



IMPACT OF POLICYHOLDER SATISFACTION ON BEHAVIOURAL INTENTION OF RURAL POSTAL LIFE INSURANCE

KEYWORDS

Policyholder Satisfaction, behavioural intention, Rural Postal Life Insurance.

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ABSTRACT *The purpose of this paper is to examine the impact of the policyholder satisfaction with behavioral intention 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 proposal & intimation process on behavioural intention and also significant effect of payment process, policy administrative services, & claim settlement process on behavioural intention of rural postal life insurance.*

Introduction

Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a products performance (outcome) in relation to his or her expectation (Kotler & Keller, 2006). Customer satisfaction is an experience based assessment made by the customer of how far his own expectations about the individual characteristics or the overall functionality of the services obtained from the provider have been fulfilled (Bruhn, 2003). Satisfaction is simply the result of things not going in the wrong; fulfilling the needs and desires of customers (Besterfield, 1994). Satisfaction is a psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service (WTO, 1985). Most of the respondents prefer postal life insurance policies due to low premium and high return, availing tax benefits, at the same time lack of knowledge about the policies is another reason which is mostly due to lack of interest on the part of the postal staff (Payal Dutta, 2014). Policyholders' satisfaction level and to examine the factors that determines the lower and higher satisfaction group of policyholders' under postal life insurance and more than 4/5 policyholders' having high satisfaction about postal life insurance (Angamuthu Balasubramaniam, 2014).

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 policyholder satisfaction and behavior intention in the rural postal

life insurance in Tamilnadu western region.

Review of Literature

Duodu. (2011) this paper examine the determinants of customer satisfaction in insurance industry, what are all the factors influence of satisfaction on consumers behavior intentions and analysis between overall satisfaction and behavior intention. Researcher found that customer satisfaction has significant and positive impact on behavior intentions such as like hood to recommend switching intention and repurchase intention. Upadhyaya. (2011) this study finds out the factors of customer satisfaction in life insurance and study the importance technology in fulfilling customer satisfaction. Study highlights the role of technology to improve quality and customer satisfaction. Researcher finding the majority of policyholders who are strongly recognizable with interpersonal services may never be satisfied with technology based service. Siddiqui and Sharma. (2010) This paper attempted to identify with and measure the complex and mutually dependent relationships between service quality dimensions, satisfaction dimensions and overall satisfaction with life insurance service. Researcher using Confirmatory factor analyses, proposed framework attempts to provide a proposal for appropriate of action to create a base of satisfied customers through quality of services. Siddiqui and Sharma. (2010) This paper investigates service quality framework for life insurance and then relative importance of these service quality dimensions from customer's viewpoint. The paper attempt to measure as to how well services are being delivered i.e. up-to what level performances are meeting the expectations. The result tinted the main concern areas of service instrument with assurance is the best interpreter, followed by competence and personalized financial planning. Evangelos et.al., (2007) examined the effect of culture on service quality and customer satisfaction. Researcher found that the hypotheses are for each pair of possible relationships between the dimensions of culture (Hofstede, 1980, 1991) are power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance and the importance to customers of SERVQUAL's dimensions

(Parasuraman et.al., 1988) and framing 25 hypothesized relationship between the dimensions of culture and of service quality, found that 23 are confirmed and the remaining two are directionally supported. Maddern et.al., (2007) the paper seeks to evaluate the drivers of customer satisfaction and the impact of business process management on service quality and customer satisfaction. Researcher found that confirms the role of staff satisfaction and service quality as key drivers of customer satisfaction and technical service quality is found to play a critical role in determining customer satisfaction and a strong causal link is found between technical service quality and business process management. Tsoukatos, & Rand. (2006) in this study investigate the service quality, customer satisfaction, loyalty at the level of constructs individual determinants rather than on the aggregate drawing from the Greek insurance industry. Researcher found that tangible does not affect customer satisfaction while WOM is an antecedent of repurchasing intentions and satisfaction does not directly influence the latter. Kuhlemeyer. et al. (1999) this paper focus on determined the satisfaction of customer with life insurance product and life insurance company. Researcher examine that did customer satisfied with their life insurance agents, did customer satisfied with their life insurance companies, did consumer satisfied with the life insurance product they own. Researcher found that the customer strongly consider trust, agent knowledge, explanation of products, appropriateness of products and goals as positive aspects when evaluating their agent. Balaji (2014) analyzed the awareness of people about insurance policies and found the existing customer satisfaction level with regard to life insurance policies. Researcher found that majority of the respondents came to know about insurance policies through agents and policyholder satisfied with the life insurance service like brand name, availability of product and services and fulfillment of customer needs. Gilbert. (2000) in his study identifies effectiveness of internal work terms from the perspective of their customer and assess internal customer satisfaction. Researcher found that over estimate the effectiveness of their terms performance when compared with the ratings the same teams receive from their internal customer. Kuhlemeyer, & Allen. (1999) this paper focuses on determined the satisfaction of customer with life insurance product and Life Insurance Company. Researcher examine that did customer satisfied with their life insurance agents, did customer satisfied with their life insurance companies, did consumer satisfied with the life insurance product they own. Finally conclude that the customer strongly consider trust, agent knowledge, explanation of products, appropriateness of products and goals as positive aspects when evaluating their agent.

Objective of the Study

- To study the effect of policyholder satisfaction among demographic variable of policyholder in Rural Postal Life Insurance
- To examine the impact of policyholder satisfaction on behavioral intention of Rural Postal Life Insurance

Research Hypotheses

H0₁: There is no significant difference between age group with regard to policyholder satisfaction on rural postal life insurance services.

H0₂: policyholder satisfaction has no significant impact on behavioural intention

H0_{2a}: Proposal & Intimation process has no significant impact on behavioral intention

H0_{2b}: Payment Process positively has no significant impact on behavioral intention

H0_{2c}: Policy administrative services has no significant impact on behavioural intention

H0_{2d}: Claim settlement process positively has no significant on behavioural intention

Proposed Model

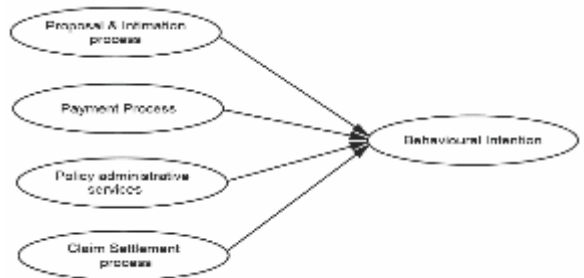


Figure 1: Proposed Research Model

Methods & Material

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 examine the impact of policyholders satisfaction on 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 24.03.2014, 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 stratified 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.

Results & Discussion

1 Analysis of Variance Test policyholder satisfaction among age group on rural postal life insurance services

In order to find out the significant difference between age group with policyholder satisfaction on rural postal life insurance the analysis of variance (ANOVA) was employed and results are shown in Table:

H0₁: There is no significant difference between age group with regard to policyholder satisfaction on rural postal life insurance services

Table:1. ANOVA Test for significant difference between age group with policyholder satisfaction on rural postal life insurance services		
Variables	F Value	p Value
Proposal & Intimation Process	3.965	.075
Payment Process	.435	.845
Policy Administrative services	.367	.765
Claim Settlement Process	15.404	.001**

Note : 1. ** denotes significance at 1% level
 2. Different alphabet between age group denote significance at 1% level using Duncan Multiple Range Test (DMRT)

Interpretation:

Since P value is less than 0.05, the null hypothesis is rejected at 1 % level of significant. Hence there is a significance difference between age group with regard to policyholder satisfaction on claim settlement process. The P value is greater than 0.05, the null hypothesis is accepted at 5 % level of significant. Hence there is no significance difference between age group with regard to policyholder satisfaction on application process, communication process, payment process and policy administrative service.

The below 50 years age group is significantly different with above 50 years age group at 1 percent level significant with respect to policyholder satisfaction on claim settlement process.

II Analysis the impact of policyholder satisfaction on behavioural intention of Rural Postal Life Insurance**Table 2. Result of goodness of fit test for structural model**

Fit Measure	Model Values	Result
P-value	0.061	Model is accepted
Chi-square (χ^2)/df	5.104	
Goodness of Fit (GFI)	.922	
Adjusted Goodness of Fit (AGFI)	.925	
Norm Fit Index (NFI)	.889	
Comparative Fit Index (CFI)	.915	
Root Mean Square Error of Approximation (RMSEA)	.053	

Table 2 shows that the hypothesized model have acceptable model was achieved with Chi-square (χ^2)/df value (5.104); Goodness of Fit (GFI) (.922); Adjusted Goodness of Fit (AGFI) (.925); Norm Fit Index (NFI) (.889); Comparative Fit Index (CFI) (.915); and Root Mean Square Error of Approximation (RMSEA) (.053).

Table 3. Structural Model Estimates

Hypotheses	Standardized coefficient (β)	P value	Conclusion
H0 _{2a} : Proposal & Intimation process → Behavioural Intention (+)	.367	.001	Accepted
H0 _{2b} : Payment Process → Behavioural Intention (+)	.345	.001	Accepted
H0 _{2c} : Policy administrative process → Behavioural Intention (+)	.293	.001	Accepted
H0 _{2d} : Claim settlement process → Behavioural Intention (+)	.154	.001	Accepted

Table:3 shows that the policyholder satisfaction has significant impact on behavioural intention. The proposal & intimation process has most significant influence on behavioural intention (.367); payment process also has significant influence on behavioural intention (.345); policy administrative process also has significant influence on behavioural intention (.293); and Claim settlement process also has low significant influence on behavioural intention (.154).

Conclusion

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

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