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## SERVQUAL DIMENSIONS AT LIC WITH REFERENCE TO KOLHAPUR DISTRICT

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### ABSTRACT :

Since its nationalization LIC, a giant public undertaking has completed 58 years in the Indian life insurance market. With the entry of private insurers in Indian life insurance LIC is facing steep competition since 2000. With innovative products and aggressive marketing strategy, the private players are capturing the market share of LIC. In such a cut throat competition, improvement in the service quality is going to be the key to maintain the customer base and market share. The present study is an effort to assess the quality of service offered by LIC on SERVQUAL dimensions viz. tangibles, assurance, responsiveness, reliability and empathy. The study is conducted based on the primary data collected from 2500 samples from Kolhapur district of Maharashtra through a structured schedule. Mean, SD and ranks have been used for analysis and the one sample 't' test resulted into rejection of the hypothesis i.e. 'Quality of service offered by the LIC to the customers is not up to the mark'. The research highlighted the strengths and weaknesses and strengths to frame strategy to improve its services related to select dimensions of SERVQUAL model so as to maintain its market share and business growth. The paper revealed that LIC is weak on 'tangibles', 'responsiveness' and 'empathy' dimensions of service quality.

**Keywords:** Assurance, Empathy, Market Share, Reliability, Responsiveness, Service quality, Tangibles.

### INTRODUCTION:

Indian life insurance has completed a full circle from private insurers, nationalized era to liberalized era. The liberalization in life insurance market has ended the monopoly of LIC of India in this segment and opened doors for the private insurers. After a dozen of years since liberalization of this sector i.e. the year 2000 share of LIC in the life insurance market has dropped to 72.70% on the basis of total premium income (IRDA Annual Report p21), still it is a dominant brand in the Indian life insurance market. However, due to steep competition to maintain the same may not be possible. Therefore, LIC has to provide quality services to the customers to maintain its dominant position.

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 quality service. Being a service 'intangibility' is an integral part of life insurance. In today's rapidly changing market,

new technology, economic conditions, severe competition have compelled the insurance companies to improve quality of service rendered to the customers and build cordial relationship with them. Quality is an important and core factor in services marketing including life insurance. Service quality and customer satisfaction go hand in hand and quality in service delivery is the key to succeed in today's highly competitive environment. The positive relationship between quality and satisfaction leads to customer retention, increased market share and profitability. Thus, in life insurance is service quality important factor.

### REVIEW OF LITERATURE:

Parsuraman et.al (1988) developed a SERVQUAL scale to assess the service quality offered by the banks. The SERVQUAL scale includes five dimensions viz. Tangibles, Reliability, Responsiveness, Assurance and Empathy. These five dimensions cover 21 statements. For the present study SERVQUAL scale has been considered with minor changes in the original statements

suiting the life insurance business without changing their direction and meaning.

Naidu B V R (2012) found that respondents were satisfied with core services with overall mean 3.64. The overall mean of the parameter 'responsibility' towards customers was 3.73 that shows customers are satisfied with this dimension, highly satisfied with the service cape/ tangibles, highly satisfied with the technology in the service delivery. Borah Sarath (2012) found that total percentage of Strongly Disagree and Disagree about the factor reliability with mean value 3.80 is more than the total combined percentage of Strongly Agree and Agree. This implies that customers are dissatisfied about Reliability. The researcher further found that the respondents are dissatisfied about Empathy. On the other hand, the study revealed that in case of Assurance, tangibles, competence, credibility, accessibility, communication, understanding, price and offerings, the combined percentage of Strongly Disagree and Disagree is less than combined percentage of Strongly Agree and Agree. This implies that customers are satisfied with these dimensions. Deepika Upadhyaya & Badlani Manish (2011) identified nine critical factors that influence the quality of insurance services and ranked them for satisfaction of participants as- pricing with quality service first, employee competence with quality service, products with quality service, technology with quality service, physical appearance with quality service, trust with quality service, service delivery with quality service, advertise with quality service and service management with quality service last. Though these dimensions seem different from SERVQUAL dimensions (tangibles, reliability, responsiveness, assurance and empathy), according to the researcher they are not different, rather, they are identified with new names. Bishnoi Vinod Kumar and Bishnoi Mahender (2013) found that employee competence is the most important factor in service quality because the percentage variation and Eigen value are highest. Then come creditability, timeliness & promptness, convenience, accessibility, customer orientation and responsiveness seventh. Vikas Gautam (2011) observed that public sector insurance company LIC has significantly high

quality perception among insurance customers as compared to private sector insurance company ICICI Prudential. The researcher identified five service quality dimensions viz. Tangibility, Reliability, Responsiveness, Assurance, Empathy and found that, Correlation coefficient 'r' values for LIC and ICICI Prudential for all five dimensions are very relevant for service quality perceptions in insurance sector. Ponreka Maria D. and Rao Surya U (2009) observed that LIC is better at reliability, empathy, features an assurance compared to tangibles and responsiveness. The researcher further found that trustworthiness and courtesy, tangibles, individual attention and performance have influence on the quality of service. Thus, the researcher has used the SERVQUAL dimensions of service quality plus four extra dimensions i.e. Trustworthiness, courtesy, individual attention and performance. The researcher concluded that trustworthiness, courtesy, tangibles, individual attention and performance influence the quality of service provided by LIC.

#### RESEARCH METHODOLOGY:

The study is descriptive inferential in nature that describes the quality of service rendered by LIC in relation to SERVQUAL dimensions. The hypothesis set to test was that, 'Quality of service offered by the LIC to the customers is not up to the mark'. The study was undertaken with the objective 'to assess quality of SERVQUAL dimension at 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. 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 taken 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 different LIC Offices 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 closed 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 5 SERVQUAL dimension of i.e. tangibles, responsiveness, reliability, assurance and empathy with 21 parameters. The service quality has been measured on five point scale as 1=strongly disagree and 5=strongly agree. The statistical tools percentage, mean, SD, one sample 't' test, and ranks were used for analysis and interpretation. One

sample 't' test and ANOVA was applied to test the hypothesis and to draw the conclusions. Analysis and Interpretation of Data:

#### SERVQUAL Analysis:

Referring to the review of literature and research design there are twenty one SERVQUAL parameters falling in five broad dimensions viz. Tangibles, Assurance, Responsiveness, Reliability and Empathy. Respondents' Opinions on SERVQUAL dimension 'Tangibles':

Table 1  
Opinions on 'Tangibles'

Sr	Sub-Dimensions of Service Quality in 'Tangibles'	Consolidated			Urban			Rural		
		(n=1456)			(n=788)			(n=668)		
		Mean	SD	Rank	Mean	SD	Rank	Mean	SD	Rank
1	Employees of LIC are neat in appearance	2.92	1.48	3	3.01	1.49	3	2.81	1.47	3
2	Office layout & physical facilities at branch is impressive, convenient and visually appealing	2.64	1.08	4	2.66	1.10	4	2.63	1.05	4
3	Use of modern devices & modern looking equipments	3.64	0.93	2	3.65	.96	2	3.63	.89	2
4	Quality of documents, brochures, pamphlet is good	3.71	0.88	1	3.68	.92	1	3.75	.83	1
	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)

From table number 1 it is observed that the mean scores on the opinion of consolidated samples fall between 2.64 and 3.71 with standard deviation of 0.88 to 1.48. Opinions of urban samples carried mean score between 2.66 and 3.68 with standard deviation ranging from 0.92 to 1.49 and opinions of rural samples carried mean score between 2.63 and 3.75 with standard deviation ranging from 0.83 to 1.47.

The Spearman's correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples is 1.000 which is significant at

the 0.01 level. This reveals that there is strong positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples.

The parameter 'Quality of documents, brochures, pamphlet is good' ranked first by the samples with mean score of 3.71. This parameter is also rated high by urban as well as rural samples with mean scores of 3.68 and 3.75 respectively. This indicates agreement of the samples that the quality of documents, brochures, pamphlets issued by LIC is good.

The parameter LIC 'Uses of modern devices & modern looking equipments' secured mean score of 3.64 on the opinions of consolidated samples including urban and rural samples. This indicates the samples are satisfied with LIC's use of modern devices and equipments.

It is found that no parameter in SERVQUAL dimension 'tangibles' has crossed the mean score 4.0. This shows that there is no complete agreement of the samples on 'tangibles' and therefore there lies a scope to frame a strategy for improvement in this dimension.

It is seen that three parameters viz. 'Employees of LIC are neat in appearance' and 'Office layout and physical facilities at branch are impressive, convenient and visually appealing' carried mean score below 3.0 showing disagreement on these service quality parameters. These parameters are rated low by all samples with mean scores of 2.92 and 2.64 respectively. This shows that the employees of LIC are not neat in appearance for the samples and the layout of branch is not impressive and appealing.

#### Respondents' Opinions on SERVQUAL dimension 'Reliability':

Table 2

Sr.	Sub-Dimensions in service quality 'Reliability'	Opinions on 'Reliability'								
		Consolidated (n=2500)			Urban (n=1321)			Rural (n=1179)		
		Mean	SD	Rank	Mean	SD	Rank	Mean	SD	Rank
1	When LIC promises to do something by a certain time, it will do so.	3.59	1.21	4	3.60	1.22	4	3.59	1.19	3
2	When customers have a problem, LIC shows a sincere interest in solving it.	3.47	1.18	5	3.47	1.18	5	3.47	1.19	5
3	LIC performs the service right the first time.	3.64	1.20	3	3.60	1.21	3	3.69	1.18	3
4	The documents received from LIC are error free. (receipts, policy document, letters, messages, emails etc)	3.67	1.23	2	3.62	1.24	2	3.72	1.21	2
5	LIC performs service at the time it promised to do so	3.92	1.09	1	3.93	1.10	1	3.91	1.08	1
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)

The table number 2 depicts that the mean scores on the opinions of consolidated samples fall between 3.47 and 3.67 with standard deviation ranging from 1.18 to 1.23, the mean scores on the opinions of urban samples fall between 3.47 and 3.62 with standard deviation ranging from 1.18 to 1.21 and the mean scores on the opinions of rural samples fall between 3.47 to 3.69 with standard deviation ranging from 1.18 to 1.21. Unlike happened in category responsiveness it has seen with this category as well, that the mean score for agreement fall between neutral opinion and average agreement and the standard deviation is considerably high. This shows that few samples are agreed with the category responsiveness and few are not.

The Spearman's rank correlation is calculated to find out the correlation between the opinions of the samples and it has found that the Spearman's correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples is 1.000 which is significant at the 0.01 level. This shows that there is perfect positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples.

It is observed that the parameter 'The documents received from LIC are error free (receipts, policy document, letters, messages, emails etc)' ranked first by all samples including urban and rural samples. Mean score on the opinions of consolidated samples is 3.67 with standard deviation of 1.23, mean score on the opinion of urban samples is 3.62 with standard deviation of 1.24 and mean score on the opinions of rural samples is slightly more i.e. 3.72 with standard deviation of 1.21. This indicates agreement samples on error free documents issued by LIC with heavy variations in the opinions of the samples. Though, this parameter is ranked first by the samples with highest mean values, there is no complete agreement of the samples because the mean values have not crossed 4.0. There lies scope for LIC to prevent errors. The parameters 'LIC performs the service right the first time' and 'when LIC promises to

do something by a certain time, it will do so' carry mean scores between 3.5 and 4.0. The parameter 'LIC performs the service right the first time' carried mean score of 3.64 on the opinions of consolidated samples with standard deviation of 1.20, mean score of 3.60 on the opinions of urban samples with standard deviation of 1.21 and mean score of 3.69 for rural samples with standard deviation of 1.18 indicating agreement of the samples with heavy variation in the opinions. It can be stated that LIC has succeeded to some extent in performing the service right the first time. Yet, there is a wide scope to fill the gap between customers' expectation about this parameter and the actual. The statement 'When LIC promises to do something by a certain time, it will do so' carried mean score of 3.59 on the opinion of consolidated samples with standard deviation of 1.21, the opinions of urban samples carried mean score of 3.60 with standard deviation of 1.22 and that to of rural samples 3.59 and 1.19 respectively. This shows agreement of the samples but with considerable variation in the opinions. The parameter, 'When customers have a problem, LIC shows a sincere interest in solving it' ranked last i.e. 4th by all respondents including urban and rural. The mean values on the opinions of consolidated samples, urban samples as well as rural samples 3.47 each with standard deviation of 1.21, 1.22 and 1.19 respectively. This shows meager agreement of the samples that LIC takes keen interest in solving customers problems. With higher standard deviations it can be stated that the opinions of the samples vary too much. This parameter is to be dealt with very seriously by LIC taking into account meager agreement of the samples and the higher standard deviations.

From Table number 3 it is observed that the mean scores on the opinions of consolidated samples fall between 3.43 and 4.17 with standard deviation ranging from 0.97 to 1.09, the mean values on the opinion urban samples fall between 3.50 and 4.15 with standard deviation ranging from 0.989 to 1.11 and the mean values on the opinion of rural samples fall between 3.35 and 4.22 with standard deviation ranging from 0.957 to 1.06. The Spearman's rank correlation is calculated to find out the correlation between the opinions of the samples. It

## Respondents' Opinions on SERVQUAL dimension 'Assurance'

Table 3 Opinions on 'Assurance'

Sr	Sub-Dimensions of Service Quality in 'Assurance'	Consolidated (n=2500)				Urban (n=1321)				Rural (n=1179)			
		N	Mean	SD	Rank	N	Mean	SD	Rank	N	Mean	SD	Rank
1	Dealing with LIC is safe and worry less	2500	3.93	1.02	2	1321	3.93	1.00	2	1179	3.94	1.03	2
2	Feel confident while dealing with LIC	2500	4.17	0.97	1	1321	4.13	.989	1	1179	4.22	.957	1
3	LIC employees are courteous	1456	3.43	1.09	4	788	3.50	1.11	4	668	3.35	1.06	4
4	LIC Employees have satisfactory knowledge	1456	3.55	1.13	3	788	3.55	1.13	3	668	3.56	1.14	3
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)

has found that the Spearman's correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples is 1.000 which is significant at the 0.01 level. This reveals that there is perfect positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples.

The parameter 'feel confident while dealing with LIC' is ranked first by all sample including urban and rural samples. Opinions of consolidated samples carried mean score of 4.17, Opinions of urban samples carried mean score of 4.13 and Opinions of rural samples carried mean score of 4.22 for this parameter.

The mean values of two parameters fall between 3.5 and

4.0. the parameter 'Dealing with LIC is safe and worry less' secured mean score of 3.93 with standard deviation of 1.02 on the opinion of consolidated samples, the mean scores on the opinions of urban samples have 3.93 with standard deviation of 1.00 and that to of rural samples 3.94 and 1.03 respectively. This shows respondents' feeling of almost complete safety while dealing with LIC. The parameter 'LIC Employees have satisfactory knowledge' carried a mean score of 3.55 with standard deviation of 1.13 on the opinions of consolidated samples, the opinions of urban samples carried a mean score of 3.55 with standard of 1.33 and rural samples carried mean scores of 3.56 with standard deviation of 1.14. This indicates agreement of respondents towards this parameter. Since these parameters have not crossed the mean score of 4.0 efforts should be taken to enhance the knowledge of employees.

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The parameter 'LIC employees are courteous' ranked last i.e. 4th by all samples with a mean score of 3.43, urban samples with mean score 3.50 and rural samples 3.35. The standard deviations in the opinions of all samples

including urban and rural samples are observed more than one. This indicates meager agreement of the samples on this statement. Therefore, the employees are needed to be more courteous with the customers.

Respondents' Opinions on SERVQUAL dimension 'Responsiveness':

Table 4  
Opinions on 'Responsiveness'

Sr.	Sub-Dimensions of Service Quality in 'Responsiveness'	Consolidated				Urban				Rural			
		N	Mean	SD	Rank	N	Mean	SD	Rank	N	Mean	SD	Rank
1	LIC gives prompt services	2500	3.56	1.14	2	1321	3.58	1.11	2	1179	3.54	1.17	2
2	Employees of LIC always help customers	1456	3.21	1.27	4	788	3.26	1.29	4	668	3.14	1.24	4
3	Employees of LIC respond customer requests immediately	1456	3.32	1.29	3	788	3.37	1.31	3	668	3.26	1.27	3
4	Employees of LIC tell the customers about when the service will be performed	1456	3.79	1.05	1	788	3.79	1.11	1	668	3.79	.98	1
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)

From table number 4 it is observed that the mean scores on the opinions of consolidated samples fall between 3.21 and 3.79 with standard deviation ranging from 1.05 to 1.29. Mean scores on the opinions of urban samples fall between 3.26 and 3.79 with standard deviation ranging from 1.11 to 1.31 and mean scores on the opinions of rural samples fall between 3.14 and 3.79 with standard deviation ranging from 0.98 to 1.27.

It has seen that the mean score for agreement fall between neutral opinion and average agreement and the standard deviation is considerably high. This shows that few samples are satisfied with the category responsiveness and few are not. It is found that the Spearman's correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples is 1.000 which is significant at the 0.01 level. This shows that there is perfect positive correlation

between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples.

The parameter 'Employees of LIC tell the customers about when the service will be performed' was applicable to a total of 1456 samples who had visited the LIC branch and is ranked first with mean score 3.79 by consolidated samples and exactly same mean score by urban and rural samples. This indicates that the samples accept that employees of LIC tell the customers about when the service will be performed. However, the mean value has not crossed 4.0 mark and there is no complete agreement. Thus there is scope for improvement.

The mean score on the opinions of consolidated samples for the parameter 'LIC gives prompt services' is 3.56 with standard deviation of 1.14. This parameter carried mean score of 3.58 on the opinion of urban samples with

standard deviation of 1.11 and mean score on the opinions of rural samples is 3.56 with standard deviation of 1.17. This shows that samples agree on promptness of service by LIC. Since, the standard deviations are heavy; it indicates that there are more variations in the opinions of samples. As the mean value falls between 3.5 and 4.0 samples are not completely satisfied. Therefore, there is necessity to provide more prompt service delivery.

Mean values of two parameters viz. 'Employees of LIC always help customers' and 'Employees of LIC respond customer requests immediately' fall between 3.0 and 3.5. The parameter 'Employees of LIC always help customers' carried mean value of 3.21 on the opinions of consolidated samples with standard deviation of 1.27, opinions of urban samples carried mean score of 3.26

with standard deviation of 1.29 and the opinions of rural samples carried mean score of 3.14 with standard deviation of 1.24. The parameter 'Employees of LIC respond customer requests immediately' carried a mean score of 3.32 on the opinions of consolidated samples with standard deviation of 1.29, the opinions of rural samples carried mean score of 3.37 with standard deviation of 1.31 and the opinions of rural samples carried mean score of 3.26 with standard deviation of 1.27. This indicates that the samples are moderately satisfied with these parameters with higher standard deviations showing variations in the opinions. That calls for change in the attitude of employees of LIC so as to achieve higher agreement level of the customers towards these parameters.

#### Respondents' Opinions on SERVQUAL dimension 'Empathy':

Table 5  
Opinions on 'Empathy'

Sr	Sub-Dimensions of Service Quality in 'Empathy'	Consolidated (n=1456)			Urban (n=1321)			Rural (n=668)		
		Mean	SD	Rank	Mean	SD	Rank	Mean	SD	Rank
1	Employees of LIC understand our specific needs	3.01	1.20	3	3.05	1.20	3	2.96	1.20	3
2	Employees of LIC always give personal/ individual attention	3.27	1.27	2	3.31	1.27	2	3.23	1.26	2
3	LIC has employees who give personal attention	2.91	1.12	4	2.96	1.13	4	2.86	1.10	4
4	LIC has convenient operating hours to all customers	3.90	1.12	1	3.89	1.13	1	3.91	1.10	1
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 that the mean scores on the opinions of all samples fall between 2.91 and 3.90 with standard deviation ranging from 1.12 to 1.27, the mean scores on the opinions of urban samples fall between 2.96 and 3.89 with standard deviation ranging from 1.13 to 1.27 and mean scores on the opinion of rural samples fall between 2.86 and 3.91 with standard deviation ranging from 1.10 to 1.26.

The Spearman's rank correlation is calculated to find out the relationship between the opinions of the samples and it has found that the Spearman's correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples is 1.000 which is significant at the 0.01 level. This shows that there is perfect positive correlation between the opinions of

consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples.

The parameter 'LIC has convenient operating hours to all customers' ranked first by all samples including urban and rural samples. This parameter carried mean score of 3.90 on the opinions of consolidated samples with standard deviation of 1.12, opinions of urban samples carried mean score of 3.89 with standard deviation of 1.13 and mean score on the opinion of rural samples is 3.91 with standard deviation of 1.10. This indicates that the samples are on the verge of almost satisfaction with variations in the opinions showing operating timings of branch offices are suitable for the customers. Two parameters carried mean scores between 3.0 and 3.5. The parameter 'Employees of LIC always give personal/individual attention' carried mean score of 3.27 on the opinions of all samples with higher standard deviation of 1.27, opinions of urban samples on this parameter carried mean score of 3.31 with higher standard deviation of 1.27 and the opinions of rural samples carried mean score of 3.23 with higher standard deviation of 1.26. This shows meager satisfaction of the samples with too much variation in the opinions of samples. Taking into account the standard deviations it can be stated that the opinions are on the verge of dissatisfaction the respondents expect more individual attention from the employees of LIC. The higher standard deviation states that few employees get themselves involved in understanding specific needs of customers at the same time few employees do not found to do it so. The service quality standards are not found to be uniform. It is not expected and even possible that all employees deliver the uniform kind of services but the higher deviation is also not expected. The mean score 3.01 on the opinions of consolidated samples is marginally above 3 for parameter 'Employees of LIC understand our specific needs' with standard deviation of 1.20, mean score on the opinions of urban samples is 3.05 that is also marginally above 3 with standard deviation of 1.20 for this parameter.

The opinion of rural samples show even more pity

position which mean value falls below 3 with standard deviations of 1.20. This indicates that there is poor satisfaction of urban samples and rural samples are dissatisfied. There exists gaps in understanding the specific needs of customers this is serious aspects to look into. Delivering services, products without understanding specific needs is like shooting around the bushes. There is huge scope to fill the gap between the expectations of the customers and the actual service. The employees of LIC need to understand the specific needs of the customers.

It is observed that the parameter 'LIC has employees who give personal attention' is rated low by all the samples including urban and rural samples. The mean values on the opinions of all samples are below 3. The mean value on the opinion of consolidated samples is 2.91 with standard deviation of 1.12, it is 2.96 on the opinion of urban samples with standard deviation of 1.13 and it is 2.86 on the opinion of rural samples with standard deviation of 1.10. Thus, it is stated that the samples are not satisfied with this parameter and there are uncontrollable variation in the opinions of the samples.

#### **Summarized Statement on Quality About SERVQUAL Dimensions:**

Following table shows the summarized statement of satisfaction level and quality about SERVQUAL dimension referring to table numbers 4.44, 4.45, 4.46, 4.47 and 4.48. Overall mean, standard deviation, ranks and Spearman's rank correlation are brought in use.

From Table 6 it is observed that the mean scores on the opinions of all samples on SERVQUAL dimensions fall between 3.22 and 3.77 with standard deviation ranging from 1.05 to 1.19, the mean scores on the opinions of urban samples fall between 3.25 and 3.77 with standard deviation ranging from 1.05 to 1.19 and mean scores on the opinion of rural samples fall between 3.21 and 3.76 with standard deviation ranging from 1.04 to 1.17.

The Spearman's rank correlation is calculated to find out the relationship between the opinions of the samples on SERVQUAL dimensions and it has found that the

**Table 6**  
Summarized Statement on Quality about SERVQUAL Dimensions

Sr.	SERVQUAL Dimension	Consolidated			Urban			Rural		
		Mean	SD	Rank	Mean	SD	Rank	Mean	SD	Rank
1	Tangibles	3.22	1.09	5	3.25	1.12	5	3.21	1.06	5
2	Assurance	3.77	1.05	1	3.77	1.05	1	3.76	1.04	1
3	Responsiveness	3.47	1.19	3	3.5	1.21	3	3.43	1.17	3
4	Reliability	3.66	1.18	2	3.64	1.19	2	3.68	1.17	2
5	Empathy	3.27	1.18	4	3.30	1.18	4	3.24	1.16	4
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)

Spearman's correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples is 1.000 which is significant at the 0.01 level. This shows that there is perfect positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples.

The SERVQUAL dimension 'assurance' ranked first by all samples including urban and rural samples. This dimension carried mean score of 3.77 on the opinions of consolidated samples with standard deviation of 1.05, opinions of urban samples also carried mean score of 3.77 with standard deviation of 1.05 and mean score on the opinion of rural samples is 3.76 with standard deviation of 1.04. This indicates that the samples are almost satisfied with variations in the opinions showing agreement towards the assurance dimension of service quality. The 'reliability' dimension ranked second, mean scores on the opinions of all respondents were 3.66 with 1.18 standard deviation, mean on the urban samples is 3.63 with the standard deviation of 1.19 and that of rural samples is 3.68 and 1.17 respectively. Rest of the three dimensions of service quality i.e. 'tangibles', 'Responsiveness' and 'Empathy' secured mean scores on the opinions of all samples, urban samples and rural samples below 3.5. The 'tangibles' dimension is ranked last i.e. 5th by all samples with mean score of 3.22 and standard deviation 1.09, the mean score on the opinions

of urban samples is also 3.25 with 1.12 standard deviation while mean score on the opinions of rural samples is 3.21 with 1.06 standard deviation. Thus, Considering the mean scores below four and standard deviation above one it is stated that there is poor satisfaction and variations in the opinions of all samples including urban and rural samples on 'tangibles', 'responsiveness' and 'empathy' dimension.

#### Hypotheses Testing:

**H1:** The quality of service offered by LIC to the customers is not up to the mark:

The quality of service has been measured with the help of SERVQUAL model which consists of five categories viz. tangibles, reliability, responsiveness, assurance and empathy. Each category of SERVQUAL housed its own parameters.

The test of hypothesis conducted on comprehensive mean score for all 21 parameters of SERVQUAL model. The responses were taken on five point scale. The mean score per sample for all these 21 parameters have calculated and one sample't' test has performed as follows.

Table 7 shows the grand mean score of 21 parameters of SERVQUAL variables. The mean score is 3.59 with standard deviation 0.422. The mean score is inclined towards agreement with almost uniform opinion since

the standard deviation is reasonably less.

It can be stated that though there is no complete agreement on the statements of SERVQUAL model, the opinions are positive.

Table 8 shows one sample 't' test performed on the grand mean of all 21 variables with test value 3 at 95% level of confidence.

Table: 7  
SERVEQUAL Grand score description

One-Sample Statistics					
	N	Mean	Std. Deviation	Std. Error Mean	
Grand Avg.	2500	3.5962	.42252	.00845	

Source: (Processed field data)

Table: 8 SERVEQUAL grand score test of significance

One-Sample Test						
Test Value = 3						
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Grand Average	70.556	2499	.000	.59623	.5797	.6128

Source: (processed field data)

The 't' value calculated to be 70.55 at 2499 df. The 'p' value is 0.000 states the test is significant. It can be stated that there is statistical evidence to reject null hypothesis and accept alternative hypothesis i.e. quality of service offered by LIC is up to the mark. Since SERVQUAL model consists of five dimensions the independent hypothesis is performed for each dimension to test which

of the dimension is performing better than others.

#### Descriptive SERVQUAL category analysis:

Following table shows category wise analysis of SERVQUAL parameters. The variables under every category are taken together as a group for calculation of mean, and standard deviation.

Table: 9  
Descriptive SERVQUAL category analysis

Sr.	SERVQUAL Category	N	Mean	SD	SE
1	Assurance	2500	3.9088	.67221	.01344
2	Reliability	2500	3.6371	.59333	.01187
3	Tangibles	1456	3.2296	.63325	.01660
4	Empathy	1456	3.2732	.69536	.01822
5	Responsiveness	2500	3.4572	.96018	.01920

Source: (Processed field data)

Table 9 shows that the mean of these five SERVQUAL categories ranging from 3.22 to 3.90 with a standard deviation ranging from 0.59 to 0.96. The standard deviation has found to be in acceptable limit reveals that there is uniformity into the opinions of samples. The

mean agreement as per rank shows that the assurance category holds first rank followed by reliability, responsiveness, empathy and tangibles. SERVQUAL category analysis test of significance:

The one sample 't' test has applied on the category wise

**Table: 10**  
SERVQUAL category analysis test of significance

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Assurance	67.598	2499	.000	.90880	.8824	.9352
Reliability	53.689	2499	.000	.63710	.6138	.6604
Tangibles	13.833	1455	.000	.22957	.1970	.2621
Empathy	14.991	1455	.000	.27318	.2374	.3089
Responsiveness	23.808	2499	.000	.45720	.4195	.4949

Source: (Processed field data)

mean score of SERVQUAL dimension.

agreement of samples towards parameter is concern one way ANOVA test is conducted.

Table 10 shows the value of one sample 't' test are positive with respect to all categories and 'p' value for all categories have been significant at 95% level of confidence states that there is statistical evidence to comment that the quality offered as per category of SERVQUAL is up to the mark. To test the comparative significance between five dimensions of SERVQUAL parameters as far as the

**Description of SERVQUAL category wise comparison:**

The five categories i.e. tangibles, assurance, responsiveness, reliability and empathy of SERVQUAL model put to test for comparison as shown in the following table.

**Table: 11**  
Description of SERVQUAL category wise comparison

ANOVA					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	623.393	4	155.848	289.635	.000
Within Groups	5599.858	10407	.538		
Total	6223.251	10411			

Source: (Processed field data)

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Table number 11 revealed that the f test shows significance at 95% level of confidence states that there is significant difference into agreements of samples on categories of SERVQUAL. The detailed description of same has given below. SERVQUAL category wise comparison using ANOVA:

ANOVA has applied to find the variation in the opinions of the samples on SERVQUAL dimension i.e. tangibles, assurance, responsiveness, reliability and empathy. The same is shown in the following table.

**Table 12**  
**SERVQUAL category wise comparison using ANOVA**

Multiple Comparisons						
Tukey HSD						
(I) group	(J) group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Assurance	Reliability	.27170*	.02075	.000	.2151	.3283
	Tangibles	.67923*	.02418	.000	.6133	.7452
	Empathy	.63562*	.02418	.000	.5696	.7016
	Responsiveness	.45160*	.02075	.000	.3950	.5082
Reliability	Assurance	-.27170*	.02075	.000	-.3283	-.2151
	Tangibles	.40753*	.02418	.000	.3416	.4735
	Empathy	.36392*	.02418	.000	.2979	.4299
	Responsiveness	.17990*	.02075	.000	.1233	.2365
Tangibles	Assurance	-.67923*	.02418	.000	-.7452	-.6133
	Reliability	-.40753*	.02418	.000	-.4735	-.3416
	Empathy	-.04361	.02719	.495	-.1178	.0306
	Responsiveness	-.22763*	.02418	.000	-.2936	-.1617
Empathy	Assurance	-.63562*	.02418	.000	-.7016	-.5696
	Reliability	-.36392*	.02418	.000	-.4299	-.2979
	Tangibles	.04361	.02719	.495	-.0306	.1178
	Responsiveness	-.18402*	.02418	.000	-.2500	-.1180
Responsiveness	Assurance	-.45160*	.02075	.000	-.5082	-.3950
	Reliability	-.17990*	.02075	.000	-.2365	-.1233
	Tangibles	.22763*	.02418	.000	.1617	.2936
	Empathy	.18402*	.02418	.000	.1180	.2500

\*. The mean difference is significant at the 0.05 level.

Source: (Processed field data)

Table 12 shows that there is significant difference into the agreement opinion of samples for different categories of SERVQUAL model. The significant difference does not found in between tangibles and Empathy categories of model.

The parameter Assurance found to be positively significantly different as compare to rest all categories i.e. reliability, tangibles, empathy and responsiveness.

Parameter reliability found to be negatively significantly different compare to assurance but found to be positive significant difference compare to tangibles, empathy and responsiveness.

Tangibles parameters are found to have negative significant difference as compare to assurance, reliability, empathy and responsiveness. The same is with the parameter empathy.

The last parameter is responsiveness which has negative mean difference with assurance and reliability and positive mean difference with tangibles and empathy. It can be said that the parameter Assurance is the category which is ahead of all categories in the agreement of samples followed by reliability, responsiveness, empathy and tangibles.

#### FINDINGS:

1. It is found that overall the samples are not agreed with LIC about one of the SERVQUAL dimensions i.e. 'tangibles' The respondents are not agreed with appearance of the employees and layout of the branch with mean scores less than 3.
2. As far as satisfaction level of tangibles in SERVQUAL analysis is concern it is observed that there is strong positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples with Spearman's correlation 1.000 and significant at the 0.01 level.
3. In the SERVQUAL dimension 'Reliability' samples found to be partially satisfied with mean score on the opinions of all samples for all parameters fall

between 3.47 and 3.67. Thus, there is a lot of scope for LIC to take necessary action to enhance satisfaction level of the customers.

4. It has found that LIC has satisfied the respondents to some extent in solving their problems. Therefore, solving problems of the customers should be the priority on the agenda of LIC.
5. It has revealed that there is perfect positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples with Spearman's rank correlation is 1.000 for all three relationships in SERVQUAL dimension 'Reliability'.
6. With respect to parameter, 'Assurance' of SERVQUAL model, it has found that parameter i.e. 'Feel confident while dealing with LIC' in 'Assurance' dimension carried mean score more than 4.0 and showed complete agreement towards the statement. This shows that the respondents feel very confident while dealing with LIC.
7. It has found that the parameters 'Dealing with LIC is safe and worry less', and 'LIC Employees have satisfactory knowledge' in 'Assurance' dimension carried a mean score of less than 4.00 while the parameter 'LIC employees are courteous' carried mean score of less than 3.5. This indicates that there is huge scope for improvement by enhancing knowledge of the employees and behaving courteously with the customers.
8. It has found in 'Assurance' dimension, the Spearman's rank correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples is 1.000 which is significant at the 0.01 level. This reveals that there is perfect positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples.
9. With the category, 'Responsiveness' which is one dimension of SERVQUAL model, it has found that no parameter in 'Responsiveness' dimension crossed the mean value of 4.0 which converse

- agreement towards the statements, showing agreement but not complete agreement and two parameters i.e. Employees of LIC always help customers' and 'Employees of LIC respond customer requests immediately' with mean values less than 3.5 are rated low by the samples. This indicates there huge scope for LIC to take necessary steps to change the attitude of the employees so as to provide prompt services to the customers.
10. It has found that for 'Responsiveness' dimension, the Spearman's correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples is 1.000 which is significant at the 0.01 level indicating perfect positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples.
  11. Empathy is one of the parameters of "SERVQUAL model. It has seen that overall agreement about SERVQUAL dimension 'Empathy' is on the lower side except one parameter 'LIC has convenient operating hours to all customers' indicating the operating hours of the branch office are convenient for all samples.
  12. It revealed that the respondents are not agreed with the parameter 'LIC has employees who give personal attention towards you' as the mean values on the opinions of all including urban and rural samples are below 3. This shows that there is lack of employees with LIC who give individual attention towards the respondents which is necessary to fulfill their esteem need.
  13. There exists perfect positive correlation between the opinions of consolidated samples and urban samples, between consolidated samples and rural samples as well as urban samples and rural samples with Spearman's rank correlation is 1.000 for all three relationships in SERVQUAL dimension 'empathy'.
  14. The SERQUAL dimension 'assurance' ranked first by all samples including urban and rural samples followed by reliability, responsiveness, empathy and tangibles.
  15. It has observed that the samples are almost agreed with mean value 3.77 on the opinions showing agreement towards the 'assurance' dimension of service quality.
  16. It has found that there is agreement of all samples including urban and rural samples on the 'reliability' dimension of SERVQUAL model with the mean score of 3.66.
  17. Considering the mean scores below four and standard deviation above one it is stated that there is poor agreement with variations in the opinions of all samples including urban and rural samples on 'tangibles', 'responsiveness' and 'empathy' dimension.

#### SUGGESTIONS:

1. LIC needs rejuvenation in its tangible offerings. The branch layout needs facelift change with added modern devices and equipments. Still there is ample scope to improve the quality of documents, brochures and other paper tangibles.
2. Unlike responsiveness the quality of service should be improved. Customers problems must be attended first with due seriousness and should be solved to their satisfaction. While delivering services there should not be existence of gap in performing and delivering services. The gaps should be identified withholding periodic experience sharing meetings. The best performed employees should be identified and rewarded and their experience of handling querries with customers should be shared with other employees.
3. The independent training sessions can also be organized for employees and they can be motivated further to take management education and participate in seminars and conferences dealing with services management and the like for enhancing quality of service employees.
4. People are the apex important parameter of service. Samples opine that employees of LIC are less courteous. The more standard deviation in the opinion reveals that there is deviation in the opinion. Professionalism in management should be

- practiced. Understanding the behaviour of people, understanding the problems of customers and then efforts to solve them is of apex importance.
5. LIC must focus on responsiveness category of SERVQUAL model since the samples recorded average agreement of the samples. The category entirely housed employees duties towards customers. Employees should be groomed professionally to provide service promptness, helping customers, quick responding to customer requests and the scheduling of service extended.
  6. There exists reasonable gap between understanding of customers by employees and customers expectations from employees. The ego/esteem needs play an important role in the life of human beings. LIC employees should give more respect to the customers to fulfill this need. Though, it is not possible for the employees to give individual attention to the customers all the time, with the help of the personal profile available with them they should try to understand their specific need.
  7. As respondents expect personal attentions and as respondents are not agreed with the parameter 'LIC has employees who give personal attention towards you', it is recommended that the employees of LIC should give individual attention towards the customers.
  8. Overall agreement about SERVQUAL dimension 'Empathy' is on the lower side except one parameter 'LIC has convenient operating hours to all customers'. Therefore, it is recommended that the remaining parameters in this dimension viz. 'Employees of LIC understand our specific needs', 'Employees of LIC always give personal/ individual attention' and 'LIC has employees who give personal attention' should be the key areas for LIC to improve.

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