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CUSTOMER AND SHAREHOLDER SATISFACTION IN THE INSURANCE INDUSTRY

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ABSTRACT

The number of companies that choose customer satisfaction as an indicator of the performance of their product or service is constantly increasing. The main issue of research is customer and shareholder satisfaction in the insurance industry. After reviewing previous studies and a survey of insurance industry experts, the model used was selected as the initial model and the group postal model was proposed as a conceptual model of the research. The statistical population of this study is the insured victims of insurance companies throughout Iran and also the visual language (in the field of liability and third party insurance) which through the insured, in the period from 2012 to 2014, received damages from the insurance company. The results show that the level of customer satisfaction with insurance companies in the compensation stage is lower than the level of satisfaction in the issuance stage and in general, customer satisfaction with compensation and grievance redress is low. In contrast, the level of customer satisfaction in categories such as simplicity and speed of issuance, responsiveness, staff trap and physical environment is relatively higher compared to other satisfaction variables.

INTRODUCTION

In today's ever-changing world of competitors, most companies are looking for ways to increase their competitive advantage, one of which is to move toward better customer service. Therefore, companies usually try to

provide more facilities to customers and meet their needs quickly. But smart and forward-thinking organizations reconsider the way they treat and communicate with their employees before taking any action, and keep them satisfied in the first place. Employees are the most important asset and capital of an organization. Lack of appropriate and good staff to provide goods and services to the organization, organizations in today's competitive environment will face many problems. This is more evident in service organizations. Mashan studies show that the satisfaction of the employees of a company leads to customer satisfaction (Khodabakhsh Gorgani, 2010).

In the course of human civilization, Alvin Toffler has identified three important waves. The first two major waves, the agricultural revolution, which lasted thousands of years, and the second, the industrial revolution, are over. Mankind is now witnessing the emergence of the third wave or information revolution. This revolution, like the previous waves, has revolutionized human civilization. The insurance industry has not been without these developments. Technology-based development; Especially in the field of telecommunications and information technology, it has transformed the insurance industry. With the development of these technologies, e-commerce promises new developments. Studies on the development and performance of e-insurance show that the use of e-commerce has created a wide field for insurance companies to provide effective, direct and cheap information about their products and services. Competitive business pressures in the insurance industry, as well as the changing expectations of customers in this industry, have made the use of information technology more necessary. The formation of the communication revolution and the emergence of phenomena such as electronic data exchange, e-commerce and electronic money exchange, which resulted in the use of the tools of the communication revolution in

Inter-organizational exchanges in the supply chain have created new conditions for the economic activities of organizations. With the increasing use of new information and communication technologies by organizations, we are witnessing an intensification of the competitive situation within the supply chain; So now, exploiting this type of technology is more of an environmental requirement than an advantage or an interest. (Shamogam, 2003).

Customer satisfaction is an inner feeling and is difficult for many people to realize; But if it can be converted to quantitative data based on measurable parameters, it can be used as the best indicator of customer feedback on the company's products. The number of companies that choose customer satisfaction as an indicator of the performance of their product or service is constantly increasing. Today, customer orientation has become a priority not only in industry, but also in service organizations and even service organizations - government or social welfare organizations. Measurability of customer satisfaction provides companies with analysis to identify their highest and lowest levels of performance, the opportunity to improve and identify their weaknesses; Therefore, identifying the quality components expected by customers from the insurance services of insurance companies and achieving the tools for measuring these components and the criteria and characteristics required by them, is an important matter in the success of any insurance company. Based on this,

this article tries to use a model to measure customer satisfaction of the insurance industry, to review and evaluate the level of customer satisfaction in this industry and provide a comparative analysis between insurance companies and from the perspective of various satisfaction indicators. In this study, the client refers to the insured persons of insurance companies all over Iran, as well as the injured parties in the field of liability and third party insurance (who have received damages from the insurance company through the insured. The subject literature and then information about the research method and conceptual model are presented, then the research results are presented separately for satisfaction indicators and companies active in the insurance industry, and finally, summarizes the results and policy recommendations based on it.

Literature review

customer satisfaction is a basic concept in marketing and an important goal for the organization (Rizan et al., 2014). Researchers consider customer satisfaction to be the key to future profitability (Deepika and Manish, 2011). Service organizations are highly dependent on customer satisfaction and must set the standard for lethally satisfying performance and be able to match and continuously improve customer feedback (Park et al., 2008). Customer satisfaction is meeting all customer expectations and many studies show the relationship between service quality and customer satisfaction (Jamal, 2009). Satisfaction is an important principle for success in long-term business relationships with customers (Kim et al., 2010). The benefits of customer satisfaction include increased revenue, reduced transaction costs, and reduced price elasticity among loyal buyers (Levin, 2009). But spending on products with services brings satisfaction that benefits more than customers expect. (2008, Fuller and Matzler). This is why organizations tend to know how their customers are satisfied to base their marketing strategy and organizational development on it (Fonseca, 2009).

Due to the separation of ownership from management, the main task of a board of directors is to ensure that senior managers provide the most benefits to shareholders. (Finkelsin and Downey: 1994). More than two decades

That corporate governance research has continuously become one of the mainstream research topics in the field of strategic management. Existing research has examined different types of corporate governance relationships with a variety of factors, including financial performance (Ying: 2006 and Reichener and Dalton: 1991), with investments by Bisker et al., 1994) and corporate fraud (Dan : 2006) with corporate entrepreneurship (Zahra: 1999 and Zahra et al.: 2000). Customer satisfaction is an important result of the organization's performance

The success of an organization depends on whether it creates satisfied customers. (Drucker: 1976). Various marketing researches have reached positive results of customer satisfaction. Satisfied customer tends to buy more (Brady and Cronin 2001), spreads positive words about the parent company (Swanson: 2003) and financial performance (Fornell et al., 2009; and Lessor, 2007). For example, Leo and Huerig (2007) suggested that due to the increase in available information about customer service, not

only customers but also job seekers can get positive results from this section about the company's management and organizational performance, and based on that hiring decisions. Adopt themselves. They also found that high levels of customer satisfaction helped save on advertising costs. In this regard, evidence suggests that customer dissatisfaction overwhelms the company's performance (Zhang et al., 2011). Zhang et al. (2011) used data from 163 different companies to examine the relationship between board components and customer orientation. They found no evidence of outside managers influencing customer satisfaction. But the results of their research showed the opposite effect of CEO duality on customer satisfaction.

Despite various researches that have been done in the country so far on corporate governance and customer orientation, the relationship between the two has not been studied so far. In this section, some examples of scattered research related to this category are mentioned. Abbasi and Salehi (2011) in a study examined the relationship between internal marketing and customer orientation. Using data from 16 public and private insurance companies, they examined the impact of internal marketing on the customer-oriented behavior of insurance industry employees. The results of data analysis of the questionnaires used indicated that job satisfaction has a mediating role in the relationship between internal marketing and customer orientation. Hasas Yeganeh et al. (2009) investigated the relationship between the quality of corporate governance and the performance of companies listed on the Tehran Stock Exchange. In their research, the rank of the sample member companies has been measured using a comprehensive questionnaire containing 25 criteria of corporate governance criteria, which are derived from the provisions of the regulations.

The management system of companies listed on the Tehran Stock Exchange is in three categories: information transparency, board structure and ownership structure. The results of their research indicate that there is no significant relationship between the quality of corporate governance and company performance.

METHOD

Given that the use of common satisfaction models in the world was not enough for the research needs of the insurance industry, other variables had to be measured for customer satisfaction. Therefore, after reviewing previous studies and a survey of insurance industry experts, the model used in Haghighi et al. (2014) was selected as the initial model and after reviewing the variables in customer satisfaction of the insurance industry and based on a mixed framework of service marketing and Grove postal model, finally the conceptual model of the research, was designed according to Table 1.

Table 1: Research model and classification of research variables by type of variable (content, process or text) and insurance presentation processes

Damage processes	Advertising processes	Advertising processes	
6. Provide appropriate information to the customer	2. Proportion of insurance conditions with customer needs	1. Correct advertising	Content variables

7. Financial satisfaction	3. Providing appropriate information to the customer		
8. Simplicity and speed in paying damages	4. Financial satisfaction		
-	5. Simplicity and speed in issuing insurance policies	-	Process variables
9. Staff knowledge			Text variables
10. Quality of customer relationship			
11. Consideration of the complaint			
12. Response			
13. Physical environment			

A total of eight variables involved in the processes, along with the five textual variables mentioned in Table 1, constitute the thirteen main variables of the customer satisfaction model of insurance companies in the present study.

In structural models, the question is how to examine the causal relationships between invisible or non-measurable latent variables and their explained effects? The complexities of psychological phenomena have made it impossible for some common methods to explain these issues accurately. For example, in the event of a measurement error in the observed variables and the need to consider these errors, or if the relationships between the variables are complicated and there is a simultaneous causal flow between the observed variables without considering some important variables in the model, The model used in the research and its results are flawed, so researchers use the structural equation model to ensure the correctness of the model and the non-significance of the challenges mentioned above (Goldberger and Duncan 1973). Here, in order to study the research model and fit and confirm it, the method of structural equations has been used, the results of which are presented in Table 1 along with the interpretation criteria of each index.

The results of examining the goodness indicators of the model fit in the table show that the model generally has a good fit and has been able to properly express the relationships between the research variables. After designing an appropriate research model, the questionnaire is based on the model variables in three sections: demographic information, information about the insurance company and the insurer and the relationship between the two, questions related to the variables under consideration in issuing insurance policies and questions related to satisfaction variables. The time of receipt of damages was designed. To measure the questions of the questionnaire, a 5-point Likert scale was used in which the number 1 indicates very low satisfaction and the numbers indicate very high satisfaction.

According to the purpose of this study, to assess the validity of the questionnaire of the present study based on the content validity approach and the use of index (CVR), about 40 experts in the relevant field (including insurance industry experts, faculty members and marketing graduates A total of 25 people expressed their views, and the CVR required to verify validity with this number of experts was 0.37 (1975, Lawshe CVR obtained above this criterion; Therefore, the validity of all questions was confirmed, Cronbach's alpha was used to measure the reliability of the

research questionnaire, and the Cronbach's alpha coefficient for the whole questionnaire was 90.32%, which indicates its high reliability. Considering that the value of Cronbach's alpha coefficient for all customer satisfaction variables and also in the whole questionnaire is more than 70%, so the questionnaire is stable in each dimension of the research.

The statistical population of this study is the insured persons of insurance companies throughout Iran as well as visual losses (in the field of liability and third party insurance) who have received damages from the insurance company through the insured, in the period of 2012 to 2014. Insurance companies must have at least one year of insurance experience, and injured customers must have reported their losses to the insurance company within one year prior to the start of the plan. Of course, Tose'e Insurance Company (due to lack of effective insurance activity and legal restrictions), Kosar Insurance Company (due to lack of access to information of customers and insurance companies of free zones due to special conditions and criteria of their activities, have been excluded from the statistical community. However, based on the production premium, the statistical population under evaluation constitutes 85 to 95% of the total insurance market of the country, and therefore it seems reasonable to generalize the results to the country's insurance industry.

In selecting the research sample, group sampling method was used and to determine the sample size in each group (company), Morgan table was used. According to this table, the minimum number of samples required for each company is 389 based on that company's portfolio. Considering that in this research, 19 insurance companies active in the insurance industry are evaluated, the total sample suitable for conducting the research was estimated to be 7460, of which the number of questionnaires available and completed in this plan is 1080. The reason for the difference between the actual sample and the estimated sample is that the customer information in some of the corporate insurance fields that became available was less than the sample size; Because it was not possible to access the policyholders of group insurance policies in the fields of treatment, especially life, which was one of the main limitations of the research. In order to reach the customers, according to the different insurance policies that refer to the compensation units, the questionnaires were completed in person and in the compensation centers of some insurance companies in Tehran, as well as by phone in Tehran and other provinces of Iran.

DATA ANALYSIS

After completing the questionnaires, their analysis process was performed and demographic characteristics, customer satisfaction status of the insurance industry as a whole, and satisfaction status were analyzed separately for each of the satisfaction indicators and companies.

Among the demographic characteristics, the amount of history and how to communicate with the insurance company was interesting. According to Section A of Table 2, about 1.96% of customers have purchased insurance through a representative, which shows the essential role of representatives in sales and interaction with customers and giving importance to them at the top of customer satisfaction promotion programs.

The insurance industry reminds. According to Section B of Table 2, a significant proportion of customers have not changed their insurer over time and have continued to work with the same insurer. Then, Kolmogorov-Smirnov test was used to check the normality of the distribution of variables, which according to the results, the normality of the distribution of none of the studied variables was rejected. Based on this, t-statistic has been used to test the research hypotheses.

Table 2. History and manner of customers' relationship with the insurance company

A) The channel of communication with the company to purchase insurance policies					
Other	Broker	Agent	Branch	Central office	
106	161	4204	1684	137	Frequency
1./6	2/5	64/1	25/7	2/1	Percentage

B) History of purchasing insurance policies from the insurance company				
unanswered	3<	2<, 3>	<2	Year
266	2757	1650	1865	Frequency
4/1	42/4	25/2	28/4	Percentage

Customer satisfaction analysis of the insurance industry

The most important purpose of the study was to assess the satisfaction of the entire insurance industry and therefore the focus of the first part of the analysis of the results was on it. Given that the general satisfaction of customers with the insurance company was questioned as an independent question in the questionnaire, based on the answers obtained in all questionnaires completed for that question according to the Likert scale and using the mean test, the assumption of no Customer satisfaction with insurance companies (3 total: H_o) was tested. According to Table 3, the fact that the test statistic is larger than the critical value leads to a firm rejection of the H_o hypothesis, which means that customers are generally satisfied with the services provided by insurance companies. Similarly, the mean t-test was performed to examine the status of each of the variables affecting customer satisfaction with the services provided by insurance companies (which are considered as a part of the overall satisfaction index), the results of which are summarized in Table 3. According to Table 3, the null hypothesis of dissatisfaction is rejected in all variables and therefore customer satisfaction is inferred from all these indicators.

Friedman test was used to evaluate the uniformity of customer satisfaction of each of the variables, the results of which are shown in Table 4. Given that the F-value of the Friedman test was less than 0.05, therefore the null hypothesis that customer satisfaction is the same is rejected for all variables; Therefore, the level of satisfaction with each of the variables of the satisfaction model was ranked based on the average scores obtained according to criteria 1 to 5 of the Likert table, the results of which are presented in the last two columns 6.

Table 3. Average t test results to examine the status of variables affecting customer satisfaction with the services of insurance companies

Ranking		Hypothesis test			
Rank	average score	Test result	Critical value (with 95% confidence level)	Test statistics	Research variables
-	3/868	They are satisfied	1/64	117/9	Overall satisfaction
1	4/368	They are satisfied	1/64	159/3	Overall satisfaction
2	4/182	They are satisfied	1/64	129/9	Responsiveness
3	4/179	They are satisfied	1/64	97/1	Staff knowledge
4	4/136	They are satisfied	1/64	101/5	Physical environment
5	4/000	They are satisfied	1/64	80/4	Quality of customer relationship
6	3/875	They are satisfied	1/64	93/6	Simplicity and speed (damage)
7	3/870	They are satisfied	1/64	16/1	Proportion of insurance conditions to customer needs
8	3/809	They are satisfied	1/64	42/5	Provide appropriate information to the customer (issue)
9	3/745	They are satisfied	1/64	61/9	Financial satisfaction (premium paid)
10	3/671	They are satisfied	1/64	44/4	Correct ads
11	3/547	They are satisfied	1/64	36/4	Provide appropriate information to the customer (damages)
12	3/511	They are satisfied	1/64	48/7	Complain handling
13	3/388	They are satisfied	1/64	36/1	Financial satisfaction (amount of damages received)

Table 4: Prioritize the elements that make up customer satisfaction

Test result	Error level	Freedom degree	Pi - amount	Test type
In Hypothesis Zero	0/05	12	0	Friedman test

According to the results of the satisfaction ranking of various variables in the last columns of Table 3, customers are most satisfied with the simplicity and speed of insurance companies in issuing insurance policies, followed by accountability variables, staff knowledge and physical environment. In contrast, the lowest level of satisfaction was related to the variable "financial satisfaction (amount of damages received)" and then the variables of handling complaints and providing information to the customer in the payment of damages and correct advertising. The low level of

satisfaction with the "Financial satisfaction in the amount of damages" index compared to the level of satisfaction with the "financial satisfaction in the amount of premiums paid" index means that insurance companies and policy makers should facilitate the process with measures such as timely payment of damages. Compensation and proper assessment of claims are made to increase customer satisfaction in terms of "financial satisfaction in the amount of damages received." Relatively high satisfaction (above 4) of indicators such as simplicity and speed of issuance, responsiveness, staff knowledge, physical environment and quality of customer relationship versus relatively low satisfaction of the variables of financial satisfaction in receiving damages, handling complaints and providing appropriate information to At the time of damage, the customer sends the message that the performance of insurers at the time of fulfilling obligations is weaker than the time of sale / issuance of insurance policy, and therefore it is necessary to pay more attention to customer satisfaction in satisfaction indicators related to the stage of payment and settlement. To have complaints. In this regard, it is suggested that insurance companies be required to establish efficient departments to handle customer complaints and periodically submit performance reports to the regulator. It is also suggested to insurance companies to formulate and implement an effective incentive mechanism to pay more attention to employees' satisfaction with customer satisfaction through methods such as establishing a relationship between customer satisfaction and employee rewards.

CONCLUSION

The results of the present study show that insurance companies have achieved relative customer satisfaction based on all variables of satisfaction index. The level of customer satisfaction with insurance companies in the compensation stage is less than the level of satisfaction in the issuance stage, and in general, customer satisfaction with compensation and grievance redress is low. In contrast, the level of customer satisfaction in categories such as simplicity and speed of issuance, responsiveness, knowledge of employees and physical environment, compared to other satisfaction variables is relatively higher.

Considering that the study of customer satisfaction measures the strengths and weaknesses of insurance companies from the customer's point of view, based on the results of this evaluation, the following recommendations can be made for continuous improvement of satisfaction with the insurance industry. A comprehensive and complete model for measuring the satisfaction of customers of the country's insurance industry, the most important recommendation is that insurance companies with their consensus through the syndicate of insurers or central insurance, develop a single and standard model based on satisfaction of insurance companies It is continuously evaluated and compared and its results are published in order to intensify healthy competition and improve the quality of services of insurance companies. In such a model, in addition to customer relationship management (CRM) models, components such as stakeholder relationship management ('SRM), such as shareholders, brokers, damage assessors and sales networks, can be considered more broadly. How to guide the insurance industry in a way that satisfies all stakeholders in the

industry. The present study, along with Haghighi et al. (2014), is a good start for this work and some limitations of this path such as restrictions on access to the insured of group insurances, uncertainty of the insurance trustee in legal insurers and failure to register possible financial relationship of insurance Legal transactions with insurers in the insurance industry database have shown that they need to be addressed for better results. The results of this study on the effect of the age of insurance companies on their satisfaction may be due to the fact that the present study is able to consider the organizational relationships between some large legal insurers and insurance companies, which has a significant effect on the portfolio of some insurance companies. Has not been. Therefore, it is recommended that these items be considered in the form of intervening variables (mediator) in the design of the unit model and the data related to them should be recorded.

Measures such as streamlining insurance operations, reducing overhead costs and optimizing the company's investments and assets and increasing their returns (by complying with all the requirements of risk management and increasing financial discipline, allow insurers to reduce the cost of insurance services In addition, the recommendation to remove unnecessary and ancillary coverage from the offer forms or to remind them of their impact on the increase in premiums to customers, help reduce premiums paid and adjust insurers' expectations, and these factors, along with transparency and Improving the methods of assessment and compensation will help to provide more financial satisfaction to the insurer.

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