

Policyholder perception on customer orientation of Insurance agent and customer loyalty with reference to Life Insurance companies in Anuradhpura District

W.M.N.M. Warnakulasooriya and Janaka Siyabalapitiya
Faculty of Management, Uva Wellassa University of Sri Lanka, 90000, Badulla, Sri Lanka

Introduction

One reason of switching behavior is the low customer orientation service and therefore sector considered insurance Agent as a vital factor. Without considering positive actions taken by the life insurance industry, there is little existing research that evaluates individual perceptions of the service rendered by life insurance providers. Further to that customer attrition is an increasingly pressing issue faced by many insurance providers today (Goonetilleke & Caldera, 2013) and few researchers has identified customer-orientated culture leads to excellent customer services (Kassim, & Fong, 2012). Few empirical studies have addressed the impact of customer orientation of service employee on firm's success (Brown et al., 2002). Customers rely on the behavior of service employees when evaluating quality of services (Thurau, 2004). Customer loyalty has been found in the literature to be a competitive tool for many companies customer loyalty is to determine the level of customer service through service quality assessment. Cited by Whereas Ruyter et al., (1998); Boulding et al., (1993) and Brady and Cronin (2001) found that high degree of service quality translates into loyalty. According to Aydin and Ozer (2005) and Cronin and Taylor (1992) are of a contrary opinion. They are of the view that service quality is a necessary but not sufficient condition to obtain customer loyalty. In previous researches there are contradictory arguments. According to Henning and Thurau, (2004) customer orientation of service employee is affected an employee's technical skills, employee's social skills his or her motivation to serve customer and his or herself perceived decision-making authority. My research objectives are to identify the relationship of the Customer Orientation that influence to the Loyalty of policyholder's in the Life insurance, to determine the impact of the Customer Orientation service employee dimensions on Customer Loyalty in the Life insurance industry and to determine the most and least important customer Orientation service employee dimension factors that influence to the Customer Loyalty in the Life insurance industry. Employee's technical skills, employee's social skills his or her motivation to serve customer and his or herself perceived decision-making authority dimensions are use in this research.

Methodology

Researcher considered the policy holder s 'perception of customer orientation of insurance agent and the customer loyalty of life insurance industry in Anuradhapura district. Therefore four life insurance companies was selected in Thabuthegama regional area to carrying out the research study .Since this research is focused on life insurance customers' Loyalty and Customer Orientation insurance agent, life insurance policyholder can be identified as unit of analyses and sample technique use simple random sample method.

Both descriptive and inferential techniques were used to analyze data. Descriptive statistics were used to discover and summarize the attributed of the sample. Furthermore, correlation coefficient analysis was used to measure the degree of linear association between two variables. Multiple regression analysis was used to combine contribution of each parts of the independent variable.

Results and Discussion

Table 01: Descriptive statistic

Dimension	Mean	Standard Deviation
Technical Skills	3.255	0.719
Motivation	3.285	0.743
Decision Making Authority	3.151	0.741
Social skills	3.414	0.793
Customer Loyalty	3.246	0.740

Table 02: Correlation analysis

Dimension	Correlation	Relationship type
Technical Skills	0.952	Strong positive
Motivation	0.849	Strong positive
Decision Making Authority	0.836	Strong positive
Social Skills	0.657	High positive

Most and least important customer orientation dimension factor is technical skills in insurance Agent. All the beta coefficient values represented positive values and thereby it is obvious that there is a positive relationship between Customer Orientation Agent dimensions and customer Loyalty.

When consider Agent Technical Skills, the β coefficient of 0.687 indicates that when Agent Technical skills were increased by one unit while other variables remain constant, Customer Loyalty was increased by 0.687 units. It can be seen that Agent Technical Skills contributed significantly to the model since p-value of 0.000 is less than 0.05 level of significant. Therefore null hypothesis was rejected and alternative hypothesis was accepted. Hence, there is a significant relationship between Agent Technical Skills and Customer Loyalty.

According to coefficient of Agent Motivation, one unit of increase Agent Motivation while other variables remain constant, customer Loyalty was increased by 0.166. Further, this was significantly contributed to the model as p-value of 0.02 is less than the 0.05 level of significant. Therefore null

hypothesis was rejected and alternative hypothesis was accepted. Hence, there is a significant relationship between Agent Motivation and Customer Loyalty.

By looking at Agent decision making Authority, it can be identified when increased Agent decision making Authority by one unit while other variables remain constant, it result in increase of customer loyalty by 0.159 unit. This also significant at 0.05 level of significant since its p -value of 0.04 is less than 0.05. Therefore null hypothesis was rejected and alternative hypothesis was accepted. Hence, there is a significant relationship between Agent Decision Making Authority and Customer Loyalty.

Regression equation is $CL = -1.1255 + .687TA + .166 MA + .159 DA + \epsilon$

The above equation demonstrates that three dimension of customer orientation of insurance agent having a positive relationship with Customer loyalty. Further, multiple regressions proved that agent technical skills were the major predictor of the Customer loyalty in life insurance industry in Anuradhapura District.

Where; Dependent variable is, CL = Life insurance policyholders Loyalty

Independent variables, MA = Motivation, DA = Decision Making Authority

Conclusion

Overall 'COSE' Model is significant to measure Customer Orientation Service in Insurance Agent between policyholders Loyalty, Technical skills, motivation skills and Agent Decision making Authority have Strong positive relationship but Agent social skills have high positive relationship.

Agent technical it is the dimension that has highest impact on the customer Loyalty.

Among four Customer Orientation dimensions Agent Technical skills Dimension has high correlation with customer Loyalty. Therefore it's most important Customer dimension factor which is influence to the Life insurance policyholder's Loyalty.

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