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Quality Life Insurance Service of Jiban Bima Corporation (JBC) of Bangladesh: An Empirical Study

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Abstract

The purpose of this paper is to assess customers' general expectation and perception of insurers in terms of services offered at the insurance service counter (ISC). Besides, this paper also examines the relationship between the demographic factors and SERVQUAL mean score. The study utilized the survey approach. The result shows huge gap for tangible, reliability and responsiveness and shows highest gap between customers' perception and expectation. This result demonstrates tangible as the most critical determinant of SERVQUAL measure for service quality. The other dimensions (assurance and empathy) also appear important but tangible dominates. Thus, results of this study underscore the need for insurance providers to gear customer services and quality improvement efforts towards components of tangible. The study intends to promote a better theoretical understanding and recognition of the complexities to service quality and its measurement. The challenge for insurance sector in Bangladesh remains the same that is to bring innovative solutions to client while making them realize the value of those services provided. When clients realize that quality is something that cannot be compromised, an organization has to survive in the competitive market managing high value service.

Keywords: Service quality, Life Insurance, Customers' expectation and perception, Customer satisfaction

INTRODUCTION

In today's world of competition, managers are keen to put efforts on maximizing shareholder value as their top priority, evidence suggest that shareholders actually do better when firms put the customer first (Martin, 2010). Indeed, service quality and customer satisfaction are inarguably the two core concepts that are at the hub of the marketing theory and practices. If competition occurs mainly through endogenous quality, we should observe that even large markets remain concentrated, while insurance companies provide higher quality in larger markets (Dick, 2007). Nowadays, the key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied customers. The prominence of these two ideas is further manifested by numerous theoretical and empirical studies on the topic that have accelerated over the past few years. It is, therefore, important to study the service quality and customer satisfaction which is regarded as the ultimate goals of any service producers such as insurance industry (Smith and Chang, 2009; Sureshchandar, Rajendran & Anantharaman, 2002; Rice, 2001).

'Does quality pay' (Greising, 1994)? It is one of the key contemporary issues, which have attracted attention from practitioners, policy makers and researchers working in multidisciplinary areas in management. Substantial analysis has been devoted to understand the role of quality in the overall performance of a service business right from the strategic level down to the implementation details (Mukharjee, Nath & Pal, 2003). Although the relationship between service quality and profit has been considered to be neither simple nor straightforward (Zahorik & Rust, 1992), a significant body of service-literature has tried to establish the linkage between quality and different firm performance parameters (Kaplan & Norton, 1996; Ittner & Larcker, 1998). For example, improved service quality and customer satisfaction have been shown to lead to higher productivity (Gupta & Zeithaml, 2006; Reicheld & Sasser, 1990), increased loyalty (Smith and Chang, 2009; Morgan & Rego, 2006; Gans, 2002; Reichheld, 1996), lower transaction cost (Jacobides, 2008; Bolton, 1998), price-premium (Baicker & Chandra, 2008; Anderson, 1996), favorable word-of-mouth (Laczniak, DeCarlo & Ramaswami, 2001; Anderson, Fornell & Lehmann, 1994), market share (Fornell, et al., 1996), repurchase intention (Fried, 2005; Louro, Pieters & Zeelenberg, 2005; Korupleski, Rust & Zahorik, 1993), customer retention (Tsoukatos & Rand, 2006; Lombardi, 2005), combining product and services (Shankar, Berry & Dotzel, 2009), improved firm reputation (Fergusaon, Deephouse & Fergusaon, 2000; Greising, 1994) and maximized profit (Smith and Chang, 2009). It is, thus, popularly believed that better service leads to improved performance for a service firm.

Practically, service quality is a very important part for an insurance company (Ahmad and Sungip, 2008). But mere observation says that local companies are not very much conscious about it. Government companies are less apt on this issue of service quality. Here that's why the research is being conducted on Government Company. According to a study it was found that in this industry the private insurance companies (local plus foreign) are dominating (68%) compared to government owned (32%) one in the choice of clients due to the

small coverage (few branches) and less attractive policy packages offered by the government owned insurance companies. (Chowdhury, Rahman and Afza, 2007).

Again life insurance is more popular in this country. Still people recognize life insurance as the only policy of the insurance companies since the positive response of the respondents towards other insurance policies are quite smaller compared to life insurance. (Chowdhury et al., 2007). A deeper sight into government life insurance company has become an important sector to study now.

This study is, therefore, undertaken to assess the level of performance of a public life insurance company of Jibon (i.e. life) Bima (i.e. insurance) Corporation (JBC) in Bangladesh with respect to service dimension and to relate it with customer satisfaction. The methodology used is illustrated with a sample of consumers from the Metropolitan City of Dhaka. Such studies will help the JBC and other companies to improve their quality of service to the customers, which will enhance their profitability and market share as well.

LIFE INSURANCE INDUSTRY IN BANGLADESH: AN OVERVIEW

Insurance is at least as old as Phoenicians (Jewell, 1974). This superb history of classical insurance has also set up its footprint long time ago in the business arena of Bengal's soil which is now named as Bangladesh. Factually and interestingly, insurance is, thus, not a new business in this country of South Asia. Centuries back, during British rule in India, some insurance companies started transacting business (Mishra, 200…; Gayathri, Vinaya & Lakshmisha, 2006), both life and general, in Bengal. However, insurance business gained momentum in East Pakistan during 1947-1971, when 49 insurance companies transacted both life and general insurance schemes (BBS, 1974). These companies were of various origins British, Australian, Indian, West Pakistani and local. After the emergence of the People's Republic of Bangladesh in 1971, the government, in order to make available the fruit of liberation to the general mass, nationalized the insurance industry along with the banks in 1972 by Presidential Order No. 95 (Debnath, 2003). Following the Order, all companies and organization transacting all types of insurance business in Bangladesh came under this nationalized regulation and five insurance corporations were initially established by the Government. These were --- (i) Jatiya Bima Corporation (National Insurance Corporation), (ii) Teesta Bima Corporation (Teesta Insurance Corporation), (iii) Karnaphuli Bima Corporation (Karnaphuli Insurance Corporation), (iv) Rupsa Jiban Bima Corporation (Rupsa Life Insurance Corporation) and (v) Surma Jiban Bima Corporation (Surma Life Insurance Corporation).

The basic idea behind the formation of five corporations was to encourage competition even under a nationalized system. Nevertheless, the burden of administrative expenses incurred in maintaining two corporations in each front of life and general and an apex institution at the top outweighed the advantages of limited competition. Consequently, on 14 May 1973, a restructuring was made under the Insurance Corporations Act 1973. Following the Act, in place of five corporations the government formed two insurance companies which were (i) Sadharan Bima Corporation (SBC) for general business, and Jiban Bima Corporation (JBC) for life business (Debnath, 2003).

Until 1985, JBC was the only institution to handle life insurance business in Bangladesh. Through the Insurance (Amendment) Ordinance 1984 and Insurance Corporations (Amendment) Ordinance 1984, the government allowed the private sector to establish insurance companies. Up to December 2007, a total of 62 insurance companies have been operating in Bangladesh, of which 18 provide life insurance and 44 are in the general insurance field which made the life insurance business competitive. The life insurance companies are consisted of sixteen (16) national companies and one international company, namely American Life Insurance Company (ALICO). Yet, it had little impact on the business performance of the Jiban Bima Corporation (Chowdhury et al., 2007)

The corporation (JBC) offers 15 different types of life insurance schemes. These are whole life assurance, endowment assurance, child protection policy, children endowment, anticipated endowment assurance, pension scheme policy, single payment policy, mortgage protection policy, group term insurance policy, group endowment policy, group variable endowment policy, group pension policy, grameen bima policy (rural insurance policy), joint life endowment policy, and progressive premium policy.

A BRIEF LITERATURE REVIEW: SERVICE QUALITY

In spite of the growing importance of service quality ((Hallberg & Sipos-Zackrisson, 2010), it remains an abstract and elusive (Mangin, Dubé & Donderi, 2005) construct that is difficult to define and measure (Gummesson, 2008; Chong, Lee & Tan, 1999, Qualls & Rosa, 1995). According to Gummesson (2008), quality is a complex concept and regarding in service there is a humanistic quality approach, at the one extreme stressing

customers, personnel, leadership and culture, whereas at the other end lies a technical approach concerning operations management, statistics and methods of measurement. Gummesson divided quality into services, tangibles and software, but he stresses the importance of a total service offering. Lehtinen and Lehtinen (1991) discussed about physical quality, interactive quality and corporate quality, and, on the other hand, about process and output quality.

Pepur & Pivčević (2009) investigate the concept and the measurement of quality of tourism services. It presents results of research conducted with the purpose of determining the guests' perception of the quality of hotel services in the City of Split. The map 'importance-performance' is used for two purposes. It reveals which of the five elementary dimensions of quality are important for hotel guests and secondly, demonstrate the usefulness and relative simplicity of this model for measurement of services quality in the tourism sector. The results not only reveal how the hotel guests perceive the quality of services provided but also which dimensions of quality they find more or less important.

Cronemyr & Witell (2010) investigate service improvements in a manufacturing context. The results of the study reveal that when moving from a fire-fighting culture to a proactive culture, a company needs to change from a product to a process perspective. The benefit of changing from a product to a process perspective is the change in focus from reduction of internal costs to value creation through service delivery. This paper shows how feedback from dissatisfied customers can be used as a driving factor in process improvements. Based on this knowledge, a company can select the most important Six Sigma projects to improve their service processes. The change from a product to a process perspective shows that traditionally the severity of almost 50 percent of all faults is underestimated.

Kaluarachchi (2010) endeavors to identify the effect of organizational culture (OC) on the total quality management (TQM) practices of a Sri Lankan public sector hospital, which practices Japanese 5-S based TQM and has won several national quality awards. The study identified high senior management commitment, high staff commitment, high stakeholder focus, high integration of continuous improvement, high quality culture, high measurement and feedback, and high learning organization characteristics as TQM practices of the hospital. The study found that the supportive culture of the hospital has positively impacted on its TQM practices.

Sahney, Banwet & Karunes (2010) present the results of an empirical study conducted on the administrative staff, so as to obtain the internal customer's perspective on quality. Based on the literature review followed by a pilot study and an earlier study based on the quality function deployment technique, certain elements critical to quality management in education are identified. Thereafter, the interpretive structural modeling (ISM) technique is applied. The study finds that the ISM technique helps prioritize the strategic issues in quality assessment qualitatively, so as to propose a hierarchical structure through prioritizing, sequencing, and categorizing of ideas. The elements are classified as drivers, enablers and dependents, and the hierarchically structured.

Lambert (2010) shows that customer relationship management (CRM) is being viewed as a strategic, process-oriented, cross-functional, value-creating for buyer and seller, and a means of achieving superior financial performance. However, there is a need for a more holistic view of cross-functional as it relates to CRM

Service quality is not the slippery, mystical, or amorphous concept it is often thought to be. Chowdhury et al. (2007) identify that customers will give an institution high mark for its service when it meets or exceeds their service desires. The five dimensions of service performance (tangibles, reliability, responsiveness, assurance and empathy) give direction to the service quality journey. Although these dimensions will be differently important to various market segments, on an overall basis, they all are important. As a group, they frame the essence of the service quality mandate to be excellent in service, seek to be excellent in tangibles, reliability, responsiveness, assurance and empathy.

Service quality is generally defined as customer perceived quality which stresses the individual's assessment of the value of the total service offering (Gummesson, 2008). Practically, Gronroos (2009) described promised service quality as the difference between expected service quality and experienced service quality. This has a link to the gap model (Parasuraman et al., 1985) and other service quality models (e.g. Bitner 1995). On the other hand, Berry (1995) divided service quality into two types: regular services, and handling of exceptions or problems to ensure that appropriate procedures are taken to deal with inevitable failures.

As regards to service quality, the individual's experience of a service forms the basis of an assessment of its quality. It is great to listen to customers and study their reactions. When purchasing services, customers'

attention is often limited to a small number of tangible inputs (Zeithaml, Parasuraman & Berry, 1988).). Physical environment include buildings, offices and interior design affects customer beliefs, attitudes and satisfaction Zeithaml and Bitner, 2000), and provides an opportunity to tell the 'right' story about a given service (Berry, 1995). Matters such as how contact personnel addresses, articulates, writes, designs and presents proposals are likewise not without meaning (Levitt, 1981, 1986). Making the intangible into tangible is important, because customers do not usually know what they are getting until they do not get it (Levitt, 1986).

As tangible input, the service personnel represent the service, the organization and the marketers in the customers' eyes (Zeithmal and Bitner, 1996). The quality management of personnel includes such things as motivating, managing information, training, career planning and recruiting and retaining of right people (Normann, 1991; Zeithaml and Britner, 1996). It is true that service business is personnel intensive, meaning that quality supplied to the customer is essentially a result of the way personnel perform (Normann, 1991). Schneider (1990) showed that both employees and customers will experience more positive outcomes when the organization operates with a customer service orientation and management supports it. This may be linked to the external service value within the service-profit chain by Heskett et al. (1994), which described employee satisfaction as the underlying factor in the formation of customer perceived quality. The other important tangible element is service culture, and by participating in the production process, customers influence and even create perceived service culture (Lethtinen, 1985). High levels of intangibility call for image building and maintenance to attain reliance based on reputation and subjective impressions of the service (Cowell, 1998). In the long run, image depends mainly on what the company actually provides, but in the short run, image can be used as a tool for the creation of new reality (Normann, 1991).

In deploring the inadequacy of measurement procedures used in the marketing discipline Jacoby (1978) has mentioned that many of measures are developed at the whim of a researcher with a thought given to whether or not it is meaningfully related to an explicit conceptual statement of the phenomena or variables in question. In most instances, concepts have not been identified, apart from the instrument or procedures used to measure them.

Other scholars have emphasized the need for scale development to be preceded by, and rooted in, a sound conceptual specification of the construct being scaled as well. The conceptual foundation for the SERVQUAL scale was derived from the works of handful of researchers who have examined the meaning of service quality (Gonroos, 1984; Letinen and Letinen, 1985). The SERVQUAL scale also derived from a comprehensive quantitative research study that defined service quality and illuminated the dimensions, along which consumers perceive and evaluate service quality (Parasuraman et al., 1985).

The construct of quality as conceptualized in the service literature and as measured by SERVQUAL, the scale that is the focus of this study, involves perceived quality. Perceived quality is the customer's judgment about an entity's overall excellence or superiority (Zeithaml, 1984). It differs from objective quality (as by Garvin 1988); it is a form of attitude related but not equivalent to satisfaction and results from a comparison of expectations with perceptions of performance. Parasuraman, Zeithaml and Berry (1996) defined service quality from the customer's view rather than based on internal performance measures. From this perspective, service quality is the customer's perception of the superiority of the service.

Satisfaction is defined as a customer's perception of a single service experience, whereas quality is the accumulation of the satisfaction for many customers over many service experiences. A quality service provider is one that is able to consistently provide a satisfying service experience over a long period of time (Sureshchandar et al. 2002).

CONCEPTUAL FRAMEWORK

The construct of quality as conceptualized in the services literature and as measured by SERVQUAL, the scale that is the focus of this article, involves perceived quality. Perceived quality is the consumer's judgment about an entity's overall excellence or superiority (Zeithaml 1987; Zeithaml, Parasuraman, and Berry, 1990; Parasuraman, Zeithaml and Berry, 1988; Parasuraman, Zeithaml & Berry, 1990). It differs from objective quality (as defined by, for example, Garvin 1983); it is a form of attitude, related but not equivalent to satisfaction, and results from a comparison of expectations with perceptions of performance.

In the SERVQUAL instrument, 16 statements measure the performance across these five dimensions, using a seven point Likert Scale measuring both customer expectations and perceptions (Gabbie and O'neill, 1996). It is important to note that without adequate information on both the quality of services expected and perceptions of services received then feedback from customer surveys can be highly misleading from both a policy and an

operational perspective. In the following, the application of SERVQUAL approach is more specified with an example in a catering company.

Model of Service Quality Gaps

There are seven major gaps in the service quality concept, which are shown in Figure 1. The model is an extension of Parasuraman *et al.* (1985). According to the following explanation (Luk & Layton, 2002), the three important gaps, which are more associated with the external customers, are Gap1, Gap5 and Gap6; since they have a direct relationship with customers.

Gap1: Customers' expectations versus management perceptions: as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

Gap2: Management perceptions versus service specifications: as a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardization and an absence of goal setting.

Gap3: Service specifications versus service delivery: as a result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

Gap4: Service delivery versus external communication: as a result of inadequate horizontal communications and propensity to over-promise.

Gap5: The JBC discrepancy between customer expectations and their perceptions of the service delivered: as a result of the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

Gap6: The JBC discrepancy between customer expectations and employees' perceptions: as a result of the differences in the understanding of customer expectations by front-line service providers.

Gap7: The JBC discrepancy between employee's perceptions and management perceptions: as a result of the differences in the understanding of customer expectations between managers and service providers.

The gap model is one of the best received and most heuristically valuable contributions to the services literature (Sahney, Banwet & Karunes, 2004). The model identifies seven key JBC discrepancies or gaps relating to managerial perceptions of service quality, and tasks associated with service delivery to customers. The first six gaps (Gap 1, Gap 2, Gap 3, Gap 4, Gap 6 and Gap 7) are identified as functions of the way in which service is delivered, whereas Gap 5 pertains to the customer and as such is considered to be the true measure of service quality. The Gap on which the SERVQUAL methodology has influence is Gap 5.

Exploratory research of Parasuraman, Zeithaml, & Berry (1985) revealed that the criteria used by consumers in assessing service quality fit 10 potentially overlapping dimensions. These dimensions were tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access. These 10 dimensions and their descriptions served as the basic structure of the service-quality domain from which items were derived for the SERVQUAL scale.

Figure 1. Model of service quality gaps
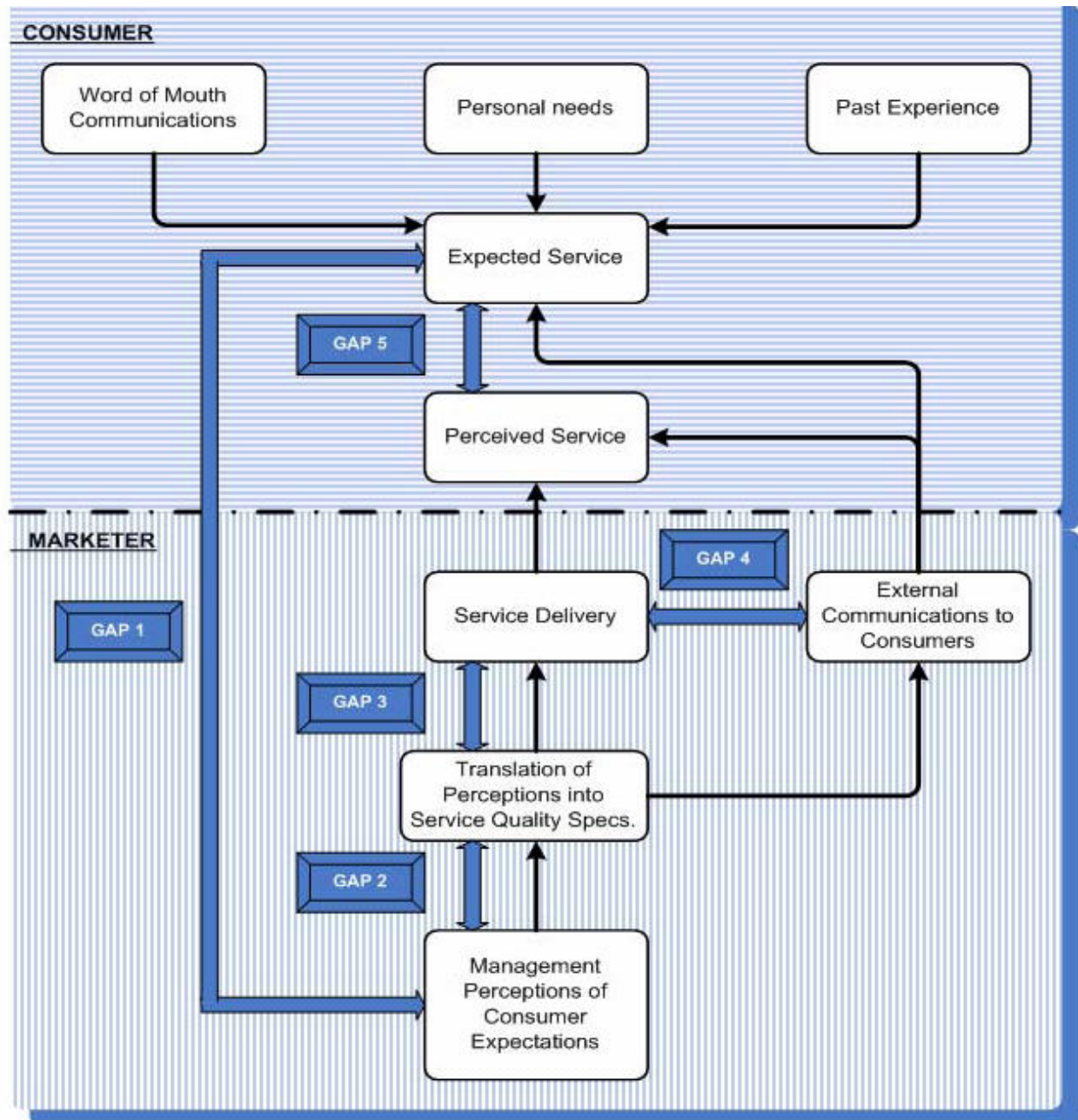
Source: Adapted from Parasuraman et al. (1985); Luk and Layton (2002)

METHODOLOGY

As the purpose of this research project is to determine the significance of five service quality dimensions from the customer viewpoints. Service dimensions such as tangibles, reliability, responsiveness, assurance and empathy are independent variables and service quality is dependent variable. This research is to identify the gap between perceptions and expectations of external customers on service dimensions.

In the process of collecting data, a questionnaire was developed to ensure that all the information required for analysis be obtained. The questionnaire was extensively explained for each of the customers who were contacted. A total of 107 customers on the counter inside the Regional Branchs of Jiban Bima Corporation was approached to fill up the questionnaire, but only 52 customers attended the survey which excluded 14 questionnaire for erroneous responses. Hence, the sample size of 38 was finally selected for analyzing the findings. Judgment sampling procedure was followed for gathering data for this pilot study

For analyzing data the statistical software of SPSS 12.0 was used. In addition, it provides a lot of useful statistical tools for evaluating data in testing the study hypothesis. Two major statistical analysis tools used in this study can be easily calculated which are reliability analysis and descriptive analysis. Frequencies and descriptive statistic (mean and percentage) were used to explore information about the distributions of variables. To find the service quality gap, mean of each of the variables dimensions between perception and expectation were compared and analyzed.

Table 1: Result of reliability analysis for five variables

Dimensions	No. of Attributes	Chronbach's Alpha	
		Expectations	Perceptions
Tangibles	3	.699	.680
Reliability	4	.530	.715
Responsiveness	3	.464	.382
Assurance	3	.582	.770
Empathy	3	.605	.719

Source: Field Survey

In determining the reliability of the instruments, the Cronbach's Alpha was used to measure reliability of the underlying variables of. tangible, reliability, responsiveness, assurance and empathy. The Cronbach's Alpha estimates indicate how highly the items in the questionnaire are interrelated in order to determine reliability of the instrument (Hayes, 1998). When the Alpha is more than 0.50 indicated as highly reliable (Nunnally, 1978). In this study, 32 items were tested on its reliability. Table 1 shows the component and total reliabilities of SERVQUAL scores. The findings show that the reliability coefficients for all dimensions are around 0.70 excluding some few exceptions.

DATA ANALYSIS AND RESULTS INTERPRETATIONS
Profile of Respondents
The profiles of the respondents are shown in the Table 2. The profiles focus on the demographic and economic status of the respondents. From the table, it shows that out of 38 respondents, 78.9% of the respondents are male and only 21.1% are female. The highest education level attained by most of the respondents was Higher Secondary School (HSC) level (39.5%), followed by degree/ honors' (26.3%) and SSC or below (21.1%). It shows that majority of respondents were educated with medium to low qualifications. In term of household income, more than half of the respondents earned less than BDT 10,000.

Table 2: Profile of Respondents

Characteristics		Frequency	Percentage
Gender	Male	30	78.9
	Female	8	21.1
Level of Education	SSC or below	8	21.1
	HSC	15	39.5
	Degree/ Honors'	10	26.3
	Masters/PhD	5	13.2
Income in BDT	Below 5000	5	13.2
	5000-10000	21	55.3
	10001-20000	9	23.7
	20001-30000	2	5.3
	30001 and above	1	2.6

Source: Field Survey

The Perception and Expectation Gap on Tangibles
Table 3 illustrates the mean score of attributes in tangible dimension in term of perception and expectation. In term of expectation, attribute 3 or 'employees appear neat' scores lowest gap and attribute 1 and 2, 'physical facilities' and 'equipments' show higher gaps. The attribute 3 scores highest on perception and all the attributes have more or less equal score on expectation. So attributes 1 and 2 requires more attention and shows more scopes for development.

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Table 3: Means of Perception and Expectation on Tangibles.

Attributes	Customers' Perception	Customers' Expectation	Gap
1. Up-to-date equipment	2.63	5.61	-2.98
2. Visually appealing physical facilities	2.45	5.39	-2.94
3. Employees well dressed and appear neat	4.34	5.95	-1.61
Total for Tangibles	3.14	5.65	-2.51

Source: Field Survey

The Perception and Expectation Gap on Reliability

As shown in table 4, the highest score on expectation is for attribute 5 or 'dependability' and the lowest is for attribute 6 or 'timeliness' which refer to ability to fulfil promises in a timely manner. So it may infer from here that people in Bangladesh do not mind waiting longer for services. In terms of perception, again attribute 5 scores highest and attribute 6 lowest. Again interestingly the gap is lowest for 'dependability', which can be considered most crucial attribute according to expectation. Here the highest strength for JBC can be observed. The risk free nature of the government can be one of the biggest reasons behind it. But more interestingly 'timeliness' shows the highest gap. So, though people expect less timeliness, they find lesser timeliness here.

Table 4: Means of Perception and Expectation on Reliability

Attributes	Customers' Perception	Customers' Expectation	Gap
4. Sympathy and reassurance on problems	5.00	6.74	-1.74
5. Dependability	6.39	6.87	-0.48
6. Timeliness	4.63	6.55	-1.92
7. Keeping of records accurately	4.87	6.63	-1.76
Total for Reliability	5.22	6.70	-1.48

Source: Field Survey

The Perception and Expectation Gap on Responsiveness

As illustrated in Table 5, attribute 8 or 'Promptness of service' scored highest on both expectation and perception and again shows the lowest gap. So, one can conclude that JBC is apt in the most essential attribute for its responsiveness. The huge gap on attribute 10 between perception and expectation denotes that though JBC employees are said to be prompt, but it's true only when they are not busy. During busy hours employees can be said reluctant to give extra effort for getting customer satisfaction.

Table 5: Means of Perception and Expectation on Responsiveness.

Attributes	Customers' Perception	Customers' Expectation	Gap
8. Promptness of service	4.82	6.08	-1.26
9. Willingness to help customers	3.82	5.42	-1.6
10. Responding to customer requests promptly during busyness.	3.55	5.37	-1.82
Total for Responsiveness	4.06	5.62	-1.56

Source: Field Survey

The Perception and Expectation Gap on Assurance

Table 6 illustrates the mean scores of five attributes selected under assurance dimension in term of perception and expectation. Here smaller gaps exist between perception and expectation. The highest gap is on attribute 11 which is 'trustworthiness of employees'. Trustworthiness has been considered important because the transactions deal with money. The customers need employees who are honest and skilled to handle their transactions.

Table 6: Means of Perception and Expectation on Assurance.

Attributes	Customers' Perception	Customers' Expectation	Gap
11. Trustworthiness of employees	5.34	6.66	-1.32
12. Feeling safe on transactions	5.74	6.71	-0.97
13. Politeness of employees	5.00	5.87	-0.87
Total for Assurance	5.36	6.41	-1.05

Source: Field Survey

The Perception and Expectation Gap on Empathy

Table 7 shows the most exceptional scenario, customers' perception exceeds their expectation in attribute 16 or 'Operating hours convenient to all the customers'. This is not impractical as they do not expect very much from this attribute but JBC has satisfied them to a greater scale. In attribute 15 or 'Knowing the needs of the customers' there exists highest expectation and at the same time highest gap. So the customers are thinking that the company does not understand exactly what their requirement is.

Table 7: Means of Perception and Expectation on Empathy.

Attributes	Customers' Perception	Customers' Expectation	Gap
14. Individual attention toward customers	3.68	3.71	-0.03
15. Knowing the needs of the customers	3.97	5.13	-1.16
16. Operating hours convenient to all the customers	4.76	3.74	+1.02
Total for Empathy	4.14	4.20	-0.06

Source: Field Survey

The service quality gap for empathy dimension indicates small gap between customers' perception and expectation, remember that expectation was also the lowest. It means that empathy perceived by the customers are about to meet customers' expectation. Interestingly tangibles show the highest gap (-2.51) which means that the service quality emerged from physical appearance is poorest of all the dimensions.

Table 6: Means of Perception and Expectation on Five Dimensions.

Dimensions	Customers' Perception	Customers' Expectation	Gap
Tangibles	3.14	5.65	-2.51
Reliability	5.22	6.70	-1.48
Responsiveness	4.06	5.62	-1.56
Assurance	5.36	6.41	-1.05
Empathy	4.14	4.20	-0.06

Source: Field Survey

The result obviously shows mentionable gap for reliability and responsiveness too. This research illustrates tangibles, reliability and responsiveness as the most critical determinant of SERVQUAL measure for service quality. The other dimensions (assurance and empathy) appear important but those are dominating. Thus, results of this study underscore the need for insurance providers to gear customer service and quality improvement efforts towards components of tangibles, reliability and responsiveness.

Conclusions and Recommendations

A focused overview of the service quality of JBC can be understood from this study. The research results suggest a need to better understand how the customers' perception and expectation for service quality differ and how these affect customer satisfaction (refer to table 6). The satisfaction is derived from the comparison of customers' perception and expectation as mentioned earlier in literature reviews. According to Parasuraman et al (1990), satisfaction equals to perception minus expectation. When the perception were poor on service and the expectation on the service quality were high, customers were deemed to be dissatisfied with quality of service given or provided by the JBC.

Reliability scores highest on expectation (6.70) and responsiveness scores highest in perception (5.36). It means that customers consider reliability most essential whereas the actual service quality performs responsiveness onward. The tangibles scores lowest on perception (3.14) whereas empathy scores lowest on expectation (4.20). It is clear that customers' perceived quality for tangibles of JBC is low, and empathy can be considered as least expected service performance by the very customers of JBC.

There is a statistical link between employee behavior and customer satisfaction. These facts are beginning to resonate with insurance companies, who are investing in customer relationship management and self-technologies designed to build customer loyalty and customer centricity. Whether the 'customer' is defined as the selling agent, the group benefits manager or the policyholder, the customer service is quickly becoming the critical channel for proactive marketing, sales and customer retention as well a service.

Today's fiercely competitive environment means that players in the insurance industry are looking for revenue momentum, improved profitability and increased customer retention. All three of those goals depend greatly on the customer experience: the customer service counter representatives as part of the customer service centre's daily operations. Customers expect to be able to reach their insurance company at any time, by phone, online or

face-to-face. Customers expect complete, consistent, accurate answers to their entire question, whether they are inquiring about the status of claim or the cost of new insurance.

The insurance industry is beginning to realize the importance of building an excellent customer experience. Service improvement is supporting a strong trend in which many insurance companies are adopting a customer focus versus a product focus. As a result, insurers are investing heavily in customer relation management (CRM) and customer interaction software. Superior service quality on basic customer-service transactions provides a competitive edge for insurers. It is necessary, therefore, to insure that employees are well prepared, knowledgeable and have superior skills to meet customer expectations.

The need for striving for service quality lies in its ability to result in economic success. In the modern, highly competitive business world, the key to winning new clients, retaining current customers, and sustainable competitive advantage lies in delivering high quality service that will, in turn, lead to satisfied customers. Customer satisfaction is considered a prerequisite of customer retention and loyalty, and obviously helps in realizing economic goals like profitability, market share, return on investment (ROI), etc. Insurers that failed in satisfying customers will have a more difficult time convincing customers to come back. Companies that distinguish themselves by creating customer satisfaction will reap the rewards of repeat business while those that don't will have to spend time and money luring new customers. However, building a customer-focused organization takes time, money and commitment from the highest ranks of both business-side and technology executives. Since the globalization of financial institutions is encouraged by the government and the increasing international competitive markets especially in the insurance market, consumers in this region have a wide range of choices in order to make decision.

Top management in the insurance sector should realize that the industry is moving towards a dramatic era. In this ever-changing competitive market, insurance companies have to use their efforts expand their market in facing their competitors. The insurance companies, who can take their employees from their current skills level to where they need to be fast to deliver a consistent and quality customer experience, will enjoy a significant competitive advantage and will be in a position to break away from their competition. It is not sufficient for JBC employee to casually learn and gain knowledge. To survive and win, they must do it purposefully, do it fast and do it continuously. They have to read the customers and paint the most pleasant picture for them.

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