

## **THE RELATIONSHIP BETWEEN ELECTRONIC SERVICE QUALITY AND SATISFACTION OF POLICYHOLDER**

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### **Abstract**

One of the most important developments in the field of quality improvement approaches that have been occurred in the last decade of the twentieth century is issue of measuring customer satisfaction as one of the core requirements of quality management system in all institutions and business enterprises. Nowadays, there are many efforts to improve the quality of management tools and customer-oriented culture by scholars, experts and managers of organizations that all show that customer satisfaction is the most important factor in determining organization's success and profitability. Electronic services with competitive opportunities for organizations help the creation of customer satisfaction. This study aims to assess the relationship between electronic services quality and satisfaction of policyholder so that service improvement and availability are as indicators of electronic services, and reliability is used as an indicator of customer satisfaction. Questionnaires were used to collect data and then data was analyzed using statistical methods. It is concluded that there is a significant relationship between electronic service quality and customer satisfaction.

Keywords: Quality, Electronic Service, Satisfaction, Policyholder

## **1. INTRODUCTION**

In recent years that there is more likely to develop the mass production of goods and increase supply than demand for goods, attracting the customers' satisfaction is the most important issue for manufactures. Moreover, in today's industrial world, competitive economy quality broke the past exclusive space in the area of production of goods and services. Therefore, customer attitudes and customer satisfaction have been considered as principles of business, and the lack of attention to this possibility would lead to its elimination in the market.

Nowadays, electronic service has been considered as a competitive advantage for organizations and institutions. Satisfaction and quality of electronic service are the major issues in the global electronic-commerce. High quality of electronic services is the key of success of any retail electronic-commerce that works in the global competitive environment. There are some definitions of the electronic satisfaction: electronic satisfaction means customer satisfaction according to a previous experience of purchase from an electronics business.

Electronic satisfaction is satisfaction of customer in support for receiving and sending orders of goods or services after sales, cost of goods and services, the quality of website content, website speed, website reliability, easy use of the website security (financial, personal privacy) [1].

## **2. ELECTRONIC SERVICE QUALITY**

The first step to understand the concepts of service quality is having a clear understanding of quality and service. Therefore, quality can be defined as following:

Quality refers to the degree of customer requirements that are associated with the "organizational culture" [2]. Quality is a set of activities, processes, functions and interactions to alleviate the problems of their customers that are compliance with the wishes and needs of the customer. The term of service, also include a variety of meanings. Service is an economic activity that creates values for customers through desired changes in service recipient or his behalf in certain times and places and also provides benefits. The result is a service that customers demand it. Service is an activity or benefit that one party offers to the other party, and is essentially intangible [3].

Kells believes that quality of service is focusing on something that is delivered to customers [11].

The issue of electronic-services is one of the most important issues in the information society. Electronic service is to provide a service conditions that institutions can provide their services all the time to citizens. This has seriously been on the agenda of the government in recent years, intelligence officials have mobilized their forces for attaining these circumstances and seek to improve political, economic and social issues processes with the help of communication and information technology, and thereby they achieved to more effective ways to provide services to citizens [4].

In academic definition, the "electronic services" are services that take advantage of information and communication technologies, strategies towards achieving sustainable development and improving the quality of human life in all areas. Understanding these concepts helps us to solve the new interactive of world media.

There is no doubt that a set of new concepts and terms came in field of media that affect the foundation of the relations, issues and journalistic approaches.

## **3. THE IMPORTANCE AND NECESSITY OF SERVICE QUALITY**

Contrary previous methods of the exchange that was require physical presence, modern methods of the exchange make way day by day into cyberspace and the physical presence of people and a medium of exchange (money) becomes less and less important. Global network is appropriate field that far exchange made possible and it is basis of the many new payment systems [5].

## **4. CUSTOMER SATISFACTION (POLICYHOLDER)**

The concept of customer satisfaction and respect to customer has rooted in the history of human life in the business and marketing. Nowadays corporations and service organizations around the world compete in space that attention to request and customer expectations

introduce factor for continuing professional life. Firms will be more successful only to correctly recognize that the customer is the only part of the valuable capital [6].

A lot of effort to promote, performance management tools and development of customer-oriented attitude by researchers, experts and managers of business organizations show that customer satisfaction is one of the most important factors in determining the success of an organization in business profitability [3].

## **5. ELECTRONIC SERVICES AND CUSTOMER SATISFACTION**

The use of ICT in business has a relatively long background. In fact, the need for electronic commerce arises from demand of public and private sectors for the use of information technology; Request has been created to gain customer satisfaction and effective coordination within the organization. It can be said that this business began about the year 1965; when consumers could receive their money through ATM machines and do their purchases with credit cards. Before development of internet-based technologies in the early 90's, large companies have created networked computers with determined relationships, limited and standard for exchanging business information among each other. In this way was called electronic data interchange (EDI). In those years, the term electronic commerce was synonymous with electronic data interchange; later, with the creation and development of Internet and world wide of communication creates many opportunities for the development of e-business infrastructure and applications that expanded its definition [7]. Today the fast-growing world development of electronic commerce, more and more businesses are trying to interact with customers by using e-commerce every day and gain their own competitive advantage. Thus, competition among online sellers is increased every moment and this fact led to a greater awareness of customers during searching for products and services from prices [8].

Nowadays, view of customer provides basic to measure processes, and way the empowerment sets individuals involved in service delivery and participation in important decisions [9].

This paper is trying to answer the current weakness of the current research in a quantitative assessment examines the relationship between electronic service quality and satisfaction of the policyholder.

In this study according to article of Pourmohammadi & et al trust is consider as an indicator of customer satisfaction and with studying several articles (J. Beik Zadeh and others) and given three points:

1 - Accountability: it measures the company power to offer and provide relevant information to customers during the problems, referential commodity management mechanism and the agreement to guarantee Internet.

2- Compensation: it is dimension that includes repay part of the money to transport refurbished and their administration.

3- Contact: it refers to customers need to live talk with representatives of online or by phone [8].

Improving service is considered as an indicator for quality of e-services and on the other hand easy accesses (24 hours) is other indicator in quality of e-services.

## 6. RESEARCH HYPOTHESES

H 1: There is significant relationship between providing electronic service with policyholder's satisfaction.

H 2: There is significant relationship between providing electronic service with policyholder's trust.

H 3: There is significant relationship between improving insurance services with policyholder's satisfaction.

H 4: There is significant relationship between easy accesses (24 hours) to insurance services with policyholder's satisfaction.

## 7. RESEARCH METHODOLOGY

In this research sampling method is convenient non-probability sampling. Studied population is students of Azad University in Rasht. Sample of 375 students have been selected according to Morgan table. Type of research is survey that by using a questionnaire has collected data. Questionnaire includes 26 questions. Content validity of the questionnaire was confirmed by several lecturer and specialist of insurance and management. Questionnaire reliability was measured by Cronbach's alpha. Amount of Cronbach's alpha is showed in following table:

Table 1: Cronbach's alpha

Variables	Number of questions	Cronbach's alpha
providing electronic service	7	.898
improving insurance services	5	.771
Easy accesses	4	.865
Policyholders trust	7	.719
Policyholders satisfaction	44	.799

## 8. DATA ANALYSIS

H 1: there is significant relationship between providing electronic service with policyholder's satisfaction.

Since purpose of this hypothesis is evolution of relationship between two quantitative indicators, thus Pearson correlation coefficient is used to assess the relationship between them. Correlation coefficient and significance level is calculated by using spss software. Amount of correlation coefficient between these two factors is equal to 0.996 and the significance level is equal to 0.000 that error (alpha 5%) is lower. Therefore the null hypothesis or assumption of independence of these two factors with 95% confidence is rejected and is confirmed that there is significant relationship between providing electronic service with policyholder's satisfaction. Their linear relationship is depicted in Figure 1.

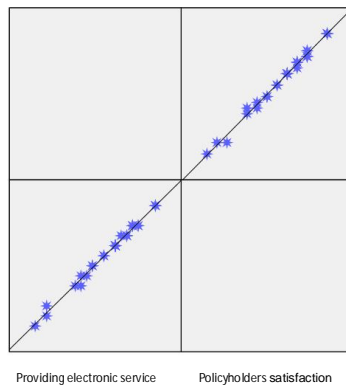


Figure 1 - Distribution of observations

According to the distribution points are located approximately on a straight line, is confirmed that the linear relationship between these two variables are strongly and significantly and their relationship is direct. In other words, whatever providing insurance services be more electronics and more quality, thus policyholder's satisfaction will be increase.

✚ H 2: there is significant relationship between providing electronic service with policyholder's trust.

Since purpose of this hypothesis is evolution of relationship between two quantitative indicators, thus Pearson correlation coefficient is used to assess the relationship between them.

Correlation coefficient and significance level is calculated by using SPSS software. Amount of correlation coefficient between these two factors is equal to 0.87 and the significance level is equal to 0.000 that error (alpha 5%) is lower. Therefore the null hypothesis or assumption of independence of these two factors with 95% confidence is rejected and is confirmed that there is significant relationship between providing electronic service with policyholder's trust. Their linear relationship is depicted in Figure 2.

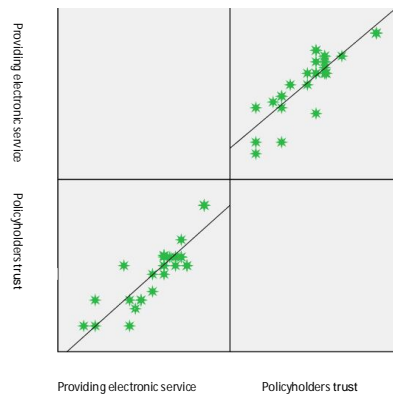


Figure 2 - Distribution of observations

According to the distribution points are located approximately on a straight line, Is confirmed that the linear relationship between these two variables are strongly and significantly and Their relationship is direct. In other words, whatever providing insurance services be more electronics and more quality, thus Policyholders trust will be increase.

✚ H 3: there is significant relationship between improving insurance services with policyholder's satisfaction.

Since purpose of this hypothesis is evolution of relationship between two quantitative indicators, thus Pearson correlation coefficient is used to assess the relationship between them. Correlation coefficient and significance level is calculated by using SPSS software. Amount of correlation coefficient between these two factors is equal to 0.97 and the significance level is equal to 0.000 that error (alpha 5%) is lower. Therefore the null hypothesis or assumption of independence of these two factors with 95% confidence is rejected and is confirmed that there is significant relationship between improving insurance services with policyholders satisfaction. Their linear relationship is depicted in Figure 3.

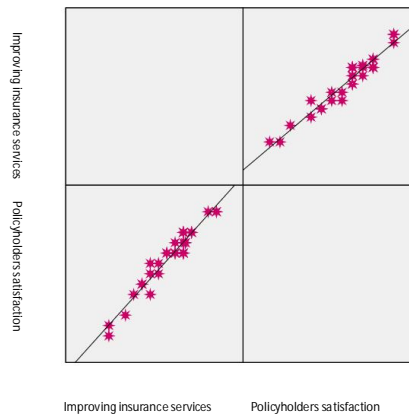


Figure 3 - Distribution of observations

According to the distribution points are located approximately on a straight line, is confirmed that the linear relationship between these two variables are strongly and significantly and their relationship is direct. In other words, whatever improving insurance services be more electronics and more quality, thus policyholder's satisfaction will be increase.

H 4: There is significant relationship between easy accesses (24 hours) to insurance services with policyholder's satisfaction.

Since purpose of this hypothesis is evolution of relationship between two quantitative indicators, thus Pearson correlation coefficient is used to assess the relationship between them. Correlation coefficient and significance level is calculated by using SPSS software. Amount of correlation coefficient between these two factors is equal to 0.98 and the significance level is equal to 0.000 that error (alpha 5%) is lower. Therefore the null hypothesis or assumption of independence of these two factors with 95% confidence is rejected and is confirmed that there is significant relationship between easy accesses (24 hours) to insurance services with policyholder's satisfaction. Their linear relationship is depicted in Figure 4.

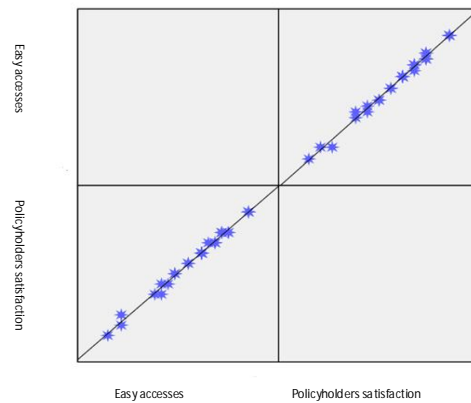


Figure 4 - Distribution of observations

According to the distribution points are located approximately on a straight line, is confirmed that the linear relationship between these two variables are strongly and significantly and their relationship is direct. In other words, whatever easy accesses services be more electronics and more quality, thus policyholder's satisfaction will be increase.

## 9. RESULTS AND DISCUSSION

Results showed that there is significant relationship between electronic service quality with policyholder's satisfaction. In other words, there is significant relationship between e-service quality indicators, namely easy accesses, improving services and electronic satisfaction of policyholders. So if insurance companies can increase the quality of electronic services provided will increase E-satisfaction of policyholders. Research Literature indicates a relationship between e-service quality with satisfaction. Therefore, the insurance company by using technology and modern technology in providing service will believe that increasing E-satisfaction is require to provide electronic service with high quality.

According to the research findings, the following recommendations are offered:

- **Personal Privacy of Customers:** In this regard, it is recommended that Insurance companies try to reduce and eventually eliminate the fears from customers the use of electronic services, by employing the latest technologies, for policyholders and also people outside the company consider rewards that discovered and informed defects in these systems and providing suggestions for solving them.
- **improving accountability for services provided:** information about services that they offer, will improve responsiveness for services provided. Emergency services, increasing speed of service delivery and on time and appropriate response to students by using e-mail, notification to end of the contract or new laws via SMS to the insurer is other strategies that will improve respond to the services provided.
- **Improving contact:** it can be improve contact by create new communication channels such as connection by webcam in the Internet, voice telephone, set up a question and answer site to answer policyholders questions in connection with the services provided from insurance companies, activation of internet direct connection with officials of insurance companies in web site about to address policyholders problems without intermediaries, and finally having 24-hour supporter for the site to address possible problem of policyholders.

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