

A Study on Impact of Service Quality on Customer Satisfaction (Special Reference to Life Insurance Companies in Sri Lanka)

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The insurance industry has recorded a high growth rate in Sri Lanka in recent years. The delivery of high-quality service is vital to success in service industries. All business entities are trying to attain customer fulfilment over improved service quality. Service quality denotes of a firm's performance. Customers are likely to choose an insurance company that has a high quality of service such as provide complete information about the product and services, a well-known and positive corporate image, handle the complaints. Service quality is a recent and more dynamic decisive issue in marketing thought. Customer's perceptions about life insurance seem to have been largely ignored by life insurance companies in developing countries. Therefore, to understand and identify the relationship between customer satisfaction and service quality dimensions in the insurance industry, this research selected a quantitative research method. A sample of 100 customers who have life insurance policies in the top five insurance companies which are lapsed within one year was selected by using stratified random sampling and questionnaires were administered to collect primary data. Further to analyse the impact, both descriptive and inferential techniques were used. The Pearson's correlation analysis and regression analysis were used to identify the relationship and impact of service quality on customer satisfaction in the insurance industry. The findings of the study indicated that all SERVQUAL dimensions have a significant effect on the level of customer satisfaction in the Life Insurance Industry. Further, it was identified that the most influential dimension which contributed to customer satisfaction was the tangibility, responsiveness, assurance, and empathy. In the study, continuous improvements of service quality dimensions are recommended to maintain a competitive edge to get and retain strong loyal customers by keeping them at a satisfactory level in the Life Insurance Industry.

Keywords: Service quality, Customer satisfaction, Insurance industry, Service quality dimensions