Service Quality on Customer Satisfaction with Special Reference to the Sri Lankan Life Assurance Sector

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Customer satisfaction is a very important concept for life insurance industry. Service quality is a key antecedent towards customer satisfaction. Since the high life policy lapse ratio and lower penetration ratio it is proved that high service quality is rare in the Sri Lankan life assurance industry. Therefore, this study was carried out with the objective of study the influence of service quality dimensions for the customer satisfaction in life assurance industry in Sri Lanka. This research was based on the SERVQUAL model and accordingly customer satisfaction depends on the five service quality dimensions namely reliability, responsiveness, assurance, tangibles and empathy.

The researcher used a structured questionnaire including 24 items divided into 5 components of service quality and customer satisfaction to collect data. Sample of 150 customers were selected using random sampling method and the data was analysed using SPSS 23rd version. The reliability was tested with Cronbach's alpha and multicollinearity was tested with statistics of Tolerance and Variable Inflation Factor (VIF). Since the data set was normally distributed, correlation analysis and regression analysis were used to analyse the data.

The findings show that customer satisfaction and service quality have a significant positive relationship. Out of five service quality dimensions reliability, responsiveness, assurance and tangibles have significant positive relationship on customer satisfaction. It is also observed that responsiveness is the most influential service quality dimension towards customer satisfaction and therefore it is suggested that the industry should pay more attention on this dimension. And also, findings show that empathy is not a significant factor towards customer satisfaction thereby it is advice for future researchers to retest the model.

The findings of present research will help the industry to make strategies such as provide continuous training to develop human resources, develop claim philosophy to include rigid time frame for claim settlement, utilize high technology in settling claims, handling customer complaints, and physical infrastructure development, etc. better for enhancing service quality rendered to customers for increase the level of customer satisfaction.

Keywords: Customer Satisfaction, Service Quality, Service Quality Dimensions, Life Assurance