlation between consolidated and rural   | 0.800 |
|  | Spearman's rank correlation between urban and rural          | 0.400 |
|  | **. Correlation is significant at the 0.01 level (2-tailed). |       |

Source: (compiled from Field data)

Table number 4 shows that first two parameters i.e. 'Minimum waiting time is consumed', and 'Hassle free service for change in address, nomination, assignment, revival of lapsed policy' are applicable to 1456 respondents who have visited LIC branch.

The opinion of these samples were assessed and it was found that the mean score of agreement on the statement that 'Minimum waiting time is consumed' has mean score of 3.57 with standard deviation of 0.97. With urban population (n=788) the mean satisfaction score is 3.60 with a standard deviation of 0.974 and that to with rural samples (n=668) mean score is 3.54 with standard deviation of 0.96. The opinions of samples are inclined towards agreement but not the clear agreement about the parameter. The standard deviation is reasonably less reveals that the opinions are uniform in nature.

The parameter 'Hassle free service for change in address, nomination, assignment, revival of lapsed policy' carries a mean score of 3.51 with standard deviation 1.20 on the opinion of all samples 3.52 with standard deviation of 1.20 for urban samples and 3.49 with standard deviation of 1.20 for rural samples.

It can be stated that the samples are about to agree that minimum time is consumed at LIC branch and there is hassle free service for different services at LIC branch. The higher standard deviation reveals difference in the opinion which states that few samples are having satisfactory experience about few services and few samples are not having good experience.

The parameter 'Claim settlement procedure is simple' is applicable to 65 samples, of which 37 are urban and 28 are rural. The mean value on the opinion of samples for this parameter is 3.94 with standard deviation of 1.17 for all samples, for urban samples it is 3.57 with standard deviation of 1.32 and for rural samples 4.43 with standard deviation of 0.69. Samples in rural area are found to be more agreed on claim settlement procedure as compare to urban samples. The claim settlement procedure need to be studied in detailed with an expectations of customers. The customers whose claims are already settled they should be a part of detailed study as to know their experience owing to difficulties these samples have experienced so as to thought can be extended to minimize these difficulties.

The one sample 't' test of parameter claim settlement procedure has undertaken which, resulted into 't' score of 27.117 which is significant hence, it can be stated that the samples shows agreement towards simplicity in claim settlement procedure of LIC.

The parameter 'LIC has smooth grievance redressal mechanism' is application to 27 samples of which 9 are urban and 18 are rural who have actually come across any grievance with LIC. This dimension ranked first with mean score of 4.15 with standard deviation 0.94 by all samples, with mean score of 4.56 with standard deviation of 0.52 and with mean score of 3.94 with standard of 1.05 by rural samples. The one sample 't' test resulted into 't' score of 22.117 which is significant. This indicates that samples including urban and rural samples strongly agree that LIC has smooth grievance redressal mechanism to solve the complaints of the policyholders.

Spearman's rank correlation between consolidated and urban samples as well as Spearman's rank correlation between consolidated and rural is 0.800 which is significant at 0.01 level of significance. This indicates strong positive relationship. The spearman's rank correlation between urban samples and

rural samples is 4.00 which are significant at 0.01 level of significance indicating weak positive relationship.

**Table 5 Satisfaction Level about ‘Culture’**

| Sr. | Sub- Dimensions in service quality ‘Culture’                 | Consolidated<br>(n=2500) |      |      | Urban<br>(n=1321) |      |      | Rural<br>(n=1179) |      |      |
|-----|--|--------------------------|------|------|-------------------|------|------|-------------------|------|------|
|     |  | Mean                     | SD   | Rank | Mean              | SD   | Rank | Mean              | SD   | Rank |
| 1   | LIC Respects the local culture                               | 3.87                     | 0.84 | 1    | 3.85              | .82  | 1    | 3.88              | .857 | 1    |
| 2   | LIC works for the welfare of society                         | 3.80                     | 0.94 | 3    | 3.77              | .95  | 3    | 3.83              | .940 | 3    |
| 3   | LIC is in line with local values                             | 3.42                     | 0.97 | 5    | 3.44              | .94  | 5    | 3.40              | 1.00 | 5    |
| 4   | LIC has good image among local population                    | 3.64                     | 1.00 | 4    | 3.60              | 1.02 | 4    | 3.68              | 0988 | 4    |
| 5   | LIC gives attention to all members of society                | 3.82                     | 0.93 | 2    | 3.80              | .91  | 2    | 3.84              | .946 | 2    |
|     | Spearman's rank correlation between consolidated and urban   |                          |      |      |                   |      |      | 1.000**           |      |      |
|     | Spearman's rank correlation between consolidated and rural   |                          |      |      |                   |      |      | 1.000**           |      |      |
|     | Spearman's rank correlation between urban and rural          |                          |      |      |                   |      |      | 1.000**           |      |      |
|     | **. Correlation is significant at the 0.01 level (2-tailed). |                          |      |      |                   |      |      |                   |      |      |

Source: (compiled from Field data)

Table number 5 shows the satisfaction level about the dimension ‘Culture’ using five parameters viz. ‘LIC Respects the local culture’, ‘LIC works for the welfare of society’, ‘LIC is in line with local values’, LIC has good image among local population’, ‘LIC gives attention to all members of society’. Opinions of the samples have measured on five point scale. The mean scores on the opinions of all samples fall between 3.42 and 3.87 with standard deviation ranging from 0.84 to 1.00, mean values opinions of urban samples fall between 3.44 and 3.85 with standard deviation ranging from 0.82 to 1.02 and the mean values on the opinions of rural samples fall between 3.44 and 3.88 with standard deviation ranging from 8.57 to 1.00.

Spearman's rank correlation is calculated to find out the relationship among the opinion of all samples, urban samples and rural samples about 'culture' dimension of satisfaction Spearman's rank correlation between consolidated and urban, between consolidated and rural as well as between urban and rural is 1.000 and it is significant at the 0.01 level of significance. This indicates that there is perfect positive relationship between consolidated and urban samples, between consolidated and rural samples as well as between urban and rural samples.

It has observed that the parameter 'LIC Respects the local culture' has secured highest mean score on the opinions of all samples i.e. 3.87. This parameter is ranked first by urban and rural samples with mean scores of 3.85 and 3.88 respectively. This indicates agreement of all samples including urban and rural that LIC respects the local culture.

Four parameters carried Mean scores between 3.5 and 4.0 on the opinions of consolidated samples. 'LIC Respects the local culture' carried mean score of 3.87 with standard deviation of 0.84, 'LIC works for the welfare of society' carried mean score of 3.80 with standard deviation of 0.94, 'LIC has good image among local population' carried mean score of 3.64 with standard deviation of 1.00 and 'LIC gives attention to all members of society' carried mean score of 3.82 with standard of 0.93. This reveals that respondents accept that LIC respects the local culture, contributes for welfare of the society, has good image among the local people and gives attention towards all. However, the mean values have not crossed 4.0 mark. This shows that there is no complete agreement on these statements. Therefore, there is a scope to take necessary steps to fill the gap between expectations of the people about local cultural factors and the actual.

The parameter 'LIC is in line with local values' carried mean score of 3.42 with standard deviation of 0.97 which falls

between the mean values 3.0 and 3.5. This indicates moderate agreement of the samples on the parameter.

### **Findings:**

1. The satisfaction level of samples towards LIC 'products/plans' is measured using 7 parameters. The range of mean of opinions has fallen between 3.01 and 3.95 with a standard deviation ranging from 1.07 to 1.16 for consolidated opinion. The mean score of urban samples fall between 3.02 to 3.96 with a standard deviation ranging from 1.07 to 1.17 and of rural samples the mean score falls between 3.00 to 3.95 with a standard deviation ranging from 1.07 to 1.15.

2. Spearman's rank correlations have calculated to assess the relationship between the opinions of samples given to the parameters in 'product' and it is found that the relationship between all samples with urban and between all samples with rural samples is highly positive. The Spearman's rank correlation between all samples and urban samples is 0.964 that to of rural samples is 0.964 which is significant at 0.01 level of significance. The Spearman's rank correlation between urban and rural samples is 1.000 which is highly positive and found to be significant at 0.01 level of significance.

3. It is found that the parameter 'Products give multiple benefits from single policy' though, secured mean score more than 3.0 showing agreement of the samples, the standard deviation is 1.07 showing heavy variations in the opinions. This parameter is rated low by the samples and it is on the verge of disagreement.

4. The satisfaction level of samples towards 'price' dimension of LIC is measured using 3 parameters. The opinions were assessed on five point scale of which mean, SD and Ranks are calculated. The range of mean of opinions has fallen between 2.55 and 4.13 with a standard deviation ranging from 0.98 to 1.36 for consolidated opinion. The mean score of

urban samples fall between 3.10 and 4.10 with a stand deviation ranging from 1.01 to 1.10 and of rural samples the mean score falls between 2.52 and 4.18 with a standard deviation ranging from 0.94 to 1.35. It has found that samples are satisfied with the two parameters viz. 'Charges for medical examination are low' with mean score for consolidated opinions 4.13 and 'Charges for revival of lapsed policy are low' with mean score of 3.83. Parameter 'Rate of additional Premium for Riders is low' rated low by samples with a mean score of 2.55 on the opinions of consolidated samples indicating dissatisfaction of the samples. However, the opinions of the urban samples on this parameter carry a mean score of 3.10 with standard deviation of 1.10. This indicates that there is agreement but there are variations in the opinions of the urban samples where many samples may be in disagreement zone.

5. It has found that there is perfect positive relationship between all samples and urban samples, between consolidated samples and rural samples as well as between urban and rural samples on 'price' dimension with the spearman's rank correlation of 1.000 which is significant at 0.01 level of significance.

6. It is found that the mean scores on the opinions are marginally above 3.5 on two parameters in advertisement dimensions viz 'Advertisements are educative to customer' with mean score of all samples 3.5, urban samples 3.58 and rural samples 3.53, 'Advertisements are Ethical' with mean score of all samples 3.55, rural samples 3.56. It is necessary for LIC to create such advertisements that will educate the public about life insurance and fulfill the ethics.

7. It is seen that though there is strong positive correlation between the opinions of all samples and urban samples with Spearman's rank correlation of 1.000, there positive but negligible correlation between the opinions of urban samples and rural samples on 'advertisement' dimension and vis a vis with Spearman's rank correlation of 0.314.

8. It is observed that catch line in the LIC advertisement *'jindagi ke sath bhi aur jindagi ke bad bhi'* has really appealed the respondents.

9. Opinions of samples about 'Process' dimension is assessed through four parameters viz. 'Minimum waiting time is consumed', 'Hassle free service for change in address, nomination, assignment, revival of lapsed policy', 'Claim settlement procedure is simple' and 'LIC has smooth grievance redressal mechanism'. The opinions were assessed on five point scale of which mean, SD and Ranks are calculated and it has found that the range of mean of opinions has fallen between 3.51 and 4.15 with a standard deviation ranging from 0.94 to 1.20 for consolidated opinion. The mean score of urban samples fall between 3.52 and 4.56 with standard deviation ranging from 0.52 to 1.32 and of rural samples the mean score falls between 3.49 and 4.43 with a standard deviation ranging from 0.69 to 1.20. It has observed that urban samples are strongly agree and rural samples are almost agree on the parameter 'LIC has smooth grievance redressal mechanism'.

Rural samples are strongly agreed and urban samples are agreed that Claim settlement procedure is simple. All samples including urban and rural accept that LIC provides hassle free service regarding change in address, nomination, assignment, revival of lapsed policy. However, there is heavy standard deviation in the opinions of samples on this parameter. This reveals that there are variations in the opinions. All samples including urban and rural samples with mean scores between 3.54 and 3.60 agree that 'minimum waiting time is consumed' at LIC branch. However, the mean scores have not crossed four. This shows that LIC has to take necessary steps to minimize delays caused to provide service to the policyholders visiting the branch.

10. It has found that in 'Process' dimension there is strong positive relationship between all samples and urban samples, between consolidated samples and rural samples with

Spearman's rank correlation of 0.800 which is significant at 0.01 level of significance. Whereas, there is weak positive correlation between the opinions of urban and rural samples on 'Process' dimension with Spearman's rank correlation of 0.400 which is significant at 0.01 level of significance.

11. It has found that overall; the samples are satisfied with LIC on 'culture' dimension. Though, the mean values have not crossed 4.0, there is no parameter with mean value below 3.0. In spite of this, as this dimension is related to the social and emotional needs of the people, it is necessary for LIC to be friendlier with the society and local culture.

12. It has revealed that there is perfect positive correlation on 'culture' dimension between consolidated samples and urban samples, between consolidated samples and rural samples as well as between urban samples and rural samples with Spearman's rank correlation Of 1.000.

13 It has observed that the names of LIC policies have led to create affinity towards LIC by the local people because names of almost all policies are in Hindi and local Marathi language. For example- Jeevan Deep, Jeevan Anand, Jeevan Kishor, Jeevan Surekh, etc.

### **Suggestions:**

1. The conditions put forth by insurance company for any plan are quite huge. The insurance agents are generally believed on while purchasing the policy. It is generally also observed that policy holder does not go through the entire clauses of policy. Simplification of clauses of policy is needed. If the clauses come in vernacular language then these are more readable, because the legal language is thought to understand.

4. The parameters including LIC employees are courteous with me, Employees of LIC responds customer requests immediately, Employees of LIC always give personal/ individual attention, Employees of LIC always help customers

and Employees of LIC understand our specific needs rates on five point scale between 3.0 to 3.5 which is poor rating. Hence, the parameter of marketing mix in services i.e. 'People' should be taken care of. People found trusting the LIC. If the service from LIC employees get improved then it might have positive impact on the business of LIC. Since agents direct income is related to the business they do hence they have to be very courteous. The employees of LIC are not directly involved in the selling process and meeting with customers for policy dealings. This might be the reason that employees of LIC lack professionalism. There should not be service gap between what customers expect in the visit to LIC branch and what actually they get in the visit.

5. There is always remained an ample scope to improve physical infrastructure facilities at branch. After entry of private sector into insurance, the professionalism have been delivered by these private sector companies including professionalism in physical infrastructure. Hence, there is always a need to improve infrastructure professionally.

6. Rural branches should address to grievance mechanism procedure which yield satisfaction towards policyholders. The demographic features of rural customers are different hence the redressal mechanism which is followed in urban branches may not be followed as it is with rural branches, few alternation are invited.

7. The issue of lapsed policy need to be addressed since the opinion has significant standard deviation. The issues of revival of lapsed policy could be an independent subject for micro analysis since it has impact on economic health of insurance company.

8. Samples expect multiple benefits from single policy. This leaves scope for the product design with multiple benefits. It needs to find out what multiple benefit customers expect. Even the benefits as per different segments may by thought off.

9. Language used in the advertisements should be understandable especially to the rural population. The symbols, dialogues etc. used in the advertisements should be easier to understand for the rural people.

10. The rural population is mostly unaware about the insurance plans; therefore, care should be taken to provide maximum information so that they can understand the same.

11. Time is valuable for everyone, policyholders not exception to this. Therefore, LIC should take efforts to reduce waiting time of the policyholders consumed in queues at the time of payment of premium at the branch. Depending on the rush hours, where ever necessary arrangement should be made to accept the premium at the additional counters.

12. The mechanism/procedures for change in address, change in nomination, loan facility, claim settlement and grievance handling should be displayed in the prominent place at each branch so that the customers can get easy information about the procedures of the same and do not get confused as to where to go and to whom to approach.

### **Conclusion:**

Customer satisfaction is the key factor in services marketing including life insurance to survive in the cut throat completion. With the entry of private insurers in the Indian life insurance market LIC has to launch innovative and customized products suiting varied needs of the customers. The professionalism of the employees and the agents, efficient after sale services, will definitely enhance customer satisfaction and will help LIC not only to get new customers but also to retain the existing customers.

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