

Research in Improving the Service Quality of Insurance Companies—Taking AC Insurance Company as an Example

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Abstract: The insurance industry is developing rapidly. Insurance has become an important part of the national economy and has a vital impact on national finance. However, owing to factors such as fierce market competition and continuous technological upgrading, customer complaints still exist in AC companies, and customer complaints are often received. Therefore, to improve the service level of AC Insurance Company, meet user needs, and enhance corporate competitiveness, relevant research is needed. This paper aims to take the service quality of AC Company as the improvement goal. The customer satisfaction of AC Company increased from 80% to 95%.

1. Introduction

Today, the insurance industry is developing at a rapid pace, and the service quality of insurance companies has a vital impact on their rapid development of insurance companies. Therefore, insurance companies not only need to improve service quality but also reduce costs, improve service efficiency, reduce customer complaints, and improve customer satisfaction. In this context, if insurance companies continue to use old management methods, they will not be able to meet the quality requirements of the modern insurance service industry, so they need to introduce new management concepts and methods to improve service quality.

The AC Insurance Company was established in December 2006 with a registered capital of 4.076 billion RMB, ranking 18th in China with total assets of nearly 10 billion yuan. This is the only state-owned property insurance company headquartered in Chongqing. The problem of service complaints of AC insurance companies still exists and is exposed occasionally. Therefore, to improve the service quality of AC insurance companies, with the goal of solving customer complaints, meeting user needs, and enhancing corporate competitiveness, it is necessary to carry out relevant research on this. Therefore, improving the service quality and service level of AC insurance companies is of great

significance and value.

The service industry began to implement quality methods approximately a dozen years later than the manufacturing industry. Services have their own characteristics such as intangibility, heterogeneity, inseparability, perishability, and customer participation^[1]. Most tangible product quality management methods and theories cannot be directly applied to service quality management. The concept of service quality differs from that of product quality. Based on cognitive psychology theory Gronroos, (1982) proposed that service quality is subjective and can be divided into two dimensions: technical quality and functional quality. This model has become the basis for subsequent research and is still used for quality research in the service field^[2]. Lewis and Booms (1983) believed that service quality is the degree to which the service provided matches the expected service^[3]. Parasuraman, Zeithaml, and Berry (1985) proposed the famous SERVQUAL service quality gap model, which assumes that service quality is the gap between the customer's expected service level and the perceived service level and simplifies the customer's perceived service quality into five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. At this point, the concept of service quality was separated from the quality management theory of the manufacturing industry, the connotation of service quality became clear, and customer expectations and perception levels became the benchmark for service quality research^[4]. Jie Baomiao (2009) transplanted the use of process capability guidance in industry to the service industry and took commercial banks as an example to quantitatively analyze and explain its various indicators, then proposed how to determine the improvement of service quality based on the indicators, and elaborated on specific improvement measures^[5]. Foreign scholars Lepmets and Mesquida (2013) proposed two goals: (a) to evaluate the IT service quality measurement framework and (b) to improve the IT service quality measurement framework of the IT service industry. The concept of IT service quality was explored from evaluating IT service quality perspective, and an IT service quality measurement framework was proposed^[6]. whereas validation through case studies seems to be lacking. Other approaches with a focus on sustainability and the environment has emerged as a research field. A few of the most common critical success and failure factors were identified in the articles studied during the study.^[7]

Most of the applied research on the manufacturing industry. There is a lack of applied research in the service industry, especially in the insurance industry, and it is mainly concentrated on master's theses.

This study mainly aims to optimize and reduce the six major types of customer complaints, thereby improving sustainable service quality and achieving a certain degree of innovation.

2. Current Quality Status of AC Company

According to manual sorting, the customer complaint rate and customer satisfaction of AC companies over the past five years are shown in Figures 1 and 2.

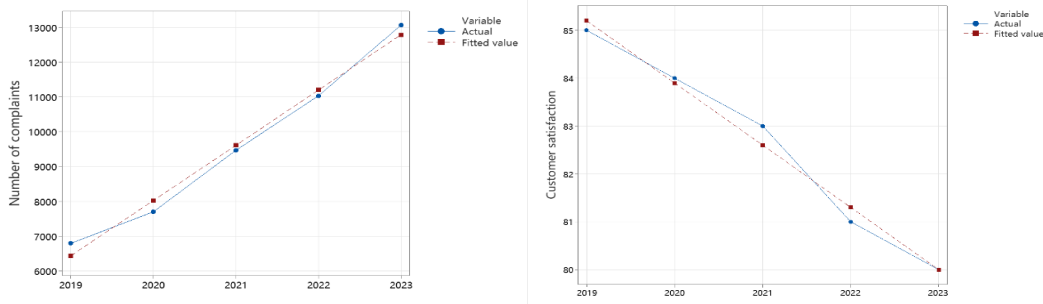


Figure 1: AC company's customer complaint rate in the past five years (Left)

Figure 2: Customer satisfaction of AC company in the past five years (Right)

3. Improvement measures

Develop standardized workbooks

A standardized workbook is a written presentation of the standardized results of a series of operations undertaken by an insurance salesperson within standard time. It describes every job at the insurance sales site in detail and provides clear operating guidelines for each employee.

By formulating standardized workbooks, insurance companies' work processes can be standardized effectively. Through detailed operating steps and processes, each employee was ensured to work in accordance with unified standards, avoiding confusion and uncertainty in the production process. Managers can quickly discover operational deviations by comparing standardized workbooks with actual insurance sales and taking corresponding corrective measures to reduce customer complaints caused.

4. Evaluation of the effectiveness of AC company's service quality improvement

Improvement verification is not only a key link in verifying the feasibility and effectiveness of the plan but also an important step to ensure that the company can successfully implement the improvement measures and achieve the expected goals. Through improvement verification, the company can promptly discover and solve the problems and deficiencies in the improvement plan, avoid unnecessary risks and losses, and ensure that improvement measures can be implemented and produce positive results.

4.1 Improved customer complaint rate and customer satisfaction

Through the implementation of the optimal solution and rapid improvement measures predicted above and real-time monitoring of the insurance sales line process of the AC Company, it is ensured that each salesperson truly implements it, and the customer complaint rate for each month in the past six months after the improvement is recorded, as shown in Figure 3.

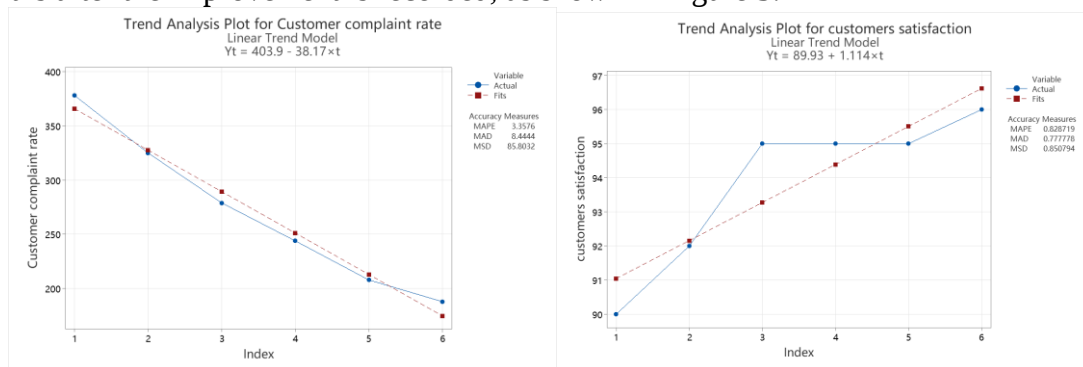


Figure 3: Customer complaint rate of AC company after improvement (Left)

Figure 4: Improved customer satisfaction (Right)

Through the analysis of customer complaints regarding AC companies' insurance sales for six consecutive months, it can be seen that the decrease is obvious, so it can be considered that this improvement is effective. From Figure 4, it can be observed that customer satisfaction has reached the target set. Reached 95.

5. Summary and Outlook

This paper considers the improvement of service quality of AC Company as the research object,

The specific results of this study are as follows.

(1) The quality issues in the insurance sales process of AC Company were analyzed, and targeted improvement measures were formulated, thus effectively avoiding complaint.

(2) In this study, by implementing service quality improvement, AC Company's customer satisfaction increased from 80% to 95%. This study provides theoretical support and practical experience for similar service industries.

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