Service Quality Gap Analysis: Study on the Claims Experience of Health Insurance Customers

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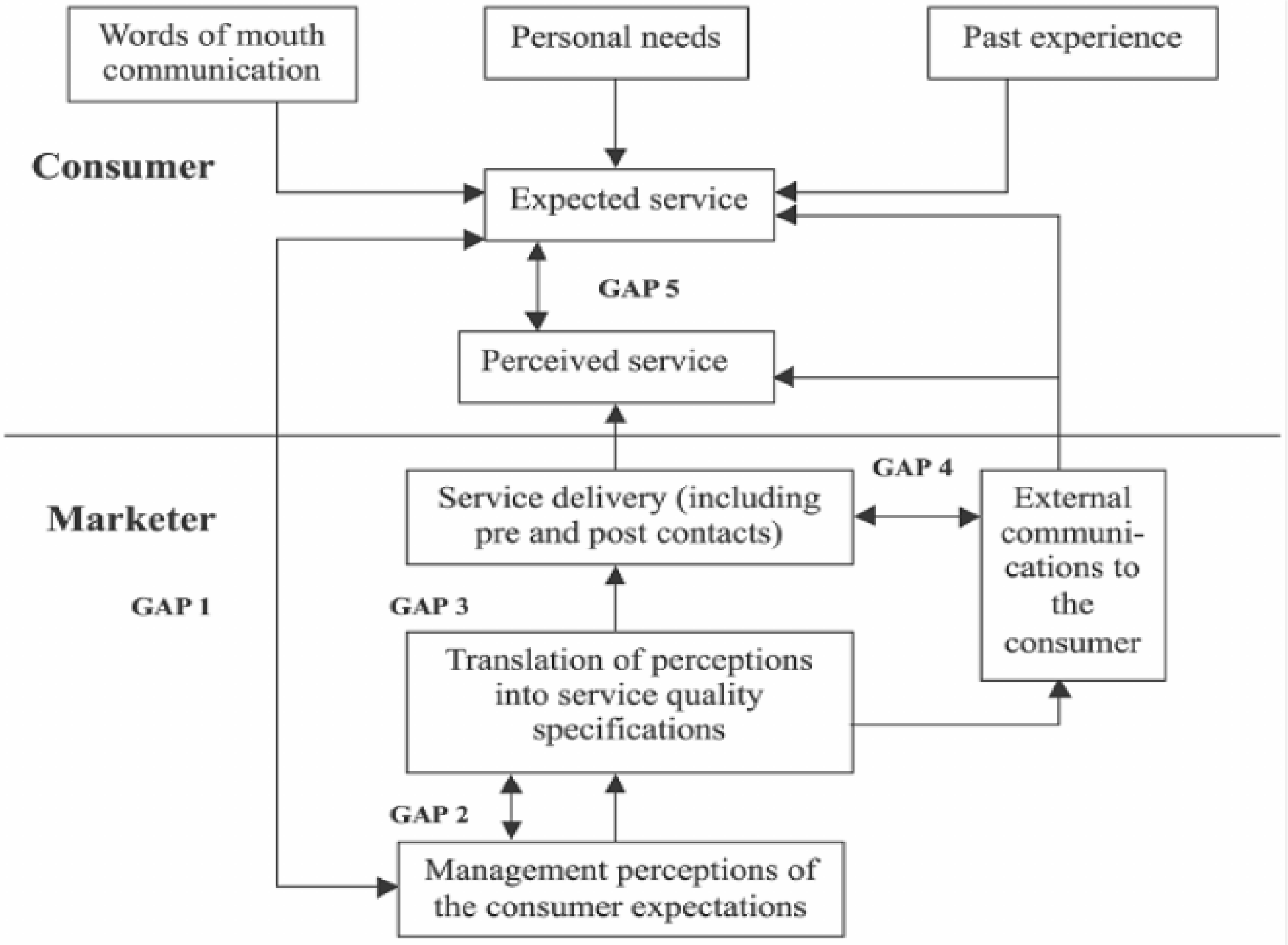
Research Question

Is Aditya Birla Health Insurance providing quality service in claims process and meeting customer’s expectation?

Rationale

- The high level of service quality will lead to customer satisfaction that will increase the customer loyalty and hence will increase market share.
- Homogeneity of insurance products in the market: Claims handling service quality is identified as the main factor in analyzing competitive strategies
- Therefore having competitive advantages through the service quality requires recognition of quality requirements of customer perspective

SERVQUAL GAP MODEL



Source: Parasuraman *et al*. (1985)

Objective

- To evaluate customer’s general expectation of claims process by an insurance company in respect to the SERVQUAL dimension.
- To evaluate customer’s general perception of claims process by Aditya Birla health Insurance Company in respect to the SERVQUAL dimension.
- To find out the gap between perception and expectation of the customers, regarding the claims service provided by Aditya Birla Health Insurance Company.

Methodology

- **Study Area:** Aditya Birla Health Insurance Company, Mumbai
- **Study Design:** Cross Sectional Descriptive Study
- **Study Population:** Customers who had Claims experience in network hospitals of Aditya Birla Health Insurance
- **Sampling Method:** Convenience Sampling
- **Sample Size:** 160 health insurance claims customer

Instrument Used

- The standard SERVQUAL questionnaire was used,but modified according to the industry.
- Validity: The content of the questionnaire were reviewed by professionals.
- Reliability: Alpha Cronbach test was done to check the reliability. Cronbach's Alpha Coefficient was (0.83).
- The questionnaire had 22 items and the customers were asked to rate the item on a scale of 1 to 5, 1 being strongly disagree and 5 being strongly agree.

  The questionnaire was based on 5 service quality dimension(Empathy, Assurance, Tangibility, Responsiveness and Reliability)

Data Analysis

Demographic Characteristics of the Sample

Description		Frequency	Percentage %
Gender	Male	83	52
	Female	77	48
Age	25-30	24	15
	31-40	90	56
	41-50	46	29
Education	Graduation	20	13
	Post Graduation	131	82
	Post Graduation and above	9	6
Marital Status	Married	157	98
	Unmarried	3	2

GAP score of Service quality Dimensions

Dimensions of Service Quality	Expectation	Perception	GAP Score
Tangibility	4.97	4.66	**-0.31**
Responsiveness	4.95	4.83	-0.12
Reliability	4.89	4.69	**-0.2**
Assurance	3.69	4.7	**1.01**
Empathy	4.35	4.45	0.1
Total	**4.57**	**4.66**	**0.09**

Conclusion

The analysis of responses reveals that the overall customer perception of the quality of Claim service delivered by Aditya Birla was more than their expectation. **The dimension of tangibility accounted for highest gap score. Small gaps existed in responsiveness and Reliability**. The analysis of this study is very useful for Aditya Birla health insurance Company as it sets a benchmark in the insurance industries.

Recommendations

Responsiveness

- Developing strong digital platform to deliver prompt service to reduce response time.
- Employees should be more upfront in giving feedbacks to the customers

Tangibility

- Quality of the service provided by the empanelled hospital should be evaluated by taking a review
- Policy documents should be made more comprehend able

Contd…

Reliability

- Following a more standardized procedures
- Companies should follow up quickly with the customer to avoid anticipation

Suggestion

- An exploratory study on market segmentation and demographic characteristics and it relation with the service quality can done to enhance the process of delivery and make the customers from just satisfied, to delighted, to the stage where they advocate our product

THANK YOU…