The Effect of Quality Evaluation of Iran Insurance Company to Absorb Construction Activities Customers Using Improved Servqual Model (Case Study of South of Western Azerbaijan Province)

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ABSTRACT

This study examines the effect of quality evaluation of Iran insurance company services to absorb customers using improved Servqual model (Case Study of South of Western Azerbaijan Province). The statistical society in this study included all customers of Iran insurance company in south of western Azerbaijan in 2014. They were 320 people. The statistical volume was 170 based on Kokran formula. In this study, randomly sampling and simple sampling were uses. The method to gather data was field and librarian. The tool to gather data in this study is questionnaire. SPSS software was used to analyze data and Spearman and Pearson coefficients were used to examine the tests.

Based on the obtained results of Pearson test, there is direct correlation approximately 66.5% among the quality of provided services in Iran insurance company and the improved servqual model. Also, the results of correlation coefficient showed significant and direct correlation among service quality and its components with customer satisfaction.

KEYWORDS: Quality of Services, Servqual Model, Customer’s Satisfaction, Insurance Company
1- INTRODUCTION AND PROBLEM STATEMENT

Todays, increasing information technologies caused to promote general welfare. Increasing the life level in different societies caused to increase knowledge level and customer’s expectation. The quality of service is one of discussions which have been focused in the service marketing. Effort to understand and measure the quality of services is one of most important manager’s challenges especially in the recent decades. The successful companies founded customer’s satisfaction is not possible without regarding quality. In the recent decades, managers focused on this sentences that “customers are first always” and this is needed to acquire a sustainable competitive advantages. Regarding customer’s expectation and requirements are necessary in this world.

Successful organizations focused on continuous customer’s feedback to identify their customers and satisfy them and finally measuring the customer’s satisfaction.

Most of companies which are going to apply servicing based strategies to customers founded the process of identify and measuring customer’s preference is so difficult. However, providing services with high quality need to identify a certain relationship between what customers need and what company provides. In other word, first step to provide high quality services to customers and satisfy them is to identify the aspects of service quality, expectation and customer’s understanding (Seyed Javadin and Kimiasi, 2009:22)

Customers expect to receive valuable services. In this content, value is defined as a link between what customers receive against what they lose. Therefore, in the service quality context, high quality services enable customers to have good feeling during exchange. Therefore, in management theories, quality is defined appropriate to customer’s needs and
customer plays a central role to conduct organization’s activities. (Mir Ghafoori and Makki, 2007: 65-66)

Different models were used to evaluate customer’s satisfaction. Based on Teopfer and Sebastian Paffrath et al, customer’s satisfaction models are divided in two mental and visual models. Visual models believe the customer’s satisfaction is measurable through some indexes which are correlated to customer’s satisfaction like market share, number of complaints, fiscal profit. It should be noted these indexes don’t contain customer ideas. The validity of these models is doubtable. For example, amount of product sale doesn’t show customer’s satisfaction. Mental models are based on the level of customer’s satisfaction. In other word, these models act based on customer’s perception of satisfaction. These models use customer’s ideas directly and provide an approach of customer’s satisfaction. Following, the division of evaluation models of servcoal customer’s satisfaction is shown.

As shown in Figure 1, servqual model is subset of mental models which contains customer’s perception and understanding. This model tries to measure the quality of services in the environment which the service quality is a necessity for customer’s perception. Based on some studies in 1990, five components have been specified for quality of the services. These components included (Catler, 1996):

Physical and tangible aspects: represent physical facilities, employee’s equipments and communicative publication.

Confidence: confidence to perform the task appropriately.

Responsibility: tend to help customers and providing emergency services

Assurance: employee’s knowledge and ability to transfer confidence
Empathetic: attention to all customers

The complex nature of services due to its features: intangible, customer’s engagement and Simultaneity of production and consumption and heterogeneity (Arasli & et al: 2005: 509)

These features increased need to better quality for companies which are seeking improved financial performance and customer’s absorbing in the competitive environment (Wang & et al: 2003). Researchers agreed service quality is an important discussion in business activity and gaining long-term in the company (Carrillat, 2007:473). Service quality caused to customer’s satisfaction and influenced on viral advertisement, loyalty and customer’s intendance to buy (Gremler, 2001)
financial and insurance services companies are most important parts of service industry (Mishkin: 2001). quality of service is closed to customer’s satisfaction in the insurance industry (Avkiram: 1994). At the moment, insurance companies understand high quality services are needed to absorb customers and this is needed in the global and competitive environment (Wang et al: 2003). Increasing quality services lead to customer’s satisfaction enhancement. Increasing customer’s satisfaction causes behavioral results like commitment, maintaining customer, two sided link among servicer and customer, increasing customer’s tolerance toward mistakes in the service providing and viral advertisement about the insurance company (Arasli & et al:2005:509)

Customer’s satisfaction is a key factor to form future customer’s interest to purchase and satisfied customers talk about their good experiences. In other hand, evaluating services in the insurance companies is important due to its clear relationship to costs, profitability and customer satisfaction.

Therefore, service quality is important to reduce cost, appropriate profitability and customer’s satisfaction. Given above notes, the question here is that how is the quality of Iran insurance company to absorb and satisfy construction activities customers based on Servqual model?

2- METHODOLOGY

This study is applicative in term of purpose and descriptive in term of methodology. The statistical

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gather data was field and librarian. The tool to gather data in this study is questionnaire. SPSS software was used to analyze data and Spearman and Pearson coefficients were used to examine the tests. In the first part of questionnaire, questions related to insurance quality evaluation were raised and in second section satisfaction of customers were mentioned.

3- FINDINGS OF THE STUDY

Main hypothesis: the quality of Iran insurance company influences construction activities customer’s absorbing using Servqual model.

<table>
<thead>
<tr>
<th>Table 1 Pearson test for main hypothesis</th>
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<tbody>
<tr>
<td>Significant level</td>
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<td>0.005</td>
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</table>

Based on the obtained results of Pearson test, there is direct correlation about 66.5% among two provided quality service variables in Iran insurance and Servqual model. The correlation amount of two mentioned variable is 0.665 and the valid level is 0.005. Therefore, quality of Iran insurance quality services influences on absorbing construction activities customers using improved Servqual model.

<table>
<thead>
<tr>
<th>Table 2- results of correlation test among service quality and its components with customers’ satisfaction</th>
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<tbody>
<tr>
<td>Significant level</td>
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<td>--------------------</td>
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Based on findings in table 2, correlation coefficient among two service quality and customer’s satisfaction is 0.381 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

The results of correlation coefficient among two confidence and customer’s satisfaction is 0.381 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

Results of correlation coefficient among two tangible factors and customer’s satisfaction is 0.446 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

Results of correlation coefficient among two trust and customer’s satisfaction is 0.540 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

Results of correlation coefficient among two accountability and customer’s satisfaction is 0.283 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

Results of correlation coefficient among two tangible factors and customer’s satisfaction is 0.446 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.
Results of correlation coefficient among two accountability and customer’s satisfaction is 0.283 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

Results of correlation coefficient among two organizational empathy and customer’s satisfaction is 0.268 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

Results of correlation coefficient among two responsibility and customer’s satisfaction is 0.370 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

Results of correlation coefficient among two accessibility and customer’s satisfaction is 0.981 and significant level 0.000 and shows direct and positive correlation among two variables. Also, based on significant level, this correlation is meaningful.

4- CONCLUSION

Based on the Pearson results, there is direct correlation among provided quality service in Iran insurance company and improved Servqual model about 66.5%. The data in the table shows the correlation coefficient among two variables is 0.665 and the valid level is 0.005. Since, the obtained level is less than (P=0.05) to approve hypothesis, concluded this hypothesis is confirmed. it means, quality service of Iran insurance company influences on absorbing construction activities customers using Servqual model.

Also, the results of correlation test showed direct and significant effect on customer’s satisfaction.
REFERENCES


