



Service Quality Assessment in Insurance Sector: A Comparative Study between Urban and Rural Policyholders of Life Insurance Corporation of India

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Abstract

Life insurance companies in India are consequently directing their approach towards increasing customer satisfaction and loyalty through improved service quality. The service quality has become an extremely instrumental co-efficient in the highly competitive marketing. For survival and to be successful in today's competitive environment, delivering quality service is of paramount importance for any economic enterprise. The underlying model of SERVQUAL (Parsuraman et al., 1988) with five dimensions – Tangibility, Reliability, Responsiveness, Assurance and Empathy is used to evaluate the impact of service quality on customer satisfaction. The current paper is an attempt towards measuring the gaps between expectation of policyholders and services as perceived by them from their respective insuring companies. The primary research was conducted through a market survey consisting of 600 respondents from urban and rural areas of Coimbatore district in Tamilnadu. It is inferred from the rural respondents' point of view that in order to reap the benefits from satisfied customers, the LIC should give due importance to rural segment by bringing down the gaps between customer's expectation and the actual service perception, in the order of tangibility, responsiveness, reliability, assurance and empathy. Comparatively, lesser gap is reported for the dimensions namely assurance and responsiveness. Employee's knowledge and competence to solve customers' problem and employees' experience in diagnosing or solving customer's problem were the two highlighting areas under assurance dimension which positioned in the minds of the policyholders.

Keywords: Service quality, Life insurance, Perception, Expectation, Satisfaction.



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