

## **A Study on Customers' Expectation: Perception Score on Service Quality in ICICI Prudential Life Insurance Company**

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### **Introduction**

Life is a most precious asset and people always exposed to risk at anywhere and at any during their life. One way to reduce risk is life Insurance which provides both financial protection and safety to an individual and his family at time of uncertain risk and damages. The insurance policy is the contract between the insured and the insurer which specifies the risks covered exclusions if any and benefits reimbursed on the happening of the event. Earlier the majority of people do not care about the important of having insurance. But now a days, majority of people own at least one insurance policy in order to protect own benefits. India is one of the emerging economies of the world and the insurance sector is the important sectors which play a very crucial role in promoting saving among people by selling a large range of products. Insurance sector also contributes in sustaining and promoting the financial market and support the development of the national economy. Prior to year 2000, Life Insurance Corporation of India (LIC) has monopoly over Life Insurance industry in India. LIC was nationalized in 1956. The structure of Indian insurance has transformed during past two decades from a monolithic to a highly competitive. Globalization and Liberalization created competitive environment in the country by

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allowing private insurance players having alliance with foreign insurance experts in the life insurance market in India. The Insurance Regulatory and Development Authority Act 1999 (IRDA Act) was passed by parliament of India to regulate and promote insurance market in India. At present there are twenty four players (one public and twenty three private) in life insurance market performing their operations in Indian insurance market and offering different type of products to the customers. Due to the advancement of the information technology, Consumers are now more aware of the options available in services market and the service provider. Due to rising consumer awareness and entry of private life insurance companies in Indian life insurance market, customers' expectation and perception of quality of services from the life insurance companies have also changed. It is not easy for any player to survive in the market for long-term without fulfilling the expectations of the customers. Under this situation insurance companies are now trying to change their focus from product orientation to customer orientation. In today's cut throat competition service quality play an important role to attract and retain customers. Quality has become a strategic tool in obtaining efficiency in operations and improved performance in business. Quality has a positive impact on profitability, market share, and return on investment, customer satisfaction, and future purchase intentions (Rust and Oliver, 1994). Information technology have empowered the globe is providing quick and access to information and services to customers in all companies including insurance. Insurance companies have realized that competition can be well managed by differentiating the quality of service which in turn helps in establishing and sustaining satisfying relationships with policyholders. According to Kotler (2000) "service delivery is the major driving force to business sustainability. This is due to the fact that customers derive their perceptions of service quality on the levels of satisfaction they experience with a particular business Customers will give business high marks for its service when it meet or exceed their service desires" With a greater choice and an increasing awareness, there is a continuous increase in the customers' expectations and they demand better quality service. Therefore, to sustain in the market, service quality becomes a most critical component of competitiveness for Life Insurance companies.

### **Conceptual Framework**

ICICI Prudential Life insurance company is the first life insurance company in the private sector in India which started its business in year 2001 after getting permission from IRDA in December 2000. ICICI Prudential Life is a joint venture between ICICI Bank, India's biggest private sector bank and prudential plc, a leading international financial services group headquartered in the United Kingdom. It is one of India's leading private life insurance companies which provide a wide range of insurance products to individuals and groups. The company has a strong network of approximately 1,400 branch offices and over 1,75,000 advisors Its headquartered in

Mumbai and has assets of more than 1 Lakh Crores and has maintained a firm position in the Industry. ICICI Prudential Life provides long term savings and protection products to cater the need of different life stage requirements of customers. ICICI Prudential Life have taken various initiatives to provide cost-effective products, superior quality services, consistent fund performance and a hassle-free claim settlement experience to its customers. ICICI Prudential Life has achieved assets under management of 1 trillion and In-force sum assured of over 3 trillion. The company is the also the first insurance company in India to be listed on NSE and BSE. ([www.iciciprulife.com](http://www.iciciprulife.com))

### **Service Quality**

Service quality is a concept of great interest in the literature because of the difficulties in both defining and measuring it (Wisniewski, 2001). There are number of different definitions as to what is meant by service quality. According to (Gronroos 1984) there are two types of Service Quality: *Technical Quality*, which refer what the customer is actually getting from the service, and *Functional Quality*, which refers the process in which the service is delivered. Parasuraman *et al.* (1988) have defined service quality as “the ability of the organization to meet or exceed customer expectations”. It is the difference between customer expectations of service and perceived service (Zeithaml *et al.*, 1990). Service quality is the comparison of perceived service (what customer feels about the service) with the expected service (what is the performance of the offered service). The customer perceives the service quality to be high if it perfect on his expectations and it leads to their satisfaction with the related service. Conceptually, service quality is defined as global judgment or attitude relating to the overall excellence or superiority of the service (Parasuraman *et al.*, 1988). Czepiel (1990) defined the service quality as “customer perception of how well a service meets or exceeds their expectations”. In spite of the criticality of service quality to businesses, measurement of service quality pose difficulties to service providers, due to the unique features of services: intangibility, heterogeneity, inseparability and perish ability which make them different from goods (Douglas & Connor (2003 ). Service quality dimensions are likely to be industry specific (Asubonteng *et al.*, 1996). Babakus & Boller (1992) stated that dimensionality of service quality may depend on the type of service under study where the importance of different dimensions of the service quality depend on the characteristics of the industry (Brady & Cronin, 2001). “As the identification of the determinants of service quality is necessary to be able to specify, measure, control, and improve service quality perceived by the customer so it should be a central concern for service management, academics, and practitioners (Johnston, 1995)”. In the literature service quality has been operational zed by various researchers from different perspectives for different service applications and they derived and proposed different service quality determinants for various service industries. However, the most popular and

applied service quality measurement instrument includes SERVQUAL (Parasuraman *et al.*, 1988; Boulding *et al.*, 1993) and SERVPERF (Cronin and Taylor, 1992). SERVQUAL scale measures service quality, gap between expectation and perception of consumers using 22 items on five-dimensions of service quality. In the SERVPERF scale, service quality is measured through performance only score based on the same 22 items and five dimensions of SERVQUAL.

### **Dimensions of Servqual Model**

Parasuraman, Zeithaml and Berry (1985) introduced an instrument known as SERVQUAL where a customer can compare between expectations and perceptions of service quality regarding the service delivered on five dimensions. This SERVQUAL model help managers to comprehend and recognize the sources of problems in quality of service delivered and how to overcome those gaps according to authors of SERVQUAL model assumes that service quality is multidimensional concept and in turn contributes to the measurement of the service quality in any setting. Originally ten dimensions of service quality were identify namely reliability, responsiveness, competences, access, courtesy, communication, credibility, security, understanding the consumer, and tangibles during exploratory investigation and later on these were reduced to five such as tangibles, responsiveness, assurances and empathy. The gap between expected service and the perceived service can be filled if the five service quality dimensions of SERVQUAL are followed. Five quality dimensions of SERVQUAL as described by Parasuraman, Zenithal and Berry are:

- **Tangible:** includes physical facilities, equipment, staff appearance and communication material
- **Reliability:** ability to perform the promised service accurately, consistently and dependability.
- **Responsiveness:** is the willingness to help customers and provide prompt service.
- **Assurance:** convey the trust to the policyholders through the knowledge and courtesy.
- **Empathy:** ability to provide caring individualized attention the company provides to its customers

### **Review of Literature**

**A. Parsuraman, Leonard L. Berry, and Valarie A. Zeithaml, (1988)** in their research explained about development of 22-item instrument in the measurement of service quality perceptions of customers in service and retail firms, which was known as "SERVQUAL". In exploratory research based on the focus groups the authors identified 10 determinants of service quality that included tangibles, reliability, responsiveness, access, competence, courtesy, credibility, security, communication,

and understanding the customer and later on they find that some dimensions are overlapping so they reduced into five dimensions namely tangibles, reliability, responsiveness, assurance and empathy. The authors proposed that SERVQUAL scale can use in vast range of service and retail firms to measure the customer expectations and perceptions of service quality as it had a variety of potential applications. **Gayathri, H, M. C. Vinaya, and K. Lakshmisha (2005)** carried out a pilot study on the insurance companies in India to examine the levels of the dimensions of service quality and its relation to the level of customer satisfaction. The findings of study shows that LIC scored lower in all the five dimensions of service quality. Multiple regression equations were developed for the four companies to study the relationship between levels of SERVQUAL dimensions and customer's satisfaction level. The authors concluded that the companies should focus on service quality in order to differentiate themselves and create a competitive advantage in order to survive in the competitive environment. According to Lovelock et al (2006) if a firm wants to retain customer they are needed to provide better quality of services to their customers through quality improvement programs and should continuously enhance benefits desired by customers. At the same time, productivity improvement efforts reduce the cost. The customers are satisfied with the firm if the services deliver by organizations are better than their competitors. **Vijaykumar A. (2007)** in his article entitled "Globalization of Indian Insurance sector-issues and challenges" found that the success of the insurance industry will primarily depend upon meeting the rising expectations of the consumers who will be the king in the liberalized insurance market in future. **Sandhu and Bala (2011)** described that the three determinants: physical, proficiency and ethical excellence; and functionality have significant impact on the overall quality of service of Life Insurance Corporation of India. **Pramod Kumar Singhal and Assitha Gupta (2013)** in the study 'Assessment of Service Quality in Insurance Sector – A Case Study of Private Companies of Haryana State, assessed service quality in insurance sector using SERVQUAL scale covering 500 customers of private insurance companies of 7 districts of Haryana. The study concluded that the people have a negative impression towards the private insurance companies. **Guru Murthy and Chilar Mohamed (2013)** study the seven dimensions namely, assurance, personalized financial planning, competence, corporate image, tangibles, technology to measure the level of service quality of Life Insurance Corporation of India with special reference to Chennai District. **Prakash and Sugumaran (2014)** assessed the perceptions and expectations of customers in SERVQUAL parameters with reference to Life Insurance Companies in Chennai, India. The authors used stratified random sampling technique to select the participants for the study. The study is based on the responses of 150 participants. The study concluded the expectation levels of customers on the factors communications; competence, reliability, security and courtesy are significantly higher. **Shamsher Singh et al. (2014)** studied the

customer's perceptions towards Service Quality of Life insurance companies in Delhi NCR Region. The sample size of the study was 139 respondents. The factor analysis and correlation were used to find the perception of the customers. The findings of study shows four major factors which influence customer perception of service quality namely, tangibility, responsiveness, assurance, convenience, and empathy. Study found that expected age of respondents the demographic factors had no significant impact on the customer perceptions of service quality. **Kuldeep Chaudhary et al. (2014)** examined the expected and perceived service quality in Life Insurance Corporation of India. The results showed that there exists a significant negative gap in service quality expected and perceived by the customers of the LIC.

### **Research Gap**

During the past two decades, numerous researches have been conducted relating to service quality in various sectors. However, the literature on service quality is not yet rich enough to provide a specific knowledge of the quality of service insurance services in life insurance companies in India. The researcher takes this opportunity to partially fill this gap. The topic therefore needs to be investigated.

### **Statement of Problem**

As insurance is a service industry, the main focus is on the efficient and effective delivery of services to the policyholders. Initially private life insurance sector has significantly captured the market share, but now days, most of the private life insurance companies are struggling for a consistent growth in business and market share, and the ICICIPLI is one of them. In the era of advancement of information technology now customers are more demanding and conscious about quality of service provided by service providers. In the environment of keen competition and liberalization, only those insurance companies will survive and lead who will maintain their service quality. The paper tried to measure the customers' expectation and perceptions levels of the service quality in ICICI Prudential Life Insurance Company and to find out the gap between customers' expectations and perceptions of the service quality.

### **Objectives of Study**

The objective of the paper is to study customers' expectations and perceptions of quality of service provided by ICICI Prudential Life Insurance Company. Specifically stated, the objectives are as follows:

- to study customers' expectations from service quality of ICICI Prudential Life Insurance Company.
- to identify customers' perceptions towards service quality of ICICI Prudential Life Insurance Company.

- to measure the service quality gap in ICICI Prudential Life Insurance Company.

### **Scope of the Study**

The study was conducted in Delhi and NCR. The conclusions cannot be extended to other State or India. Further study on a large scale can be conducted to validate the results.

### **Research Methodology**

Research methodology is the foundation of the study because only through the application of correct methodology in selection of sampling techniques, appropriate methods of data collection etc; so that well founded conclusion can be drawn on the issues under consideration. Descriptive Research design was used for this research based on adoption of survey method. Since the present study constitutes an analytical research, the methodology adopted involves the measurement of service quality using SERVQUAL instrument developed by Parasuraman et al. ICICI Prudential in private sector was selected for this study according to market share in Indian life insurance market. Sampling unit for the current study includes the policy holders of selected life insurance companies residing at Delhi and NCR. Convenience sampling method was applied to select the participants. The present study is based on primary as well as secondary data. The primary data was collected with the help of a structured questionnaire based on SERVQUAL scale. Questionnaire consists three sections. Section I of the questionnaire seeks information about the demographic features of the respondents such as gender, age, income and academic qualification. Section II of the questionnaire is about customers' expectations. Section III of the questionnaire is about customers' perceptions. The 120 questionnaires were distributed, out of which 100 were usable. Five dimensions were studied for customers' expectations and customers' perceptions i.e. Tangibility, Reliability, Responsiveness, Assurance, Empathy. Respondents were asked to show their perceptions and expectations level for each of the 22 statements in the questionnaire using a 7- point Likert scale (from 1 very strongly disagree to 7 very strongly agree). The secondary data was obtained from books, articles in journals, news papers, magazines and other official sources and records. Various websites were also searched to collect the relevant informations. Data collected were analyzed by using statistical tools like frequency, percentage and arithmetic means.

### **Data Analysis**

- **Validity Analysis**

The content validity of the instrument in the present study was ensured as determinants and items of the service quality were identified from the previous studies and through exploratory investigations, and were thoroughly verified by industry professionals and academicians.

- **Reliability Analysis**

A reliability of the instruments was one of the concerns to this study. In determining the reliability of the instruments, the Cronbach's Alpha was used to measure reliability of the underlying dimensions i.e. responsiveness, reliability, assurance, empathy and tangible. Cronbach alpha is the one of the important measurement tool to measure how well a set of variables or items measure a single, one-dimensional latent construct with a generally agreed lower limit of 0.7. According to Alpha which is more than 0.7 indicated a high reliability (Nunnally, 1978) of the items measuring the dimensions. The following table shows an overview of the reliability scores. As can be seen from this table, all the alpha coefficients were above the required level of 0.7.

**Table 1: Reliability Test for Five Dimensions**

Dimensions	Number of Items	Expectations	Perceptions
Tangibility	4	.829	.832
Reliability	5	.898	.895
Responsiveness	4	.915	.891
Assurance	4	.944	.845
Empathy	5	.934	.957

**Demographic Profile of the Respondents**

A demographic profile of the respondents consisted of age, gender, marital status, educational qualifications, employment status, and monthly income. The profiles focus on the demographic and economic of respondents.

**Table 2: Demographic Profile of the Respondents**

Parameters	Frequency	Percentage
<b>Gender</b>		
Male	63	63 %
Female	37	37 %
<b>Total</b>	100	100
<b>Marital status</b>		
Married	59	59%
Unmarried	41	41%
<b>Total</b>	100	100
<b>Age</b>		
Upto 25	8	8 %
26-35	20	20 %
36-45	24	24 %
46-55	37	27 %
Above 56	11	11 %
<b>Total</b>	100	100
<b>Education</b>		
Upto High School	6	6 %
Higher Secondary	13	14 %
Graduate	48	48 %
Post Graduate	25	25 %
Professional	8	8 %
<b>Total</b>	100	100



<b>Occupation</b>		
Service	53	53 %
Business	16	16 %
professionals	27	27%
Others	4	4 %
<b>Total</b>	100	100
<b>Monthly income</b>		
Less than Rs.20,000	21	21%
Rs.20,001 -40,000	35	35%
Rs.40,001 – 60,000	48	48%
Above Rs.60,000	16	16%
<b>Total</b>	100	100

Source: Primary data

Above table shows majority of the respondents were male 63. % and 37 % of the respondents were female. It is clear that males dominate in purchasing life insurance policies. More than half (59 % of the respondents were married .This range shows that married people always feels the importance of insurance policy to complement with their life and families. Further on comparing the age group, 37 % respondents are in the age group of 46-55 followed by 24 % in the age group of 36-45, 20 % between the age of 26-35, and 8 % below 25 years and.11 % above 56 years. that most (48 %), of the respondents were graduate followed by post graduate 25 % by higher secondary school 11 % professional 8% and only 6 % respondents are educated upto high school It shows that majority of respondents were educated with high qualifications. According to occupations the respondents were varied. The majority of the respondents were in service group including both private and govt. service. (53 %) The majority of people having life insurance are employed. In the survey it was also found that the participants came from different income groups; Family income, most of the respondents earned monthly income ranges between Rs.40, 001- Rs.60, 000.

### Service Quality Gap Score

Service quality is the difference between customers' perceptions and expectations of service (Parasuraman *et al*, 1985). It is also meeting and exceeding customers' expectations. The goal of every firm should be to reduce the gap between customers' perceptions and expectations of service quality. The SERVQUAL is instrument used to measure the Gap i.e. the difference between the level of perceptions and level of expectations on the various dimensions relating to the services quality. The gap was measured by measuring the difference between perceived service quality and expected service quality for each dimension. The gap for overall service quality score is measured as the difference between average perceptions score and average expectations score derived from the 22 scale item To measure expected service quality level of the customer of ICICI Prudential Life Insurance Company. All respondents were simply asked to show the extent to which they think Life Insurance Company should possess selected service quality

dimensions. And further, it is clearly stated to the respondents that the researcher is interested in knowing the ranking of their expectations about services of ICICI Prudential Life Insurance Company on the same selected dimensions of service quality on seven - point Likert scale. Similarly to measure perceived service quality by the customer of ICICI Prudential Life Insurance Company, all respondents were simply asked to show the extent to which they feel or experience about their life insurance company on the same dimensions of service quality on seven - point Likert scale. The expected and perceived service quality responses of selected respondents are explained by mean (Average) score tabulated in table 3.

**Table 3: Average Gap Score**

Dimensions	Statement	Perceptions Mean Score	Expectations Mean Score	GAP Score
<b>Tangibles</b>	Insurance company has modern-looking offices and new technologies to serve customers more effectively.	4.45	4.67	-0.22
	Insurance company has physical infrastructure and interior which are visually appealing.	3.80	4.6	-0.80
	Employees/Agents of Insurance company are smart, well dressed and neat in appearance.	4.61	3.33	1.28
	Materials related with the services (such as pamphlets, certificates or statement) provided are visually appealing and will cover all associated terms and conditions.	4.70	5.80	-1.10
<b>Mean Tangibility Score</b>				<b>-0.21</b>
<b>Reliability</b>	When Insurance company promises to do something by a specified time, it will do so.	3.24	4.60	-1.36
	When a customer has a problem, Insurance company show a sincere interest in solving it.	5.70	6.24	-0.54
	Insurance company performs the service right the first time.	4.88	5.20	-0.32
	Insurance companies provide the services at the time they promise to do so.	3.84	5.56	-1.72
	Insurance company maintains their records and statements accurately (error free records).	3.32	4.59	-1.27
<b>Mean Reliability Score</b>				<b>-1.04</b>
<b>Responsiveness</b>	Employees/Agents of Insurance company tell customers exactly when services will be performed.	4.46	4.77	-0.31
	Employees/Agents of Insurance company give prompt services to customers.	4.37	5.79	-1.42

	Employees/Agents of Insurance company always willing to help customers.	2.99	4.87	-1.88
	Employees/Agents of Insurance company never are too busy to respond to customers' requests.	3.37	4.9	-1.53
<b>Mean Responsiveness Score</b>				<b>-1.29</b>
<b>Assurance</b>	Behavior of employees /agents in Insurance company instills confidence in customers.	3.45	4.65	-1.20
	Customers are feeling safe and secure in their transactions with employees /agents of Insurance company	5.07	6.44	-1.37
	Employees/Agents of Insurance company consistently courteous with customers.	3.84	4.55	-0.71
	Employees/Agents of Insurance company are trained, professionally competent and have skills to answer customers' questions.	5.14	5.45	-0.31
<b>Mean Assurance Score</b>				<b>-0.898</b>
<b>Empathy</b>	Insurance company gives customers individual attention.	4.06	5.40	-1.34
	Insurance company has operating hours convenient to all their customers.	3.99	4.29	-0.30
	Insurance company has employees/agents who give customers personal attention.	4.81	5.58	-0.77
	Insurance company has their customers' best interest at heart.	3.17	4.49	-1.32
	Insurance company understands the specific needs of their customers.	3.76	4.62	-0.86
<b>Mean Empathy Score</b>				<b>-0.918</b>

Source: Primary data

As shown in Table 3, the service gaps for the five dimensions were calculated. The results shows that there is a negative service quality gap in respect of all selected dimensions of service quality under study, which indicate that actual service was less than expected service in all the factors of service quality. As could be seen in the findings of the average scores, the results show average gap score for tangible (Gap P-E = -0.21 ); reliability (Gap P-E = -1.04) , responsiveness( Gap P E = -1.29 ); assurance ( Gap P-E = -0.898 ) and empathy( Gap P-E = -0.918. ) that means customers expectations is more than actual service perceived .Further when element-wise analysis made, it was observed that the service gap which indicated that actual service was less than expected service in all the variables apart from the variable employees/agents of insurance company are smart, well dressed and neat in

appearance (Gap score= 1.28 ). It is quite evident from the results that tangibility had the least service gap followed by assurance, empathy, and reliability responsiveness. Also the overall negative service gap score -3.9 and in case of responsiveness dimension, there exists the highest average gap score in between customers' perception and expectation of the services quality provided by the ICICI Prudential Life insurance at the present context. The study indicates the major reasons of dissatisfaction of customers are insurance official related. However the results of study indicates that the policyholders facing various problems with the numbers and nature of the dimensions as it is pointed out that in every dimension, customers' perception level are not at all meeting with their level of expectation of services provided by the ICICI Prudential Life insurance, this is real cause for concern and provides a important information point for service quality improvements.

### **Results and Discussion**

Data was analyzed by quantifying responses of respondents about their levels of agreement with the statements that were used to evaluate customers' perceptions and expectations of service quality provided by ICICI Prudential Life insurance. Customers' expectations and perceptions levels of service quality were measured by calculating the average scores on each item. Averages scores for customers' expectations were subtracted from the average scores for customers' perceptions on each item. The results revealed that policy holders had higher expectation levels compared to their perceptions about the quality of service offered by ICICI Prudential Life insurance on all the service aspects that were used to evaluate the expectations of service quality. Gap 5: customer gap, Perceived Service- Expected Service was identified. The study shows gap for tangibility, reliability, responsiveness, assurance, and empathy. The largest significant gap scores, which moreover showed the poorest service quality levels and thus the highest customer dissatisfaction levels, were on materials related with the services (e.g. pamphlets, certificates or statement) provided are visually appealing and will cover all associated terms and conditions(-1.10) under tangibility dimension, Insurance company provides the services at the time it promise to do so (-1.72) and when Insurance company promises to do something by a specified time, it will do so ( -1.36) under reliability dimension, Employees/Agents of Insurance company always willing to help customers.(-1.88) under on responsiveness dimension, Customers are feeling safe and secure in their transactions with employees /agents of Insurance company(-1.37), behavior of the employees /agents in Insurance company instills confidence in customers(-1.20) on assurance dimension and Insurance company gives customers individual attention (-1.34) under empathy dimension. The study also it was also found a positive gap employees/agents of Insurance Company are smart, well dressed and neat in appearance under tangibility dimension it indicates that customers are satisfied but average score for tangibility was -0.21. All the gap scores were negative indicating shortfall in meeting customers'

expectations across all dimensions. The negative gaps indicate that the service quality level was unsatisfactory ICICI Prudential Life insurance need to improve their service attributes that reflected big gaps between customers' expectation and their perception levels by focusing more on the tangibles factor of service quality specifically documentation made, simple and easy, material associated like brochure and pamphlets must clearly specified the terms conditions of policy, and training of employees in order to improve their responsiveness, understanding, assurance and dependability, employees give prompt service within specified time frame. Increase problem solving the capability of insurance personnel relating to different type of problems and queries of policyholders. The insurance company tries to enhance trustworthiness and confidence level of employees and agent in the mind of policyholders. ICICI Prudential should take corrective remedial measures to establishing bonds with customer by fulfilling the promise made to them and provide error free services and keep error free records. ICICI Prudential should respond to the customer's queries quickly. These will boost customers' confidence and trust in mind about the ICICI Prudential Life insurance. Customers have higher service quality expectations that if not met by ICICI Prudential Life insurance can result to customer dissatisfaction and losing customers to competitors.

### **Recommendations to ICICI Prudential Life Insurance**

The findings of the study showed that there is a need of improvement to bridge the gap between customer's expectations and perceptions.

- The company should conduct continuous examination of customers' perceptions and expectations in order to know about what actually the customers want, so up-to-date measures to be employed, basing them on the customers' stated needs and demands to improve the service quality.
- Documentation should be made easier and faster i.e. customer friendly.
- Brochure and pamphlets must clearly specify the terms and conditions of policy.
- The employees and agents in life insurance sector play an important role to increase the life insurance business as they determine the quality of the service towards a policyholder. Proper training of employees would help employees to serve the policyholders better.
- Agents must keep communicate with the existing customer which in turn help in increase the service level and find new customers through existing one.

### **Limitations and Area for Further Research**

Due to cost and time constraint, only 100 respondents were considered and the study was restricted to Delhi and NCR region so the conclusions cannot be extended to whole of India. Another limitation is that sample area restricted to one life insurance Company. It can be extended to regional, national level and to other

organizations new variables can be developed taking in to account the other aspects of service quality. It is also recommended that a measure the service quality of other life insurance companies and also comparative studies of private and public sector life insurance firm.

### Conclusion

We conclude that in today's competitive environment, Service quality should be used as a strategic tool to get a competitive advantage under competitive environment that will influence customer satisfaction which subsequently leads to customer loyalty. From the findings, it is evident that a gap exists between customers' perceived and expected service quality standards of ICICI Prudential life insurance. It is suggested, that the company required focusing on the responsiveness and reliability dimensions, and at the same time since it is good on the part of tangibility, company should leverage it for growth of insurance business. The company should also focus on assurance dimension, so that customers can be made satisfied. If company focuses on the efficient and effective delivery of services to the policyholders it would enhance its corporate goal of increasing insurance coverage, more profit and increment in market value and share.

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