Full Length Research Paper

Factors influencing customer satisfaction with the success factors identified in the insurance industry

Hossein Vazifehdust¹ and Sahel Farokhian²*

¹Department of Business Management, School of Management and Economics, Islamic Azad University, Tehran Science and Research Branch, Ashraeee-Esfahan Highway, Hesarak Road, 1477893855 Tehran, Iran.
²Business Management Department, Islamic Azad University, Tehran Mrakaz Branch, Pajohesh Avenue, 9319613668 Neyshabur, Khorasan Razavi, Iran.

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This article gives the customer satisfaction survey, and factors affecting the insurance industry, according to insurers. First, a study using Servqual model (service quality factors) was investigated; therein, customer satisfaction and other indicators and factors in the success of the insurance companies were identified. Finally, factors such as access, customer response time and trust in customer satisfaction as the most important factors were identified and understanding the customer, credit, insurance, and customer relationship can be identified as the most influential indicators of success in the insurance industry.

Key words: Customer satisfaction, service quality, critical success factors.

INTRODUCTION

Insurance market in the past has been a government monopoly. Creativity and innovation were shown less and the insurance companies were faced with problems such as customer relationship that is, not providing complete customer satisfaction in this area (Karimi, 2005). In today's competitive market, service plays an important role in the economy and quality of service. As a strategic tool, the successful service companies are used (Kony and Jogaratnam, 2007). The insurance companies, especially because of its intangible products should be able to forecast coherent programs to identify customer needs (Sedighiyan, 2000). New form of competition in the insurance industry has seen which companies need to consider new ways to build customer satisfaction and loyalty to increase their competitive power (John and Darvies, 2000).

Service providers around the world believe that the most effective way to maintain customer loyalty and customer satisfaction is consistent service quality that decreases the cost of attracting new customers and increase sales and market share. The quality of service is one of the most effective factors in creating competitive advantages and improves business (Tsoukatos and Rand, 2007). Research shows a strong relationship between improved service quality, customer satisfaction and economic success (Tsoukatos and Rand, 2007).

Insurance industry

Insurance is a contract between the policy holder and the insurer such that the insurer company guarantees any event in the insurance range and in return, the policy holder should continuously pay a fee for the so-called insurance (Daroneh, 2007). Insurance services are in definition intangible and according to the declarations; they are promises and contracts held by a selling median to the customer which requires making trust between the seller and the customer from the initial point of the contract (Sedighiyan, 2000).

*Corresponding author. E-mail: Sahel.Farokhian@yahoo.com. Tel: (++98) 551-6621901-10; Fax: (++98) 0551-6615472.
It is important to mention that service providers are very effective in the segments of selling insurance. They can examine the viewpoint of the customers about the goods and services of the company. Being confident about the quality of the quality offered in services for the insurance company is very critical leading to the surveillance of the company.

In this respect insurance companies should predict special integrated plans for attracting the buyers and maintaining the existing policy holders so that they can increase customers' satisfaction to be able to proceed in the competitive world of today by presenting better/higher quality services. The penetration index of insurance in the commercial insurance segment of Iran is 1.02% being as much as 47.5% of the gross national product (GNP) in total social/commercial insurance segments.

**Services quality**

There should be an obvious concept of quality in order to understand the concept of one services quality. Quality is defined as preparedness of the services or goods for the user which requires design quality, accordance, accessibility and suitability of the location of presenting services.

The international standards institute has defined ‘quality’ as all of the properties/specifications of a product/service which have the ability of satisfying customers’ need. Customers evaluate services quality by comparing what they expect/predict with what the services presenter practically offers. Therefore, services quality may be defined as the difference between customers' expectations from the services and their understanding of the real performance of the services. Customers evaluate services quality from five various dimensions, that is, assurance, empathy, reliability, responsiveness and tangibility (Zeithaml and Parasuraman, 2008).

There are various reasons which show why organizations should look for presenting higher-quality services to their customers some of which are: increasing customers' expectations; competitors’ activities; environmental factors; easy access to the internet; the concept of services; and the difficulty of its understanding by the customers. Presenting better services to the customers, causes repeated shopping, extending word of mouth advertisements and the organization’s profitability (Javadeyn and Keymasi, 2005). Customers evaluate service quality by comparing what they expect with what the service provider actually presents. Therefore, quality may be defined as the difference between customers' expectations and their understanding of the actual performance of the company.

Parasuraman et al. (1985) classified more than 200 features of service quality. These features were obtained via interviews with the customers of four different service departments, that is, banks, the organizations presenting credit cards, service companies of repair and maintenance, and phone communications center. They presented a standard for evaluating service quality according to 10 potential factors by using these 200 features which are:

1. **Tangible factors:** Loans, appearance and the facilities of the provider such as staff's appearance and make up, equipments modernity, etc.
2. **Reliability:** the extent which makes the services believable such as the organizations' fame and validity, staff's behavior, etc.
3. **Responsiveness:** The ability to reaching the complaints and improving the services in an effective manner.
4. **Credibility:** The ability of presenting services at the first time in a correct manner.
5. **Competence:** The ability of the staff to offer their information, knowledge and skills in presenting effective services.
6. **Courtesy:** Being respectful with friendly behavior to the customers.
7. **Security:** Lack of risk and doubt.
8. **Availability:** The ease of access and making relationships with the organization in order to solve the customers' needs.
9. **Communications:** Acknowledging the customers about how to present services such that they are understandable for the customers.
10. **Understanding the Customers:** The identification of customers’ needs/wants, paying special attention to them and knowing loyal customers (Parasuraman et al., 1985).

**Metrics**

Metrics are a collection of measurement tools used for tracking the progress of the project allowing the organization to measure the effects of improvement on the processes, etc. during the time. These measures are a sub-collection of the measurement tools of processes whose improvement/progress is vital for the success of the organization/ project. Lack of proper metrics is undoubtedly one of the factors decreasing the rate of success in commercial activities during the past 40 years (Neyshabouri, 2008). According to the fact that insurance is considered an intangible service, insurance companies should predict comprehensive programs for identifying customers' needs and fulfilling them in order to increase customers' satisfaction (Seddighiyan, 2000).

**Customer's satisfaction**

Customer’s satisfaction is defined as the results of goods and services offered for responding to customer's needs and the satisfaction or increasing their expectations during the time of consuming the goods or services (Juran, 1991; Kelsey and Bond, 2001). The information gathered about customer’s satisfaction are often used for
examining how the organizations have been able to know customer’s needs in order to satisfy them to their best (Juran, 1991; Kelsey and Bond, 2001). Measuring customer’s satisfaction includes understanding the gap between customer’s expectations and conceptual performance which is a relationship between satisfaction and profitability in the organization. The most important point in customer’s satisfaction is how servicing companies can satisfy or dissatisfy their customers from the services they offer. If servicing companies want to satisfy their customers, they should investigate the factors which cause satisfaction or dissatisfaction first (Zeithaml et al., 1990).

The relationship between services quality and customer’s satisfaction

Services quality is the whole investigation of the services which are less considered and customers’ satisfaction shows the result of the transaction servicing the customers. Indeed customers’ satisfaction is the prediction of customers’ expectations and services quality and the examination of ideal standards expected by the customers (Jun, 2004). Although, satisfaction and services quality have common points, in general, satisfaction is a more extensive concept than quality, since quality focuses on services dimensions and services quality is considered as a part of satisfaction. Services quality indicates customer's understandings of the services, while satisfaction is more extensive including service quality, Product's Quality, price, situational factors and immediate ones (Javadeyn and Keymasi, 2005). Therefore, according to the fact that the surveillance of the organizations depends on making satisfaction in the customer, considering quality in order to increase customer's satisfaction and loyalty is assumed as an important and necessary issue (Karimi, 2005).

Service quality → understanding product's value → customer's satisfaction → customer's loyalty

RESEARCH METHODS

This study used a descriptive research, data was gathered through interviews and questionnaires; questions and answers are based on the Likert scale. In the first study examining customer satisfaction, 140 questionnaires were distributed among the statistical community and obtained responses were analyzed by SPSS software. The second study identified factors related to success in the insurance industry; 350 questionnaires were distributed between the insurers. According to the list of insurers simple random sampling method is used.

RESEARCH FINDINGS AND RESULTS

The classifications of success factors in the Iranian insurance industry according to their level of importance are as follows:

1. Trust/reliability of the policy holders in respect to you.
2. The way of their proper behavior with the insurers.
3. The amount of your mastery in transferring properly the insurance information as the insurance representative.
4. Your attempt to have a long-term communication with policy holders.
5. The amount of your information and knowledge in relation to different types of insurance.
6. Following customers, demands and try to solve them.
7. Try to present a proper insurance contract according to policy holders’ needs.
8. Try to pay the damage costs rapidly by the insurer.
9. Mutual cooperation with the policy holder (such as frequent administration, recalling the date).
10. Rapid response to policy holders’ complaints.
11. Decreasing the waiting time of policy holders for receiving the services.
12. Ease of policy holder’s access to you as the insurer.
13. Respond to customers’ phone call.
14. The competence of the declared rate in comparison with the opponents.
15. Try to present various services to the policy holders.
16. The existence of proper physical infrastructures in order to respond to the customers.
17. The amount of your mastery on the strong/weak points of other insurance companies.
18. Presenting insurance contracts with a high quality appearance and proper packaging.
19. Physical location/situation (geographical location and situation…).
20. Try to present discounts to the policy holders.
21. Designing the workplace for insurance activities.
22. Using new technology like internet in order to remove the need to physical reference.

The whole tests were analyzed with the help of SPSS software whose results are as follows:

Theory 1

The accessibility of insurance services is important in making satisfaction in the customers.

Result

As depicted in Table 1, on the reliability level of 95%, the assumption of statistical zero (H0) based on the equality of the average accessibility of the insurance services with “test value number 3” is rejected. In other words, the accessibility of the insurance services is positive and important in making satisfaction in the customers.

Theory 2

The reliability of insurance services is important in making
Table 1. The results of access to insurance services on customers' satisfaction according to the average 1st theory test.

<table>
<thead>
<tr>
<th>Reliability space - 95%</th>
<th>Test value- 3</th>
<th>Degree of freedom</th>
<th>T</th>
<th>The ease of access to the issuance experts in order to present the technical information of the insurance contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper limit</td>
<td>Lower limit</td>
<td>Average</td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>1.36</td>
<td>1.10</td>
<td>1.23</td>
<td>0.000</td>
<td>147</td>
</tr>
<tr>
<td>1.58</td>
<td>1.34</td>
<td>1.462</td>
<td>0.000</td>
<td>129</td>
</tr>
<tr>
<td>1.03</td>
<td>0.72</td>
<td>0.872</td>
<td>0.000</td>
<td>140</td>
</tr>
</tbody>
</table>

The existence of suitable infrastructures for responsiveness (waiting space)

The existence of suitable infrastructures for responding to the policy holder in order to compensate the damages

Table 2. The results of the reliability of insurance services on customers' satisfaction according to the average 1st theory test.

<table>
<thead>
<tr>
<th>Reliability space - 95%</th>
<th>Test value-3</th>
<th>Degree of freedom</th>
<th>T</th>
<th>Presenting sufficient information by the issuance expert about the recommendation of the insurance contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper limit</td>
<td>Lower limit</td>
<td>Average</td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>1.57</td>
<td>1.33</td>
<td>1.446</td>
<td>0.000</td>
<td>147</td>
</tr>
<tr>
<td>1.53</td>
<td>1.29</td>
<td>1.413</td>
<td>0.000</td>
<td>143</td>
</tr>
</tbody>
</table>

Experts' knowledge and skills

satisfaction in the customers.

Result

As depicted in Table 2, on the reliability level of 95%, the assumption of statistical zero (H0) based on the equality of the average reliability of the insurance services with "test value number 3" is rejected. In other words, the reliability of the insurance services is positive and important in making satisfaction in the customers.

Theory 3

Experts' behavior in presenting insurance services is important in making satisfaction in the customers.

Result

As depicted in Table 3, on the reliability level of 95%, the assumption of statistical zero (H0) based on the equality of experts' behavior in presenting insurance services on making satisfaction with "test value number 3" is rejected. In other words, experts' behavior in presenting insurance services is positive and important in making satisfaction in the customers.

Theory 4

The introduction of the internet in presenting insurance services is important in making satisfaction in the customers.

Result

As depicted in Table 4, on the reliability level of 95%, the assumption of statistical zero (H0) based on the equality of the introduction of the internet in presenting insurance services on making satisfaction with "test value number 3" is accepted. In other words, the introduction of the internet in presenting insurance services is unimportant (or low important) important in making satisfaction in the customers.

Theory 5

The appearance and packaging of insurance contracts is
Table 3. The results of experts' behavior on customers' satisfaction according to the average 1st theory test.

<table>
<thead>
<tr>
<th>Test value</th>
<th>Reliability space - 95%</th>
<th>Average difference</th>
<th>Sig. (2-tailed)</th>
<th>Degree of freedom</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Upper limit</td>
<td>Lower limit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.58</td>
<td>1.36</td>
<td>1.473</td>
<td>0.000</td>
<td>145</td>
<td>26.701</td>
</tr>
<tr>
<td>4.49</td>
<td>2.24</td>
<td>4.362</td>
<td>0.000</td>
<td>140</td>
<td>69.143</td>
</tr>
<tr>
<td>1.73</td>
<td>1.51</td>
<td>1.617</td>
<td>0.000</td>
<td>132</td>
<td>28.766</td>
</tr>
</tbody>
</table>

Table 4. The results of the introduction of the internet in presenting insurance services on customers' satisfaction according to the average 1st theory test.

<table>
<thead>
<tr>
<th>Test value</th>
<th>Reliability space - 95%</th>
<th>Average difference</th>
<th>Sig. (2-tailed)</th>
<th>Degree of freedom</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Upper limit</td>
<td>Lower limit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.68</td>
<td>0.22</td>
<td>0.449</td>
<td>0.000</td>
<td>135</td>
<td>3.002</td>
</tr>
</tbody>
</table>

Table 5. The results of the appearance and packaging of insurance contracts on customers' satisfaction according to the average 1st theory test.

<table>
<thead>
<tr>
<th>Test value</th>
<th>Reliability space - 95%</th>
<th>Average difference</th>
<th>Sig. (2-tailed)</th>
<th>Degree of freedom</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Upper limit</td>
<td>Lower limit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00</td>
<td>0.67</td>
<td>0.837</td>
<td>0.000</td>
<td>140</td>
<td>10.186</td>
</tr>
<tr>
<td>0.91</td>
<td>0.54</td>
<td>0.726</td>
<td>0.000</td>
<td>134</td>
<td>7.796</td>
</tr>
</tbody>
</table>

important in making satisfaction in the customers.

**Result**

As depicted in Table 5, on the reliability level of 95%, the assumption of statistical zero (H0) based on the equality of the appearance and packaging of insurance contracts on making satisfaction with "test value number 3" is rejected. In other words, the appearance and packaging of insurance contracts is positive and important in making satisfaction in the customers.

**Theory 6**

The commitment and validity of companies presenting issuance services is important in making satisfaction in the customers.

**Theory 7**

The amount of the responsiveness of companies
Table 6. The results of the commitment and validity of companies presenting issuance services on customers' satisfaction according to the average 1st theory test.

<table>
<thead>
<tr>
<th>Reliability space - 95%</th>
<th>Test value - 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper limit</td>
<td>Lower limit</td>
</tr>
<tr>
<td>1.48</td>
<td>1.25</td>
</tr>
<tr>
<td>1.31</td>
<td>1.02</td>
</tr>
<tr>
<td>1.46</td>
<td>1.21</td>
</tr>
<tr>
<td>1.68</td>
<td>1.44</td>
</tr>
<tr>
<td>1.73</td>
<td>1.53</td>
</tr>
</tbody>
</table>

The trend of on-time following up and responding to the segment of issuing the insurance contracts
The time consumed for issuing the insurance
Presenting sufficient, clear and correct in the texts of the insurance contracts
The suitability of the duration from declaring the damage to receiving the compensations fee
Reliability to the commitment and the responsibility of the company

Table 7. The results of the amount of the responsiveness of companies presenting insurance services on customers' satisfaction according to the average 1st theory test.

<table>
<thead>
<tr>
<th>Reliability space - 95%</th>
<th>Test value - 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper limit</td>
<td>Lower limit</td>
</tr>
<tr>
<td>1.45</td>
<td>1.21</td>
</tr>
<tr>
<td>1.34</td>
<td>1.11</td>
</tr>
<tr>
<td>1.78</td>
<td>1.58</td>
</tr>
</tbody>
</table>

Investigation and responsiveness to questions and complaints
The amount of responsiveness to customers' telephone follow-up
The suitability of the duration from declaring the damage to receiving the compensations fee

Presenting insurance services is important in making satisfaction in the customers.

Conclusion

According to the research results made in the years 2008 and 2009, the first and foremost factor is the commitment to customer satisfaction, the customer's trust to the insurance companies in the Iranian insurance industry has the highest priority that shows how important this factor is in both research. The most important success factor for customer satisfaction and insurance companies in Iranian insurance companies is trust. It means that insurance companies should adhere to their obligations. Another important factor in creating customer satisfaction is the appropriate insurer with customers. Insurers believe the factors such as behavior and dealing
effectively with the insured, ability of insurance agents to transmit accurate information, establish long term relationships with customers are the important factors in the success of the insurance industry. Other factors such as quality, appearance and packaging, and internet activity is of minimal importance. The noteworthy point is that calling up is one of the most important factors in customer satisfaction and insurers success.

Majority of insured persons in working with new technology such as internet can be a problem and insurers have no ability to change the use of new technology. But there are also differences between the expressive quality of the customer to understand what an insurer will identify a success factors; such access (including access to specialists, good infrastructure, etc.) that are important for customers, but has a lower priority for insurers. As a result, insurers must continually examine customer satisfaction to identify the factors that are important from a customer perspective and thus to prioritize the most important factors in the success of the insurance industry.

REFERENCES
