# A STUDY ON CUSTOMER'S PERCEPTION THAT IMPACT THE CUSTOMER SATISFACTION ON INSURANCE WITH REFERNCE TO GUDUVANCHEERY

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**ABSTRACT:**

Customer satisfaction is a critical factor for the success and sustainability of any business, particularly in the competitive insurance. This study aim to investigate the relationship between customer perception and its impact on satisfaction within the insurance. In this research identifies various factors such as service quality, price, trust, convenience, and customer service as significant determinants of customer satisfaction. Through correlation and regression analyses of 105 responses, the study examines six key factors influencing perception: policy coverage, value for money, trustworthiness, customer service, and convenience. The results reveal a significant influence of these factors on customer satisfaction, highlighting the importance of understanding and addressing customer perceptions to enhance overall satisfaction levels in the insurance.

**Keywords:** Customers Perception, Impact, Customer Satisfaction on Insurance.

## 1. INTRODUCTION:

Insurance plays as a crucial role in protecting individuals and businesses from unexpected risks. People are insecure towards risks and uncertainties at the time of death and uncertainty of an Individual isn't bound. Everyone needs to reduce their risk Insurance companies have created opportunity to reduce or minimize the risk. But have you ever wondered why some people are satisfied with their insurance while others are not and this research aims to delve into the perceptions that customers hold about insurance and how these perceptions influence their satisfaction levels. "Customer perception" means. It's basically how customers see and feel about insurance companies and their services. It would, at best, be seen as a means of saving tax every Financial Year. This heavily undermines the importance of responsibility as critical as insurance. This perception can be changed by educating the customer about the need for insurance and helping them gauge their individual insurance needs. This perception and satisfaction can be shaped by various factors like policy coverage, value for money, trustworthiness, customer service, and convenience. Understanding these perceptions is essential because they directly impact how satisfied customers are with their insurance.

## 2. RESEARCH OBJECTIVES:

- ➢ To study the Customer's perception that impacts customer satisfaction on insurance.
- ➢ To assess the factors influencing customers' perception of insurance services.
- ➢ Examine the relationship between customers' perception and their satisfaction with insurance products.

## 3. REVIEW OF LITERATURE:

**Swati Gunwant (2012)** [1] "A Study on Impact of Service Quality on Customer Satisfaction in the Indian Insurance Industry" the present study confirms the same in the context of the Indian insurance industry. The most important parameters that influence perception of overall service quality found in the study are appealing brochures, pamphlets; time related promises Being kept; services being provided at the promised time and employees' individual attention to customers.

**Sudha Davidson (2023)** [2] "A studies to find the customer Awareness level towards Insurance industry with reference to Chennai" and this paper helps us to understand how the customers perception differs from person to person and it was analyzed that the insurance policies and had purchased life insurance the most.

**Sarmad (2020)** [3] "The purpose of this study was to inspect the effect of customer satisfaction and customer attitude towards the investment in Insurance Companies" This study is very helpful to see the effect of customer satisfaction toward insurance sector. Policies makers should developed the strategies for also that person whose income level is low. The sample size is limited to 100+ and suitable sampling techniques were adopted for collecting the data. Chis square and cross tabulation analysis are used to assess both relationships and effects as per the hypotheses of the study.

**Herbs (2017)** [4] "Investigating the impact of service quality and customer satisfaction on customer loyalty in life insurance in South Africa" The aim of this study is to examine the concepts of service quality, customer satisfaction and customer loyalty and their relationships with the goal of establishing greater clarity on the path of the relationship flow at Metropolitan in the life insurance industry in South Africa the analysis revealed that customer satisfaction mediates the relationship between perceived service quality and customer loyalty for customers from the Customer Walk-in-Centres of Metropolitan in South Africa.

**Pitri Raj (2021)** [5] "This research is attempts to examine the impact of service quality on customer satisfaction and firm performance in Nepalese life insurance companies". It is observed that reliability, responsiveness, assurance, empathy, and tangibles have a positive and significant impact on customer satisfaction and firm performance. It is also found that responsiveness shows the highest positive correlation with customer satisfaction and performance in terms of ROA and assurance demonstrates the least positive correlation with customer satisfaction and ROA.

## 4. RESEARCH METHODOLOGY

### 4.1 Research design

Research design is a frame work or blue print for conducting is necessary for obtaining information to solve problem. In this research I have used descriptive and analytical research designs.

### 4.1.1 Descriptive research

A descriptive study is used to make description of the phenomenon or the characteristics associated with a subject population: who, what, where, and how of a topic. The methods typically used in descriptive study could be surveys, panels, observation or secondary data analysed in a quantitative manner. In this research I have used both primary and secondary sources in order to explain the non-performing assets.

### 4.1.2 Analytical phase

The analytical part of this research employed factors or information already available, and analysed them to make a critical evaluation of the subject. Basically, the analytical part utilized the statistical inputs and verified the research hypothesis put forward in the study

### 4.2 Sampling Methodology

### 4.2.1 Sampling Methods:

The sampling procedure used was convenience sampling as in questionnaire were administered at places like the residents, office and college.

### 4.2.2 Sample size:

The sample size was restricted to 105, due to time constrains

## 4.2.3 Sampling areas

The area of the research was Guduvanchery.

## 4.2.4 Materials and Outcomes:

A self-administered questionnaire was given to the participant distributed and filled after getting consent. The questionnaire consisted of demographic information part and followed by outcomes exploring Awareness, Perceptions and level of satisfaction regarding the Insurance

## 4.3 Data collection

Source of Data: In this study. I have collected data both from primary and secondary sources.

## 4.4 Population and sample size

In this research study the researcher has used the survey method to arrive at a conclusion for the objectives. The researcher conducted the survey using a questionnaire which was prepared on the basis of the objectives.

## 4.4.1 Tools used for data analysis

  ➢ **Correlation**

Correlation analysis is a statistical method used to measure the degree of association or relationship between two or more variables. It quantifies how changes in one variable correspond to changes in another. It ranges from -1 to 1, where a value of 1 indicates a perfect positive correlation, -1 indicates a perfect negative correlation, and 0 indicates no correlation.

  ➢ **Regression**

Regression analysis is a statistical method used to model the relationship between a dependent variable and one or more independent variables. It aims to understand how changes in the independent variables correlate with changes in the dependent variable. Regression analysis is widely employed in various fields such as economics, finance, and social sciences for forecasting, hypothesis testing, and understanding causal relationships.

## 5. DATA ANALYSIS

## 5.1 Correlation

**Correlation analysis between Customer Perception and Satisfaction.**

| S.No | Factors | Pearson Correlation Coefficient | P-Value (Sig.) |
|------|---------|:-------------------------------:|:--------------:|
| 1 | Relationship between Trustworthiness and Satisfaction | 0.469 | 1 |
| 2 | Relationship between Customer Service and Satisfaction | 0.531 | 1 |
| 3 | Relationship between Policy Coverage and Satisfaction | 0.697 | 1 |
| 4 | Relationship between Value for money and Satisfaction | 0.543 | 1 |
| 5 | Relationship between Convenience and Satisfaction | 0.569 | 1 |

**Source: Primary Data**

**Interpretation**

The correlation analysis reveals strong positive correlations between various factors and customer satisfaction. Trustworthiness, customer service, policy coverage, value for money, and convenience all demonstrate significant correlations with satisfaction, with coefficients ranging from 0.469 to 0.697. This indicates that as trustworthiness, customer service quality, policy coverage comprehensiveness, value for money perception, and convenience levels increase, so does customer satisfaction. Moreover, all p-values are 1, suggesting high statistical significance. These findings underscore the critical importance of these factors in shaping customer perceptions and ultimately influencing their satisfaction levels. Businesses should prioritize enhancing these aspects to bolster overall satisfaction and foster stronger customer

relationships, thereby potentially boosting loyalty and retention rates.

## 5.2 Regression

### Regression analysis between Customer Perception and Satisfaction.

| Model Summary | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .727a | 0.528 | 0.523 | 0.28131 |
| a. Predictors: (Constant), Perception | | | | |

| Coefficientsa | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -0.191 | 0.172 | | -1.3 | 0.268 |
| | Perception | 1.08 | 0.104 | 0.727 | 10.6 | <.001 |
| a. Dependent Variable: Satisfaction | | | | | | |

| ANOVAa | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 8.586 | 1 | 8.586 | 108.5 | <.001b |
| | Residual | 7.676 | 97 | 0.079 | | |
| | Total | 16.262 | 98 | | | |
| a. Dependent Variable: Satisfaction | | | | | | |
| b. Predictors: (Constant), Perception | | | | | | |

**Source: Primary Data:**

**Interpretation**

The regression analysis indicates a significant relationship between customer perception and satisfaction, as evidenced by an R-square value of 0.528. This suggests that approximately 52.8% of the variance in satisfaction can be explained by variations in customer perception. The regression coefficient for perception is 1.08, indicating that for every one-unit increase in perception; satisfaction is expected to increase by 1.08 units. This coefficient is statistically significant with a t-value of 10.6 and a p-value of less than 0.001. Thus, enhancing customer perception is crucial for improving overall satisfaction levels, highlighting the importance of managing customer perceptions effectively to drive satisfaction outcomes.

## 6. FINDINGS:

➢ Strong positive correlations exist between trustworthiness, customer service, and policy coverage, value for money, convenience, and customer satisfaction (correlation coefficients range from 0.469 to 0.697).
➢ Higher levels of trustworthiness, quality customer service, comprehensive policy coverage, perceived value for money, and convenience are associated with increased customer satisfaction.
➢ All correlation coefficients have p-values of 1, indicating high statistical significance.

➢ These findings emphasize the critical importance of factors such as trust, service quality, policy coverage, value perception, and convenience in shaping customer perceptions and satisfaction levels.
➢ Businesses should prioritize improving these factors to enhance overall satisfaction and foster stronger customer relationships.
➢ The regression analysis further confirms a significant relationship between customer perception and satisfaction, explaining approximately 52.8% of the variance in satisfaction.

## 7. SUGGESTION

➢ Invest in quality customer service training and initiatives to ensure customers feel valued and supported throughout their interactions with your company.
➢ Review and possibly expand policy coverage to meet the evolving needs and expectations of your customer base.
➢ Continuously evaluate and adjust pricing strategies to ensure customers perceive value for money in your products or services.
➢ Streamline processes and procedures to enhance convenience for your customers, making it easier for them to engage with your business.
➢ Regularly gather feedback from customers to understand their satisfaction levels and identify areas for improvement.
➢ Utilize regression analysis or similar statistical methods to quantify the impact of customer perception factors on overall satisfaction and guide strategic decision-making.
➢ Foster a culture of continuous improvement within your organization, with a focus on the factors that significantly influence customer satisfaction.

## 8. SCOPE FOR FUTURE RESEARCH

➢ Investigate the evolving landscape of the insurance industry in the country, characterized by increased competition and the entry of new players.
➢ Explore the relationship between customer perception and satisfaction within the insurance sector, focusing on key factors such as policy coverage, value for money, trustworthiness, customer service, and convenience.
➢ Analyse the impact of customer perception on satisfaction levels through correlation and regression analyses of 105 responses gathered from insurance customers.
➢ Examine existing literature on customer perception in the insurance industry to provide a comprehensive understanding of the subject.
➢ Provide insights and recommendations for insurance companies to enhance customer satisfaction by addressing factors identified through the research, thereby fostering stronger customer relationships and potentially increasing loyalty and retention rates.

## 9. CONCLUSIONS

The findings of this research study indicate a significant relationship between customer perception factors such as policy coverage, value for money, trustworthiness, customer service, and convenience with customer satisfaction in the insurance industry. Both correlation and regression analyses demonstrate the impact of these factors on overall satisfaction. With 105 responses collected, it's evident that insurance providers should prioritize improving these aspects to enhance customer satisfaction and loyalty. Suggestions for insurers include focusing on enhancing policy coverage offerings, ensuring competitive pricing for value for money, building trust through transparent communication and fair practices, delivering excellent customer service experiences, and optimizing convenience in accessing insurance services. In conclusion, by addressing these key perception factors, insurance companies can effectively improve customer satisfaction and ultimately drive business success.

## END NOTES

1. **Swati Gunwant (2012) "**A Study on Impact of Service Quality on Customer Satisfaction in the Indian Insurance Industry" 8 pages,
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