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Role and satisfaction regarding insurance services: An empirical survey of insurance agents

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Abstract
This paper explored the significance of insurance agents as middlemen between insurance companies and customers to provide better insurance services. Insurance agents has gained immense popularity for enormous services in recent years. The paper highlighted the role of insurance agents in assessing the expectations of target customers and creation of awareness about insurance policies among customers. The study further reveals the opinions of agents for the satisfaction from financial and non financial incentives offered by the insurance companies. Overall, the result reveals that the insurance agents played a pivotal role for the success of insurance business in Indian Industry. The outcomes of the paper would be useful for marketer to finalize the appropriate marketing policies and programmers for attaining the maximum contribution of insurance agents to achieve the objectives of the business.

Keywords: Customer Expectations, Satisfaction, Awareness.

1. Introduction
Prior to LPG reforms, the quality of the services provided by Indian Insurance Industry was not up to the mark. The growth of the insurance business in India was not in tune with that of developing economies of the world. With the liberalization of economy in 1990's, especially for the re-opening of insurance industries for private players, have push the insurers to expand their product range. The expectations of Indian customers extended to the world class services in insurance sector with the participation of private players. Now the customer experiences better services in insurance industry with the use of updated technology, pricing and middlemen services. Generally, in insurance business, the customers generally purchase a policy for one year and there is quite a possibility that the customers can switch over to competitors, if the insurance companies are not providing the satisfied services to consumer.
The agents of general insurance companies play very crucial role in the success of business. Generally, customers contact the agent of a general insurance company for purchasing insurance policies. Therefore, the agents acts as an important source to meet the expected satisfaction from insurance service providers. The agents plays a pivotal role in assessing the expectations of target customers, creating awareness amongst target customers about various insurance policies, keeping data of existing customers, using data for the launching of new policies and building relationship with customers.

2. Review of Literature
Hedge and Kunar (1995) [3]. suggests that organizations should focus in providing total satisfaction to the customers because that is the only thing which will be helpful in building strong association and brand loyalty with them. Therefore, a insurance seller or a marketer should always aims to achieve maximum product or service satisfaction for the customers.
Raghunath and Shields (2001) [7]. figured out that the upcoming online businesses has triggered the insurance companies to move online as well but the results were not as per the expectations in many of the countries in the west. Like in India, the customers are not only resistant to this very technology but they are also facing conflicts with the agents as well as lack of subjective interaction with the seller.
Tamilarasan, Sakthivel and Sunder (2005) [10]. talks about the technological improvements in marketing area when it comes to building relationship with the customers. They suggested that relationship building with the customers is not a one- time process rather it is a continuous process for giving life time value to the customers.

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Jawaharlal (2005) [6]. suggests that one should always target in proving customized solutions to the customers rather than just running for matching up with the competition with others. Banu (2004) [1]. concluded the current and future of service delivery standards, and stated that the delivery standards are improving day by day.

Jain (2005) [4]. depicted the awareness level of customers with respect to fire insurance in urban and in rural areas and the role played by the agents in describing the benefits of fire insurance.

Jawaharlal and Kumar (2005) [6]. concluded that services offered by insurance companies are somewhat different from the services offered by companies in any other financial areas. The insurance companies does not make a continuous interaction with their clients i.e., they only interacts when something happens whereas other financial service companies make a continuous contact with their clients. So these are some of the issues faced by insurance companies now a days.

3. Research Objectives And Hypothesis
The objectives of the study are as follows:
- To identify the area preferences of insurance agents for selling insurance policies.
- To study the role of agents in assessing expectations of customers and creating awareness about insurance policies.
- To explore the activities initiated by agents for long run relationship with customers.
- To assess the satisfaction level of insurance agents from the benefits provided by insurance companies.

Hypothesis
There is no significance difference in opinions of agents with respect to
- assessing expectations of customers
- creating awareness about insurance policies
- activities for long run relationship
- and satisfaction level of agents.

Research Methodology
In view of the above objectives laid in the present study, a survey of as many as 60 agents consisting of 34 public sector companies and 26 private sector companies was conducted with the help of a structured questionnaire in the state of Haryana. The questionnaire used in the survey included questions about age, experience, educational qualifications, role and satisfaction level of agents from the company. Frequency distribution and t -test were used to analyze the difference in the opinions of respondents of the both sectors.

4. Results and Discussions
In order to examine the objectives of the present study, the agents of insurance companies were asked to give their opinions on five point scale. Table 1 to table 4 presents the data obtained on agents' profile of general insurance companies. The Table 1 which present the age profile of agents indicates that highest 46.7 percent of the agents fall in the age group of 26 years to 35 years, followed by 25 percent of the agents in the age of 18 years to 25 years. Further 16.7 percent of agents are between the age of 36 years to 45 years.

Table 1: Age Profile of Agents

Age	Frequency	Valid Percentage	Cumulative Percentage
a) Between 18 to 25 years	15	25.0	25.0
b) Between 26 to 35 years	28	46.7	71.7
c) Between 36 to 45 years	10	16.7	88.3
d) Above 45 years	7	11.7	100.0
Total	60	100.0	

Table 2 shows the frequency distribution of agents working for the period less than 3 years, between 3 to 6 years and more than 6 years with a particular company in the general insurance business. It is obvious from the table that 60 percent of the agents are working with the same general insurance companies from less than 3 years, whereas 30 percent of the agents are working from 3 to 6 years. The remaining agents are working with a company from more than 6 years period.

Table 2: Number of years of working as agents with Insurance Companies

Numbers of years working	Frequency	Valid Percentage	Cumulative Percentage
a) Less than 3 years	36	60	60
b) Between 3 to 6 years	18	30	90
c) More than 6 years	6	10	100
Total	60	100	

The next question raised to the agents was preference of their company to work with a particular company. The survey results in this regard are shown in Table 3. From the table, it is evident that 56.7 percent of the agents are working with the general insurance companies of public sector, while 43.3 percent of agents are working with insurance companies of private sector. The preference amongst the public sector and private sector companies is more or less the same.

Table 3: Sector-wise sample of Agents of Insurance Companies

Sector-wise Agents	Frequency	Valid Percentage	Cumulative Percentage
Companies of public sectors	34	56.7	56.7
Companies of private sectors	26	43.3	100.0
Total	60	100.00	

Table 4 which presents educational profile of agents indicates that most of agents (66.7%) have achieved graduation level education. Only 13.3 percent of the agents have post-graduation level degree. Remaining 20 percent of the agents are either qualified up to secondary level or below. Thus, majority of the agents is qualified up to graduation level.

Table 4: Educational Qualifications

Educational Qualifications	Frequency	Valid Percentage	Cumulative Percentage
a) Below Secondary level	5	8.3	8.3
b) Secondary Level	7	11.7	20.0
c) Graduation	40	66.7	86.7
d) Post Graduation	8	13.3	100.0
Total	60	100.0	

4.1: Area Covered by Insurance Agents

Another aspect about which the question was asked from agents is preference of area (i.e. urban/rural/both) covered by agents. The responses obtained are presented in Table 5. The table depicts that 65.1 percent of the agents cover both urban as well as rural area, whereas 18.3 percent of the agents cover only urban area for the sale of general insurance policies. The remaining 16.6 percent operates in rural areas.

Table 5: Area covered by Insurance Agents

Area	Frequency	Valid Percentage	Cumulative Percentage
a) Urban	11	18.3	18.3
b) Rural	10	16.6	34.9
c) Both	39	65.1	100.00
Total	60	100.0	

4.2: Role of Agents

A question to know the role of agents for assessing the expectations of target customers and creating awareness for insurance services was kept in the questionnaire. The responses were obtained on 5-point scale where points one, two, three, four and five represent strongly disagree, disagree, neutral, agree and strongly agree. The response is exhibited in Table 6.

Table 6: Role of Agents

Role of Agents	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
a) Measuring expectations of target customer	-	-	4 (13.3)	34 (56.7)	18 (30.6)	60 (100.0)
b) Awareness among target customers	-	-	6 (10.0)	26 (43.3)	28 (46.7)	60 (100.0)
c) Record/data of existing customers	-	-	5 (8.3)	14 (23.3)	41 (68.3)	60 (100.0)
d) Use of data to build relationship	-	-	2 (3.3)	34 (56.7)	24 (40.0)	60 (100.0)
e) Use of customer database for new policies	-	4 (6.7)	7 (11.7)	24 (40.0)	25 (41.7)	60 (100.0)
f) Approach to customer before the maturity of old policy	-	-	5 (8.3)	21 (35.0)	34 (56.7)	60 (100.0)

Note: Figures in parentheses are the percentages to total

Table 7: Sector-wise position of Role of Agents

Role of Agents	Mean		Standard Deviation		t-value	P-value
	Public	Private	Public	Private		
a) Measuring expectations of target customer	4.3235	3.9615	.68404	.52769	2.236*	.029
b) Awareness among target customers	4.4118	4.3077	.65679	.67937	.599	.551
c) Record/data of existing customers	4.7059	4.4615	.57889	.70602	1.473	.146
d) Use of data to build relationship	4.4118	4.3077	.49955	.61769	.722	.473
e) Use of customer database for new policies	4.3235	3.9615	.76755	.99923	1.588	.118
f) Approach to customer before the maturity of old policy	4.5588	4.3846	.66017	.63730	1.028	.308

* t- value is significant at 0.05 level

A glance through the table offers that majority of the agents responded between agree to strongly agree for each and every statement. Around 68 percent of the agents of insurance company agree strongly and 23.3 percent just agree for keeping the record/data of existing customers. Most of the agents are of the opinion that they are using data to build relationship and for the launch of new policies. Besides, they also approach customers before the maturity of the old policy.

In order to measure the difference between mean score of both sectors on different statements, the t-test was applied.

The sector-wise mean score are presented in Table 7. The mean score regarding expectation of target customers is higher in case of public sector companies (4.3235) than that of private sector companies (3.9615). The t-value in this regard is statistically significant at 5 percent level. It means the agents of the public sector companies make more efforts to assess the expectations of target customers than that of private sector.

The mean score on other five statements lies between 4.3 to 4.7 in case of public sector companies and between 3.9 to 4.4 in case of private sector companies. The t-test reveals

that there is no significant difference between the mean score of public sector companies and private sector companies on these five statements. It indicates that the role of agents is similar in both of the sectors. The agents of both sectors prefer to approach the customer before the maturity of old policy.

4.3 Activities initiated by agents for long run relationship with customers

The next question asked was about the activities initiated by agents for long run relationship with customer. The responses thus obtained are presented in summarized manner in Table 8.

An inspection of this table reveals that 55 percent of agents agree and 31.7 percent strongly agree for retaining of existing customers to build relationship with them. Regarding the other activities initiated by agents for long run relationship with customers, it is clear that majority of agents of insurance companies either agree or strongly agree. Hence, each of the activities is given due importance by the agents.

Table 8: Agents Activities for Long run Relationship with Customer

Activities	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
a) Retaining existing customers	-	4 (6.7)	4 (6.7)	33 (55.0)	19 (31.7)	60 (100.0)
b) Regular contact with customer	-	6 (10.0)	18 (30.0)	27(45.0)	9 (15.0)	60 (100.0)
c) Periodical contact with customers	-	8 (13.3)	7 (11.7)	27 (45.0)	18 (30.0)	60 (100.0)
d) Customized service	-	-	13 (21.7)	39 (65.0)	8 (13.3)	60 (100.0)

Note: Figures in parentheses are the percentages to total

Table 9: Sector-wise comparison of Agents Activities for Long run Relationship with Customer

Activities	Mean		Standard Deviation		t-value	P-value
	Public	Private	Public	Private		
a) Retaining existing customers	4.4118	3.7308	.74336	.72430	3.555*	.001
b) Regular contact with customers	3.8539	3.3846	.89213	.75243	2.153*	.035
c) Periodical contact with customers	4.0882	3.6923	1.05508	.83758	1.571	.122
d) Customized Service	3.9706	3.8462	.57658	.61269	.806	.423

* t- value is significant at 0.05 level

Sector-wise mean score on various activities initiated by agents for building long run relationship with customers are given in Table 9. It is clear form this table that the mean score on retaining existing customer is higher in public sector than in private sector. The t-value in this regard is 3.555 which turns significant at 0.05 level. It indicates that the agents of public sector companies give more importance than private sector to 'retaining the existing customers' to build long run relationship with them.

The mean score on regular contact with customers in public sector (3.8539) is higher than in private sector (3.3846) and this difference is found significant at 0.05 level. It means that the agents of public sector companies make more efforts for the regular contact with customers to build long run relationship with them than that of private sector. In so far as periodical contact with customers is concerned, the mean score in private sector companies (4.0882) is higher than in public sector companies (3.6923). But the difference of mean is not found statistically significant. It refers that the behavior of the both sectors is similar for the periodical contact with customers to build long run relationship. Similarly the mean score on customized service to build long run relationship is almost similar in both sectors.

4.4 Satisfaction of Agents with Insurance Company

In order to assess the level of satisfaction of agents with the respective insurance companies, the respondents were asked question related to financial incentive, non financial incentive, procedural aspects for claim settlement, availability of awareness and stationery material, travelling expenses and staff behavior. The responses obtained on above-mentioned aspects are presented in Table 10

It is clear from the table that only 3.3 percent agents are strongly satisfied from the financial incentives and 33.3 percent respondents are satisfied to them. Around 70 percent of the agents are not satisfied from the non-financial incentive provided by the insurance companies. Regarding procedural aspects of claim settlement, the 43.3 percent are satisfied and 3.3 percent are strongly satisfied. Further satisfaction from the availability of awareness and stationery material is very limited. 60 percent of the agents of both the sectors are strongly dissatisfied and 18.3 percent are satisfied from travelling expenses provided by insurance companies. In addition, 33.3 percent agents are satisfied and 26.7 percent are strongly satisfied from the staff behavior.

The Table 11 shows the sector-wise response on various aspects of satisfaction of agents in case of insurance companies. The mean score on financial incentives in private sector (3.2308) is higher than in public sector (2.6765) and this difference is found significant at 0.1 level. The satisfaction level of the agents in case of both sectors companies is very low from

financial incentives. But the agents of the private sector companies are comparatively more satisfied with financial incentives than that of public sector companies. The results show that the mean score on satisfaction from non-financial incentives is higher in case of private sector companies than in public sector. But the difference of mean is not found statistically significant. The value of mean score is approximately 2, which shows that the agents of both sectors are not satisfied from the non-financial incentive of insurance companies.

As is apparent from the table under reference the mean score on procedural aspects is higher in private sector (3.5000) than in public sector (3.3235) and this difference is not significant. It indicates that the agents of both sectors are similar in terms of satisfaction from procedural aspects of claim settlement. The table further shows that the mean

score in private sector companies is higher than in public sector companies regarding awareness material, stationery material and travel expenses provided by insurance companies. The difference between the mean score of public sector and private sector companies is found significant with respect to three aspects of agents' satisfaction. The satisfaction among the agents of insurance companies on awareness material, stationery material and travelling expenses is very limited but the satisfaction among the agents of private sector companies is greater than that of public sector companies.

The mean score is higher in case of private sector companies (3.9231) than in public sector companies, (3.6471) in so far as satisfaction of agents from staff behavior of insurance companies is concerned. But this moderate level of satisfaction between both sectors is not statistically significant.

Table 10: Satisfaction of Agents with Insurance Companies

Satisfaction from	Strongly Dissatisfied	Dissatisfied	Neutral	Satisfied	Strongly Satisfied	Total
a) Financial incentives	8 (13.3)	13 (21.7)	17 (28.3)	20 (33.3)	2 (3.3)	60 (100.0)
b) Non financial incentives	20 (33.3)	23 (38.3)	11 (18.3)	6 (10.0)	-	60 (100.0)
c) Procedural aspects	-	6 (10.0)	26 (43.3)	26 (43.3)	2 (3.3)	60 (100.0)
d) Awareness material	11 (18.3)	12 (20.0)	11 (18.3)	18 (30.0)	8 (13.3)	60 (100.0)
e) Stationery material	23 (38.3)	15 (25.0)	12 (20.0)	8 (13.3)	2 (3.3)	60 (100.0)
f) Travel expenses	36 (60.0)	11 (18.3)	6 (10.0)	7 (11.7)	-	60(100.00)
g) Staff behavior	2 (3.3)	2 (3.3)	20 (33.3)	20 (33.3)	16 (26.7)	60 (100.0)

Note: Figures in parentheses are the percentages to total

Table 11: Sector-wise position about Satisfaction of Agents with Insurance Companies

Satisfaction from	Mean		Standard Deviation		t-value	P-value
	Public	Private	Public	Private		
a) Financial incentives	2.6765	3.2308	1.14734	.99228	-1.964**	.054
b) Non financial incentives	1.9118	2.2308	1.02596	86291	-1.277	.207
c) Procedural aspects	3.3235	3.5000	.76755	.64807	-.943	.350
d) Awareness material	2.7059	3.3846	1.44661	1.09825	-1.992**	.051
d) Stationery material	1.8529	2.6154	1.18404	1.06120	2.584*	.012
f) Travel expenses	1.5000	2.0385	.96138	1.11286	-2.008*	.049
g) Staff behavior	3.6471	3.9231	.94972	1.05539	-1.063	.292

* t- value is significant at 0.05 level

** t- value is significant at 0.1 level

5. Findings of The Paper

About the role of insurance agents, the most of the agents are either strongly agree or disagree in their opinions for measuring expectations of target customers and creating awareness among customers about insurance policies. However public sector companies make greater efforts in assessing the expectations of target customers than that of private sector companies. The results shows that the role of agents is similar in both of the sectors in terms of creating awareness among target customers, using data of existing customers in order to build relationship and for the launch of new polices.

The result of the study reveals that majority of the agents are either strongly agree or disagree in retaining existing customers, contact with customers and customized services to build relationship with them. But the agents of public sector companies are more concerned than that of private sector to retain the existing customers and regular contact with customers to build long run relationship with them.

The findings of the paper further indicates that the agents of insurance companies are moderately satisfied with financial incentives provided by the companies. Interestingly most of agents are not satisfied from the non-financial incentives of the insurance companies. However the agents of public sector companies are more satisfied from the financial incentives offered by their companies. The satisfaction on awareness material, stationery material and travelling expenses is very limited in both of the sectors. Further, the agents of both sectors are moderately but equally satisfied from staff behavior of the insurance companies.

Recommendations

- Each customer expects himself to be treated with courtesy. The insurance companies should trained the agents in an appropriate way for customer care programme, which provides personalized care to all the customers.
- The agents should follow up the customers on regular basis in order to retain the customers and cross selling of insurance policies.
- The insurance companies should provide appropriate financial and non-financial incentives to motivate the agents. However the relevant printed materials for creating awareness among customers must be distributed by the insurers through insurance agents.

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