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Analytical Perspective of Service Gap and Factors of Service Quality in Indian Life Insurance Industry

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Abstract

Even after almost two decades of operating in the market, the private companies of Indian Life Insurance sector are not being able to outperform the sole public sector company, i.e. Life Insurance Corporation of India (LIC). Delivering the quality of service is the core of modern day marketing; therefore, this paper attempts to explore the gaps that exist between the expectation and perception of service among the customers of the private sector of the life insurance sector of India and also to identify the factors that contribute a decisive role in creating the perception of service quality for the customers of the Indian private life insurers. So, to conduct this study, data were assimilated through primary sources by structuring a questionnaire based on the SERVQUAL scale. In the span of 6 months, 613 responses were received through snowball sampling technique by Google spread sheet, out of which only 487 responses were found to be thorough and without any errors. To analyze the collected data, t-test has been employed to conduct the gap analysis while Factor analysis has been used for identifying the factors responsible for the perception of service quality. The results of the study exhibit a vast variance in customers' expectations and perceptions of service quality, which implies dissatisfaction among customers while eight factors have been recognized that influence perception of service quality in the private sector of Indian Life Insurance.

Keywords: Service Quality, Life Insurance Industry of India, SERVQUAL, Gap Analysis

Introduction

Indian Life Insurance is one of the fastest growing sectors in India since 2000 after the Indian government allowed private players to operate in the market and Foreign Direct Investment (FDI) up to 26% which was approved to increase up to 49%. The most significant step in the industry was the nationalization of Life Insurance in India by incorporating Life Insurance Corporation of India (LIC) in 1956. All private life insurance companies operating at that time were taken over by LIC. As per the annual report published by the IRDA for the year 2013–2014, at the end of March 2014, there are 24 insurance companies in the life insurance business out of which 23 belong to the private sector while only one company, i.e. LIC dominates the public sector.

While reviewing the financial performance of the life insurance companies of India as per the reports published by IRDA, it was found that the first year life insurance premium for consecutive three years, namely, 2013–14, 2014–15 2015–16 & 2016–17, the private sector of Indian Life Insurance has witnessed a significant growth in this field in the last two financial years. If we follow these numbers more elaborately it is very easily noticeable that even after almost 20 years of operating in the market these 23 private players together are not being able to outperform their sole competitor LIC in the public sector. LIC has always been able to keep its number far ahead from its competitors. Table 1 and Table 2 show the performance of the life insurance companies of India regarding first year life insurance premium, and total life insurance premium respectively.

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Table 1: First Year Life Insurance Premium (Rs. in Million)

INSURER	2013-14	2014-15	2015-16	2016-17
Private Total	295164.3	348218.1	409708	506193.7
	(-4.01)	(17.97)	(17.66)	(23.84)
LIC	908087.9	785077.2	978915.1	1245833.1
	(18.53)	(-13.55)	(24.69)	(27.27)
Industry Total	1203252.2	1133295.2	1388623.1	1752026.8
	(12.08)	(-5.82)	(22.53)	(26.26)

(Source: Handbook on Indian Insurance Statistics, IRDA 2015-2016)

Note 1) Figures in the brackets represent the growth over the previous year in percent.

2) Previous year's figures revised by insurers 3) the First year Life Insurance Premium includes single premium

Table 2: Total Life Insurance Premium (Rs. in Million)

INSURER	2013-14	2014-15	2015-16	2016-17
Private Total	773593.6	884343.6	1004990.3	1179892.5
	(-1.33)	(14.32)	(13.64)	(17.40)
LIC	2369423	2396676.5	2664442.1	3004873.6
	(13.48)	(1.15)	(11.17)	(12.78)
Industry Total	3143016.6	3281020.1	3669432.3	4184766.1
	(9.44)	(4.39)	(11.84)	(14.04)

(Source: Handbook on Indian Insurance Statistics, IRDA 2015-2016)

Note 1) Figures in the brackets represent the growth over the previous year in percent.

2) Previous year's figures revised by insurers

Review of Literature

The concept of service quality has provoked a considerable amount of attention among the academics of service marketing because defining as well as measuring the quality of service is quite a daunting task (Wisniewski, 2001). There have been quite a number of different 'definitions' that has been forwarded by various scholars and researchers as to what service quality signifies. To elucidate 'service quality', Parasuraman, Zeithaml, and Berry (1985) came up with ten (10) Determinants of Service Quality namely: Reliability, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding, and Tangibles.

Later, Parasuraman, Ziethaml, and Berry (1988) developed SERVQUAL, a 22 item tool that can be used to measure customer perception of Service quality in service organizations. SERVQUAL is nothing but a questionnaire consisting of 22 questions which have been conceptualized based on the five dimensions of Service Quality viz. Tangibles, Reliability, Responsiveness, Assurance, and Empathy. These final five dimensions of SERVQUAL have been formulized by the amalgamation of previously mentioned 10 Determinants of Service Quality.

The SERVQUAL model implies service quality as the inconsistency that exists between the expectation of service offering and the perception of the service received by the customer. This particular measurement of service quality is established on the premises of how a consumer evaluates the service delivery process and as well as the outcome of the service. Service quality will only be considered as good one when it can meet or exceed the consumer's expectation of the service (Parasuraman et al., 1985).

The result of the study conducted by Uppal and Mishra (2011) who examined the gap between actual and expected satisfaction level of customers through SERVQUAL revealed that in most of the cases, expectations run very high for all the dimensions when compared to the actual service offered. It has been observed that the SERVQUAL model has been used in various industries and it is of much importance because of its seeming relationship with profit making, customer satisfaction, customer retention, customer loyalty and positive word of mouth, and therefore it is widely considered as a very important tool of marketing, as well as financial performance enhancer of any service provider (Buttle, 1996).

Some of the most prominent models in service marketing literature have emphasized the concept of service quality gaps. In simple words, service quality gap can be is explicated as the disparity between the expectations and perceptions of service by the customers. If expectations of a customer are greater than the performance of service by the service provider, then the customer's perceived

quality of service is less than satisfactory which will, in turn, result in customers' dissatisfaction (Parasuraman et al., 1985; Lewis & Mitchell, 1990). Since with time and ever rising competition, consumers' expectation of quality is increasing by leaps and bounds, (Dotchin & Oakland, 1994b; Haywood-Farmer & Stuart, 1990) and at the same time the companies are becoming more and more incisive and precarious about the quality of service they are being offered (Philip & Hazlett, 1997), over the past few decades, it has been witnessed that much needed attention has been placed by the service providers to properly apprehend the role of customer perception, as well as to shrink its difference with the customer expectations (Pitt & Jeantrout, 1994).

According to Urban (2009), one of the resilient points of quality gaps concept is that it confirms a proper clarification of the progression of quality creation inside the very organization. Thus, it acts as an ingenious framework that can help the managers as well as service providers to realize and recognize the emergence of quality of service and also about the concerning service quality gaps that might occur henceforth.

Rationality of the Study

In recent years Indian Life Insurance sector has witnessed a highly volatile market situation with the introduction of liberalization, privatization, globalization and even demonetization. As a result of this, with more and more players entering into this life insurance market, the insurers are coming up with a variety of products and offerings which has resulted in a fiercely competitive environment. But it has been observed that the private life insurance companies of India are still not being able to perform at par with the only one life insurance company of the public sector and to the best of knowledge no research has found in this area.

This study aims to identify the gaps resulting because of the difference between expected service and perceived service among the customers of the private sector of life insurance companies of India. This research also intends to recognize the factors that play a dominant role in constructing a perception of service quality in the mind of the customers.

On the basis of above objectives following research questions have formulated:

RQ1: Is there any difference between expected service and perceived service among the customers of the private sector of Life Insurance companies of India?

RQ2: What are the factors that play a substantial role in creating customers' perception of service quality?

Research Methodology

Both descriptive and quantitative research techniques have been used in this study. The data is collected through a questionnaire which was formulated as per the SERVQUAL Model. The questionnaire had two sets of questions, one for customers' perception and another for customers' expectations. Each set of the questionnaire had 23 questions totally constructed on the basis of the SERVQUAL model. Sampled respondents were selected through snowball sampling method. Though, this research work is predominantly constructed on the primary data basis yet various secondary data sources like periodicals and economic reports by government publications as well as various private consulting firms and annual and periodic reports published by various Life Insurance companies and IRDA were also accessed to get a better understanding of the market situation.

The statistical software tool named IBM SPSS Statistics 20 has been used to scrutinize the data, collected through questionnaires. In the span of 6 months in the financial year of 2017-2018, 613 responses were received through emails and Google spread sheet, out of which only 487 responses were found to be full and without errors. So, the total Sample size used in this study is 487.

The fundamental statistical analysis tools that has been employed in this research study are Reliability analysis to quantify the internal consistency of the questionnaire, Paired sample T-Test to conducts the Gap analysis and find out the answer of first research question while Factor analysis to identify the significant factors that influence the perception of service quality which includes KMO and Bartlett's Test and Principal component analysis and to find out the answer of second research question.

Data Analysis and Discussion

A. Reliability Test

Nunnally (1978) considered Cronbach's α to be the most vital and significant measure to account reliability

index and is established on premises of the number of the variables/items of a questionnaire, as well as on the correlations between the variables. 'Cronbach α (alpha), the most common measure of scale reliability was formulated by Cronbach (1951). After analyzing the responses of the 487 respondents answering all of the 23 questions of the structured questionnaire, it was established that α of customer perception is.806 while that of the customer expectation is .798 (Table.3).

Table 3: Reliability Test

	Cronbach's Alpha	*N of Items*
Customer Perception	.806	23
Customer Expectation	.798	23

As Kline (1999) opined that factors are considered to be reliable when the value of Cronbach's alpha lies in the range of 0.7 or higher and the value of α in all of the categories of this questionnaire have values higher than 0.7 therefore, the values lie in a satisfactory position zone and hence the internal consistency of the questionnaire can be considered as "good" ($0.7 \leq \alpha < 0.9$ is Good).

B. Gap Analysis

To measure 'expectations and perceptions' among the customers a 7-point Likert scale was used where the higher numbers indicate a higher level of expectation or perception and vice versa. Since Parasuraman et al. (1988) has defined service quality as a gap that exists between customers' expectations (E) and perceptions (P), the responses of the customers' expectations and perceptions were graduated on the 7-point Likert scale and were measured and equated to work out the (P-E) gap scores. The higher, i.e. more positive results of the perception minus expectation score implied that the level of service quality is greater than the expectation quotient while negative, i.e. lower scores indicate expectation was more in terms of perception which implies the existence of a service quality gap. (Daniel & Berinyuy, 2010; Mizenur, Mohammad & Rahman, 2011; Rakesh, 2012). According to Parasuraman et al. (1988), when consumer's expectation exceed the actual service perceived, it results in a negative gap score (Perception–Expectation) which implicates that there is very much need for an upgradation of the service that is being offered by the service providing company (Mohamed, 2007; Parikh, 2011).

The results in Table 4 show that mean gap score is negative for the majority of the statements which points to the dissatisfaction of the customers of the private life insurance sector of India in most of the dimensions, which are also statistically important as specified from the t-values in the given table. Under the Tangibility dimension, component-wise analysis directs that the greater level of dissatisfaction was identified in items like the branch office having modern looking service equipment (−.503) closely followed by visually appealing interiors (-.386) and promotional materials of the company are visually appealing (-.099) while the other two statements viz. employees appear neat (0.363) and office having adequate physical facilities (0.211) showed positive results. However, the mean score and t value of tangibility dimension displayed negative results, -.083 and -1.063 respectively indicating dissatisfaction among the customers. Similarly, the Reliability dimension's mean score and t-value also came negative to -0.073 and -0.211, respectively. Except for the statement, the company keeps its service promises (0.068) all other statements from this dimension displayed negative scores representing a high level of dissatisfaction among the customers. The scores from Responsiveness dimension exhibited a better picture where both of the mean score (0.015) and t-value (0.189) had positive results which connotes a level of satisfaction among the customers with the existence of no gaps at all. On the other hand, the Assurance dimension accounted for a highest negative mean score (−0.297) among all dimensions, which implicates the failure of the employees and agents of the private life insurance companies to be considerate towards them and to offer necessary assurance to them. As far as the dimension of empathy is concerned, the mean score (0.120) and t-value (1.306) displays a positive result specifying satisfaction among the customers in this dimension of service quality.

The use of difference scores gives the managers and academicians a better discernment of whether it is escalating expectations or weakening the performance of the service providers that might be held accountable for the dwindling of service quality which navigates towards high levels of dissatisfaction among the customers (Hudson, Hudson, & Miller, 2004).

Table 4: Paired Samples Test

	Paired Differences					*t*	*df*	*Sig. (2-tailed)*
	Mean Score Difference	*Std. Deviation*	*Std. Error Mean*	*95% Confidence Interval of the Difference*				
				Lower	*Upper*			
Q.1 The branch office has modern looking service equipment	-.503	1.833	.083	-.666	-.340	-6.055	486	.000
Q2. The branch office has visually appealing interiors	-.386	1.674	.076	-.535	-.237	-5.090	486	.000
Q3.The Agents/Employees of the Insurance Company appear neat	.363	1.813	.082	.202	.525	4.425	486	.000
Q4. The Promotional materials associated with the service of the Insurance Company are visually appealing	-.099	1.884	.085	-.266	.069	-1.154	486	.249
Q5.The Branch office has adequate physical facilities	.211	1.824	.083	.049	.374	2.559	486	.011
Tangibility	-0.083	1.805	0.082	-0.155	0.078	-1.063	486	0.251
Q6. The employees/agents of the Life Insurance Company shows sincere interest in solving your problems	-.010	1.809	.082	-.151	.171	.125	486	.900
Q7. The Life Insurance Company follows/maintains service timeline	-.113	1.827	.083	-.050	.276	1.364	486	.173
Q8. The Life Insurance Company Performs the service at the first time	-.273	2.073	.094	-.458	-.089	-2.907	486	.004
Q9. The Life Insurance Company keeps its service promises	.068	1.894	.086	-.101	.236	.790	486	.430
Q10. The Life Insurance Company provides error free records	-.037	1.913	.087	-.207	.133	-.426	486	.670
Reliability	-0.073	1.903	0.255	-0.193	0.145	-0.211	486	0.543
Q11. The Life Insurance Company keeps customer informed about when services will be performed	.246	2.004	.091	.068	.425	2.713	486	.007
Q12. The employees/agents in the Life Insurance Company give prompt error free service	.138	1.930	.087	-.034	.309	1.573	486	.116
Q13. The employees/agents in the Life Insurance Company are always willing to help you	-.166	1.870	.085	-.333	.000	-1.963	486	.050
Q14. The employees and agents in the Life Insurance Company are never too busy to respond to your request	-.158	2.038	.092	-.340	.023	-1.712	486	.088
Responsiveness	0.015	1.960	0.088	-0.384	0.189	0.152	486	0.065
Q15. The behavior of the employees/agents in the Life Insurance Company instils confidence in you	-.372	2.170	.098	-.565	-.178	-3.780	486	.000
Q16. You feel safe and assured in your transactions with the Life Insurance Company	-.444	1.933	.088	.271	.616	-5.063	486	.000
Q17. The employees and agents in the Life Insurance Company are consistently courteous	.072	2.044	.093	-.110	.254	.776	486	.438
Q18. The employees/agents in the Life Insurance Company have the knowledge to answer your questions	-.400	1.909	.087	.230	.570	4.629	486	.000
Assurance	-0.297	2.014	0.091	-0.043	0.315	-0.859	486	0.109
Q19.The employees/agents in the Life Insurance Company give you individual attention	.382	1.904	.086	.212	.551	4.428	486	.000
Q20. The Life Insurance Company has employees/agents who are always willing to help you	.164	1.955	.089	-.010	.338	1.855	486	.064
Q21. The Life Insurance Company understand your specific needs	.520	1.953	.088	.346	.693	5.870	486	.000

	Paired Differences					t	df	Sig. (2-tailed)
	Mean Score Difference	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Q22. The Life Insurance Company has your best interest in heart	.057	1.808	.082	-.103	.218	.702	486	.483
Q23. The Life Insurance Company has operating hours that are convenient to all its customers	-.524	1.827	.083	-.686	-.361	-6.326	486	.000
Empathy	0.120	1.889	0.085	-0.048	0.288	1.306	486	0.161

C. Factor Analysis

KMO & Bartlett's Test of Sphericity is a statistical tool to measure sampling adequacy which is generally prescribed to probe the variable ratio for the analysis of the data that is being directed in the study. Kaiser (1974), articulated that the value of a bare minimum of 0.5 falls under 'satisfactory' while Hutcheson and Sofroniou (1999) sustained that values that lie between 0.5 and 0.7 are 'mediocre' while values that exist between 0.7 and 0.8 are 'good' while the values between 0.8 and 0.9 are 'great' and values above 0.9 are 'outstanding'.

In this particular study, KMO analysis revealed that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value is 0.746 (Table. 5), which falls into the array of being "good", so it is likely that the sample size of this study is acceptable and appropriate to conduct factor analysis . Bartlett's test has also been observed to be highly significant (since $p < .001$), and therefore it is assumed that factor analysis is suitable for this study. The Sig. value for this present research has come .000 (Table.5) which is way below 0.05. So, it would not be wrong to postulate that this study conveniently meets all the requirements necessary for conducting a Factor Analysis.

Table 5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.746
Bartlett's Test of Sphericity	Approx. Chi-Square	2608.339
	df	253
	Sig.	.000

The Principal Component Analysis (PCA) works on the preliminary supposition that all the variance or inconsistency are common. As a result of this, all the communalities are taken as 1 (Column-initial) before the extraction. In Table no.6, the values extracted after analysis lie between the arrays of 0.482 to 0.744; therefore, it can be presumed that the extracted Communalities are acceptable to be acceptable for the factor solution.

Table 6: Communalities

	Initial	Extraction
Q.1 The branch office has modern looking service equipment	1.000	.717
Q2. The branch office has visually appealing interiors	1.000	.593
Q3.The Agents/Employees of the Insurance Company appear neat	1.000	.584
Q4. The Promotional materials associated with the service of the Insurance Company are visually appealing	1.000	.482
Q5.The Branch office has adequate physical facilities	1.000	.744
Q6.The employees/agents of the Life Insurance Company shows sincere interest in solving your problem	1.000	.562
Q7. The Life Insurance Company follows/maintains service timeline	1.000	.601
Q8. The Life Insurance Company Performs the service the first time	1.000	.637
Q9. The Life Insurance Company keeps its service promises	1.000	.534

	Initial	*Extraction*
Q10. The Life Insurance Company provides error free records	1.000	.626
Q11. The Life Insurance Company keeps the customer informed about when services will be performed	1.000	.609
Q12. The employees/agents in the Life Insurance Company give prompt error free service	1.000	.572
Q13. The employees/agents in the Life Insurance Company are always willing to help	1.000	.708
Q14. The employees and agents in the Life Insurance Company are never too busy to respond to your request	1.000	.525
Q15. The behavior of the employees/agents in the Life Insurance Company instils confidence in you	1.000	.647
Q16. You feel safe and assured in your transactions with the Life Insurance Company	1.000	.628
Q17. The employees and agents in the Life Insurance Company are consistently courteous	1.000	.679
Q18. The employees/agents in the Life Insurance Company have the knowledge to answer your questions	1.000	.710
Q19.The employees/agents in the Life Insurance Company give you individual attention	1.000	.583
Q20. The Life Insurance Company has employees/agents who are always willing to help you	1.000	.526
Q21. The Life Insurance Company understand your specific needs	1.000	.753
Q22. The Life Insurance Company has your best interest in heart	1.000	.615
Q23. The Life Insurance Company has operating hours that are convenient to all its customers:	1.000	.618
Extraction Method: Principal Component Analysis.		

Tabachnick and Fidell (2007) described Principal component Analysis (PCA) as a data reduction statistical tool which is used to extract maximum variance from a data set with each component and thus it reduces an outsized number of variables into a lesser number of components/factors which then can be then easily used by the researchers. After extracting the values in PCA (Table.7) it has been detected that the first eight components or factors in the initial solution table have an Eigenvalues over one and therefore, they endorse to the maximum observed variation in influencing consumers' perception of service quality in the private sector of Indian Life Insurance industry.

Factors are then rotated using Varimax with Kaiser Normalization method (Table. 9) for better interpretation since the unrotated factors (in Table. 8) are quite unspecified as a result quite difficult to understand. Factor loading is used to measure the correlation between variables and factors. Loading values close to 1 denotes a strong correlation between the variable and the factor, while loading values nearer to zero signifies a weak correlation between these two. So, for the purpose of interpretation, those factors are being considered only whose values are <0.4 (factors having values >0.4 are deliberated as they are too small to be taken into consideration). After assessing the Total Variance Explained (Table. 7), it was observed that the 23 questions of the questionnaire can be clustered under the category of 8 components or factor groups. Table.8 showcases the Component matrix before rotation. This matrix contains the loadings of each variable onto each factor. The final part of the output in Table 10 exhibits the factor transformation matrix which informs about the degree to which the factors were rotated to obtain the solution.

Table 7: Total Variance Explained

Component	*Initial Eigenvalues*			*Extraction Sums of Squared Loadings*			*Rotation Sums of Squared Loadings*		
	Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	4.567	19.854	19.854	4.567	19.854	19.854	1.963	8.534	8.534
2	2.319	10.081	29.936	2.319	10.081	29.936	1.943	8.446	16.981
3	1.694	7.366	37.302	1.694	7.366	37.302	1.856	8.071	25.052
4	1.280	5.564	42.865	1.280	5.564	42.865	1.810	7.870	32.923
5	1.218	5.297	48.162	1.218	5.297	48.162	1.797	7.813	40.735

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
6	1.130	4.912	53.074	1.130	4.912	53.074	1.696	7.373	48.109
7	1.043	4.535	57.609	1.043	4.535	57.609	1.625	7.065	55.174
8	1.001	4.351	61.960	1.001	4.351	61.960	1.561	6.786	61.960
9	.963	4.189	66.149						
10	.858	3.728	69.877						
11	.820	3.565	73.442						
12	.718	3.124	76.566						
13	.700	3.046	79.611						
14	.667	2.899	82.511						
15	.635	2.761	85.272						
16	.557	2.420	87.691						
17	.519	2.257	89.948						
18	.447	1.944	91.892						
19	.438	1.905	93.797						
20	.404	1.759	95.556						
21	.380	1.651	97.207						
22	.347	1.507	98.714						
23	.296	1.286	100.000						

Extraction Method: Principal Component Analysis.

Table 8: Component Matrix[a]

	Component							
	1	2	3	4	5	6	7	8
Q.1	.143	.305	.512	.309	.205	.330	-.308	-.017
Q2.	.198	.454	.287	-.364	.065	-.054	.279	.217
Q3.	.323	.612	.044	-.099	.012	.088	.291	.043
Q4.	.414	.445	-.197	-.019	.003	.108	.200	-.150
Q5.	.391	.518	.392	.154	-.048	.255	-.278	-.046
Q6.	.640	.066	-.073	-.232	-.024	.146	-.206	-.155
Q7.	.505	.037	.049	-.449	-.006	.116	.020	-.355
Q8.	.461	.008	.146	-.364	.291	-.219	-.335	-.162
Q9.	.489	-.183	.162	-.288	-.120	-.080	.358	-.059
Q10.	.505	-.038	.302	-.012	.264	-.366	.014	.272
Q11.	.423	-.417	.287	-.112	-.021	-.004	-.119	.382
Q12.	.402	-.370	.377	.113	-.107	-.248	.193	.092
Q13.	.412	-.479	.068	.247	.226	.273	.193	-.283
Q14.	.430	-.435	.129	.158	.177	-.017	.080	-.267
Q15.	.525	.069	.070	.455	.149	.106	.293	.190
Q16.	.454	.383	-.090	.300	-.150	-.364	-.144	.025
Q17.	.497	.084	-.124	.117	-.601	-.103	-.014	-.155
Q18.	.423	-.269	.190	.097	-.621	.102	-.126	.013
Q19.	.454	.091	-.341	.057	.057	-.390	-.296	.077
Q20.	.471	-.371	-.270	-.125	.113	.175	-.183	.032
Q21.	.492	-.105	-.495	-.021	.156	.279	-.113	.374
Q22.	.531	.057	-.399	-.038	-.079	.268	.134	.271
Q23.	.389	.137	-.326	.308	.262	-.276	.128	-.292

Extraction Method: Principal Component Analysis.

a. 8 components extracted.

Table 9 Rotated Component Matrix[a]

	Component							
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
Q.1	-.077	.048	.055	-.037	.090	.010	-.067	.831
Q2.	-.067	.645	.271	-.078	-.238	.141	-.100	.080
Q3.	.063	.720	-.041	.136	-.078	.053	.020	.182
Q4.	.184	.537	-.205	.264	.098	.144	.099	.085
Q5.	.000	.298	.019	.116	-.051	.167	.202	.755
Q6.	.341	.165	.040	.151	.119	.543	.242	.161
Q7.	.090	.296	.001	-.042	.193	.659	.179	-.017
Q8.	.032	-.001	.283	.228	.016	.689	-.117	.124
Q9.	.038	.337	.364	-.080	.275	.283	.261	-.238
Q10.	.048	.150	.682	.290	.092	.149	-.101	.106
Q11.	.283	-.143	.655	-.143	.081	.137	.167	.072
Q12.	-.096	.003	.611	.039	.331	-.007	.275	-.053
Q13.	.182	-.086	.098	-.072	.799	.092	.057	.056
Q14.	.039	-.128	.242	.088	.627	.200	.084	.000
Q15.	.277	.326	.266	.247	.429	-.280	.063	.255
Q16.	.032	.189	.106	.680	-.090	-.009	.268	.193
Q17:	.089	.149	-.021	.317	.044	.096	.732	-.029
Q18.	.116	-.114	.235	-.072	.107	.063	.772	.110
Q19.	.278	-.065	.139	.648	-.102	.213	.063	-.047
Q20.	.546	-.182	.114	.043	.248	.327	.078	-.073
Q21.	.849	.024	.060	.144	.058	.063	-.022	-.013
Q22.	.679	.307	.015	.109	.075	.012	.195	-.060
Q23.	.064	.159	-.112	.645	.380	.054	-.088	-.071

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

Table 10: Component Transformation Matrix

Component	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*
1	.439	.319	.373	.370	.356	.393	.345	.170
2	-.136	.641	-.329	.309	-.449	-.025	-.097	.394
3	-.561	.084	.526	-.367	.078	.062	.062	.503
4	-.049	-.221	-.085	.408	.388	-.684	.113	.378
5	.103	.000	.098	.119	.295	.149	-.914	.147
6	.458	.098	-.398	-.634	.211	-.036	.055	.414
7	-.131	.648	.065	-.196	.394	-.371	-.042	-.475
8	.483	.047	.544	-.111	-.477	-.460	-.126	.027

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

The Eight factors influencing Service Quality extracted after enduring Factor Analysis are mentioned below in the following order:

Factor 1. Empathy: Empathy has been found to be the highest ranked factor that influences the perception of service quality in the private sector of the life insurance industry of India. The employees/agents of life insurance service provider should always be courteous, polite and considerate to the customers.

Factor 2. Physical Appearance: It has been observed that the physical appearance of the branch office and also its employees/agents hugely impact the perception of service quality. The Branch office must have visually appealing interiors, as well as the employees and agents, should always appear neat and presentable.

Factor 3. Accuracy: Maintaining accuracy while delivering a service is of immense importance because it helps the firms to build a good rapport and to gain the trust of their customers. The service provider should always maintain and provide error free records at the same time they should ensure that their employees and agents are giving efficient error free service to the customers.

Factor 4. Understanding the Customers: The service providers should always thrive to have a proper understanding of their customers' needs and expectation. Without this, a service provider will never be able to serve its customer efficiently and effectively which may lead to a dissatisfied customer base. The employees and agents should be trained to give individual attention to the customers at the same time the Company must have convenient operating hours for its customers.

Factor 5. Accessibility: The service providers must always be accessible to the customer whenever it is needed. The employees and agents should always be willing to help and resolve their queries and should show that they are too busy to respond them. They should behave in that way that their performance instills confidence in the customer that they have come to the right place to get the concerned service.

Factor 6. Security: Insurance companies are by and large financial service providing firms and customers entrust their hard earned money and lifetime savings to them. Therefore, it is quite natural that while rendering service from any financial institution the customer goes through the tremendous feeling of insecurity and hesitations. So, it is the job of the life insurers to make them feel secure while transactions by performing service right at the first time and also by maintaining the service timeline.

Factor 7. Assurance: The customers should always feel assured while transacting with the insurance providing company. The employees must always be properly trained so that they an answer and resolve any problem or complaint a customer is having. When the employees/ agents of the Life Insurance Company are courteous and willing to help the customers they feel assured that they have come to the right place to render the service.

Factor 8. Tangible Factors: Intangibility is one of the most substantial characteristics of the service industry and therefore, tangibility plays a substantial role in establishing the perception of quality of service. Tangible factors are nothing but the physical evidence of the service that has been rendered. The Branch office should always be equipped with all the required knowhow and technology relevant for the service delivery which would create a sense of confidence in the mind of the customers that the insurers are well established and capable of efficient service delivery.

Conclusion and Implications

Service quality gap is nothing but the difference in customer perceptions and expectations. Higher service quality gap denotes higher customer dissatisfaction. Therefore, it can be said that delivering the quality of service is the core of modern day marketing. The data analysis clearly reveals that there exists a significant perceptual difference of perception and expectations among customers of the private sector of Indian Life Insurance Sector regarding overall service quality. With regards to a gap analysis of customers' expectations and perceptions, the dimension of Assurance accounted for the highest gap score while Tangibility and Reliability closely follow. So, it is quite evident from this study that the customers are less satisfied with the quality of service they are getting at the private sector of Indian Life Insurance.

One of the principal concerns of this study is to find an approach which the managers, academicians as well as researchers may find helpful while identifying the significant factors that contribute in the formation of

customers' perception of service quality in the Life Insurance Sector of India. So the managers working in the field of Life Insurance Sector of India might find this study very helpful to identify the factors and dimensions of service quality they need to put more emphasis on to improve their quality of service.

This analysis of the research can also be quite useful for both private and public companies of the Life Insurance Industry of India. As per the analysis of this study, it is recommended that the private life insurers of India need to be transparent and truthful in their dealings. They should try to maintain proper records of their transactions with their customers. Different categories of e-services should be introduced so that they can serve their customers anytime and anywhere. It is essential for the insurers to be courteous and attentive to the needs wants and demands of the customers. Thus, it can be anticipated that if all the life insurers of the private sector of Indian life insurance can add quality to their services and offerings, their business can further be flourished because in this present age, customers judge an organization not only by the products they are offering but also by the quality of service that comes along with those products and services.

Future researchers should seek to study the use and application of the SERVQUAL scale to identify and close the service quality gaps for different types of service providing organizations. Another important issue for future research can be about the relationship between service quality and customer satisfaction as well as other factors that play a decisive role in influencing the quality of service of any service providers.

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