

Customer Satisfaction on Services of ICICI Prudential Life Insurance Company- A Study at Lakhimpur District of Assam

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Abstract: *Customer is the king of any business. Every enterprise, whether it may be manufacturing, trading or service enterprises are trying to satisfy their ultimate customers. The importance of customers in service industries, like private sector insurance companies is unquestionable since happy & satisfied customers are like free advertising for their business. At present due to heavy competition in insurance industry, satisfying customers is the only way to retain existing customers and bring new customers. The study attempts to analyze the satisfaction level of customers with reference to ICICI Prudential Life Insurance Company Ltd. It identifies the most influencing factors of customer satisfaction towards private sector insurance companies. Convenience sampling technique has been used to select the respondents for primary data collection and a sample of 50 customers of ICICI Prudential Life Insurance Company at Lakhimpur district has been selected for the study. The major findings of the study are that most of the customers are satisfied with the services provided by this company.*

Keywords: *Customer Satisfaction, ICICI Prudential Life Insurance Company, Lakhimpur, Assam*

I. Introduction

Customer satisfaction (often abbreviated as CSAT, more correctly CSat) is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Therefore, it is essential for businesses to effectively manage customer satisfaction. To be able to do this, firms need reliable and representative measures of satisfaction. In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying.

Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future. It's one of the leading metrics businesses use to measure consumer repurchase and customer loyalty. In a competitive marketplace where businesses compete for customers; customer satisfaction is seen as a key differentiator. Businesses who succeed in these cut-throat environments are the ones that make customer satisfaction a key element of their business strategy. Satisfaction plays a significant role in how much revenue a customer generates for the business. Customer lifetime value is a beneficiary of high customer satisfaction and good customer retention. Successful businesses understand the importance of customer lifetime value (CLV). If we increase CLV, we increase the returns on marketing dollar. Customer satisfaction is tightly linked to revenue and repeat purchases. To eliminate bad word of mouth we need to measure customer satisfaction on an ongoing basis. Tracking changes in satisfaction will help to identify if customers are actually happy with the product or service.

Brief overview of ICICI Prudential Life Insurance Company Limited

ICICI Prudential Life Insurance Company Ltd. (ICICI Prudential Life) is a joint venture between ICICI Bank Ltd., one of India's largest private sector banks, and Prudential Corporation Holdings Limited.

ICICI Prudential Life began its operations in fiscal year 2001 and has consistently been the market leader* amongst private players in the Indian life insurance sector. Its Assets Under Management (AUM) as on 30th June 2016 were 1092.82 billion.

The company offers an array of products across savings, investments and protection categories that matches the different life stage requirements of our customers and enables them to achieve their long term financial goals. ICICI Prudential Life operates on the core philosophy of customer centricity. We have developed and implemented various initiatives to provide cost-effective products, superior quality services, consistent fund performance and a hassle-free claim settlement experience to the customers.

ICICI Prudential Life is the first private life insurer to attain assets under management of 1 trillion and In-force sum assured of over 3 trillion. ICICI Prudential Life is also the first insurance company in India to be listed on NSE and BSE.

II. Review of Literature

A satisfied insurance customer is not necessarily a loyal one, according to the first world Insurance Report, a groundbreaking international study of over 10,000 insurance customers, insurers and distributors released by Capgemini, one of the World's foremost providers of consulting, Technology and outsourcing services and the European financial Management and Marketing Association (FEMA) today (www.capgemini.com/world_insurance_report).

Keaveney (1995) classified customers' reasons for switching service providers into eight general categories, such as pricing, inconvenience, core service failure, failed service encounters, response to failed service, competition, ethical problems and involuntary switching.

Yusuf et al. (2009) found that the attitudes of Nigerians towards Insurance institution and services were mostly negative because of their poor quality services rendered to the customers.

Bhave Ashis (2002) in his study revealed that to keep existing customer is costly than to win new ones. Major attributes of customer satisfaction are product quality, product packaging, keeping delivery commitments, price, responsiveness and ability to resolve complaints and reject report and overall communication, accessibility and attitude.

Epetimehin M Festus (2011) discussed about importance of marketing segmentation as a tool for improving customer satisfaction and retention in insurance service delivery. This paper suggested that in spite of egalitarian approach that underpins the marketing of insurance, market segmentation may be used to better serve the needs of their customer.

Statement of the Problem

At present there is cut throat competition among the private insurance companies since there are lots of companies providing insurance services, so if customers are dissatisfied they may easily switch to another one. Therefore to survive in the market and to rise, their ultimate aim must be to satisfy their customers. Measuring level of satisfaction among the customers is a key issue. This brings out the areas where they have to improve their services in order to retain their customers. This study deals to find out the most influencing factor of customer satisfaction with regard to ICICI Prudential Life Insurance Company Limited.

Objectives of the Study

The primary aim of the paper is to study the customer perception about private sector insurance companies. However, the study also aims to-

- ❖ To identify the most influencing factors of customer satisfaction towards private sector insurance companies.
- ❖ To analyze the satisfaction level of customers of private sector insurance companies.

III. Methodology of The Study

Both primary and secondary sources of data have been used for the present study. The primary data were collected with the help of a well structured questionnaire. The secondary data have been collected from books, research journal, magazines and internet.

Universe of the study: Lakhimpur district of Assam has been selected as the universe of the study. Even though many private sector insurance companies are emerging in Lakhimpur district, ICICI Prudential Life Insurance Company has been chosen because when compared to other private life insurance company in Lakhimpur district, this company has large numbers of customers and also large volume of business.

Sampling Size: 50 respondents (i.e. 50 customers of ICICI Prudential Life Insurance Company)

Sampling Method: Convenience sampling technique is used to select the respondents for primary data collection.

Statistical Tool used: Simple Statistical tools like percentage, mean and chi-square were used.

Hypotheses:

H₀ - Null hypothesis: There is no relationship between gender of the respondents and their opinion that the personnel of the company have a good problem solving skill.

H₁ – Alternative hypothesis: There is relationship between gender of the respondents and their opinion that the personnel of the company have a good problem solving skill.

H₀ - Null hypothesis: There is no relationship between age of the respondents and their opinion that the personnel of the company have a good problem solving skill.

H1 – Alternative hypothesis: There is relationship between age of the respondents and their opinion that the personnel of the company have a good problem solving skill.

Testing of hypotheses

The hypothesis is tested by the chi square test applying SPSS 14.0 Version

H \square - Null Hypothesis: There is no relationship between gender of the respondents and their opinion that the personnel of the company have a good problem solving skill.

H1 - Alternative hypothesis: There is relationship between gender of the respondents and their opinion that the personnel of the company have a good problem solving skill.

Table – 1: Gender of the Respondents *personnel of this company have a good problem solving skill Cross Tabulation Count

Gender of the respondents	Personnel of this company have good problem solving skill				Total
	disagree	neutral	agree	Strongly agree	
Male	6	5	26	8	45
Female	0	1	4	0	5
	6	6	30	8	50

Chi Square tests

	Value	d.f	Asymp.Sig (2-sided)
Pearson Chi-square	2.222(a)	3	.528
Likelihood ratio	3.541	3	.315
Linear by linear association	.000	1	1.000
N of Valid Cases	50		

4 cells (50%) have expected count less than 5. The minimum expected count is 60.

Chi square Value: 2.222

Degree of freedom: 3

Table Value: 7.815

Result: Not Significant

The result of chi square test reveals that the calculated chi-square value (2.222) is less than the table value (7.815) at 5% level of significance and therefore, the relationship between Gender of the respondents and their opinion towards the skill of the personnel for solving the problems of the customers is not significant. Hence, there is relationship between Gender of the respondents and their opinion that the personnel of the company have a good problem solving skill.

H \square - Null hypothesis: There is no relationship between age of the respondents and their opinion that the personnel of the company have a good problem solving skill.

H1 – Alternative hypothesis: There is relationship between age of the respondents and their opinion that the personnel of the company have a good problem solving skill.

Table – 2: Age of respondents* personnel of this company have a good problem solving skill Cross Tabulation Count

Age of the respondents	Personnel of this company have a good problem solving skill				Total
20-30 years	0	4	11	2	17
31-40 years	5	2	10	2	19
41-50 years	1	0	6	4	11
Above 51 years	0	0	3	0	3
Total	6	6	30	8	50

Chi Square Tests

	Value	d.f	Asymp.Sig(2sided)
Pearson Chi-square	14.287(a)	9	.112
Likelihood ratio	16.785	9	.052
Linear by linear association	.544	1	.461
N of Valid Cases	50		

13 cells (81.3%) have expected count less than 5. The minimum expected count is .36.

Chi-square value: 14.287

Degree of freedom: 9

Table value: 16.919

Result: Not Significant

The result of the chi-square test reveals that the calculated chi-square value (14.287) is less than the table value (16.919) at 5% level of significance and therefore, the relationship between age of the respondents and their opinion towards the skill of the personnel for solving the problems of the customers is not significant. Hence,

there is relationship between age of the respondents and their opinion that the personnel of the company have a good problem solving skill.

IV. Findings And Interpretations

The present study is based on a sample of 50 customers. The demographic profile of sample customers is shown in Table-3

Table 3: Demographic characteristics of sample customers (n=50)

Age of the respondents	Frequency	Percent	Valid percent	Cumulative percent
20-30 years	17	33.3	34.0	34.0
31-40 years	19	37.3	38.0	72.0
41-50 years	11	21.6	22.0	94.0
Above 51 years	3	5.9	6.0	100.0
Total	50	98.0	100.0	

Qualification of the respondents	Frequency	Percent	Valid percent	Cumulative percent
10 th std	7	13.7	14.0	14.0
12 th std	6	11.8	12.0	26.0
Graduate	24	47.1	48.0	74.0
Post graduate	9	17.6	18.0	92.0
Professional	4	7.8	8.0	100.0
Total	50	98.0	100.0	

Marital status of the respondents	Frequency	Percent	Valid percent	Cumulative percent
Single	13	25.5	26.0	26.0
Married	37	72.5	74.0	100.0
Total	50	98.0	100.0	

Gender of the respondents	Frequency	Percent	Valid percent	Cumulative percent
Male	45	88.2	90.0	90.0
Female	5	9.8	10.0	100.0
Total	50	98.0	100.0	

Occupation of the respondents	Frequency	Percent	Valid percent	Cumulative percent
Service	25	49.0	50.0	50.0
Business	23	45.1	46.0	96.0
Profession	2	3.9	4.0	100.0
total	50	98.0	100.0	

Source: field survey

It is revealed from the table-3 that 38% of the respondents are in the age group of 31-40 years. Most of the respondents (i.e. 48%) are Graduate followed by Post Graduate and 10th standard. It is also illustrated from the above table that most (i.e.74%) of the respondents are married. It is seen from the table 3 that, 90% of the respondents are male and only 10% are female. In terms o occupation, it is revealed that 50% of the respondents are service holders followed by businessman (i.e. 46%) and only 4% of the respondents are professional.

V. Descriptive Statistics

Table- 4: Individual response of the respondents

Table No	Descriptive study	Percentage of respondents				
		SDA	DA	N	AG	SAG
1	The company provide the services at the time they promise to do		18	18	56	8
2	The personnel of this company are always willing to help their customers		8	8	70	14
3	Personnel have the required knowledge to answer any questions		8	24	56	12
4	The company gives the personal attention to their customers		10	24	54	12
5	Personnel are well dressed and neat appearing		4	22	50	24
6	Personnel of this company have a good problem solving skill		12	12	60	16
7	The company is believable and honest		8	54	38	
8	Location of the company is easily accessible			6	66	28
9	Explain any hidden cost of the product freely	24	70	6		
10	The company is willing to know the specific need of the customers	16	70	8	6	
11	Price of the products are cheaper than the companies	32	58	10		
12	The company provides multiple option of product	30	60	10		

From the above table it is clear that,

- ❖ 56% of the respondents agree that the company provide the services at the time they promise to do. It implies that the company is reliable and the customers are satisfied.
- ❖ 70% of the respondents agree that the employees of this company are always willing to help their customers. It indicates that the customers of this company are very much satisfied because the company is responsiveness.
- ❖ 56% and 12% of the respondents agree and strongly agree respectively with the statement that the personnel of this company have the required knowledge to answer any questions of the customers. It indicates that the employees are competent enough so the customers are satisfied.
- ❖ More than 50% of the respondents agree that the company gives the personal attention to their customers. It implies that the company takes care and individualized attention to their customers, so the customers are satisfied.
- ❖ 24% of the customers strongly agree and 50% of the customers agree that the personal of this company are well dressed and neat appearing. It is seen from in case of tangibility factor the customers are satisfied.
- ❖ 60% of the respondents agree that the personnel of this company have a good problem solving skill.
- ❖ Only 38% of the respondents agree that the company is believable and honest, moreover more than 50% respondents preserve an indifferent attitude. So customers are dissatisfied in this respect.
- ❖ 66% of the respondents agree and 28% of the respondents strongly agree that the location of the company is easily accessible.
- ❖ 24% and 70% of the respondents strongly disagree and disagree respectively that the company explain any hidden information about the product cost which means the customers are dissatisfied.
- ❖ 70% of the respondents disagree that the company is willing to know the specific need of the customers. It implies that customers are dissatisfied.
- ❖ 32% and 58% of the respondents strongly disagree and disagree respectively that price of the products is cheaper than the other companies.
- ❖ 30% and 60% of the respondents strongly agree and agree that the company provides multiple option of the product; it implies that in case of offering factor this company is not much good.

VI. Conclusions

Fulfilling customer expectation is of immense importance for the private sector insurance companies to survive in the market. Satisfied customers are loyal to the company. Therefore, to retain customers and to expand business in this competitive era the private insurance company must give importance to customer satisfaction. The company should show sincere interest in customer problems and try to keep promise to do the work timely and promptly. From the study, it is seen that yet most of the customers are satisfied from services provided by ICICI Prudential Life Insurance Company still there are many areas where the company needs to work and come up with strong ideas to satisfy the customers. The company should continuously try to improve their quality services day by day to attract new customers.

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