Chapter 2
An Empirical Study on the Quality of Services Offered by the Private Life Insurers in Burdwan

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ABSTRACT
Service quality has become as one of the most important ensuing factors in the service sector. Considering various needs and requirements of the customers, like any other service provider life insurers also always trying to provide better quality of services to their customers in order to satisfy them. In this chapter, the researcher conducted a study on the quality of services offered by the private life insurers operating in the district of Burdwan, West Bengal, through proper investigation of the service quality structure in the present perspective. Here, accepted 661 usable responses with respect to the customers and 582 usable responses with respect to the insurers were considered as the sample size of the study and statistical package SPSS 16 as well as Bexley’s Customer Retention Indicator Grid ware used to perform the analyses.

INTRODUCTION
Indian insurance sector is one of the rapid developing insurance sectors in the present world. Like any other financial sectors, life insurance sector also has a significant impact in the country’s economy and now established itself as an integral part of the Indian economic development. India’s expanding population, robust economic growth, lucrative tax benefits, rising disposable income levels, and increased awareness of the need for insurance, especially among younger people are the important factors for the significant growth of the life insurance market (reportlinker.com). After liberalization, Indian insurance market has undergone a dramatic change and also influenced the financial sector as a whole. Previously, Life Insurance Corporation of India (LICI) was the one and only life insurance company in the Indian life insurance market. After the enactment of Insurance Regulatory and Development Authority (IRDA)
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Act of 1999, Indian insurance market was opened for both domestic private insurance companies and foreign insurance companies and at end-September 2012, along with the Life Insurance Corporation of India (LICI) there are 23 private life insurance companies operating in India (IRDA Annual report, 2011-12). After the entrance of private and foreign insurance companies in the Indian insurance market, public awareness about these life insurance companies has also been changed where almost all these life insurance companies are offering more or less same type of products to their customers in the insurance market. Realizing the present situation, all the private life insurance companies are now trying to move their focus from the product to the customers where service quality has become the key driver for the business success in the market. Service quality plays an imperative role in the customization process of service delivery, improvement of the productivity and profitability of the organizations as well as in the satisfaction process of the customers. Every company tries to provide quality of services and products to their customers to satisfy them. Insurers believed that through satisfying the modern upto-date knowledgeable technology savvy customers, they would be able to retain their own customers as well as will be able to attract the new customers in the market. Satisfaction of the customers comes only when their needs and wants are fulfilled. Customers are likely to evaluate service quality based on the total service package provided and how well the combined services meet their expectations (Gronroos, 2000). In order to survive in future and to achieve maximum growth in the present competitive life insurance market, the private life insurers are now dedicatedly involved in the development of new strategies for the purpose of customer satisfaction through providing better quality of services with the help of technology in the most efficient manner.

OBJECTIVES OF THE STUDY

Considering all aspects, to conduct the study on the quality of services offered by all the private life insurance companies operating in the district of Burdwan, West Bengal, the following objectives were set at here:

1. Investigation of the dimensional structure of the service quality for the private life insurance companies.
2. Determination of the service quality gap between customers’ expectation and perception as well as insurers’ perception of customers’ service expectation and customers’ expectations of quality of services provided by the private life insurance companies.
3. Evaluation of the customers’ expectation-perception score against each dimension of the service quality provided by the private life insurance companies.

REVIEW OF LITERATURE

Service quality may be defined as “a global judgement or attitude relating to a particular service; the customer’s overall impression of the relative inferiority or superiority of the organization and its services. Service quality is a cognitive judgement” (Fogli, 2006). Czepiel (1990) defined the service quality as customer perception of how well a service meets or exceeds their expectations where customers’ perceptions is very much influenced by their past experience, or lack thereof, about a particular service
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