

## Investigation of service quality and behavioral intentions: A life insurance perspective

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### Abstract:

*With the reforms in insurance sector competition has intensified in this sector. There are twenty four life insurance players operational in India which comprises of twenty three private insurers and a lone public sector insurer in the name of Life Insurance Corporation of India (LIC) which still holds the majority of market share. Service quality has become an indispensable construct for the triumph and survival in this era of globalized competition. Taking, this into cognizance the present article aims to investigate the prevailing service quality, customer satisfaction, and customer loyalty levels in one of the prominent private life insurance company, PNB MetLife India Insurance Company Limited in Srinagar district of Jammu and Kashmir (India). A life insurance specific modified SERVQUAL instrument adopted from prior studies has been employed in the study. For the purpose, responses have been collected from 188 policy holders of the company under study. Data has been analyzed by performing Cronbach's alpha, paired sample t-test, independent sample t-test, and one way ANNOVA in SPSS. The results of the analysis indicate that there is a service quality deficiency i.e. perceptions are lesser than expectations in all the six service quality attributes of the study with assurance followed by competence and personalized financial planning being more concerned attributes.*

**Key words:** Service quality, expectations, perceptions, PNB MetLife, customer satisfaction, customer loyalty

## **Introduction**

Reforms in Indian insurance sector started in 1993 when the R.N. Malhotra Committee was set up to examine the structure of the insurance industry and recommend changes to make it more efficient and competent. Subsequently, it was on the recommendations of the committee report submitted in 1994 that IRDA (Insurance Regulatory Development Authority of India) was set up on April 19, 1999 and more importantly insurance sector was liberalized in October, 2000. Therefore, market witnessed the comeback of private insurance companies. Foreign companies were also allowed to enter Indian insurance market but only in collaboration with Indian companies. As per the IRDA Annual Report, 2013-14, there are 24 life insurance companies operational in India; LIC is the only public sector life insurance company.

With the entry of private life insurance players the competition in the industry has intensified and people's perception of insurance has also changed from an instrument of saving to a risk-hedging tool. This change has been facilitated by the surfacing of a range of new insurance products catering to the diverse needs of customers. In the initial years of liberalization, the Life Insurance Corporation of India (LIC) retained its dominant position in the market. Nevertheless, as time went by, private insurance players made their presence felt with the decline in the market dominance of LIC. Although LIC lost significant market share to private companies in the post-liberalization period, it still retains a commanding position in the life insurance market.

By the discussion it is apparent that though collectively, private sector has considerably captured the market share in initially, but nowadays, most of the private sector companies

are struggling for a persistent growth in business and market share, and the PNB MetLife India Insurance Company Limited (formerly known as MetLife India Insurance Company Limited) is one of them. Besides, customers frequently complaint for poor services in life insurance, which clearly means there is something wrong in customer strategies of these companies. Also it is well established that there is an association between service quality and customer satisfaction, customer satisfaction and customer loyalty, customer loyalty and sustainable profitability. Service Quality is an important antecedent of customer loyalty (Rai and Medha, 2013). Services business success has been linked with the ability to deliver superior service (Rudie and Wansely, 1984; Gale, 1990). So in this context, this study is an endeavor to determine the level of service quality delivered as a whole and on selected service quality dimensions in PNB MetLife India.

## **Literature review**

Service is “an activity, benefit, or satisfaction offered for sale that is essentially intangible and does not result in the ownership of anything.” There are certain characteristics of services distinct from goods such as: (i) Intangibility (i.e. services cannot be tasted, seen, heard, smelled, felt) (ii) Inseparability (simultaneous production and consumption) (iii) Heterogeneity (service quality depends on who provides service, when, where and how) (iv) Perishability, i.e. services cannot be inventoried (Kotler and Armstrong, 2012).

Service quality is the consumer’s judgment about an entity’s overall excellence or superiority. It is a form of attitude and results from a comparison of expectations to perceptions of performance received (Zeithmal et. al., 1985). If perception of actual service delivered by the service providers falls short of expectations, a gap is created which should be addressed through proper strategies (Parasuraman et. al., 1985; Zeithmal

et. al., 1990). There is a lot of argument about the conceptualization and measurement of service quality. The SERVQUAL model developed by (Parasuraman, Zeithmal and Berry, 1988) which describes five determinants of service quality in terms of Tangibility, Reliability, Responsiveness, Assurance and Empathy is the benchmark instrument for the measurement of service quality. The fundamental idea of the SRVQUAL is that service quality is the discrepancy between expectations and perceptions of performance received. On the other hand, Cronin and Taylor, (1992) developed an alternative model i.e. SERVPERF in which service quality is considered as a performance only measure and the expectations of the service quality are not taken into account. Therefore, SERVQUAL and SERVPERF are the two fundamental measurements of service quality and till date there is no consensus as to which one is the better measure of service quality. However, SERVQUAL instrument has been extensively applied for assessing the service quality across variety of service settings including life insurance services (Bhat, J. A. 2014). It is pertinent to mention that different researchers have modified the generic SERVQUAL instrument in order to make it specific to the nature of services investigated, the scheme of operationalization remaining the same as the original SERVQUAL. In this context, Mehta and Lobo, (2004), identified six dimensions for assessing service quality in life insurance; which includes Assurance, Corporate image, Tangibles, Personalized financial planning, Similarity with agent and Competence. Dar et.al (2012) examined the customer perception of service quality offered by the life insurers in Srinagar (J&K) and reported that culture emerged as one of the significant dimensions of Service Quality in their study, thus SERVQUAL requires modification under different study contexts.

Kotler and Armstrong (2012) have defined customer satisfaction as “the extent to which product’s perceived performance matches a buyer’s expectations.” Oliver (1980)

mentioned three positions as negative disconfirmation - when customers are highly dissatisfied, zero disconfirmation - when performance matches expectations, and positive disconfirmation - when customers are highly satisfied. The delivery of service quality, consumer satisfaction, and service value are some of the key methods of differentiation a service firm can employ in the development and implementation of successful marketing strategies (Cronin and Taylor 1992; Gronroos 1990; Heskett, Sasser, and Hart 1990; Oliver 1993; Quinn 1992; and; Zeithmal 1988).

The aim of customer relationship management is to create not only satisfied customer but also the loyal customer who in turn not only make repeated purchases but also spread favourable word of mouth (Kotler and Armstrong, 2012). Borah, (2013) investigated the customer satisfaction with the Services rendered by private life insurance Companies in Assam and concluded that attributes of tangibility, understanding, and accessibility had the maximum impact on Customer Satisfaction. Rai and Medha, (2013) assessed the loyalty status of life insurance customers in India and thereby reported that Indian customers considered the public sector status of financial service provider as it provided a sense of security and stability and thus created a difference between customer loyalty of public sector and private sector life insurance.

### **Objectives of the study**

The study is aimed to accomplish the following objectives:

1. To assess customer expectations and perceptions of service quality in PNB MetLife India Insurance Company Limited.
2. To determine the gap between perceptions and expectations of service quality.
3. To measure customer satisfaction and loyalty perceptions towards the Services of PNB MetLife India Insurance Company Limited.

4. To offer suggestions for the enhancement of service quality in PNB MetLife India Insurance Company Limited.

### **Hypotheses of the study**

This study draws the following hypotheses for the attainment of objectives.

**H<sub>01</sub>:** There is no significant difference in expectations and perceptions of service quality.

**H<sub>02</sub>:** There is no significant difference in overall service quality (OSQ) across particular demographic attributes.

**H<sub>03</sub>:** There is no significant difference in customer satisfaction across particular demographic attributes.

**H<sub>04</sub>:** There is no significant difference in customer loyalty across particular demographic attributes.

### **Instrument development and scale reliability**

The scales used in this study for measuring service quality, customer satisfaction and customer loyalty have been adopted from prior studies. The service quality attributes are SERVQUAL type adopted from Mehta and Lobo, (2004). These include: Assurance, Personalized financial planning, Tangibles, Corporate image, Similarity with agent and Competence. Customer satisfaction has been measured by adopting a five items framework prescribed by Westbrook and Oliver (1991). Customer loyalty has also been measured by a five items framework suggested by Parasuraman *et al.* (1996).

A 5-point likert scale has been employed for the measurement of service quality, satisfaction and loyalty latent variables with end anchors 1 for “strongly disagree” to 5 for “strongly agree”. Cronbach’s alpha values have been calculated to ensure the reliability of the scales as shown in Table 1. The overall reliability has been found to be .950 and .972 for expectations and perceptions respectively. The high alpha

values above 0.7 indicates that the measures are reliable and internally consistent (Nunnally, J. C. 1978). The reliability coefficients for both expectations and perceptions of service quality as well as for customer satisfaction and customer loyalty are above the threshold level. Moreover, the reliability co-efficients for customer satisfaction and customer loyalty are .953 and .906 respectively. This demonstrates good internal consistency. Hence the scale items are reliable and internally consistent.

**Table 1: Reliability Statistics**

Scale Dimension	Observed variables	Indicators/ items	Reliability (Cronbach's alpha)	Overall Reliability
<i>Expectations of Service Quality</i>	Assurance	09	.854	.950
	Personalized financial planning	04	.741	
	Tangibles	02	.833	
	Corporate image	02	.698	
	Similarity with agent	02	.704	
	Competence	06	.895	
<i>Perceptions of Service Quality</i>	Assurance	09	.934	.972
	Personalized financial planning	04	.886	
	Tangibles	02	.698	
	Corporate image	02	.706	
	Similarity with agent	02	.889	
	Competence	06	.946	
<i>Satisfaction</i>		05	.953	
<i>Loyalty</i>		04	.906	

*Source: SPSS output (based on Survey)*

### **Sample and Data collection:**

Questionnaire was administered on PNB MetLife policy holders in the Srinagar district of Jammu & Kashmir (India). A total of 258 questionnaires were distributed to different policy holders out of which 187 valid responses were received registering a response rate of 72.48%. Convenient sampling method has been employed for the collection of requisite data. In prior researches on life insurance service quality convenient sampling technique has been utilized for the collection of data (Itana, 2011; Sandhu and Bala, 2011; Jain and Lodha, 2012).

## Analysis and Results

As per Table 2, out of total 187 respondents, 125 (66.8%) are males and 62 (33.2%) are females. This indicates that majority of the respondents are males. In terms of age wise bifurcation of respondents, 63.1% of respondents belonged to the age range of 30-45 years, and 28.3% were in the age range of 46-60 years, while 8.6% were below 30 years of age. The highest level of qualification attained by majority of the respondents was post graduation (69.5%) followed by graduation (23.0%) and under graduation (7.5%). This indicates that majority of the respondents were adequately qualified. In terms of the monthly income majority of the respondents (38.0%) had monthly income between INR 30000-50000, 36.9% were in the income slab of INR 50001-70000, 11.8% had monthly income of under INR 30000, 8.0% respondents were in the range between INR 70001-90000, and 5.3% of the respondents income was above INR 90000.

**Table 2: Demographics of respondents**

Variable	Frequency	Percentage
<b>Gender</b>		
Male	125	66.8
Female	62	33.2
Total	187	100.0
<b>Age (in years)</b>		
Under 30	16	8.6
30-45	118	63.1
46-60	53	28.3
Above 60	-	-
Total	187	100.0
<b>Education</b>		
High school	14	7.5
Graduate	43	23.0
Post Graduate	130	69.5
Total	187	100.0
<b>Income</b>		
Under INR 30000	22	11.8
INR 30000-50000	71	38.0



INR 50001-70000	69	36.9
INR 70001-90000	15	8.0
Above INR 90000	10	5.3
Total	187	100.0

Source: Field Survey

**Correlation Analysis:** Correlation analysis has been performed to ascertain the association of service quality variables with customer satisfaction and customer loyalty. The results are depicted in Table 3. It reveals from the table that there exists significant positive correlation between service quality attributes and customer loyalty. Also, there is significant correlation between service quality attributes and customer loyalty. In addition to this customer satisfaction and customer loyalty exhibit highly significant positive correlation between each other.

**Table 3: Correlation statistics**

Variables	Assurance	Personalized financial planning	Tangibles	Corporate image	Similarity with agent	Competence	Customer Satisfaction
Customer Satisfaction	.425**	.238**	.187*	.521**	.456**	.464**	.
Customer loyalty	.250**	.295**	.189*	.342**	.246**	.284**	.873**

Source: SPSS output (based on Survey)

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

## Gap analysis and t-statistics

**Table 4: Gap analysis and t-test (Assurance)**

Assurance	Description	Perception	Expectation	Gap	Mean perception (SD)	Mean expectation (SD)	Average Gap	t	Sig.
AS1	Employees of insurance company being consistently courteous during service contact.	3.38	4.56	-1.18					
AS2	Agents' being Trustworthy when	2.96	4.47	-1.51					

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	explaining policy's terms and conditions.								
AS3	Agents' conducting assessment of risk profile/situation for their customers.	3.05	4.45	-1.40	<b>3.13 (1.03)</b>	<b>4.43 (.572)</b>	<b>- 1.30</b>	<b>14.59</b>	<b>.000</b>
AS4	Employees consciously listening to customer requests and queries.	3.27	4.70	-1.43					
AS5	Insurance company understanding intimately specific needs of their customers.'	3.11	4.19	-1.08					
AS6	Insurance company having trained and well informed agents.	3.10	4.44	-1.34					
AS7	Agents' clearly explaining policy terms and conditions.	3.07	4.48	-1.41					
AS8	Insurance company having customer's best interests at heart.	3.02	4.22	-1.20					
AS9	Agents' and employees approaching from customer's point of view.	3.18	4.36	-1.18					

Source: SPSS output (based on Survey)

It reveals from the statistics presented in table 4 that there exists negative service quality gap i.e. perceptions are lesser than expectations in all the indicators of assurance attribute of service quality. The average gap in this attribute is -1.30 which indicates a substantial service quality shortfall. At the same time the difference between perceptions and expectations of service quality is statistically significant ( $t= 14.29 > 1.96$ ,  $p = .000 < .05$ ).

**Table 5: Gap analysis and t-test (Personalized financial planning)**

Personalized financial planning	Description	Perception	Expectation	Gap	Mean perception (SD)	Mean expectation (SD)	Average Gap	t	Sig.
FPF1	Insurance company arranging for periodical meetings with its customers.	2.93	3.90	-0.97					

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PFP2	Insurance company restructuring policies as customer's life changes.	3.14	4.25	-1.11	<b>3.10 (1.03)</b>	<b>4.18 (.629)</b>	<b>- 1.08</b>	<b>12.18</b>	<b>.000</b>
PFP3	Insurance company keeping customers updated on new products.	3.21	4.44	-1.23					
PFP4	Insurance company taking due care of customer's life style preferences.	3.14	4.13	-0.99					

Source: SPSS output (based on Survey)

The statistics highlighted in table 5 suggest that perceptions are lesser than the expectations of service quality in all the items/indicators of personalized financial planning. The average service quality gap in this attribute is -1.08 indicative of service quality deficiency. Besides, the gap between perceptions and expectations is statistically significant ( $t=12.18$ ,  $p = .000$ ).

**Table 6: Gap analysis and t-test (Tangibles)**

Tangibles	Description	Perception	Expectation	Gap	Mean perception (SD)	Mean expectation (SD)	Average Gap	t	Sig.
TAN1	Insurance company possessing good certification and credentials.	3.67	4.32	-0.65	<b>3.64 (.996)</b>	<b>4.35 (.751)</b>	<b>- 0.71</b>	<b>8.532</b>	<b>.000</b>
TAN2	Insurance company using modern aids and technology in servicing their customers.	3.61	4.39	-0.78					

Source: SPSS output (based on Survey)

Besides expectations being higher than perceptions of service quality in all the indicators, the average service quality gap in tangibles attribute of service quality is -0.71 which is the lowest

for all the attributes (table 6). However, the service quality shortfall is statistically significant ( $t = 8.532, p = .000$ ).

**Table 7: Gap analysis and t-test (Corporate image)**

Corporate image	Description	Perception	Expectation	Gap	Mean perception (SD)	Mean expectation (SD)	Average Gap	t	Sig.
CI1	Insurance company being a financially stable company.	3.54	4.70	-1.16	3.37 (1.06)	4.43 (.718)	- 1.06	12.10	.000
CI2	Insurance company being innovative in introducing new products.	3.20	4.15	-0.95					

Source: SPSS output (based on Survey)

The statistics presented in table 7 pertain to the gap analysis and t-test performed in respect of corporate image, one of the attributes of service quality. The mean gap for service quality is -1.06 and is statistically significant ( $t = 12.10, p = .000$ ).

**Table 8: Gap analysis and t-test (Similarly with agent)**

Similarity with agent	Description	Perception	Expectation	Gap	Mean perception (SD)	Mean expectation (SD)	Average Gap	t	Sig.
SWA1	Agents' sharing similar view points and beliefs as that of customers.	3.27	4.31	-1.04	3.23 (1.03)	4.23 (.633)	- 1.0	11.56	.000
SWA2	Agents' relating well with customers due to similar traits and characteristics.	3.18	4.14	-0.96					

Source: SPSS output (based on Survey)

As per the statistical results presented in table 8 there exists service quality shortfall to the tune of -1.0 in similarity with agent attribute of service quality and also the discrepancy

between perceptions and expectations is significant ( $t = 11.56$ ,  $p = .000$ ).

It is evident from the table 9 that there prevails service quality gap in all the indicators of competence attribute of service quality. The mean service quality gap in this dimension is -1.27 which is also statistically significant ( $t = 13.02$ ,  $p = .000$ ).

**Table 9: Gap analysis and t-test (Competence)**

Competence	Description	Perception	Expectation	Gap	Mean perception (SD)	Mean expectation (SD)	Average Gap	t	Sig.
C1	Insurance company providing the services at the promised time.	3.09	4.41	-1.32	3.11 (1.14)	4.38 (.719)	- 1.27	13.02	.000
C2	Employees being dependable in handling customer's problems.	3.14	4.37	-1.23					
C3	Employees being able to respond promptly to need or emergency.	3.06	4.42	-1.36					
C4	Employees showing willingness to help customers even when busy.	3.14	4.21	-1.07					
C5	Agents' on behalf of customers settling administration matters efficiently.	2.88	4.36	-1.48					
C6	Insurance company having a good reputation.	3.33	4.48	-1.15					

*Source: SPSS output (based on Survey)*

From the above, it reveals that highest service quality gap is reflected in assurance (-1.30) followed by competence (-1.27) and personalized financial planning (-1.08). However, the lowest service quality gap is reflected in tangibles (-0.71). Moreover, since the difference between perceptions and expectations (gap) is statistically significant in all the attributes of service quality therefore, hypothesis H<sub>01</sub> which

states that there is no significant difference in expectations and perceptions of service quality in all the attributes of service quality is not supported.

**Table 10: Descriptive statistics Overall service quality (OSQ)**

Overall service quality (OSQ)	Maximum	Minimum	Mean	Standard deviation
	-2.90	1.27	-1.07	1.05

*Source: SPSS output (based on Survey)*

From the table 10 it reveals that the overall service quality (OSQ) is on the negative side i.e. -1.07 to be exact. This suggests that the respondents have rated the service quality below their expectation levels.

**Table 11: Descriptive statistics (Customer satisfaction)**

Customer satisfaction	Description	Mean	Average Satisfaction	SD
SAT1	Availing your current insurance company's services has been a good experience.	2.57	2.75	1.13
SAT2	The overall services offered by your insurance company are satisfactory.	2.76		
SAT3	You are satisfied with your decision to avail the services of your current insurance company.	2.97		
SAT4	You feel relaxed availing your current insurance services.	2.74		
SAT5	Your choice to select your current insurance company was a wise one.	2.71		

*Source: SPSS output (based on Survey)*

However, statistics presented in table 11 pertain to the satisfaction perceptions of the respondents. It is evident that the customers are not adequately satisfied with the service quality rendered by their service provider as the customer are just above average satisfied (2.75).

**Table 12: Descriptive statistics (Customer Loyalty)**

Customer loyalty	Description	Mean	Average Loyalty	SD
LOY1	Even if another insurance company's price is lower, you will go on using current insurance company's service only.	2.39	2.52	1.04
LOY2	You are willing to say positive things about your current insurance company to other people.	2.62		
LOY 3	You intend to continue availing services from your current insurance company only.	2.51		
LOY 4	You will encourage friends and relatives to avail the services offered by your current insurance company.	2.55		

Source: SPSS output (based on Survey)

Table 12 pertains to the statistics of loyalty and behavioral intentions of respondents. The customer loyalty has a mean score of 2.52 which indicates that customers are not sufficiently loyal to their service provider.

**Table 13: Demographics analysis**

Demographics	Categories	Mean OSQ	Mean SAT	Mean LOY	OSQ t / f	Sig.	SAT t / F	Sig.	LOY t / F	Sig.
Gender	Male	-1.16	2.73	2.47	-1.82	.071	-	.677	-	.466
	Female	-.876	2.80	2.60						
Age	Under 30	-.351	3.36	2.77	5.58	.004	2.90	.058	1.19	.307
	30-45	-1.05	2.65	2.56						
	46-60	-1.32	2.80	2.35						
	Above 60	-	-	-						
Education	Under Graduation	-1.10	3.50	2.75	.574	.564	11.4	.000	6.06	.003
	Graduation	-.919	3.25	2.95						
	Post Graduation	-1.12	2.51	2.35						
Income	Under Rs. 30000	-1.33	3.09	2.91	9.823	.000	10.3	.000	8.50	.000
	Rs. 30000-50000	-.714	2.93	2.65						
	Rs. 50001-	-1.14	2.57	2.38						

	70000									
	Rs. 70001-90000	-.967	3.40	2.95						
	Above Rs. 90000	-2.66	1.00	1.00						

*Source: SPSS output (based on Survey)*

The statistics presented in table 13 pertain to the demographic analysis performed in terms of difference in overall service quality (OSQ), customer satisfaction, and customer loyalty across demographic attributes. One way ANNOVA and t-test has been performed in order to find out the differences in variables under reference across demographic attributes. It reveals from the table 13 that there is significant difference in overall service quality across respondents classified by age and income ( $F > 1.96, p < .05$ ), whereas insignificant difference in OSQ is reported across respondents classified by gender and education ( $t / F < 1.96, p > .05$ ). Therefore, null hypothesis  $H_{02}$  which states that there is no significant difference in overall service quality (OSQ) across particular demographic attributes is partially supported. Moreover, respondents of under 30 years of age (-.351) and respondents having income between INR 30000-50000 (-.714) have rated service quality comparatively better.

It is also evident from the table 13 that there exists significant difference in customer satisfaction across respondents classified by age, education, and income ( $F > 1.96, p < .05$ ). However, no significant difference in customer satisfaction is reported across respondents classified by gender ( $t < 1.96, p > .05$ ). Therefore, null hypothesis  $H_{03}$  which states that there is no significant difference in customer satisfaction across particular demographic attributes is partially supported. Besides, respondents of less than 30 years of age (3.36), under graduate respondents (3.50), and respondents having income in the range of INR 70001-90000 are comparatively more satisfied.

Lastly, it also reveals from the table 13 there exists significant difference in customer loyalty across respondents



classified by education and income ( $F > 1.96$ ,  $P < .05$ ). However, insignificant difference in customer loyalty is reported in customer loyalty across respondents classified by gender and age ( $t / F < 1.96$ ,  $P > .05$ ). Therefore, null hypothesis  $H_{04}$  which states that there is no significant difference in customer loyalty across particular demographic attributes is partially supported. It is also evident from the descriptive statistics presented in the table 13 that respondents having education up to graduate level (2.95) and respondents falling in the income slab of INR 70001-90000 are comparatively more loyal to their insurance provider.

**Table 14: Summary of hypotheses**

S.no	Hypothesis	Result
H <sub>01</sub>	There is no significant difference in expectations and perceptions of service quality.	Not supported
H <sub>02</sub>	There is no significant difference in overall service quality (OSQ) across particular demographic attributes.	Partially supported
H <sub>03</sub>	There is no significant difference in customer satisfaction across particular demographic attributes.	Partially supported
H <sub>04</sub>	There is no significant difference in customer loyalty across particular demographic attributes.	Partially supported

*Source: Statistical tables*

## Discussion

Based on the statistical results, hypothesis  $H_{01}$  is not supported whereas, hypotheses  $H_{02}$ ,  $H_{03}$ , and  $H_{04}$  are partially supported. Assurance exhibited the highest service quality gap (-1.30) followed by competence (-1.27) and personalized financial planning (-1.08). However, the lowest service quality gap is reflected in tangibles (-0.71). Moreover, significant difference in overall service quality has been found across respondents classified by age groups and income levels. Furthermore, significant difference in customer satisfaction has been found across respondents classified by age, education, and income. In addition, significant difference in customer loyalty has been observed across respondents classified by gender, and age.

**Assurance:** Results of the study revealed that assurance positively correlates with satisfaction and loyalty. The highest service quality gap of -1.30 has been observed in this attribute of service quality.

**Personalized financial planning:** Service quality gap of -1.08 has been observed in this attribute. Results specified that personalized financial planning positively correlates with satisfaction and loyalty.

**Tangibles:** The lowest Service quality gap of -0.71 has been detected in this attribute. Statistics reflected that tangibles positively correlate with satisfaction and loyalty.

**Corporate Image:** Service quality deficiency of -1.06 has been observed in this attribute. Besides, corporate image positively correlates with satisfaction and loyalty.

**Similarity with Agent:** Service quality shortfall of -1.0 has been found in this attribute. Results indicated that similarity with agent positively correlates with satisfaction and loyalty.

**Competence:** The second highest service quality gap of -1.27 has been observed in this attribute of service quality. Results showed that competence positively correlates with satisfaction and loyalty.

**Overall service quality (OSQ):** The statistical results indicated that the respondents were unhappy with the prevailing service quality level as they have rated their perceptions below their expectation levels indicative of an overall service quality gap i.e. -1.07 to be exact.

**Customer satisfaction:** The customer satisfaction has a mean score of 2.75 which indicates that customers were not satisfied enough. Meanwhile, customer satisfaction exhibited significant positive correlation with customer loyalty.

**Customer loyalty:** The average perception of 2.52 has been observed in customer loyalty, indicating that customers were average loyal to their insurer.

**Implications for service provider:** This study revealed that service quality attributes significantly correlate with customer

satisfaction and customer loyalty. Therefore, PNB MetLife should lay emphasis on the provision of efficient and effective quality services. Assurance followed by competence exhibited highest service quality shortfall. Since, these attributes pertain to company personnel i.e. agents and employees, insurer should concentrate on personnel training programmes so as to minimize these gaps. The core aim of these training courses should be the development of human skills. The third highest service quality gap is reflected in personalized financial planning. So, efforts should be made to cater to the individual requirements of the customers. Besides, service provider should arrange for periodical meetings with its customers to know their requirements and feedback. The study also found strong correlation between customer satisfaction and customer loyalty. Hence, service provider must focus not only on maintaining existing services but also improving the service standards as the customer satisfaction mean score is just average. It is also recommended that the service provider should arrange for prompt redressal of grievances which will help in securing the loyalty of customers.

### **Limitations and directions for future research:**

The study suffers from certain limitations. At the outset the sample size is petite to be considered as the representative of the overall population and secondly convenience sampling method has been employed to collect responses from the respondents. In future, researchers may include a large sample and may practice a random sampling which is the basis for generalization of the findings. Thirdly, in this study the responses were collected only from the Srinagar district of Jammu and Kashmir (India) while customers from other areas of the country may have different perceptions. In addition, the study has not investigated the impact of service quality on customer satisfaction and customer loyalty. In future

researchers besides examining the impact of service quality on satisfaction and loyalty may also investigate the mediating effect of customer satisfaction between service quality and customer loyalty.

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