

Assessment of Policyholder Satisfaction on Behavioral Intention of Rural Postal Life Insurance in Tamilnadu Western Region

- 1. R.Vikraman, Assistant Professor – MBA, Nehru Institute of Management Studies, Coimbatore**
- 2. V Sathiyamurthy, Assistant Professor - MBA, Nehru Institute of Technology, Coimbatore**
nitrchari@nehrucolleges.com

Abstract

The purpose of this paper is to examine the causal linkage between the policyholder satisfaction with behavioral outcomes of repurchase, recommendation and complaining behavior in the rural postal life insurance service in Tamilnadu western region (Coimbatore). The total 114 responses were generated from existing policyholders' of rural postal life insurance. The relationships were tested by structural equation modeling using Amos software. The hypothesized model was accepted. The result provides most significant effect of policyholder satisfaction on recommendation intention and also significant effect of service quality on repurchase intention and complaining intention.

Keywords: Policyholder Satisfaction, Repurchase intention, Recommendation intention complaining behavior, Rural Postal Life Insurance

Introduction

Service quality is very important for customers as well as service providers. To achieve competitive advantage, the service organizations are focusing more on the quality. The concept of quality has drawn massive attention in academic and business circles. Perceived service quality as global judgment or attitude related to the lead of the service (Parasuraman et al. 1988). Service quality predicts that customer will arbitrator that quality is near to the ground, if performance does not meet their expectations and quality increase as performance and go beyond their expectations (Oliver, 1980). Hence customer expectations serve as the base on which service quality will be assessed by customers; in additional, as service quality increase, satisfaction with the service and behavior intentions to use again the service also increases (Patrick, 2001)¹.

The ratio of rural Indian population is very high and it is more required for the insurance and its needs, therefore on comparing to the rural postal life insured is less than postal life insurance. Thus the potential growth of insurance sector lies on the rural postal life Insurance. In India, more than 70% of population lives in the rural areas i.e. nearly 5.76 lakhs villages. Beside this, majority of Indian consumers are ignorant and do not know the role of consumption viz-a viz economic system. Rural markets are an important and growing market for most of the products and services including insurance.

The problem of this study is principally informed by the fact that there is very limited empirical documentation in the area of service quality and behavior intention in the rural postal life insurance in Tamilnadu western region.

Review of Literature

Festus et al., (2016) investigated the effect of service quality and satisfaction and behavioral intentions in the service factory. Researcher found that the direct effect of service quality on behavioral intention is significant and the indirect effect (with satisfaction playing a mediating role) is a strong driver for behavioural intention in the context of the service factory. **Rajat Gera (2011)**, identify the perceived agent service quality, overall customer satisfaction and perceived value and their relationship with behavioural outcomes of repurchase, recommendation and complaint intentions in the life insurance services. Researcher found that agent service quality attributes of product knowledge, empathy, reliability and trust as important antecedents of favorable behavioural outcomes. Agent service quality, satisfaction and value perceptions have significant affect on recommendation intentions. **Jenet (2011)**, examine the relationship between customer satisfaction and service quality in service sectors with respect to the service quality dimensions. **Frank et. al., (2011)** examined the determinants of satisfaction and the effect of customer satisfaction on behavioural intentions of consumers in insurance industry. Researcher found that reliability and responsiveness are functional quality dimensions that were found to have significant impact on customer satisfaction in insurance industry. Technical quality, price and image quality were found to be factors that do not significantly effect customer satisfaction determination in insurance industry.

Objective of the Study

To examine the causal linkage between the service quality and policyholder satisfaction with behavioral outcomes of repurchase, recommendation and complaining behavior

Research Hypotheses

H1: Service quality positively affect of policyholder satisfaction

H2: Policyholder satisfaction positively has an effect on behavioral intention

H2_a: Policyholder satisfaction positively has an effect on repurchase intention

H2_b: Policyholder satisfaction positively has an effect on recommendation intention

H2_c: Policyholder satisfaction positively has an effect on complaining behavior

Proposed Model

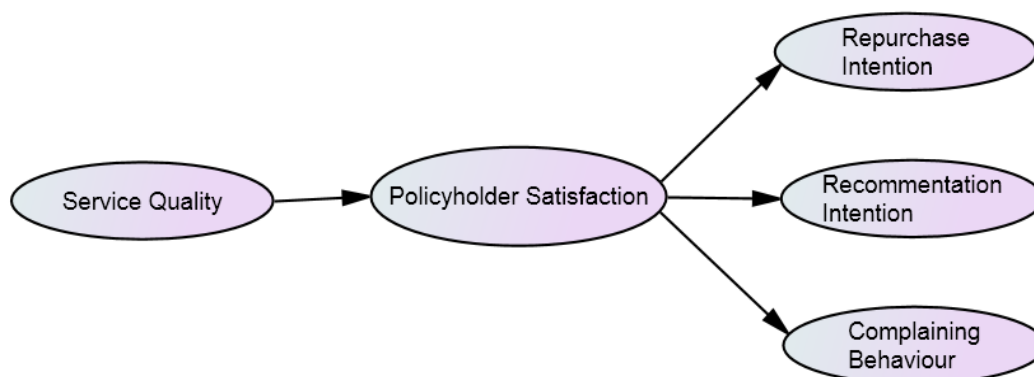


Figure.1 : Proposed Model

Research Methodology

The purpose of this research work is to analyze and describe the existing characteristics and nature of rural postal life insurance with respect to insurance context. This study also aims to find out the linkage between perceived service quality, policyholders satisfaction and behavioral intentions in Rural Postal Life Insurance. Hence, the proposed is descriptive in nature. The present study is an empirical one based on the both primary and secondary data. The primary data were collected with the help of a structured interview schedule. For the study, population is defined as the policyholders in Rural Postal Life Insurance in Tamilnadu Western region. The representation of the total sample frame as on 24.03.2016, the total number of RPLI policies in Tamilnadu circle is furnished total no. of policyholders at Western region (Coimbatore) 22,853 policyholders. The researcher has adopted proportionate simple random sampling to decide the number of policyholders to be chosen from the total population size. The total population of Rural Postal Life Insurance Policyholder was 22,853. Hence, the researcher finalized the 0.5 percent (114 policyholders) from the total population. The sample sizes are 114 rural postal life insurance policyholders. Researcher used structural equation model in this study.

Analysis and Discussion

Table1. Mean Value and SD of service quality attributes; repurchase intention, recommendation intention and complaining intention on Rural Postal life insurance.

Construct	Mean Value	S.D
Tangibility	3.98	.679
Reliability	3.62	.796
Responsiveness	3.97	.641
Assurance	3.82	.666
Empathy	3.64	.677

Repurchase Intention	3.68	1.09
Recommendation Intention	3.85	.982
Complaining Intention	3.98	.915

The mean of the service quality constructs show moderately positive ratings of perceived service quality of policyholders' (measured as mean score of the five dimensions of tangibility, reliability, responsiveness, assurance, and empathy), and moderate ratings of behavior intention.

Fit Measure	Model Values	Result
P-value	0.073	Model is accepted
Chi-square (χ^2)/df	5.038	
Goodness of Fit (GFI)	.942	
Adjusted Goodness of Fit (AGFI)	.932	
Norm Fit Index (NFI)	.878	
Comparative Fit Index (CFI)	.905	
Root Mean Square Error of Approximation (RMSEA)	.054	

Table 2 shows that the hypothesized model have acceptable model was achieved with Chi-square (χ^2)/df value (5.038); Goodness of Fit (GFI) (.942); Adjusted Goodness of Fit (AGFI) (.932); Norm Fit Index (NFI) (.878); Comparative Fit Index (CFI) (.905); and Root Mean Square Error of Approximation (RMSEA) (.054).

Hypotheses	Standardized coefficient (β)	P value	Conclusion
H1: Service Quality → Policyholder Satisfaction (+)	.234	.001	Accepted
H2_a: Policyholder Satisfaction → Repurchase Intention (+)	.221	.001	Accepted
H2_b: Policyholder Satisfaction → Recommendation Intention (+)	.248	.001	Accepted
H2_c: Policyholder Satisfaction → Complaining Intention (+)	.094	.001	Accepted

Table:3 shows that the service quality has significant impact on policyholder satisfaction. The policyholder satisfaction has most significant influence on recommendation intention (.248); policyholder satisfaction also has significant influence on repurchase intention (.221) and complaining intention (.094).

Conclusion

The study was to make clear the effect of service quality and policyholder satisfaction on behavioral intention in the context of rural postal life insurance services. Researcher found that the very low significant effect of service on complaining behavioral intention. Further, it is necessary to measure and track the effect of all the three behavioral intentions constructs and how they impact recommendation intention, which then drive repurchase intention which lead to complaining behavior intention. Rural postal department should highlight all the service quality dimensions in sustaining and improving the service quality that they deliver.

Reference

- Festus Olorunniwo, Hsu, Udo. (2006). Service quality, customer satisfaction, and behavioural intentions in the service factory. *Journal of Marketing*, 20(1), 59-72.
- Frank KwadwoDuodu, Theresa Amankwash. (2011). An analysis and assessment of customer satisfaction with service quality in insurance industry in Ghana. Master Thesis, Lulea University of Technology.
- JenetManyiAgbor. (2011). The relationship between customer satisfaction and service quality : a study of three service sectors. *Master Thesis*, Umea Scholl of Business.
- Parasuraman, Zeithaml, & Berry. (1985). A conceptual model service its quality and implications for future research. *Journal of Marketing*, 49(4), 41–50.
- Parasuraman, Zeithaml, & Berry. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12 – 40.
- Parasuraman, Zeithaml, & Berry. (1994). Reassessment of expectations as a comparison standard in measuring service quality: Implications for further research. *Journal of Marketing*, 58, 111–124.
- Valarie Zeithaml, A. (1988). Consumer perceptions of price, quality and value: A means- end model and synthesis of evidence. *Journal of Marketing*, 52, 2 – 22.
- Rajat Gera. (2011). Modelling the service antecedents of favorable and unfavorable behavior intentions in life insurance service in India. *International Journal of Quality and Service Sciences*, 3(2), 225-242.