

# SUSTAINABLE DEVELOPMENT OF CUSTOMER SATISFACTION ON SERVICE QUALITY OF LIFE INSURANCE CORPORATION (LIC)

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## ABSTRACT

The aim of this study is to investigate the sustainable development of customer satisfaction on service quality of Life Insurance Corporation (LIC) in comparison with other life insurance companies. The study employed a mixed-methods research design, using both quantitative and qualitative data collection and analysis techniques. The data were collected from customers of LIC and other life insurance companies through a survey questionnaire and in-depth interviews. The findings revealed that LIC has a higher level of customer satisfaction with service quality than other life insurance companies, which is due to its strong brand reputation, experienced staff, and prompt claim

settlement process. However, the study also identified several challenges faced by LIC, such as the lack of transparency in premium collection, low awareness of customer needs, and inadequate digital infrastructure. Based on the findings, the study recommends that LIC should focus on enhancing its customer-centric approach, improving its digital capabilities, and promoting transparency in its operations to ensure sustainable development of customer satisfaction and service quality.

**Keywords:** *Customer satisfaction, Service quality, LIC, claim settlement*

## INTRODUCTION:

Life insurance is an important component of the financial services industry, which provides protection and financial security to

individuals and families. In recent years, there has been a growing emphasis on customer satisfaction and service quality in the life insurance industry, as customers become more informed and demanding. Life Insurance Corporation (LIC) is the largest and oldest life insurance company in India, with a significant market share and a strong brand reputation. However, the increasing competition from other life insurance companies and the changing customer expectations pose a significant challenge to LIC's sustainable development of customer satisfaction and service quality. Therefore, this study aims to investigate the sustainable development of customer satisfaction on service quality of LIC in comparison with other life insurance companies.

### **LITERATURE REVIEW:**

The literature review provides a theoretical framework for the study, drawing on the concepts of customer satisfaction and service quality. The review highlights the importance of customer satisfaction in the life insurance industry, and the role of service quality in achieving customer satisfaction. The review also examines the factors influencing customer satisfaction and service quality, such as brand reputation, customer-centric approach, experienced

staff, prompt claim settlement, and digital capabilities. The review also discusses the concept of sustainable development in the life insurance industry, and the importance of balancing economic, social, and environmental considerations.

### **METHODOLOGY:**

The study employed a mixed-methods research design, using both quantitative and qualitative data collection and analysis techniques. The data were collected from customers of LIC and other life insurance companies through a survey questionnaire and in-depth interviews. The survey questionnaire included Likert-scale questions on customer satisfaction with service quality, and demographic questions on age, gender, income, education, and occupation. The in-depth interviews were conducted with selected customers and LIC employees to obtain detailed insights into the factors influencing customer satisfaction and service quality. The data were analyzed using descriptive statistics, correlation analysis, and thematic analysis.

### **FINDINGS:**

The results revealed that LIC has a higher level of customer satisfaction with service quality than other life insurance companies.

The mean score for customer satisfaction with LIC was 4.32, while the mean score for other life insurance companies was 3.98. The correlation analysis showed a strong positive relationship between customer satisfaction and service quality ( $r = .78, p < .01$ ). The thematic analysis of the in-depth interviews identified several factors influencing customer satisfaction and service quality, such as brand reputation, customer-centric approach, and experienced staff, prompt claim settlement, digital capabilities, transparency in operations, and customer needs awareness.

### **CONCLUSION:**

The study revealed that LIC has a significant market share compared to other private life insurance companies, which suggests that customers prefer LIC over private insurers. Furthermore, the study found that LIC's service quality is perceived to be better than that of private life insurance companies in terms of promptness in claim settlement, availability of information, and transparency in the policy terms and conditions. The study also found that customer satisfaction with LIC is positively associated with the quality of service provided. To achieve sustainable development of customer satisfaction, LIC should continue to invest in

improving its service quality. The study recommends that LIC should focus on improving customer engagement, providing personalized service, and enhancing the digital experience to cater to the changing needs and preferences of customers. In addition, LIC should also invest in building a strong brand image and improving its communication strategy to effectively convey its service offerings and values to customers.

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