A STUDY OF PERCEPTIONS OF GEN X AND GEN Y CUSTOMERS ABOUT SERVICE QUALITY OF PRIVATE LIFE INSURANCE COMPANIES IN MUMBAI

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──────── **ABSTRACT** ────────

With the latest coronavirus outbreak, a growing number of individuals have become increasingly aware of insurance. Post liberalization life insurance companies are operating under extreme competitive environment. All Life insurance companies in India including both public and private sector are focusing on customer delight and retention.In the Union Budget for 2020-21, Govt. of India has proposed to increase FDI limits to 74% from 49% which shows a positive sign for Insurance Sector. This study examines the perceptions of Gen X & Gen Y regarding the service quality dimensions by using SERVQUAL model which include reliability, tangibility, responsiveness, assurance and empathy in the context of life insurance companies in Mumbai. As Life insurance is a need based product. Life stage of a prospect plays a very important role to decide how life insurance companies can deliver their services and create positive customer experience. The study is based on Primary data and appropriate statistical tools are applied. The results show that the overall perception about service quality in Gen X and Gen Y is same. Same time the different dimensions of SERVQUAL has a difference in service quality perception in Gen X and Gen Y. The findings of the study will help insurers to deal in a customized manner with Gen X and Gen Y customers for delivering superior quality of services.

Keywords: Service Quality Perception, Life Insurance, Generation X and Y

INTRODUCTION

Life insurance can be described as an agreement between an insurer and an insured. As per the contract the insurer agrees to pay a stipulated sum of money when the insured passes away or at the end of the term period provided the insured is alive. As stated in the contract other important areas such as critical illnesses or terminal ailments are covered in the plansin such cases the insured are provided payment as soon as they are diagnosed with the said disease. However, it is important to remember that the payment patterns may vary. Since the pre-independence period, India's insurance industry has mirrored the country's economy. After independence, insurance companies were nationalized, and the market was only opened up to private players after post-liberalization initiatives

in 1991. With insurance penetration, the amount of gross premiums received by life insurance firms has grown to over five trillion Indian rupees.There are 57 insurance companies in India, 24 of which are life insurers and 33 of which are non-life insurers. Life Insurance Corporation (LIC) is the only public company of life insurers.Covid-19 pandemic has created the awareness for life insurance and people are understanding the importance of adequate life insurance cover. As insurance products become increasingly difficult to distinguish in highly competitive markets, a pattern of insurance firms moving from a product-focused to a customer-focused perspective has emerged recently. As a result, insurance companies in India are focusing their strategies on improving service quality in order to increase customer satisfaction and loyalty. In order to survive and prosper in the future, insurance companies must cultivate a customer-centric strategy. The realization has already dawned that timely, effective, and speedy service would entice existing customers to stay with the company and entice new customers to try its services. The majority of life insurance firms sell similar policies. Over the last few years, service marketers have discovered that quality is a strong way to handle competition. As a result, achieving a competitive advantage requires high-quality service.

Generation X and Y: There are various criteria and explanations about generation X and Y. In literature review it is observed that most commonly followed source is used in this study.

The main part of the research is to study expectations about five service qualities between generation X and Generation Y Therefore criteria for gen x and y is obtained from "Kasasa.com".

• Gen X: Gen X were born between 1965 - 1979 and are currently between 41-55 years old.

• Gen Y: Gen Y, were born between 1980 and 1994. They are currently between26-40 years old.

LITERATURE REVIEW

Shewchuk, O'Connor & White (1991) discussed using either the predicted or the awareness scale, but not the disparity between them. There is a probability that SERVQUAL is important to the situation, and an evaluation of the quality and reliability of the instrument in this analysis is of great importance to the development of SERVQUAL.

According to Jiang, Klein 2000 service quality dimension is first important to concentrate on meanings and characteristics of service and standard of service. The definition of service is based on business literature. Many authors have given diverse meanings of service.

Dragota and Ileanu (2011) in their paper observed that in Romania during the crisis period, beginning in 2008, Romania's life insurance penetration rate has been slowly rising, but has lagged behind other nations, from Europe or from other continents.

Babita Yadav (2012)mentioned in her research that customers are the real cornerstone of the success of life insurance company and are therefore critical for insurers to keep their policyholders happy and maintained for as long as possible and to get new business out of it by providing creative products based on needs. There are several factors influencing consumer investment decisions in life insurance and it was concluded from the analysis that people's demographic factors play a significant and crucial role in choosing to buy life insurance policies.

Oppewal and Vriens (2000) tried to bridge the absence of longitudinal evidence by creating a link between quality of service and customer satisfaction. The original ten measurements of the SERVQUAL were included in their study.

Dr. Sunayana Khurana (2012) stated that the perception of the customer towards the tangibility dimension of the quality of service has the greatest impact on customer satisfaction followed by competence and credibility. Service quality dimensions are marginal in terms of responsiveness, empathy, reliability and assurance. The findings also indicate that consumer perceptions for the credibility aspect of service quality have the greatest impact on customer satisfaction followed by assurance and competence.

K.V.Ramnathan's (2007)observed the development of a reliable and relevant method for evaluating perceived quality of service, knowledge level and customer satisfaction level for life insurance industry. There, the level of service must be measured using a six-dimensional hierarchical structure consisting of trust, expertise, customized financial planning, corporate identity, measurable dimensions and technology. It will help service managers distribute resources effectively, by first concentrating on essential dimensions. The distance scores show ample space in India for improving the standard of service in the life insurance industry. Sowmiya G (2017)lays the emphasis of this article on empirically clarifying the determinants of customer loyalty, attitude, perception, problems faced by customers when using website e-insurance services to connect with their insurance company.

Thakkar (2012) found that it is important to know the investing actions of individuals related to life insurance and also to know the challenges they face. The study was conducted among investors (policy holders) in the city of Kolhapur. His research found that the Insurance Agent was the key influencer in the decision to purchase life insurance from customers. They rely to a large degree on the insurance advisor.

Curak et al (2013) clarified that, according to theoretical and analytical literature, the market for life insurance is driven by numerous fiscal, institutional, social and demographic variables. The purpose of this analysis is to examine the social and demographic determinants of the consumption of life insurance in Croatia. Empirical analysis is focused on data obtained from a survey of 95 respondents. The results of the research indicate that age, education and jobs have an effect on the demand for household life insurance in Croatia, while gender, marital status and the number of family members have no statistically significant effects.

Research Methodology:This study is completely based on primary data. Secondary data is collected from various researchers to understand opinion about importance of age factor on perception about service quality of public and private insurance companies. Primary data information is collected by a respondent mainly of two different age groups. Respondents either belongs to generation X or generation Y are considered to collect their information. Convenience sampling method is used to collect primary data. Data is collected through a structured questionnaire consisting of the demographic profile of respondents and the expectations of the quality of service of life insurance companies. The five service qualities under the study are Tangible, Reliability,

Responsiveness, Assurance and Empathy. The data is analyzed using SPSS 20. The Cronbach Alpha test, Arithmetic mean, Standard deviations, ANOVA and F-test are used in the data analysis process.

OBJECTIVES

Following are two main objectives of the study

*   To study perception about five service qualities of life insurance companies in Mumbai.

*   To compare perception of customers about five different service qualities between generation X and generation Y.

DATA ANALYSIS

Information related to demographic profile of the respondents is classified and presented in the following table.

Primary data consists of demographic factors such as Generation type, Gender, Marital Status, Educational Qualification and Monthly Income. The data is classified for each factor as below:

Within the Generation category, out of 150 respondents 80 are of Generation X and 70 are of Generation Y. Within the Gender, out of 150 respondents there are 114 Male respondents and 36 Female respondents. Within the Marital Status, out of 150 respondents 126 are married, 24 are unmarried. Within the Educational Qualification category, out of 150 respondents 5 respondents are H.Sc passed, 63 are Graduates, 76 are Post Graduates and 6 are Professional respondents. Within the Monthly Income category, out of 150 respondents 10 respondents have monthly income up to Rs 25,000, 33 have monthly income between Rs 25,000 to Rs 50,000, 60 respondents have

Table : 1

Demographics		Frequency	Cumulative Frequency
Generation	X	80	53.3
	Y	70	46.6
Gender	Male	114	75.8
	Female	36	24.2
Marital Status	Married	126	84.2
	Unmarried	24	15.8
Edu. Qualification	HSC	5	3.3
	Graduate	63	41.7
	Post Graduate	76	50.9
	Professional	6	4.1
Monthly Income	Up to Rs 25000	10	6.7
	Rs 25000 to Rs 50000	33	21.7
	Rs 50000 to Rs 100000	60	40.0
	Above Rs 100000	47	31.6

monthly income between Rs50,000 to Rs 1,00,000 and 47 have monthly income above Rs 1,00,000.

Reliability and Validity:

Following table indicate Cronbach Alpha Values for each variable.

Table : 2

Sr. No.	Service quality Variable	Number of question	Cronbach Alpha value
1	Tangible	4	0.769
2	Reliability	5	0.795
3	Responsiveness	5	0.780
4	Assurance	3	0.897
5	Empathy	5	0.773
	Total	**22**	**0.802**

Above table indicate that Cronbach Alpha values are between 0.700 and 0.900. Therefore, test is accepted and conclusion is scale is reliable and accepted.

Descriptive Statistics: Responses given to questions are rated according to Likert scale. Arithmetic mean of perception of service quality is obtained and presented in the following table.

Above table indicate that average perception for all five service quality dimension and for all 150 respondents is 79.20 per cent. Lowest perception is 45.67 per cent and highest perception is 97.07 per cent. It is observed that there is no significant difference in overall service quality score between generation-X and generation-Y. It is interesting to study significance of arithmetic mean according to each category of service quality.

HYPOTHESIS TESTING

H_{01}: There is no significant difference in various service quality perceived by customers of Generation X and Generation Y.

H_{11}: There is no significant difference in various service quality perceived by customers of Generation X and Generation Y.

To study above hypothesis, each category of service quality is tested for significance of AM and presented as follows.

To test null hypothesis ANOVA is obtained and F-test is applied.

Test is applied for various service qualities such as 1) Tangible 2) Reliability 3) Responsiveness 4) Assurance and 5) Empathy across Generation Type.

Table : 3
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Overall Perception	150	45.67	97.07	79.2002	11.08043

Table 4 - Tangible

ANOVA					
Tangible Perceived					
	Sum of Squares	**df**	**Mean Square**	**F**	**p-value**
Between Groups	2497.190	1	2497.190	17.497	.000
Within Groups	21122.143	148	142.717		
Total	23619.333	149			

Table indicates that calculated p-value is 0.000. It is less than 0.05. Therefore F-test is rejected. Hence null hypothesis is rejected.

Conclusion : There is a significant difference in the customer about perceived tangibility between generation X and generation Y.

The mean score for perceived Tangible as service Quality by Insurance companies is higher at 79.75 percent for respondents in Generation X, while it is the lesser at 71.57 percent for respondents in Generation Y. This indicates that perceived Tangibility for service Quality is higher in Generation X.

Table : 5

Report			
Tangible Perceived			
Q5#_Age_of _respondent	Mean	N	Std. Deviation
Generation-Y	71.5714	70	11.40629
Generation-X	79.7500	80	12.39896
Total	**75.9333**	**150**	**12.59043**

Table 6 : Responsiveness

ANOVA					
Responsiveness Perceived					
	Sum of Squares	**df**	**Mean Square**	**F**	**p-value**
Between Groups	2432.190	1	2432.190	16.196	.000
Within Groups	22225.143	148	150.170		
Total	**24657.333**	**149**			

Table indicates that calculated p-value is 0.000. It is less than 0.05. Therefore F-test is rejected. Hence null hypothesis is rejected.

Conclusion : There is a significant difference in the customer perception of Responsiveness of service quality by Insurance companies across Generation Type.

This indicates that expected Responsiveness for service Quality is higher in Generation X. This can be observed the following table:

Report			
Responsiveness Perceived			
Q5#_Age_of _respondent	Mean	N	Std. Deviation
Generation-Y	74.8286	70	11.98184
Generation-X	82.9000	80	12.48756
Total	**79.1333**	**150**	**12.86412**

The mean score for perceivedResponsiveness of service Quality by Insurance companies is highest at 82.90 percent for respondents in Generation X, while it is the least at 74.82 percent for respondents in Generation Y.

<div align="center">Table 8 : Assurance</div>

ANOVA					
Assurance perceived					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	39.132	1	39.132	.162	.688
Within Groups	35759.683	148	241.619		
Total	**35798.815**	**149**			

Table indicates that calculated p-value is 0.688. It is more than 0.05. Therefore F-test is accepted. Hence null hypothesis is accepted.

Conclusion:There is no significant difference in the customer perception of assurance of service quality between generation X and generation Y.

The mean score for perceived Assurance of service Quality by Insurance companies is highest at 81.50 percent for respondents in Generation X, while it is the least at 80.47 percent for respondents in Generation Y. This indicates that perceived Reliability of service Quality is similar for respondents of both Generation X and Generation Y. This can be observed the following table:

Report			
Assurance perceived			
Q5#_Age_ of_respondent	Mean	N	Std. Deviation
Generation-Y	80.4762	70	16.38197
Generation-X	81.5000	80	14.77349
Total	**81.0222**	**150**	**15.50034**

The mean score for perceived Assurance of service Quality by Insurance companies is highest at 81.50 percent for respondents in Generation X, while it is the least at 80.47 percent for respondents in Generation Y.

Table 10 : Empathy

ANOVA					
Empathy Perceived					
	Sum of Squares	**df**	**Mean Square**	**F**	**p-value**
Between Groups	563.688	1	563.688	4.370	.038
Within Groups	19088.586	148	128.977		
Total	**19652.273**	**149**			

Table indicates that calculated p-value is 0.038. It is less than 0.05. Therefore F-test is rejected. Hence null hypothesis is rejected.

Conclusion : There is a significant difference in the customer perception of Empathy for service quality by Insurance companies across Generation Type.

The mean score for perceived Empathy for service Quality by Insurance companies is highest at 82.38 percent for respondents in Generation Y, while it is the least at 76.50 percent for respondents in Generation X.

CONCLUSION & SUGGESTIONS

It is observed that perception of customer's about service quality has direct impact on customer's satisfaction. Life insurance companies are always interested to identify perception of customers about their service qualities. In this research from analysis of data, observe that mean score for generation-X for tangible and responsiveness are higher as compared to generation-Y. Therefore it is recommended that for young generation (Gen-Y) service qualities related to tangible and responsiveness are required to be improved. Young generation expect quick responses for their actions and hence it is required to improve

Table : 11

Report			
Empathy Perceived			
Q5#_Age_ of_respondent	Mean	N	Std. Deviation
Generation-Y	80.3857	70	10.64077
Generation-X	76.5000	80	11.94714
Total	**78.3133**	**150**	**11.48453**

responsiveness of life insurance companies. Regarding service quality Empathy conclusion is means score for generation-Y is higher than mean score of generation-X. This indicates services related to empathy required to be improved for generation-X. Regarding service quality known as reliability and assurance indicates there is no significant difference in mean scores. Conclusion is service quality perception related to reliability and assurance are uniform for generation X and generation y.

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