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Service Quality Gap and its Impact on the Performance of Indian Health Insurance Companies

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Keywords: *indian health insurance companies, service quality gap, firm performance.*

GJMBR-A Classification: *JEL Code: M10*



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Service Quality Gap and its Impact on the Performance of Indian Health Insurance Companies

Mehrdad Asghari [α] & Dr. S. Harish Babu [σ]

Abstract- This manuscript presents mixed research paradigm based empirical assessment of the Service Quality Gap (SQG) in Indian Health Insurance Companies (HICs) and its impact on the firm's performance. This study applied SERVQUAL model with seven dimensions, Reliability, Tangibles, Responsiveness, Empathy, Assurance, Credibility, and Competency to perform SQG assessment. Being empirical study responses from HIC customers belonging to the different demographic constructs have been examined for consumer's expectation and perceived service quality. This empirical study revealed that there is negative SQG (-1.53) in reliability that motivates HICs to focus on facilitating promised services to retain customer's confidence. The SQG values in other dimensions like tangibility (1.7), assurance (1.61), responsiveness (1.52), empathy (1.56), credibility (1.97), and competency (1.44) too signify quality gap in current services. It has been found that customers feel that HICs are emphasizing on tangibility and credibility dimensions to meet fundamental need of health insurance. SQGs obtained indicate towards more productive and augmented quality enriched provision like cash withdraw machinery such as ATM, claim provision through ATM, notification through mails, electronic CRM (e-CRM) facilities. It also reveals that HICs must be willing to help customers and must answer them promptly with effective communication and solution. Empathy dimension reflects maximum quality gap that demands HICs to let consumer access major facilities to promote satisfaction and productivity. Credibility attribute affirm that the HICs meet major expectations; however, the other dimensions too required for customer satisfaction that eventually could lead higher retention and augmented firm's performance. The Pearson correlation based hypothesis test affirms the relationship between SQG and firm's performance and therefore HICs require emphasizing on fulfilling consumer's expectations to gain more customer acquisition, higher retention and competitive advantages.

Keywords: indian health insurance companies, service quality gap, firm performance.

I. Introduction

In last few years, Indian economy has shown tremendous growth even under dynamic and fluctuation national-international markets. The stability of its economy even under turbulent conditions establishes and affirms that hypothesis that a large market, demanding and potential youth population and optimistic economic revitalization do assure stable economic growth of any economy. Such stable economic growth of Indian economy has established it as front runner globally and consequently has attracted major companies and financial institutions to invest in India. Undeniably, the foundation of Indian economic growth can be found rooted from the years of the economic liberalization that incepted in 1990s. Economic liberalization enabled Indian economy to explore major opportunities by means of attracting external investment, foreign direct investment (FDI), parallelized "Made in India" conception, etc. Additionally, being the world's second largest market place, India has always been a destination for business houses, where companies have been making effort to explore different opportunities. Amongst major industries, financial institution has always been the backbone of socio-economic development of any economy. Different types of financial institutions including core banking, insurance companies etc have been playing significant role towards rising economic growth of India. The countries, especially the developing economy or the countries where prime emphasis is made on education, public healthcare, skill development and job oriented practices to strengthen its human resources, could generate rising economic development and high pace decrease in poverty' (WDR, 2007). Undeniably, for any economy the significance of its human resources is non-substitutable and therefore to keep its resources revitalized facilitating optimal living standards, socio-economic balance and sound ambiance, economic support etc are of paramount significance. Amongst major economic activities, insurance sector has grown well in last few years. Rising economic prosperity, employment, purchasing capacity etc have revitalized insurance sector to explore more and more opportunities. Undeniably, insurance plays a vital role in numerous activities pertaining to the economic development. Insurance deal with transferring certain type of risk such as natural disaster, physical damage, accident caused damage, theft, health limitations such as short or long term, illness etc from one person or a group to relatively more financially stable in exchange for a payment. An optimistic and well defined risk pricing and financial scheduling can be of

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paramount significance for an individual, which is being applied as a potential tool by insurance companies to attract more customers and serve insurance services like health insurance or life insurance.

Recalling a common hypothesis stating "healthy mind always exists in a healthy body", the need of health insurance becomes more convincing as it the provision of the health insurance makes it inevitable to ensure risk-free health status and financial support during health problems or related job losses. Irrespective of the personal care made, human gets illness and suffers numerous health issues. On the other hand, the cost of health treatment and medical cost has increased many folds, as the illness or diseases are increasing; the cost of treatment also increasing gigantically. One of the predominant solutions for it is to have certain health insurance policy, which is globally acknowledged approach for supporting health care requirements individually as he/she had to make small but steady contribution as installments (say, premium) and can come out from all health issues and associated worries. In last few years the exponentially rising living culture and associated demands have been a vital that makes human life more stressed and worried. Under such circumstances the assurance of financial support when needed can of paramount significance. It motivates people to go for health insurance. Health insurance signifies a type of insurance that supports for almost complete or even a fraction of person's health care needs, primarily (medical expenditure) bills to be paid. It may be called as "a form of insurance whose payment is conditional on certain insured incurring supplementary expenses or loosing personal income due to inability caused from health issues or illness" (Phillip 2007). In other manner, health insurance can be stated as a type of parallel or supplementary arrangement that assist for deferring, delaying, reducing or as cumulatively avoiding payment of health care incurred by an individual or group. It has also been stated as the disability insurance availed towards medical expenses during sickness or injury. In fact, health insurance has become an indispensible need of human life primarily because of unpredictable characteristics of the expenses on healthcare. Though, every individual have certain idea about their requirement for future medical needs, the definite amount that they use on healthcare often remains indefinite and uncertain. Usually, an argument that shorter the time period, higher the percentage discrepancy in healthcare expenses among individuals. As the time period becomes longer the disparity reduces little but significantly. In such scenarios, exploring over decades it has been found that these exists significantly higher skewness for healthcare expenditures (Eichner 1998; Berk et al., 2001). Exploring in depth it can be found that the approach of risk pooling has been followed since Vedic times whose proofs could be found in numerous manuscripts such as Manusmrithi, Dharmasastra and Arthasastra (Siddaiah, 2011). A recent study (IRDA, 2010) revealed that almost 75% of health related expenditures fulfilled by an individual's personal savings through certain financial lending process that imposes long term financial indebtedness. In present day condition, health insurance is no longer a matter of luxury for the major part of Indian population, but it has become an inevitable need. One of the possible ways to augment healthcare provisions is by providing health insurance benefit in such a manner that it fulfills the need of mass. Considering India as a gigantic market place for insurance services, a number of companies have started providing health insurance where to achieve more customer acquisition different services and products are being facilitated at competitive cost and flexibility.

As stated, in last few years a number of Health Insurance Companies (HICs) have came into existence that as a result have given rise to a competitive scenario for stakeholders including both HICs as well as customers, where the later has the opportunity to identify the best HIC and associated policy to meet personal needs. Undeniably, in selecting any product or service, the Quality of Service (QoS) plays decisive role. Customers make their buying decision and preferences based on the service quality being provided by the company. With reference to certain expectations a customer assesses the extent to which the company (here, HICs) is providing services and based on satisfaction it makes further purchase decision or service continuation (Al-Rousan & Mohamed, 2010). Under such circumstances, it becomes inevitable for HICs to assess the level of satisfaction among its customers. Identifying Service Quality Gap (SQG) can play vital role in augmenting the QoS delivery that as a result could help in better customer acquisition and long term retention to enhance firm's performance. In majority of literatures, it has been found that SQG has direct relationship with the firm's performance. The assessment of various service quality factors and current SQG can be vital to make optimistic service policies and optimal practices. This is the matter of fact that in last few years a few, but very constrained studies have been made towards assessing service quality gap in health insurance companies. This paper intends to explore the impact of the service quality gap on the performance of Indian HICs, as per present knowledge not much significant study has been made so far for service quality gap and its impact on Indian HICs. This vacuum motivates to perform an in depth study and analysis for the aforementioned research topic. With this motivation, in this manuscript an empirical or analytical study has been performed to assess SQG in Indian HICs. Being a mixed research paradigm based study, this research work exploits both theoretical (i.e., existing literatures) as well as empirical analysis approach to

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assess different SQG artefacts or attributes and respective satisfaction.

The other parts of the presented manuscript are divided into following sections. Section II discusses literature survey followed by the discussion of the research methodology in Section III. Section IV discusses the data analysis and the overall research conclusion is presented in Section V. The references used in this manuscript are given at the end of the manuscript.

II. Literatures Survey

This section primarily discusses some of the key literatures pertaining to Health Insurance in India and SQG in HICs etc.

a) Health Insurance Studies in India

Undeniably, in the world of uncertainty health insurance has become one of the inevitable needs of human being. The economic development and upsurge in individual's purchase capacity has revitalized insurance companies to provide better and competitive solution. Ahuja (2004) focused on quality being provided to the customer by health insurance companies, where considering demographic difference author focused on HIC services provided particularly to the poor community. Additionally, they focused on the different paradigms being applied to augment insurance facilities for the poor fraction of Indian society. They found that community based health insurance (CBHI) can play vital role; however service oriented deliverables optimization is must. A similar study was done by Devadasan et al. (2004) who revealed the predominant models of CBHI primarily depend on the insurer and the key intricacy towards developing CBI approaches is to financial stability and sustainability. Jajoo et al. (2004) performed a case study of health insurance being provided in Maharashtra, an Indian state. Authors assessed services being provided by Jowar a micro health insurance scheme. Authors found that though efforts are being made, there is the need of balance in between services provided, poor's requirements and insurance cost. Ahuja et al. (2005) studied the existing forms and emerging trends in health insurance in India. They focused primarily on low income people of India, where they found that the majority of schemes have significant scope for further development by facilitating optimal incentives to motivate customers for health insurance. It signifies service quality gap in existing health insurance policies. However, in last one decade scenarios are changed significantly and due to competitive market condition HICs have been provided better services with more lucrative offers. Gupta et al. (2005) assessed the approach of social health insurance and its extent of development in Indian economy. For a case study, they studied social health insurance- Employee State Insurance Scheme (ESIS) and found that despite of government efforts on health policy, the health sector is presently manipulating dimension primarily because of market forces. Studies have revealed that in health insurance claim process is highly intricate (Anchan, S. et al., 2011). To assess the same, Anchan, S. et al. (2011) studied the significant factors affecting claim process and related consumer satisfaction. Authors found that a major section of policyholders were not even completely aware about health insurance facilities and associated conditions or availabilities. Approximate 50% of the policyholders knew about a third party authorization. However, overall results signified that the consumers were not completely satisfied with existing health insurance practices and delivery. Mahal (2003) studied the impact of the liberalization and the emergence of private sector HICs in Indian health insurance sector. Authors found that that is a very small redistributive influence, when richer communities have privileged access and availability to use major public provisions and facilities.

b) Service Quality in Health Insurance

Nirjhar (2005) studied health insurance services being provided by public sector as well as private sector companies. In a case study of West Bengal, authors found that the Private Insurers have accomplished a significant fraction of market share by retrieving approximate 25% of the market share, while the similar fraction is held by public sector insurers. Nalini et al. (2007) studied operational policies, various operating practices and problems associated with the insurance businesses under dynamic and moving trends in the business sector. Authors stated that to cope up with the fast changing market trends and competition, a service provider requires assessing service quality and customer's perception so as to meet their expectations. Rao (2007) found that the current insurance sector demands optimal strategies for sustainability and increasing growth in highly competitive market to meet customer's demands while maintaining optimal balance between cost of service and benefits. Sabera (2007) concluded that the move of private financial players played vital role in expanding and retaining the processes in the Indian insurance sector that as a result assisted in redefining and restructuring the public sector financial processes. Vikash (2011) studied on the research title "Service Quality Perception of Customers about Insurance Companies", where they applied SERVQUAL/SERVPERF model. Authors examined health insurance services being provided by public sector as well as private sector companies and found that private sector companies have been provided more competitive services than public sector. Bansal (2011) focused on service quality in Indian and Chinese service sector and did a comparative analysis between Indian and Chinese Customers." Researchers found that even though both the countries are providing similar service and in similar

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operational environment, however there exist gap in the service quality components. Despite of the varying operational environment, major fraction of customers still believes personal and customized support as the decisive factor to make buying decision. Sahar et al. (2012) studied SQG using SERVQUAL model and found that there is SQG in customer's expectation and the deliveries being done.

The detailed discussion of the customer's satisfaction towards health insurance services is given in ascending sections.

i. *Customer Satisfaction: A Measurement of Quality of Health Insurance Services*

Gupta (2002) examined whether individuals and households are ready to take a part in private sector health insurance facilities. Their study revealed that though there is the willingness among customers to buy health insurance products or services, which is more revitalized because of low income and uncertain health conditions. Authors found that the major middle class families are willing to have health insurance. Mahal (2003) examined the impact of the liberalization and particularly the entry of private insurance companies in Indian health insurance sector and on the allocation of public health subsidies in India. Authors revealed that there is a very small redistributive influence, when ricer communities have privileged access and availability to use major public provisions and facilities. Matthies et al. (2004) studied different issues in the health insurance services in India. They found that facilitating sufficient consumer protection which could be formed by means of the legal regulatory models and rules can play vital role in increasing businesses and competitive advantages for all associated stakeholders. Authors found that the existing policies and regulation require calibration and enrichment to promote the development of health insurance market. Sekhri et al. (2004) in their research assessed various health insurance practices globally and to motivate policymakers to augment deliverables. Authors exhibited that the private health insurance better than the major public sector policies because of competitive facilities with flexible claim process. However, public sector health insurance is cost effective. Ahuja et al. (2004) stated that the insurance services are confined till the upper society however a mass population is still deprived of it. Authors recommended that, to form demand for health insurance it is inevitable to consider the demand side more seriously while maintain or introducing optimal policy, schemes to fulfill poor's demands. Mudgal et al. (2005) studied whether expenditure of households in rural India is insured against any medical ailments. They found that with the exemption of certain definite locations and a few section of scheduled tribes (ST)' households, in Indian community the villagers are capable of insuring their consumption against any medical ailment hazardous. However, villagers are not completely capable to sharing the risk of all such hazardous. Dror (2007) investigated the "one-size-fits-all" health insurance products and stated that these type products are not universal to be used in Indian economy, especially for the low income people. Authors hypothesized that the health insurance schemes must be taking care of the optimal balance between consumer's requirements towards health care, health insurance demands and the supply of health care. They found there is the variability to pay for health insurance. Authors stated that such variability is mainly because of the income differences, illness proneness or frequency, quality and proximity of the service provider, preference towards specific health insurance company's type (public or private). Danis et al. (2007) focused on assessing different approaches of health insurance provision. Additionally, authors tried to understand the decision variables that a customer applies to make its health insurance purchase decision. Based on research outcomes, they derived a model called Choosing Health Plan All Together (CHAT) for better health insurance services. Authors revealed that there is the gap between customer's expectation and the service being provided. They suggested for enabling people a better health insurance service with high claim amount and low premium that could be suitable for middle income or rural areas. Joglekar (2008) assessed the influence of the health insurance on various catastrophic out-of pocket (OOP) health expenditure and did a case study for India. They stated that any expenditure on health can be catastrophic for household who survives below certain poverty level and are not able to avail the sustainable consumption level. Vellakkal (2009) examined the key factors influencing customer's buying behavior or health insurance. Authors studied different pre-conditions and information exchange by HIC's representative or agents that could have impact on the buying behavior of the customers. Authors found the precise information exchange and ambiguous-free pre-conditions is must for customer retention and acquisition. Furthermore, author suggested to enhance trade-off between policies, cost and market conditions to promote health insurance sells.

III. Research Methodology

This section primarily discusses the research methodology applied for the presented study. Predominantly, this section of the presented manuscript depicts the research objectives, research hypothesis, population, sampling technique and tools applied.

a) Research Objectives

The overall research objectives of this research work are:

1. To assess service quality gap in Indian HICs.
2. To study and analyze SQGs in Indian Public sector and Private sector HICs.

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3. To assess the impact of SQG on the performance of Indian listed HICs.
4. To identify key service quality artifacts or attribute to be augmented for better HIC's performance.

b) Research Hypothesis

The proposed research work intends to assess SQG in Indian HICs and the relationship between different service quality indices (i.e., reliability, tangible assets, responsiveness, empathy, assurance and credibility etc) and the firm's performance. With this motivation, in this study we have performed correlation analysis between firm's performance and SQG parameters. Based on this conception, a few hypotheses are formulated. The hypotheses derived are given as follows:

- *H01:* Customer expectations of Reliability factors are higher than the perceived quality of health insurance delivery by Indian HICs.
- *H02:* Customer expectations of Tangibles factors are higher than the perceived quality of health insurance delivery by Indian HICs.
- *H03:* Customer expectations of Responsiveness factors are higher than the perceived quality of health insurance delivery by Indian HICs.
- *H04:* Customer expectations of Empathy factors are higher than the perceived quality of health insurance delivery by Indian HICs.
- *H05:* Customer expectations of Assurance factors are higher than the perceived quality of health insurance delivery by Indian HICs.
- *H06:* Customer expectations of credibility factors are higher than the perceived quality of health insurance delivery by Indian HICs.
- *H07:* Customer expectations of competency factors are higher than the perceived quality of health insurance delivery by Indian HICs.
- *H08:* The existing SQG in Indian HICs service delivery affects firm's performance.

c) Research Design

Considering overall research objectives, in this study the mixed research paradigm has been applied that embodies both qualitative as well as quantitative research methods. This study applies qualitative method as it enables answering the related questions like why, how and in what way. Primarily, qualitative study performs secondary data based study where different literatures and existing articles are studied and explored to find out answers for the basic questions pertaining to the overall research objectives. On the contrary, quantitative research methodology applies empirical or analytical method to examine primary data collected from the respondents using certain statistical tool. Considering quantitative research paradigm, at first research questionnaire has been prepared to collect consumer's response towards their expectations and the quality perceived by HICs. Here, the responses are collected for different SERVQUAL model attributes such as reliability, tangible assets, responsiveness, empathy, assurance and credibility. Based on research questionnaires, the service quality in public sector as well as private sector HICs have been obtained by means of semi-structured interview. Considering customers with different demographic constraints, random sample selection was performed. The interviews were made with the people or customers at different locations such as hospitals, banks and different public gathering places to assess current SQG in Indian HIC's service delivery. To examine SQG, SERVEQUAL model has been considered. Unlike traditional five parameters based SERVQUAL (Parsuraman, 1985), in this study a modified model with seven attributes has been taken into consideration to assess the differences between customers' preference dimension and the services being provided by financial institutions. Estimating the customers' expectations (E) and quality perceptions (P) from the (h) dimensions (here, seven), the Service Quality Gap (SQG) has been obtained. The difference of quality gap (i.e., E-P) is obtained as

$$G_h = E_h - P_h$$

Once estimating the gap SQG is obtained as:

$$SQG_j = \frac{\sum_{i=1}^{n_j}(E_{ij} - P_{ij})}{n_j}$$

Where,

SQ_j: Signifies the QoS in j dimension,

E_{ij}: Signifies the expectation from the organization for i variable in the j dimension.

P_{ij}: Represents the perceived performance from organization for variable i in the j dimension.

n_j: States for the total number of variables of j dimension.

d) Research Population and Sampling

In this study, a total of 600 respondents are selected for semi-structured interviews and data collection. Considering accessibility to reach respondents and their respective affinity towards responding research questionnaire, the selection of geographical locations has been done. The respondents have been randomly selected from Bangalore, Karnataka, India, Mumbai (financial capital of India), Pune (Maharashtra) and Mysore (Karnataka), Lucknow (Utter Pradesh) and Jaipur (Rajasthan) etc. In this study a total of 600 respondents have been interviewed. Here, random cum convenience sampling approach was applied due to its suitability when data is collected from different geographical locations and respondents with different demographic background. Additionally, this approach enables random respondent selection (based on request) and collecting their views

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(if willing) or perception about the service quality being delivered by HICs. To assure generalization of the research outcome, respondents from different geographic and demographic background are considered for data collection. The period of data collection for summarizing and analyzing the data was the first of December 2015 to first of December 2016 so it has been taken one year.

e) Data Collection

As stated in previous section, in this study responses have been collected from the respondents belonging to the different socio-economic or demographic background. To ensure results generalization, the respondents from different demographic backgrounds and different HICs, including public sector as well as private sector HICs are selected. To diversify the research outcome, respondents from across India have been considered for interview; however considering ease of data collection, respondents from key capital cities such as Bangalore, Mysore, Chennai Mumbai, Pune, Delhi, Chandigarh, Lucknow and Jaipur were interviewed. A snippet of the respondents' selection from different HICs is given as follows:

Table 1: Respondents from Health Insurance Companies

Health Insurance Companies	Frequency	Percentage (%)
Religare Health Insurance	61	10.2
ICICI Lombard General Insurance	57	9.5
Apollo Munich	52	8.7
Max Bupa	48	8.0
Bajaj Alianz	58	9.7
HDFC Ergo	55	9.2
Birla Sun life	41	6.8
Reliance General Insurance	45	7.5
Star Health Insurance	35	5.8
SBI- Smart Health insurance	38	6.3
National Insurance Co. Limited	51	8.5
United India Insurance Co. Limited	59	9.8

**Source: Primary Data*

To collect responses, each respondent was asked questionnaires pertaining to SQG in current HICs operating in India. Being a modified SERVQUAL based study, different questions related to reliability, tangibility, assurance, empathy, credibility, responsiveness etc were asked from the respondents through semi-structured interview. The overall questionnaires were split into two broad categories; demographic questionnaire and descriptive questionnaire. Here, demographic questionnaire intended to assess personal constructs and response-ability of the respondents, while descriptive questionnaires were designed to collect research hypothesis or SQG related questions. The descriptive questions were collected using 5 point Likert's scale.

f) Data Analysis

This section primarily discusses the statistical inferences of the collected responses pertaining to the SQG in Indian HICs. The questionnaires have been pre-coded so as to enable efficient, analysis and respective tabulation has been done. To perform data analysis the sampled data are processed using a standard statistical tool named Statistical Package for Social Science (SPSS). To perform results assessment different tools or parameters including, mean, medium, Cronbach Alpha, paired sample t-test and Pearson correlation test etc have been performed. The following sub-sections briefs about the demographic analysis and the descriptive analysis for the collected data.

g) Demographic Analysis

This section primarily depicts the statistical analysis and inferences about the demographic variables and respective significances. Obtaining a total of 607 responses, at first outlier analysis was done that revealed missing elements in total of 7 responses. The total of 600 responses was taken for further study. To assess respondent's demographic constructs, we have examined different personal constructs such as respondent's gender, age, education, income, perception towards health insurance and purchase decision variable etc. The following section briefs the statistics of these research variables.

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- *Gender Distribution*

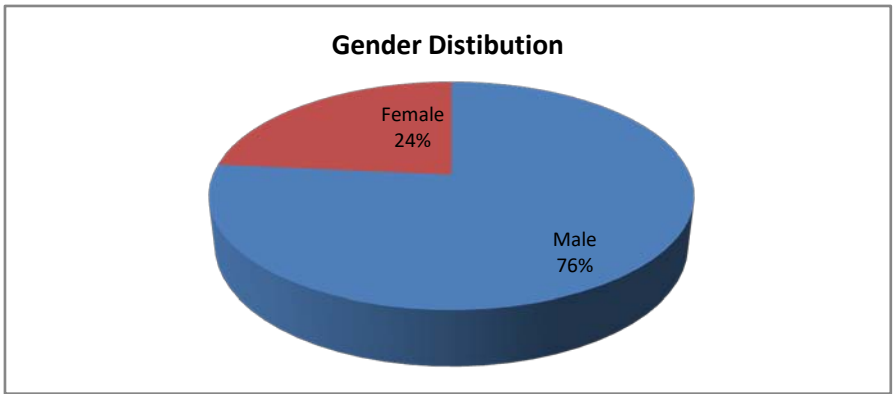

Figure 1: Gender Distribution of Respondents

The depiction based on gender is important because in present day scenarios, males and females have the equal contribution towards any economy. However, based on individual priority, responsibility etc, the purchase decision varies. Males, who are expected to have more responsibility, are usually inclined towards supplementary economic support such as health insurance in hard time. The response collected has revealed that a total of 75.8% respondents (460 out of 600), were male while 23.3% respondents were female (140 out of 600).

- *Age Distribution of the Respondents*

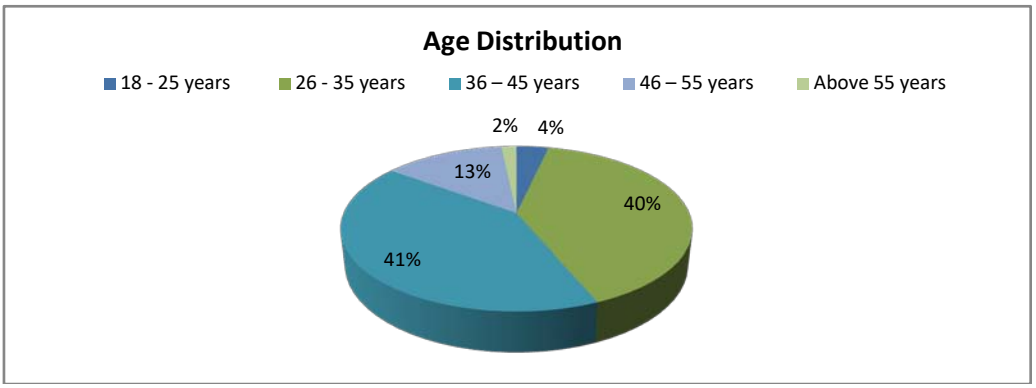

Figure 2: Age Distribution of the Respondents

The age of a human being is directly related to its maturity to respond and make decisions. Among the considered respondents 21 (3.5%) were in the age range of 18-25 years, 241 (40.2%) were in the range of 26-35 years, 249 respondents (41.5%) were in the age range of 36 to 45 years. 79 (13.1%) are in between 46 to 55 years of age and 10(1.7%) are above 55 years, stating that a major section of the respondents do belong to the economically active population.

- *Educational Background of the Respondents*

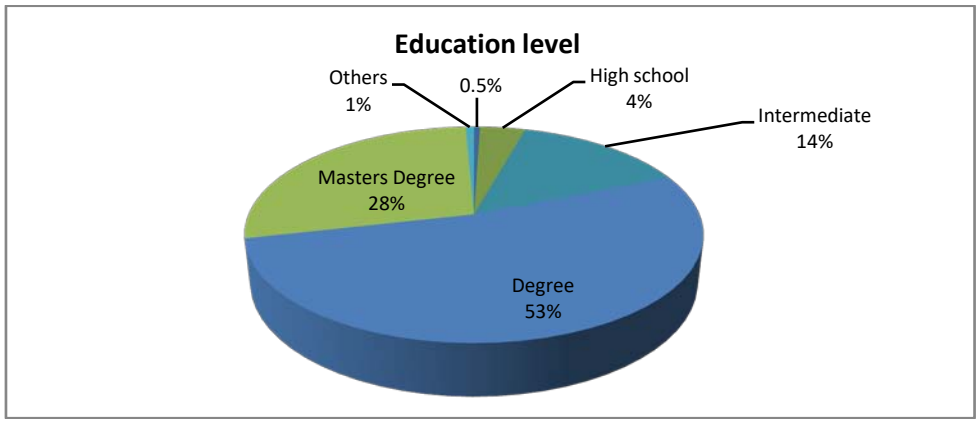

Figure 3: Education Levels of the Respondents

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Similar to the age, education is the key factor that impacts one's ability to respond and make decision. A total of 317 (52.8%) respondents were bachelor degree holder, while post graduate respondents were counted as 166 (counting 27.7% of the total respondents). On the other hand, only three respondents were found illiterate (0.5%). 87 out of 600 respondents were having intermediate education (14.5%). 3.8% (23 out of 600) having high school education. The remaining 0.7% (4 out of 600) respondents are others.

- *Occupation of the Respondents*

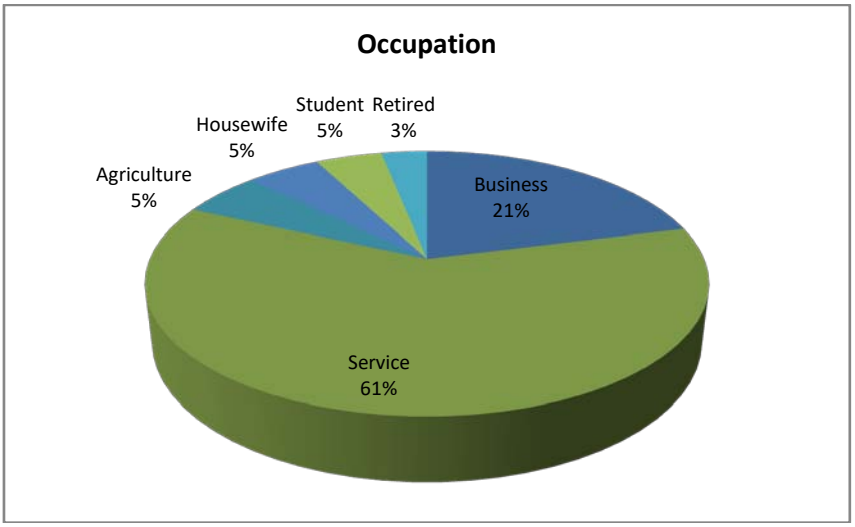

Figure 4: Occupations of the Respondents

Undeniably, the occupation of an individual reflects (its) buying capability or the ability to make certain purchase decision. In this study a total of 21% respondents (126 out of 600) were business man/women, a total of 60.8% respondents (365 out of 600) were working in certain public or private services. On the contrary, the data also reveals that 5.5% of respondents (33 out of 600) were involved in agricultural activities, while 5% (30 out of 600) of respondents, especially female were housewife. Approximate 4.5% (27 out of 600) respondents were students and 3.2% (19 out of 600) were retired persons.

- *Marital Status of the Respondents*

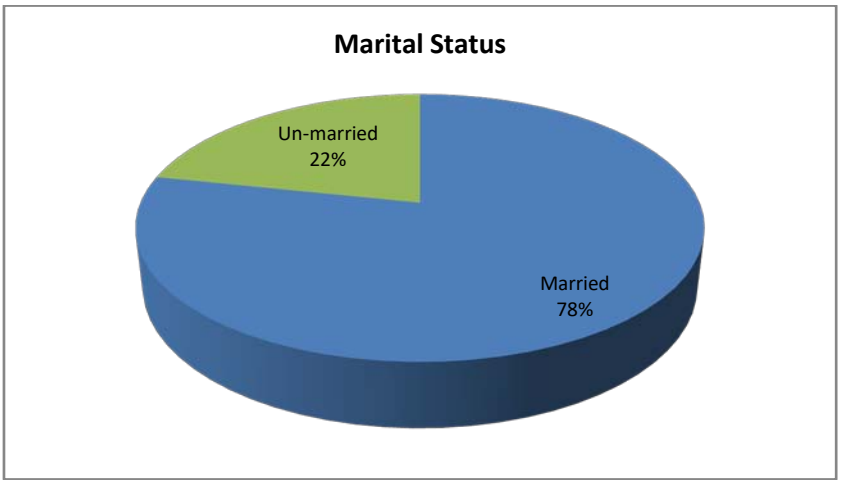

Figure 5: Marital Status of the Respondents

No doubt, marriage comes with the sense of responsibility and hence the assessment in terms of marital status can be of paramount significance. Among the respondents 78.5% (471 out of 600) were married, while the remaining 21.5% (129 out of 600) respondents were unmarried.

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- *Profession of the Respondents*

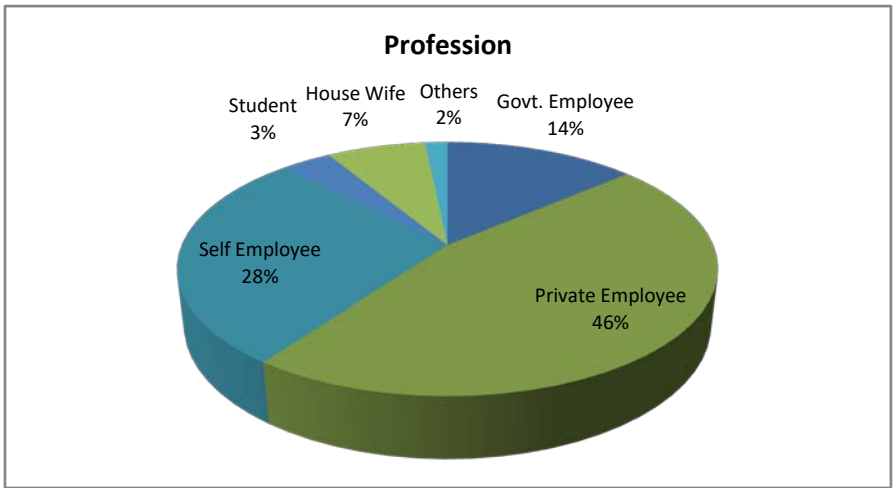

Figure 6: Professions of the Respondents

Considering the profession of the respondents, 13.8% (83 out of 600) were government employees; followed by 46.2% (277 out of 600) who were working in certain private firms. The total of 27.8% (167 out of 600) respondents was self-employed, 3.5% (21 out of 600) were students, while, and 7.0 % (42 out of 600) were engaged in home activities (housewife). The remaining 1.7% of the respondents (10 out of 600) was retired persons or part time workers.

- *Income of the Respondents*

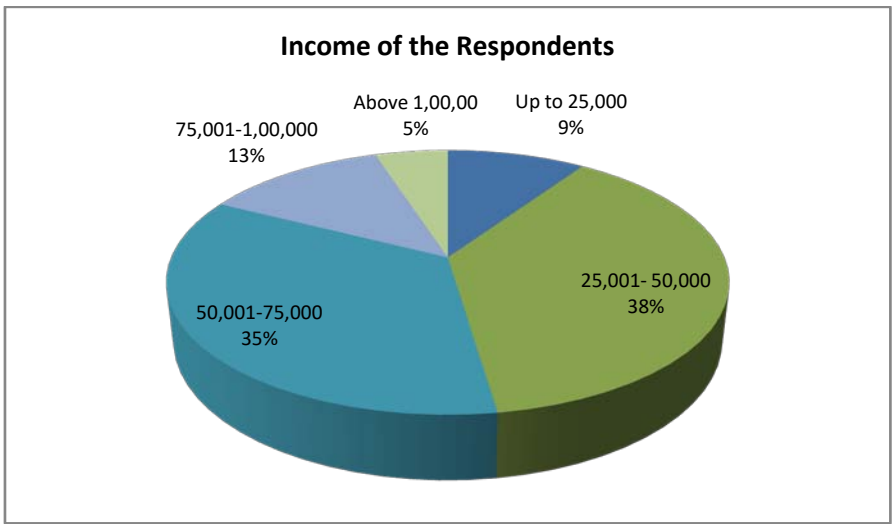

Figure 7: Income of the Respondents

In conjunction to the education, profession the analysis of income is also vital, as it directly affects the buying behavior of an individual. The results retrieved from the data collected states that approximate 9.5 % (57 out of 600) respondents were having income up to 25,000 rupees per month (INR/month). The major respondents counting 38.2% (229 out of 600) were belonging to the class of where income was ranging in between 25,001 to 50,000 (INR/m). Similarly, the total of 209 out of 600 respondents counting 34.8% were having income in the range of 50,001 to 75,000 INR/month, while 12.5% (75 out of 600) were having their stated income in the range of 75,001-1, 00,000 INR/month Only, 5 % (30 out of 600) respondents were having monthly income above 1,00,000 INR/month.

- *Insurance Preference of the Respondents*

Considering key objective of the proposed work, the interest of the respondents towards health insurance policies have been assessed. In view of insurance holders, 96% respondents were having health insurance policies, 3% respondents stated that they had the policies but didn't prefer to renew it. While, remaining 1% respondents stated that they had the policies and will update it with better plan.

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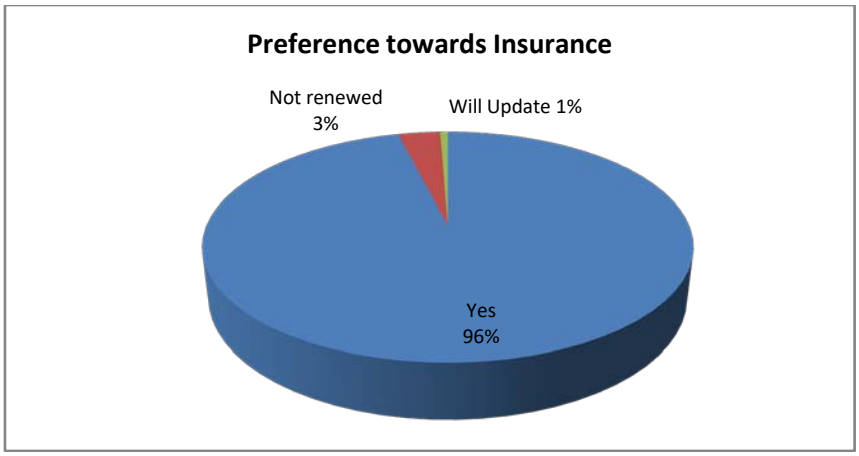

Figure 8: Insurance Preference of the Respondents

- *Policies Preference of the Respondents*

Here, in this study it was found that most of the respondents 33.0 % (198 out of 600) had given preference to the whole life policy while only 15.3 % (92 out of 600) respondents were using accidental policies. Similarly, approximate 13.0 % (78 out of 600) respondents were having motor accidental insurance policies, followed by 12.7% (76 out of 600) respondents with certain critical illness policies. Furthermore, 12.2% (73 out of 600) respondents were having term policies, 8.0 % (48 out of 600) respondents are having endowment policies.

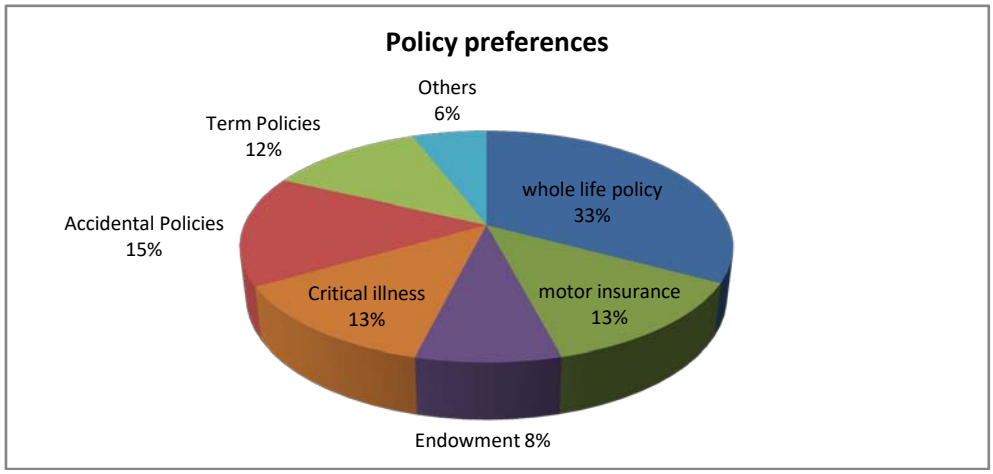

Figure 9: Policies Preference of the Respondents

- *Type of Banks/Insurance Companies*

The following results (Figure) reveals that only 35% (210 out of 600) of respondents stated their view or inclination towards public sector. On the contrary, the preference was found major towards private banks and insurance companies. Here, 65% (390 out of 600) respondents preferred private sectors institutions.

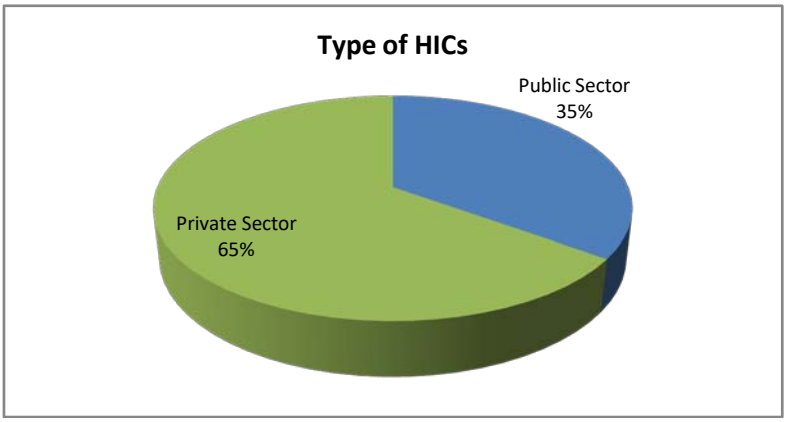

Figure 10: HICs Preferences of the Respondents

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- *Policy Duration*

The respondent's relationship with their HICs with respect to time also brought to light, 32.2 % (193 out of 600) respondents having 1-2 years' experience or policy with HIC, 28.7% (172 out of 600) respondents having 2-3 years of policy with HICs. 21.5%respondents (129 out of 600) were having more than 3 year of policy term and the remaining 17.7% (106 out of 600) were having 0-1 year of experience with certain HIC.

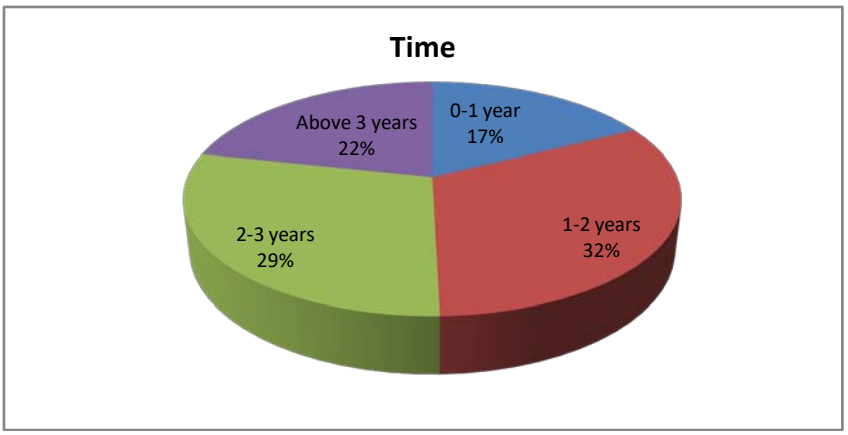

Figure 11: Policy duration

- *Financial Institutions*

To study the effectiveness of the banks responses are collected from the consumers. The study reveals that majority of the respondents (65%) are stated that private banks are more effective and few of the respondents (35%) stated that public sector HICs are effective.

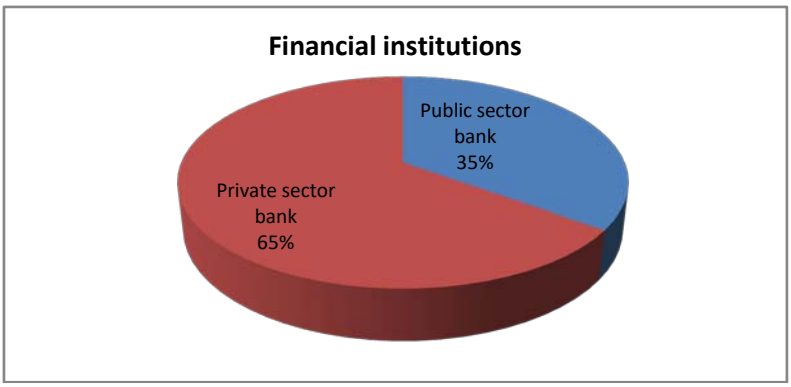

Figure 12: Financial Institution Effectiveness

- *Factors Influencing Consumer's Interest and Decision Process*

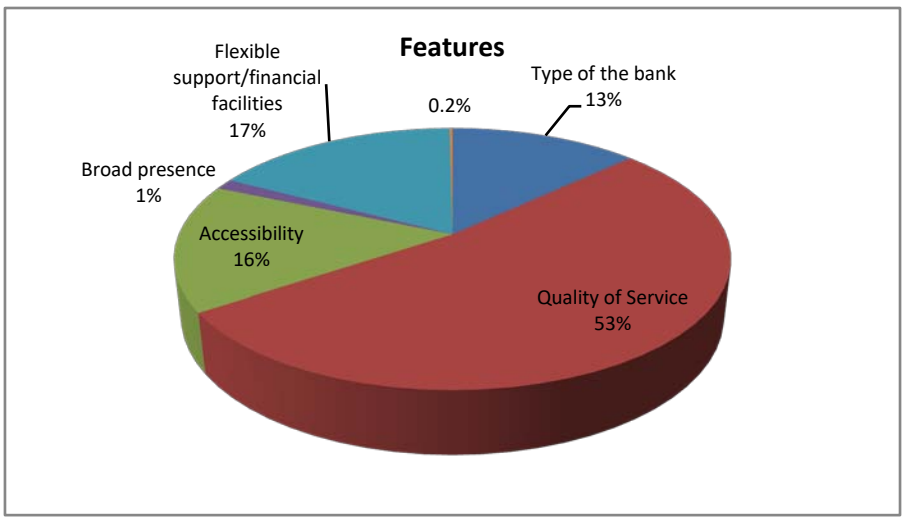

Figure 13: Decision Variables

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The respondent importance for feature of the banks to the health insurance policies reveals that, 52.3% (314 out of 600) respondents preferred HIC based on their quality of service, 17.2% (103 out of 600) preferring based on the various support/ financial facility at the critical time health issue. 15.8% (95 out of 600) respondents preferred making decision based on value and ease of accessibility, while the remaining 13.2% respondents (79 out of 600) gave preference to the type of bank to buy health insurance policy.

- *Factors Motivating Consumers Decision Process to take Health Insurance*

The frequency checked for factors motivated for health insurance policy reveals that, 42.3% (254 out of 600) respondents inspired by assurance for support in tough days, 32.2 % (193 out of 600) inspired by uncertainty of life events and 25.3% (152 out of 600) respondents encouraged by sense of security.

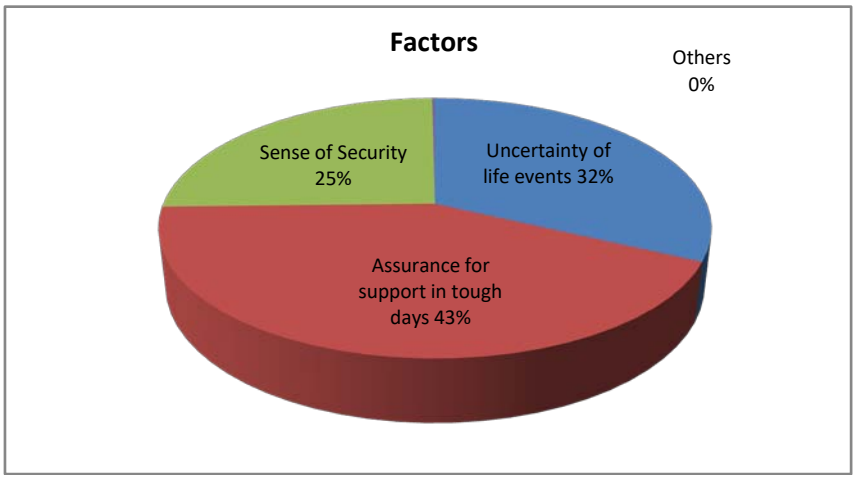

Figure 14: Factors of Bank Motivated for the Respondents

- *Customer Awareness towards Insurance Policies*

In view of respondents familiarity with the Insurance Regulatory and Development Authority (IRDA) rules and quality expectation also brought to light, 35.2 % (211 out of 600) having policies based on sufficient knowledge of rules, policies and associated information, 33.3% (200 out of 600) working with the insurance sector, implies that they were familiar with all the rules. 26.2 % (157 out of 600) were aware of the rules and policies, 5.3% (32 out of 600) respondents were not aware of any significant rules and policies.

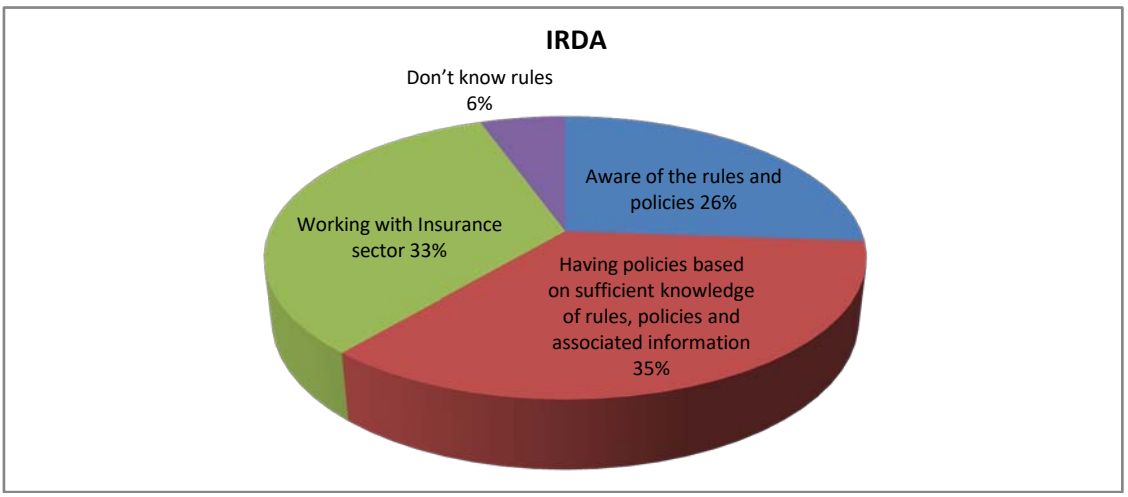

Figure 15: Awareness of Insurance Policy and IRDA rules

h) Descriptive Analysis

This section primarily discusses the descriptive type of questionnaire prepared on 5 point's Likert's scale. In this study, considering SQG as the target, SERQUAL model is applied. Before performing depth study, at first reliability test has been performed for each SERVQUAL component and associate research questionnaire. A brief of the reliability test performed and respective outcome is given as follows:

i. *Reliability Test*

To assess reliability of the SERVQUAL related questionnaire, Cronbach alpha value has been obtained

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for each question. Table 19 presents reliability measures for customer's expectation and perception for HIC services in India for all SERVQUAL dimensions. Noticeably, in this study SERVQUAL model with seven dimensions is considered. This analysis helps establishing whether deleted item is indisputable or not. Accordingly, if alpha increases when the item is deleted then it signifies that the item is not significant. The statistical outcomes obtained () reveals that the Cronbach's alpha for each dimension decreases when any of its items is deleted. This establishes that all items are significant and true measure of that dimension. From tables, it can be found that all the dimensions have shown reasonably high reliability coefficients that affirms suitability of those dimensions for SQG estimation. The results signify that the average Cronbach alpha for the research questions pertaining to customer expectations is 0.814 and the same for customer's perception is 0.820. The higher values signify suitability of the questionnaire for presented case study.

Table 2: Cronbach alpha for SERVIQUAL model parameters

Attributes/Parameter	Expectation	Perception
Reliability	0.827	0.775
Tangibility	0.861	0.962
Assurance	0.821	0.867
Responsiveness	0.777	0.777
Empathy	0.835	0.770
Credibility	0.774	0.821
Competency	0.806	0.770
Average	**0.814**	**0.820**

**Source: Primary Data*

ii. *SQG Analysis*

As stated above, in this study seven key dimensions of SERVQUAL model are applied for SQG assessment. To estimate SQG, we have applied T-test methodology and the results obtained are given in the following table. The results obtained for the different dimensions pertaining to the specific questionnaire are presented as follows:

- *Reliability*

Table 3: Service Quality Gap for Reliability Factor

Reliability	Expectation Level		Perception Level		Gap (P-E)		t-value
	Mean	SD	Mean	SD	Mean	SD	
Employees and agents of the health insurance companies (HIC) will never too busy to respond to customer requests	4.019	2.202	3.12	1.234	-1.151	2.382	-9.215
Employees and agents of HIC will have the necessary knowledge to give professional service to you.	4.583	0.493	2.85	1.273	-1.733	1.344	-31.769
HIC will deliver timely insurance services without introducing complicate claim processes.	4.232	0.781	2.89	1.305	-1.341	1.564	-21.124
HIC will be truthful in keeping their promises and policy terms.	4.067	0.806	2.49	1.275	-1.573	1.457	-26.604
HIC would be less dependable and consistent in solving customers' complaints.	4.247	0.875	2.55	1.302	-1.695	1.463	-28.531
HIC will provide error free records.	4.390	0.808	2.62	1.321	-1.696	1.483	-28.175

**Source: Primary Data*

The results reveal that the consumers expect that the health insurance companies and their employees must be available in solving issues and helping insurers (M=4.019, SD=2.202). The results state that the majority of consumers expect that the HICs would provide 24/7 communication to ensure reliable service support. However assessing respective perceived responses it is found that the mean of the perceived experiences with the banks employees, especially for effective communication is lower than expectations that signifies positive service quality gap (SQG). SQG is obtained as -1.151 that reflects that motivates HICs to facilitate reliable communication support to insure on time. Since health insurance is percept as a critical support scenario, and hence providing accurate and precise information about policies, claim instruction etc can be of paramount significant to meet service quality need. This study revealed that major (M=4.583) of consumers expect that the bank employee or staffs would be well informed and will provide necessary information about policy, claim related query etc to avoid any future ambiguity or

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complexity. However, the responses provided for perception states that there exist negative quality standard (Gap=-1.733) that alarms HICs to train their representative well to provide sufficient and accurate information. It has been found that the banks and associated executives must understand regional educational constructs, awareness variables as well as contemporary consumer's interest, knowledge etc to make them aware of the products, services and policies related information such as premium cost, claim amount, terms and conditions for claim process etc. In addition, the third variable of the reliability parameter examines whether HICs deliver timely insurance services without imposing complicate claim processes. Here, it can be observed that majority of consumers have expected that the banks would be providing flexible insurance claim (M=4.232, SD=0.781). However, the (customer's) perception value reveals that relatively fewer respondents have agreed that banks provide flexible insurance claim (M=2.89, SD=1.305). The smaller value of SQG reveals that the Indian HICs is making the best effort and practicing professional support to enable flexible insurance claim, without introducing complexity. This study also revealed that the majority of the respondents expect that the HICs would be truthful in keeping their promises and policy terms (M=4.067, SD=0.806). However, on contrary consumers find that HICs are not fulfilling promises completely (M=2.49, SD=1.275). The high value of SQG states that banks lack fulfilling commitment and therefore require ensuring expected quality to meet consumer's satisfaction. It is perceptible through the results obtained (SQG=-1.573). Additionally, the minimal dependence on customers in solving customers' related complaints or problem has also been assessed, where it has been found that the expectation value (M=4.247, SD=0.875) is higher than the really perceived quality and associated perception (M=2.55, SD=1.302). High SQG value (SQG=-1.695) signifies the inevitable need to ensure early problem solving facility. These problems could be raised due to claim process, documentation etc. The SQG value for issue solving is lower than that of fulfilling policy related promises, which signifies that the HICs must emphasize on avoiding false promises and should ensure promised services and support without complexity and without involving customer's physical presence in internal procedures. This result signifies precise outcome as most of the people remain busy and functional in respective daily job related activities and therefore find difficult in roaming around HIC's offices.

- *Tangibility*

Table 4: Tangibility Parameter

Tangibility	Expectation Level (E)		Perception Level (P)		Gap (P-E)		t-value
	Mean	SD	Mean	SD	Mean	SD	
HIC will have efficient physical facilities, equipments & fixtures	3.976	0.867	2.335	1.230	-1.637	1.467	-27.501
HIC will use modern equipment and technology	4.089	0.870	2.324	1.222	-1.756	1.500	-28.841
HIC will offer you its products and services at competitive prices.	3.978	0.683	2.322	1.223	-1.655	1.366	-29.859
HIC will offer you products and services of the utmost quality.	4.023	0.676	2.425	1.292	-1.598	1.417	-27.772
HIC will keep its promise when it undertakes to do something by a certain time.	4.192	0.736	2.376	1.258	-1.822	1.438	-31.197
HIC will issue contracts containing clear, transparent and non ambiguous terms.	4.265	0.736	2.352	1.263	-1.907	1.440	-32.637
HIC would settle claims easily and with no unnecessary delays.	3.986	0.878	2.397	1.273	-1.588	1.498	-26.109
HIC physical facilities will be visually appealing.	4.281	0.749	2.468	1.323	-1.812	1.511	-29.538
The employees and agents of HIC will be neat appearing.	3.987	0.884	2.375	1.257	-1.611	1.555	-25.520

**Source: Primary Data*

This study has revealed that the majority of HIC's consumers expected sufficient physical infrastructures (M=3.976, SD=0.867). On the contrary, assessing the provision of such expected infrastructures this study revealed that the HICs fail in delivering expected tangible facilities (M=2.335, SD=1.230). The higher mean of un-satisfaction signifies that HICs require focusing on tangible infrastructures and more productive electronic Customer Management System (e-CMS) supports. These supports can be in the form of tangible infrastructure such as cash withdraw machinery such as ATM, claim provision through ATM, notification through mails, and call facilities etc. Consumers have also demanded for modern equipment and technology (M=4.089, SD=0.870). Interestingly, respondents have agreed that the HICs are lacking in providing better

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facilities and CRM solutions (M=2.324, SD=1.222). In any economy whether with higher per capita income or low, the value of price matters a lot. Undeniably, consumers often intend to get quality service even at lower price. This study reveals that a major fraction of respondents expect that HICs must be facilitating quality services at reasonably low cost (M=3.978, SD=0.683) or the cost being paid must be justifiable. On contrary, this study reveals that most of consumers feel that the service quality being provided by HICs is lower than the expectation (M=2.322, SD=1.223). Consumers expect that the HICs would provide better services, in terms of technologies, physical infrastructures (M=4.023, SD=0.676). This study revealed that only 48.5% of respondents are agreed that HICs provide expected quality enriched services, particularly tangible facilities (M=2.425, SD=1.292). Here, lower gap signifies affirmative approach and service provisioning by HICs in India.

Consumers do expect that HICs would keep its commitment when it promises to execute certain services at a predefined time, especially insurance claim facility (M=4.192, SD=0.736). This study revealed that a major fraction of consumers feel that banks are not keeping their promises with proposed service quality (M=2.376, SD=1.258). Before taking any health insurance policy, consumers expect that the HICs would facilitate contract papers, claim related documents, terms and conditions etc clear and non-ambiguous (M=4.265, SD=0.736). However, results state that the consumer are unsatisfied because of the unclear, ambiguous policy that they come to know later, once making contract or insurance (M=2.352, SD=1.263). This study also revealed that in response to the expectation made for easy claim settlement (M=4.00, SD=0.878), banks intends to avoid any delay and complexity that might influence consumer perception and affinity towards allied products and services (M=2.397, SD=1.273). This study revealed that customers prefer having better and attractive visual presentation and appealing physical infrastructure (M=4.281, SD=0.749). It has been found that the HICs still emphasizes on introducing visual appealing presence to attract consumers and influence their buying behavior (M=2.468, SD=1.323). Interestingly, respondents agree that the private HICs have been emphasizing on competitive infrastructures and presentation for customer acquisition. The interview made with respondents belonging to Bangalore, Delhi, Mumbai revealed that when meeting HIC's agents the dress up and neat presentation plays a significant role in making comfortable communication and buying decision (M=3.987, SD=0.884). Respondents also revealed that the poor presentation and visual presentation of employees reduce chance to make business deals with the consumers and therefore in last few years HICs are focusing on providing better product visual presentation that not only affects customers buying decision but also promotes its service for getting acceptability and attention. In this study, higher perceived value is observed primarily for private sector HICs (M=2.375, SD=1.257) that reflects their positive efforts towards service quality optimization. Thus, taking into consideration of these facts, it can be easily understood that there has been effort made by HICs to provide better tangible facilities. Undeniably, the rising economy, value of money, consumer consciousness, and global competitive market are the prime reason for such consumer behavior. Interestingly, it is also significant to understand that even the banks try to provide better services however rising interest and expectation make consumer feel unsatisfied and hence to cope up with such situations, financial institutions need to meet these quality expectations.

- *Assurance*

The following table presents the expectation and perception related responses pertaining to assurance dimension of SERVQUAL model.

Table 5: Assurance Parameter

Assurance	Expectation Level (E)		Perception Level (P)		Gap (P-E)		t-value
	Mean	SD	Mean	SD	Mean	SD	
HIC will have the ability to provide variety of value added services to customers, e.g. loan facilities, etc.	4.168	0.765	2.412	1.286	-1.756	1.460	-29.633
HIC will have employees and agents who give you personal attention.	4.087	0.639	2.629	1.371	-1.459	1.502	-23.928
Employees would be sincere and patience in resolving customers' complaints/problems	4.153	0.779	2.504	1.329	-1.65	1.509	-26.951
Employees' will have the required skills and knowledge to answer customers' questions	4.089	0.638	2.512	1.342	-1.576	1.464	-26.519

**Source: Primary Data*

Considering the significance of assurance as a key quality parameter, in this study the respondents have been interviewed and their responses have been obtained. Considering consumer's expectations it has been found that to make their health insurance (policy) purchase, customers expect that the HICs would have

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the capability to facilitate value added services to customers, e.g. loan facilities when needed in distress condition (M=4.168, SD=0.765). It has also been found that consumers are getting expected quality support, the additional supports in terms of technical guidelines, process assistance etc when needed (M=2.412, SD=1.286). Consumers expect that the HICs would have sufficient resources to provide optimal support, guidance and attention when required (M=4.087, SD=0.639). Consumers also expects that the HICs would assure sincere support in resolving customers related complaints (M=4.153, SD=0.779). The consumers responses towards HIC service quality state that there exist a minor but significant vacuum in commitment and delivery (M= 2.504, SD=1.329). In addition, the responses' revealed that the customers expect that the HICs employees would have sufficient skills and knowledge to answer customers' queries (M=4.089, SD=0.638). However, high value standard deviation states that it can't be the universal fact and particularly in urban areas and hence the HIC representative should have sufficient understanding and knowledge to answer consumer's queries. Consumers perception towards executives knowledge and ability reveals that HICs require providing better training, regional language understanding and convincing ability to its representative to alleviate any possible ambiguity during service period (M=2.512, SD=1.342).

- *Responsiveness*

Exploring in depth of the responsiveness factor, it has been observed that to make policy purchase decision, consumers expect that the HIC's representative would be willing to help customers with prompt response (M=4.196, SD=0.757), however banks do fail in meeting complete expectation (M=2.469, SD=1.323). Observing following table and respective Standard Deviation (SD) value in both expectations and perception, it can be found that there is high SD in the responses that signifies that not all respondents are agreed with these imitations.

Table 6: Responsiveness Parameter

Responsiveness	Expectation Level (E)		Perception Level (P)		Gap (P-E)		t-value
	Mean	SD	Mean	SD	Mean	SD	
Employee will be willing to help the customers & have the ability to answer promptly	4.196	0.757	2.469	1.323	-1.726	1.508	-28.202
Employees and agents of the HIC will tell you customers exactly when the services will be performed.	4.087	0.858	2.561	1.359	-1.525	1.596	-23.536
Employees and agents of HIC will do their best to give you prompt service	4.068	0.877	2.743	1.453	-1.322	1.650	-19.748
Employees and agents of HIC will be always willing to help you in emergency situations.	4.025	0.939	2.472	1.327	-1.521	1.638	-23.341

**Source: Primary Data*

This study revealed that consumers expect precise information of claim process, time and conditions (M=4.087, SD=0.858). Since majority of the respondents are from urban region and are aware of the health insurance policies, not all respondents have expect the same. It can be observed by the higher value of SD (0.858). Interestingly, the responses reveal that either the date or terms provided by banks remains wrong, in some cases or are not fulfilled as proposed (M=2.561, SD=1.359). Undeniably, there exists a gap to be filled, however low gap signifies that the consumers are satisfied with the delivery to certain extent. This study has revealed that the consumers expect that HIC's employees would do best to give prompt service (M=4.068, SD=0.877). The real scenario signifies a contrast outcome, where consumers feel that the HICs don't fulfill commitments completely and there exists a gap (M=2.743, SD=1.453). The obtained SQG reveals that the HICs require emphasizing on transparent and honest support for what they promise to the consumers. Consumers expect that the HICs executives would always be ready and willing to help consumers in emergency situations (M=4.025, SD=0.939). The responses retrieved towards consumers perception states that in major cases bank executives and agents continues helping them (M= 2.472, SD=1.327), however even a slight but quality gap can't be ignored.

- *Empathy*

Considering the significance of the empathy factor, in this study seven questions have been formulated that intend to assess consumer's expectation and perception after getting policy. Consumers expect that the HICs would show sincere interest in solving their (consumers) problem, particularly in installment payment and claim process (M=3.864, SD=0.990). It has also been found that there exist some lacking from HICs (M=2.972, SD=1.426). Consumers expect that the HICs would provide appropriate services without troubling consumers and making the process complicate (M=3.983, SD=0.911). Respondents also revealed that usually such complexities are tried to be avoided by HICs (M=2.031, SD=1.182). Consumers

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expect to get consistent courteous towards customers related issues (M=4.028, SD= 0.896). However, the responses retrieved states that once taking the policy HICs executives try to ignore the consumers and focus on new targets (M=2.336, SD=1.286).

Table 7: Empathy Parameter

Empathy	Expectation Level (E)		Perception Level (P)		Gap (P-E)		t-value
	Mean	SD	Mean	SD	Mean	SD	
HIC will show sincere interest in solving problem	3.864	0.990	2.972	1.426	-0.891	1.705	-12.875
HIC will offer services right the first time without discomforting you.	3.983	0.911	2.031	1.182	-1.95	1.500	-32.026
Employees and agents of HIC will be consistently courteous towards customers and pays attention towards their problem	4.028	0.896	2.336	1.286	-1.693	1.543	-27.040
When you have a problem HIC will show sincere interest in solving it	4.139	0.864	2.057	1.196	-2.08	1.431	-35.822
HIC will have the favorable terms and conditions	4.158	0.850	2.421	1.302	-1.736	1.547	-27.639
HIC will have operating hours convenient to all customers	3.975	0.919	3.091	1.456	-0.886	1.766	-12.361
HIC would apologizes for inconvenience caused to the customers	4.093	0.867	2.186	1.298	-1.709	1.557	-30.204

**Source: Primary Data*

This study has revealed that there is the SQG in providing sincere interest to solve the key issues of the consumers (M=-2.08, SD=1.431). The terms and policies play vital role in attracting consumers by fulfilling their expectation. It is found that the HIC's consumers expect that HIC would have the favorable terms and conditions (M=4.158, SD=0.850). In this study, an unexpected fact has surfaced stating that though all consumers expect flexibility policies as per their comfort level; however the higher standard deviation states a something different story. Additionally, the negative SQG signifies that the HICs do formulate policy as per consumer demand so as to alleviate the SQG. HICs will have operating hours convenient to all customers (M=3.975, SD=0.919). Here, negative SQG value affirms that the HICs are doing better to alleviate the gap caused due to accessibility and operational time. Additionally, study revealed that the HICs would apologizes for the inconvenience caused to the customers (M=4.093, SD=0.867) and will do needful to compensate losses.

- *Credibility*

In the last few years internet based financial transactions, e-CRM processes and activities etc have increased a lot. HICs too are focusing on the use of electronic media to make e-CRM more efficient and productive. However, the rising cyber crime events, especially account hacks, illegal transactions, fraud activities etc have forced consumers to rethink about seamless communication and transaction. The credibility to provide seamless and secure transaction and financial processes can be of vital significance. This study revealed that consumers expect safe transaction process, particularly during premium payment and respective inter-bank transactions (M=4.159, SD=0.851). On the other hand, when exploring about the perception, it was revealed that the HICs lack in assuring consumers safe transaction and the sense of threat prohibits them to make online transaction (M=2.018, SD=1.168). The SQG (Gap=-2.181) in safe transaction signifies the inevitable need of enabling banking process security. Credibility is also influenced by the behaviors of HIC employees towards consumer's services and support. This study revealed that consumers expect HIC employees to instill confidence in every situation by assuring pleasing, justifiable and genuine verbal/non-verbal support (M=4.038, SD=0.906). This study revealed an affirmative response by customers (M=2.376, SD=1.317).

Table 8: Credibility Parameter

Credibility	Expectation Level (E)		Perception Level (P)		Gap (P-E)		t-value
	Mean	SD	Mean	SD	Mean	SD	
You will feel safe in transactions with HIC.	4.159	0.851	2.018	1.168	-2.181	1.396	-37.784
The behavior of HIC's employees and agents will instill confidence in you	4.038	0.906	2.376	1.317	-1.692	1.575	-25.998
The employees and agents of HIC will understand specific needs	4.042	0.892	2.034	1.178	-2.048	1.448	-34.165

**Source: Primary Data*

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This study revealed that the consumers expect HIC's agents to understand specific needs and be helpful when needed (M=4.042, SD=0.892), however consumers find a significantly high gap (M=2.034, SD=1.178).

- *Competency*

Competency is considered as one of the force-element of any organization or individual that positively affects customer acquisition, retention and business growth. Consumers too can be found inclined towards a bank providing competitive quality enriched facilities and supports. This study revealed that consumers expect that HICs will ensure service quality by business process and provision as well as physical appearance (M=4.032, SD=0.898). However, consumers feel that banks are still not as per their expectations (M=2.836, SD=1.444).

Table 9: Competency Parameter

Competency	Expectation Level (E)		Perception Level (P)		Gap (P-E)		t-value
	Mean	SD	Mean	SD	Mean	SD	
Service associated materials (leaflets, prospects, various service documents etc) used by HIC will be visually appealing.	4.032	0.898	2.836	1.444	-1.196	1.708	-17.244
HIC offers its services to you within the specified by contract time limits.	3.985	0.912	2.263	1.354	-1.721	1.649	-25.721
HIC will issue error free bills, statements, receipts, contracts, claims and other documents.	3.939	0.955	2.397	1.329	-1.542	1.607	-23.628
HIC will give you individual attention.	3.962	0.924	2.474	1.335	-1.487	1.591	-23.024
HIC has best interests at heart.	3.983	0.719	2.854	1.449	-1.29	1.476	-17.658

**Source: Primary Data*

Consumers prefer making buying decision based on the fact whether the HIC offers its services within the specified contract time limits with agreeable (customer centric) terms and conditions (M=3.985, SD=0.912). Consumers also expect to get services on the predefined time (M=2.263, 1.354). Furthermore, to provide guaranteed and flawless service provision, HICs should issue error free bills, statements, receipts, contracts, claims and other documents (M=3.939, SD=0.955). However, the same consumers have agreed that not as per expected but then while banks do provide satisfactory documents and error free slips (M=2.397, SD=1.329), especially the claim related documents. Additionally, consumers expect that the HICs would facilitate dedicated personalized attention to the customer (M=3.962, SD=0.924). On the contrary, responses obtained reveals that the HICs not providing personalized attention as per need (M=2.474, SD=1.335). A human behavioral factor, emotion and emotion attached support has been examined. The respondents agreed that the HICs should be standing with consumers in every situation (M=3.983, SD=0.719). Not surprisingly, being in a competitive and globalized market, major consumers have stated that HICs have been incorporating varied measures and facilities while intending to meet consumers expectations (M=2.854, SD=1.449). Based on the above discussions and consolidated outcomes, this study has identified SQG for each SERVQUAL dimensions. The SQG obtained is given as follows:

Table 10: Overall Service Quality Gap (SQG)

SERVQUAL Parameter	Perception	Expectation	SQG
Reliability	2.73	4.26	1.53
Tangibility	2.37	4.08	1.7
Assurance	2.51	4.12	1.61
Responsiveness	2.56	4.09	1.52
Empathy	2.44	4.03	1.56
Credibility	2.1	4.07	1.97
Competency	2.56	3.98	1.44

As already discussed, in SERVQUAL model, the difference in consumer perception and its expectations represents the SQG. Here SQG (Perception-Expectations) with positive value refers that the consumers are satisfied with the service being provided. On the contrary, the negative gap value reflects that the consumer's perception is lower than that of respective expectations. it can be found that there exists different gap value with different quality constructs. Exploring in depth, it can be found that the in major terms or parameters (SERVQUAL parameters), the mean of the expectations of these parameters are higher than their perception. It depicts that the consumers don't get services as per their expectations and hence indicates towards the need of augmenting service quality to attract customer and motivate them for health insurance

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products. In addition, convincing customers to understand the significance of health insurance can be vital to motivate for health insurance products and services.

i) Hypothesis Testing

To examine the impact of SQG on Indian HICs, in this study certain hypothesis have been formulated. This section evaluates the acceptance and/or rejection of the pre-defined hypotheses.

In order to test SQG related hypothesis, Paired Sample T-test tool has been applied.

Hypothesis-1 Customer expectations of Reliability factors are higher than the perceived quality of Reliability in Indian health insurance companies.

Taking into consideration of the parameters obtained (Table 13), it can be found that the mean expectation of the consumers is 4.26 (on 5 point Likert's scale) which is higher than the perception level of the consumers (2.73). It reflects the gap of 1.53. It depicts that the paired means are different and hence null hypothesis is rejected. It reveals that the hypothesis is accepted. Thus, it justifies that the customer expectations of reliability factors are beyond of perceived quality of Reliability in Indian health insurance companies.

Hypothesis-2 Customer expectations of Tangibles factors are higher than the perceived quality of Tangibles in Indian health insurance companies.

Taking into consideration of the results obtained (as the response from consumers) for the Paired sample T-test (Table 10), it can be found that the mean expectation of the consumers is 4.08, which is higher than their perception (2.37). The gap of 1.7 reflects that the hypothesis is accepted. It reveals that the customer expectations for tangibles facilities or factors are beyond of perceived quality of tangibles in Indian health insurance companies.

Hypothesis-3 Customer expectations of Responsiveness factors are higher than the perceived quality of Responsiveness in Indian health insurance companies.

Results reveal, it can be found that the expectation level of the consumers towards HIC's (executives or representatives) assurance is higher (4.12) than that perception (2.51). The gap of 1.61 affirms that the null hypothesis is rejected and hence the alternate hypothesis is accepted that reveals that the customer expectations of Assurance factors are beyond of perceived quality of HIC's assurance from the Indian health insurance companies.

Hypothesis-4 Customer expectations of Empathy factors are higher than the perceived quality of Empathy in Indian health insurance companies.

The paired sample T-test results obtained for HIC's responsiveness (Table 10) states that the mean expectation of the consumers is 4.09 which is higher than respective perception (2.56). The positive gap of 1.52 affirms that the null hypothesis is rejected and the alternate hypothesis is accepted. The result affirms that the customer expectations of Responsiveness factors are beyond of perceived quality of HIC's responsiveness from the Indian health insurance companies.

Hypothesis-5 Customer expectations of Assurance factors are higher than the perceived quality of Assurance in Indian health insurance companies.

Considering the results obtained in Table 10, it can be found that the mean expectations of the consumers are 4.03 which is higher than the perception (2.44). Thus, the gap of 1.56 states that the null hypothesis is rejected and thus the alternate hypothesis is accepted. The acceptance of the hypothesis that the customer expectations of empathy factors are beyond of perceived quality of HIC's empathy from the Indian health insurance companies, states that the companies need focusing on the provision of empathy and easy access to the associated factors and resources.

Hypothesis-6 Customer expectations of credibility factors are higher than the perceived quality of HIC's credibility from the Indian health insurance companies.

The paired sample T-Test results (Table 10) illustrates that the consumers perception towards the HIC's credibility is lower (2.1) than the expectations (4.07). Thus, the gap of 1.97 states that the null hypothesis is rejected and thus the alternate hypothesis is accepted. In other words, characterizing the significance of organizational or the HIC's credibility, it can be stated that despite of transparent and more reflective processes, still HICs require convincing consumers and justify their credibility.

Hypothesis-7 Customer expectations of competency factors are higher than the perceived quality of HIC's competency from the Indian health insurance companies.

Considering Table 27, it can be found that the means of consumer's expectations, particularly towards competing facilities and features, it can be found that there exist difference between consumer's expectation (3.98) and perception (2.56). Thus, the gap of 1.44 confirms the rejection of the null hypothesis and the acceptance of alternative hypothesis.

Hypothesis-8 The service quality gap impacts on the business performance of Indian Health Insurance Companies (HICs).

In this hypothesis, the impact of SQG on HIC's performance has been examined. To test the hypothesis, correlation analysis has been done between SQG for different SERVQUAL parameters and respective mean of the consumer's perception. Exploring in depth, it can be found that consumer's perception towards any

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HIC's service quality reflects its affinity to that HIC that as a result increases market share and revenue. It depicts the direct relation between consumer's perception and HIC's performance. With this assumption, in this study, the Pearson correlation between consumer's perception and respective SQG value has been obtained. In this test, seven SERVQUAL parameters have been considered. The Pearson correlation obtained is presented as follows (Table 11).

Table 11: Pearson Correlation between SQG and Health Insurance Companies Performance

		HIC_Performance	Service_Quality_Gap
HIC_Performance	Pearson Correlation	1	-.894**
	Sig. (2-tailed)		.007
	N	7	7
Service_Quality_Gap	Pearson Correlation	-.894**	1
	Sig. (2-tailed)	.007	
	N	7	7

***. Correlation is significant at the 0.01 level (2-tailed)*

Observing the results, it can be found that the Pearson correlation between HIC performance and SQG is 0.894 which is higher than the significance level. It depicts that there exist strong correlation between SQG and Indian health insurance companies. Thus, the null hypothesis is rejected and alternate hypothesis stating that the SQG impacts the performance of HIC is accepted.

i. *Customers Recommendations Analysis*

Table 12: Recommendations

I will	Mean	Std. Deviation
Say positive things about the company to other people.	3.840	0.870
Recommend the company who seeks my advice.	2.591	0.982
Encourage friends and relatives to buy products from the company.	2.573	0.961
Do more business with the company in next few years.	2.736	2.339
Consider the company as first choice to buy various services.	2.604	0.979
Do business with the company in the next few years.	2.594	0.964
Take some of my business to a competitor that offers better products at more attractive prices.	2.930	4.150
Continue to do business with the company even if its prices increases somewhat.	2.805	3.157
I am ready to pay higher price than the competitors charge for the benefits I currently enjoy from the company.	2.598	0.950

**Source: Primary Data*

This study reveals that customer confess the policies, service quality and other process elements with their known, that eventually impacts their decision process and buying behavior (M=3.840, SD=0.870). It signifies that the HICs must make their consumers satisfied if they want to promote their business and policies through primary consumers. A fact that when the consumers find that the financial institutions work as per expectations and respect their expectations as well as suggestion then they recommend that bank to their known (M=2.591, SD=0.982). However, a section of respondents believe that the buyers make their decision at per their interest, ability, understanding and benefits. If banks ensure optimal quality of service, then consumers don't hesitate to make their friends or known aware about that specific products, service or the HIC (M=2.573, SD=0.961). The consumers have stated that in case of expected quality delivery, they will make other aware about that specific product or service that as a result can yield better outcome. In case HICs meet the consumers' expectations, they can make more businesses in future (M=2.736, 2.339) and even they will give the HIC or company as the first priory to make any future policy purchase (M=2.604, SD=0.979). The consumers have stated that they would prefer taking other HIC services, if the company doesn't meet expectations and doesn't provide optimal solution at reasonable cost and complexity (M=2.930, SD=4.150). Here, they mean to state that a consumer will consider a HIC or company only when it provides better solution at low cost without compromised quality. So the institution must ensure quality enriched product and service while ensuring optimal cost. However, some consumers stated that they would continue doing business with the company even if its prices increases somewhat (M=2.805, SD=3.157). However, higher deviation states that all the respondents are not agreed with this. An interesting fact that the consumers are willing to business with the company even at the elevated or higher price, provided the company assures them quality service (M=2.598, SD=0.950).

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Table 13: Service Switching Reasons

If I experience a problem with the company's service I will	Mean	Std. Deviation
Switch to a competitor.	2.774	2.571
Complain to other consumers.	2.780	3.123
Complain to external agencies such as ombudsman and grievance cell.	2.624	1.895
Complain to company's employees.	2.586	0.892

**Source: Primary Data*

For any organization, consumer retention plays a vital role in maintaining higher market share and sustainability. With this objectives, in this study the key reason that could force a consumer to leave the health insurance policy of the banks have been analyzed. Here, it has been found that in case the HIC is not able to main quality service and best practices, the consumer can switch to other competitor providing better service (M=2.774, SD=2.571). In case of quality violation, even the consumer can complain to other consumers, other forums that might lead devastating reliability and credibility of the company resulting into reduced performance (M=2.780, SD=3.123). The consumers can complain to the company employees to who try to convince the same consumer at the time of policy selling process (M=2.586, SD=0.892). The unsolved issues and more complex service violation can force consumers to reach external agencies such as ombudsman and grievance cell (M=2.624, SD=1.895).

j) Limitation of the Study

The present research has been done by considering consumer perspective; however consideration of company perspective could give more precise outcome. This research considers consumer perceptions of the performance indicators and hence the financial performance parameters are not taken into consideration. Considering financial parameter as the performance variable can give more realistic figure. Also the relative health insurance companies' performances and gap analysis for public and private sector banks are not done.

IV. Conclusion

In any economy the happiness index of its citizen often plays significant role in augmenting overall productivity and efficiency. On the other hand, facilitating optimal health condition of the resources and associated support can be of paramount significance. India, being an economy of more than 1.3 billion populations possesses immense potential for health insurance. The service quality by Health Insurance Companies (HICs) often plays significant role towards customer acquisition and retention. Service Quality Gap (SQG) which signifies the difference between consumer's expectations and the perceived quality after receiving service influences consumer's buying decision and the success of products and services. With this motivation, in this manuscript an empirical analysis for SGQ assessment in Indian Health Insurance Companies (HICs) has been performed. To perform analysis, mixed research paradigm has been applied where a case study pertaining to SQG in Indian HIC has been performed by collecting data from primary as well as secondary data sources. Primary data is collected through semi-structured interviews which were conducted with the HICs consumers belonging to the different locations and demographic constructs across India. A total of 600 respondents belonging to Bangalore, Mysore, Chennai, Mumbai, Pune, Delhi/NCR, Chandigarh, Jaipur, and Lucknow were interviewed and respective perception towards SQG in current HICs was examined for which modified SERVQUAL models with seven dimensional artifacts were used. The reliability test for each questionnaire considered exhibited Cronbach alpha more than 0.7 that affirms suitability of the questionnaire for the intended study. Discussing in depth, it can be found that there exist negative quality gap (SQG=-1.53) in reliability and therefore banks need to focus on fulfilling promised services while keeping consumers in confidence. The quality gap in other constructs such as, tangibility (SQG =1.7), assurance (SQG =1.61), responsiveness (SQG =1.52), empathy (SQG =1.56), credibility (SQG =1.97), and competency (SQG =1.44) also reflect that there exist certain gap in major quality constructs. However, it can be found that in tangibility and credibility dimensions and associated results reveal that the HICs do fulfill or are intending to fulfill consumer's expectations. This is because of the advanced technologies, infrastructure development and different tangible and intangible assets availability. However, the SQG obtained indicates towards the need of further quality enriched provision such as tangible assets like cash withdraw machinery such as ATM, claim provision through ATM, notification through mails, electronic CRM (e-CRM) facilities etc. In this study, it has been found that the HICs (here, particularly the representatives of the HICs) must be capable and willing to help the customers and should answer consumers promptly. Here, it has been observed that being a short as well as long term policy making process, consumers are always cautious and are enthuse in knowing the key aspects of policy, terms and conditions, and the value and time of claim etc. Here, it can be observed that empathy attributes do reflect maximum quality gap, thus demanding HICs to let consumer access major facilities to promote satisfaction. On the other hand, credibility related attributes have affirmed that the HICs do fulfill

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major expectations of the consumers. However, the other constructs cannot be ignored, as these quality factors too plays significant role in assuring consumer satisfaction that eventually lead to the consumer retention and increase in market share or the firm's performance. The Pearson correlation between SQG values for different SERVQUAL dimensions and HIC's performance has revealed that there is strong correlation between SQG and the firm performance. Therefore, the HICs must emphasize on fulfilling consumer's expectations to gain more customer acquisition, higher retention and competitive advantages.

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