

The Effect of Just-In-Time Delivery of Products and Services Quality on Customers Satisfaction in Asia Insurance

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Abstract

The aim of this research has been to study the effect of services quality on customers satisfaction in Asia insurance in order to present solutions for increase of customers satisfaction. The current methodology in terms of the aim is applicable and in terms of data collection, it is casual. The research population has included all customers of Asia insurance branches located in Tehran city that for assessment of existing situation, a 30-question questionnaire was used that after confirmation of the validity and reliability, it has been used for hypotheses analysis. With regard to the data analysis, the results have expressed that the services quality (physical dimensions and appearances, services guaranty, accountability, sympathy and just-in-time delivery of services) influences on customers satisfaction of Asia insurance company and also, the reliability doesn't influence on customers satisfaction of Asia insurance company.

Keywords: Services Quality, Customers Satisfaction, Just-In-Time Delivery of Services, Accountability

Introduction:

In today's world, the competition principle necessitates that the attention of organizations' managers to be inclined to increase the customers satisfaction, reduce the production costs and present the services with high level of quality in work. Therefore, studying and cognizing the indexes of customer satisfaction and assessing the customers satisfaction has been important from this aspect that finally, the level of customer satisfaction determines the success or failure of organizations. Satisfied customers are the source of companies' profit. Those companies which cannot keep the customers satisfied, will not remain in the market in long-term. Considering and emphasizing on opinions and beliefs of customer creates a fixation in him unto the organization, not only causes to create a kind of satisfaction in customer, but also, he knows himself as a component of organization. This satisfaction is also the key of success. So, among whatever the insurance manager should know, none is important than the customer satisfaction subject (Samadi and Eskandari, 2011, p.31).

Nowadays, any organization either governmental or private, without regard to the improvement of services quality cannot succeed in its business and in fact, it is condemned to the annihilation. For this purpose, any services organization for assessment and improvement of its services, at first degree, should identify the needs and expectations of its customers and study the amount of its customers satisfaction with services in specified intervals and apply its utmost for improvement of it (Sabet Ghadam and Hosseini Shakib, 2015, p.88).

No business without customer is able to continue survival. Therefore, it is very vital that any commercial institute to have a frame for perception, analysis and assessment of the situation of its customers satisfaction. Asia insurance with having the vast purchase network all around the country in the frame of active branches and agencies, in order to supply the insurance services in global standards, acquire balanced profit aligned with national benefits and exigencies, with regard to the increase of variety of insurance services presenter companies in Iran and increase of competition in this services domain, needs the customers retention and daily progressive increase of their loyalty. Since, one of the solutions of increase of customers satisfaction is to improve the quality in services, this company seeks to increase the quality of its insurance services and also present services in the proper time and minimum needed time in order to attract the satisfaction and loyalty of its customers in the best manner. Therefore, the main problem of this research is to answer this question that the services quality and just-in-time delivery of services influence on the amount of customer's satisfaction and loyalty of Asia insurance customers to what extent and each one of the studied elements influences on the retention and satisfaction of these customers to what extent. In this research, by adaptation from SERVQUAL model, we seek to answer this question that whether customers are satisfied with the quality of services presented by Asia insurance or not.

The customer satisfaction can be considered as the nature of success in the competitive world of today's commerce. Therefore, the importance of customer satisfaction, customer retention and compilation of strategy for customer-oriented and market-oriented companies cannot be underestimated (Ziviar and et al, 2011, p.174).

Nowadays, progress of technology has increased the expectations of customers for receiving the proper and just-in-time goods and services and like the past, they don't want accept any kind of goods or services anymore. Therefore, those organizations which aren't able to provide the expectations of their consumers, will be eliminated from the roulette automatically. New discussions like pervasive quality management and re-engineering see the product and services quality from the view of customer satisfaction and those organizations which apply these discussions, have considered attraction of customers satisfaction as the foundation of their strategy (Sabet Ghadam and Hosseini Shakib, 2015, p.88).

With regard to the importance of the role of quality in the services organizations, the managers of insurance companies by using of a strategic and dynamic approach should study their services quality management and consider the quality as a source for strengthening and separating their services from other competitors and they should assess the amount of their customers satisfaction with received services in the specified intervals, because, this affair enables them to identify their weakness and strength points and during the time, leads to improve their services quality (Sabet Ghadam and Hosseini Shakib, 2015, p.107).

1. The research generalities

1-2. The research hypotheses

The main hypothesis

The services quality influences on customer satisfaction of Asia insurance company.

The subsidiary hypotheses

1. The physical dimensions and appearances influence on customers satisfaction of Asia insurance company.
2. The services guaranty influences on customers satisfaction of Asia insurance company.
3. Accountability influences on customers satisfaction of Asia insurance company.
4. Reliability influences on customers satisfaction of Asia insurance company.
5. Sympathy influences on customers satisfaction of Asia insurance company.
6. Just-in-time delivery of services influences on customers satisfaction of Asia insurance company.

2. The theoretical principles

2-1. The research background

2-1-1. The domestic background

Sabet Ghadam and Hosseini Shakib (2015) did a research entitled "studying the effect of services quality level on customers satisfaction by SERVQUAL method". The results of scoring by fuzzy Topsis method indicate that sub-index of "knowledge of standard and advanced equipment" with weight of 0.62 has been selected as the most important sub-criterion of tangible factors and after it, "doing the reforms in delivery of services in the least" and "issuance of bills without mistake" from sub-criterion of the credibility factors were situated in order in the second and third ranks with weights of 0.60 and 0.57.

Zolghadnasab and Zolghadnasab (2013) did a research entitled "studying the services quality on customers satisfaction of social security insurance company according to the SERVQUAL model. By adaptation from SERVQUAL model, they concluded that the customers' expectations from tangible factors, reliability, accountability and guaranty, sympathy higher than their perception and existing services gap express customers dissatisfaction with the quality of services presented by social security insurance.

2-1-2. The exterior background

Paul and et al (2016) did a research entitled "the effect of services quality on customer satisfaction in the banks of private and governmental parts. About the banks of private part, the products knowledge, response to the need, solving the problem, quick services, quick connection to the proper person and attempt for reduction of queue time are those factors which were related to the general satisfaction positively. Helping the customer, appearance and negative pursuit are in relation with customer satisfaction. On the other hand, about the banks of private part, the product knowledge and quick services are those factors which are associated with positive effect and appearance is the only factor which is associated with negative effect.

Juga and et al (2010) expressed that the services quality lead to the satisfaction of referred persons and also causes their loyalty. The aim of this article is to study the manner of the perceived services quality and this issue that how it influences on both shipping company satisfaction and loyalty after it.

2-2. The theoretical frame of the research

Customer satisfaction: The customer satisfaction is a result which is gained from comparison of customer pre-purchase from expected performance, real perceived performance and paid cost (Sabet Ghadam and Hosseini Shakib, 2015, p.99).

Services quality: Services quality is the customer judgement (customer attitude) and is defined as the difference between customer expectations from whatever the company should present and received service performance. Therefore, the service quality can be defined based on customer satisfaction in the form of the amount of difference existing between customer expectations or demands and his perception of the real performance of service (Ziviar and et al, 2011).

Reliability: The ability of delivery of a service which has been promised to the customers, is in correct, reliable and constant form (Ziviar and et al, 2011, p.180).

Guaranty: This index indicates the amount of the ability and competence of the time personnel for transmission of trust and confidence sense in doing the customer services (Ziviar and et al, 2011, p.181).

Accountability: It is tendency to help the customer and present just-in-time service (Ziviar and et al, 2011, p.180).

Sympathy: This index means that any behavior with customer is proportional with habitude and generally personal characteristics in a manner that customers accept that have been important for a services organization that have referred to it and the organization has perceived them (Ziviar and et al, 2011, p.181).

Physical dimensions and appearances: This index embraces all equipment, facilitations, public space of organization, employees' appearance and finally relational canals (Ziviar and et al, 2011, p.181).

Just-in-time delivery of products: The organizations have concluded that if the most desirable and successful products don't satisfy the requests and needs of customers in the proper time, they will not be demanded (Singh and Kaur, 2013, p.59).

2-3. The conceptual model of the research

With regard to the issues expressed about the effect of just-in-time delivery of products and services quality on customers satisfaction in Asia insurance, the researcher suggests the conceptual model of the research by using of SERVQUAL model, as follows:

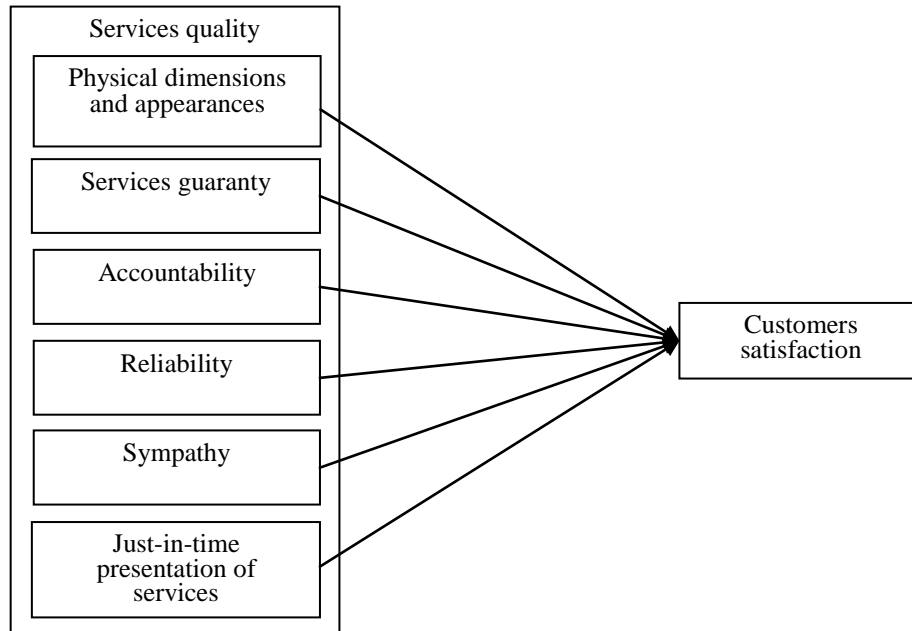


Figure 1- The conceptual model of the research (Parasuraman and et al, 1985)

3. Methodology

The aim of this research is to study the effect of services quality on customers satisfaction in Asia insurance in order to present solutions for increase of customers satisfaction. Current research in terms of the aim is applicable and in terms of data collection, it is casual. The statistical population of the research includes all customers of Asia insurance branches located in Tehran city that have had the history of relation with this insurance for more than 3 years. The number of statistical population of this research includes 10000 customers. According to the Cochran's formula, the studied sample size has been selected equal to 370 persons. The sampling method in this research is from clustered sampling kind. For information collection in the theoretical principles field, compilation of the research literature and identification of elements, the library and field study method has been used. In studying the documents, for information collection in the theoretical principles field and subject research literature, the needed references, articles and books will be used. The questionnaire including three parts will be utilized in order to describe the responders' view. For assessment of the reliability of existing questionnaire, Cronbach's Alpha method will be used and also, for assessment of validity of existing questionnaire, the logical method from content branch has been used. In this state, the quantity and quality of questions are

studied from experts' view. The analysis of data gained from current research includes two parts of descriptive and inferential statistics. In the descriptive statistic part in order to describe the findings, the frequency tables and charts will be used. In the meantime, for better description of data, the central and distribution indexes will be also utilized. In the inferential statistic part in this research, for studying the hypotheses, the structural equations method has been applied by using of Lisrel software.

4. Data analysis

4-1. Descriptive statistic

In the table No.1, the descriptive statistic has been mentioned according to the gender, age and education level separately.

Table 1- The gender, age and education status of responders

		Frequency	Percent
Gender	Woman	96	25.9
	Man	255	68.9
	Without response	19	5.2
	Total	370	100
Age	20-30 years old	25	6.7
	30-40 years old	109	29.5
	40-50 years old	152	41.1
	More than 50 years old	68	18.4
	Without response	16	4.3
	Total	370	100
Education level	Diploma	108	29.2
	Associate degree	63	17
	Bachelor's degree	155	41.9
	Master degree and higher	33	8.9
	Without response	11	3
	Total	370	100

4-2. Inferential statistic

4-2-1. Fitness of the research model

The amount of freedom degree index in this research has been gained equal to 2.54 that with regard to this issue that this amount is less than the standard amount of 3 (Lai and et al, 2009), it is confirmed. The Root Mean Square Error of Approximation (RMSEA) index is accounted as a desirable index that according to the opinion of Kalantari (2009), if this index is less than 0.08, the fitness will be desirable; if it is in the range of 0.08-0.1, the fitness will be middle and if it is more than 0.2, it will express an improper fitness. With regard to this issue that the amount of this index for current research has been

gained equal to 0.065, it is proper. Also, the standard amount of Root Mean Residuals (RMR) index is less than 0.08 (Lai and et al, 2009) that with regard to this issue that the amount of this index in current research has been gained equal to 0.044, in terms of fitness, it is confirmed. According to the opinion of Hooman (2005), the amount of excellent fitness for the Normed Fitness Index (NFI), Non-Normed Fitness Index (NNFI), Comparative Fitness Index (CFI) and Incremental Fitness Index (IFI) is more than 0.9 that with regard to this issue that these indexes have been in order equal to 0.92, 0.94, 0.95 and 0.95 and since all four fitness indexes are more than the standard amount, the fitness in terms of these indexes is confirmed. According to the opinion of Lai and et al (2009), the standard amount for Goodness of Fitness Index (GFI) and Adjusted Goodness of Fitness Index (AGFI) is more than 0.8 that with regard to this issue that the amounts of these indexes for current research in order have been equal to 0.85 and 0.82 and conform to the standard amount, so, they express a proper fitness.

Table 2- The results of the model fitness indexes

Fitness index	χ^2 / df	RMSEA	RMR	NFI	NNFI	CFI	IFI	GFI	AGFI
Standard amount	Less than 3	Less than 0.08		More than 0.9				Moe than 0.8	
The research amount	2.54	0.065	0.044	0.92	0.94	0.95	0.95	0.85	0.82

4-2-2. The research hypotheses test

4-2-2-1. Studying the subsidiary hypotheses

In the structural equations charts, the numbers and/or coefficients are divided into two groups. The first group is entitled "measurement equations" which are the relations between the hidden variables (Ellipse) and evident variables (rectangular). These equations are so-called as factorial loads. The second group is entitled "structural equations" which are the relations between the hidden variables and hidden variables and used for hypotheses test. These coefficients are so-called as the route coefficients. With regard to the model proposed in this research, the variables have been classified in the following table.

Table 3- Introduction of hidden and observer variables

Extrovert hidden variables (independent variable)	Observer indexes related to the extrovert hidden
Physical dimensions and appearances (V1)	Q1
	Q2
	Q3
	Q4
Guaranty (V2)	Q5
	Q6
	Q7
	Q8
	Q9
Accountability (V3)	Q10
	Q11
	Q12
	Q13

Reliability (V4)	Q14
	Q15
	Q16
	Q17
Sympathy (V5)	Q18
	Q19
	Q20
	Q21
	Q22
Just-in-time delivery of services (V6)	Q23
	Q24
	Q25
	Q26
Introvert hidden variables (dependent variable)	Observer indexes related to the introvert hidden
Customer satisfaction (V7)	Q27
	Q28
	Q29
	Q30

The structural equations are as a proper structural technique which is according to the hypotheses about existence of casual relations between the variables. Chart 1 shows the coefficients of t for measurement and structural model. This model is used for studying the significance of relation between the hidden variables proposed in the model and in the event that the calculated coefficient of t at the error level of 0.05% isn't in the insignificant range of (-1.96, +1.96), we can conclude that there is a significant relation between two hidden variables.

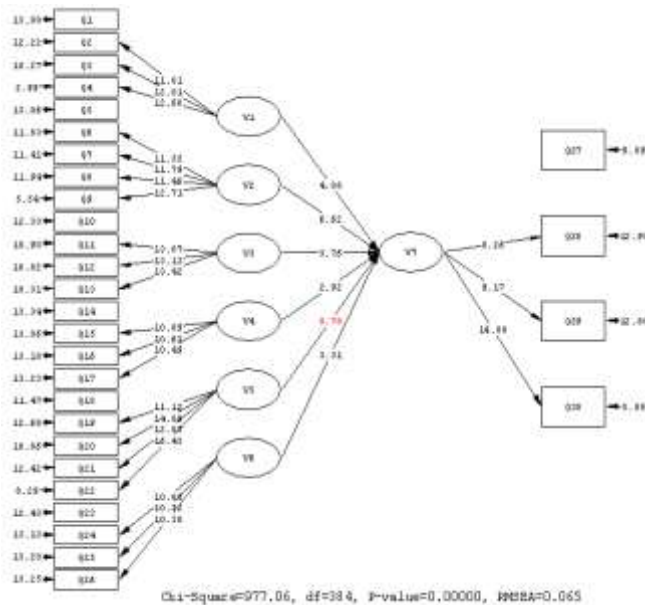


Chart 1- t-statistic for structural and measurement model (subsidiary hypotheses)

Chart 2 shows the standard coefficients for measurement model. The route has been drawn from extrovert variables toward introvert variables of model with the route coefficient of gamma and the route in all introvert variables is introduced and named by the route coefficient of beta that according to this, in the following model, six routes have been drawn that all six routes are from gamma kind.

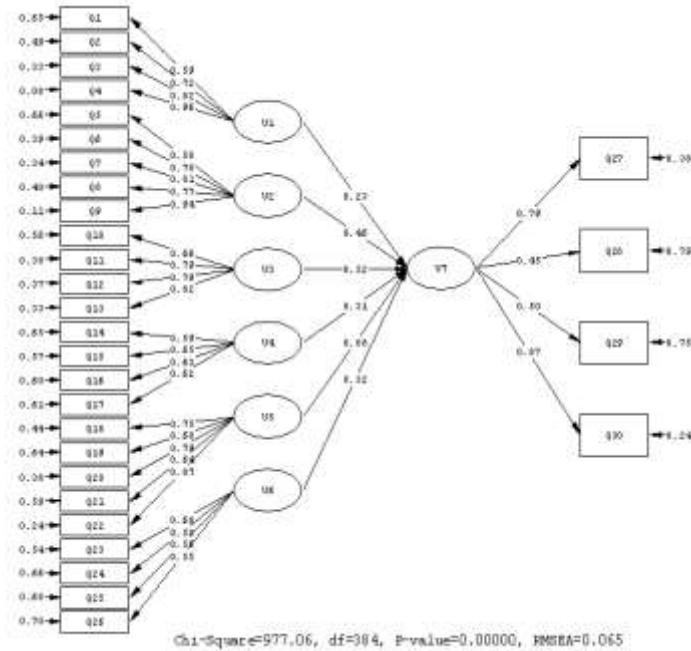


Chart2- The standard coefficients for the structural and measurement model (subsidiary hypotheses)

Table 4- The results of the subsidiary hypotheses test

The hypothesis route	t-statistic	Route coefficient	Result
Physical dimensions and appearances → customer satisfaction	4.08	0.23	Confirmation of hypothesis
Services guaranty → Customer satisfaction	6.62	0.46	Confirmation of hypothesis
Accountability → Customer satisfaction	3.76	0.52	Confirmation of hypothesis
Reliability → Customer satisfaction	2.92	0.31	Confirmation of hypothesis
Sympathy → Customer satisfaction	0.78	0.08	Rejection of hypothesis
Just-in-time delivery of services → Customer satisfaction	3.31	0.32	Confirmation of hypothesis

4-2-2-2. Studying the main hypothesis

In this part, the main hypothesis of the research has been studied. With regard to this issue that the services quality variable has been formed from sextet dimensions (physical dimensions and appearances, services guaranty, accountability, reliability, sympathy and just-in-time delivery of services), therefore, after studying the effect of each one of the dimensions in the subsidiary hypotheses, now, in this part, the effect of main variable (services quality) on customers satisfaction of Asia insurance in Tehran city has been studied.

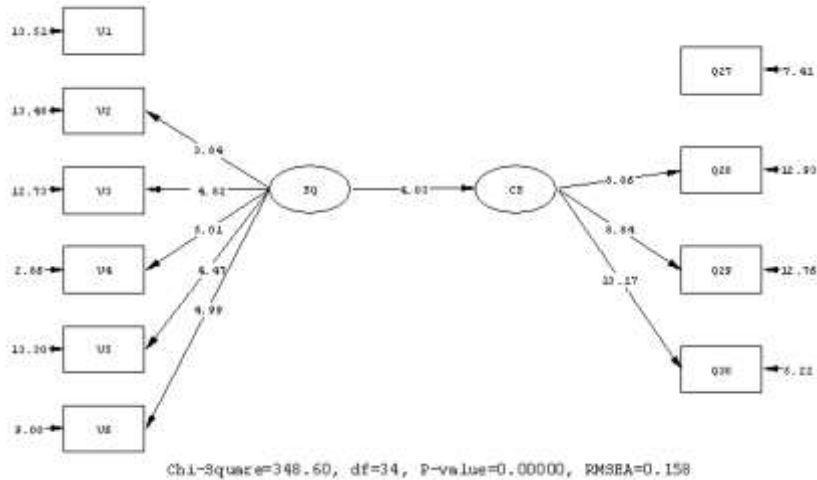


Chart 3- t-statistic for the structural and measurement model (main hypothesis)

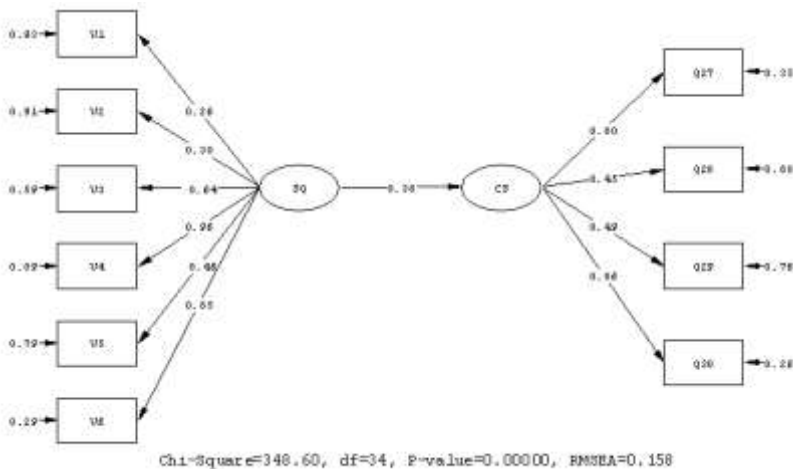


Chart 4- The standard coefficients for the structural and measurement model (main hypothesis)

Table 5- The result of the main hypothesis test

The hypothesis route	t-statistic	Route coefficient	Result
Services quality \longrightarrow Customer satisfaction	4.03	0.38	Confirmation of hypothesis

5. Conclusion

5-1. The applicable suggestions

- **Suggestions in line with the first subsidiary hypothesis**

The manner of layout and decoration design should be accomplished in a form that permits the customers to do their affairs easily and prevents from their confusion, if possible, the decoration and physical environment of all branches of the company should be done equally, the guide panels should be installed in the entrance door so that the customers can find the place of doing their intended affairs easily far from any ambiguity and do their affairs in the quickest possible time.

Using of good-looking uniform cloths for personnel and holding the classes and courses of the manner of relation with customer for them both can improve the physical appearances of the company and due to a politeness that employees observe in behaving with customers, increases the amount of perception of services quality and creates the causes of satisfaction and oral advertising in them.

About the new branches opening, they always should consider this point that the location of branches should be accomplished in a manner that in terms of access, is in a situation that customers have the possibility of referring to these branches easily that the centrality, being in the public vehicles path, proper parking,.. are from those indexes which are effective on selection of the branches place.

- **The suggestions in line with the second subsidiary hypothesis**

In order to indicate the guaranty and commitment in services to the customers, it is recommended that when a decision is made for doing a plan, design or activity, in the determined time, it should be executed, through this way, the customers can find out that the authorities of the company have guaranty and commitment to the given commitments and promises.

It is recommended that the problems of customers to be solved quickly, in other words, when a customer has a problem, an intimate interest in solving it should be indicated, for example, for investigation of their litigation in order to determine the fine of damage, the necessary acts should be done quickly so that by accelerating and precipitating their work, this customer can reach to his rights.

It is recommended for indicating the amount of guaranty and commitment in the services, the services to be done at the first possible time and the given promises should be investigated in the determined time so that meantime creating proper histories for company, the services commitment is specified for customers.

- **Suggestions in line with the third subsidiary hypothesis**

When the company isn't busy or in a time that the company is busy, the company's authorities should be accountable to the customers correctly and well, in other words, the customers' requests shouldn't be responded improperly.

Investigation of customers' complaints and pursuit of them till the final stage and delivery of feedback to the complainant customers about their requests create this belief in customers that the company's authorities have been accountable to their requests and the customers have special importance for them.

- **Suggestions in line with the fourth subsidiary hypothesis**

Study and analysis of the services of competitors and the manner of presenting these services in periodical form, identification of strength and weakness points of competitors, application of the results gained from this analysis in compilation and application of strategies related to the services delivery to the customers and indicating the study's results to the customers should be done in order to give this guaranty to them that the company intends to present proper services to the customers with regard to their need and demand.

Those employees that have interest and expert knowledge in doing the insurance affairs, should be selected , because, these employees can present the assigned duties with maximum efficiency and in the best form that this affair in addition to increase the productivity, has attracted the attention of customer severely and will have many positive effects.

Reception and analysis of opinions and suggestions of customers by different methods and application of them in solving their intended problems should be done in order to indicate this issue to the customers that investigation of opinions and requests of customers is from the priorities of company.

- **Suggestions in line with the sixth subsidiary hypothesis**

The stages and causes of creation of interruptions in doing the customers' affairs should be identified, the causes of these interruptions should be removed and just-in-time delivery of needed services of customers should be emphasized in order to present the services to the customers in the shortest time.

Also, the necessary time for presenting the services and gaining the frequency of time-consuming and non-time-consuming services should be estimated, in the event of being economical, the booths according to the time of services delivery should be divided into two groups of booths of doing time-consuming services and usual booths and this division should be defined for the numeral presenter devices for minimizing the waiting time of customers.

5-2. The future suggestions

- The relation between the services feature and moth-to-mouth advertisings among the customers should be studied.
- The comparative study of relation among just-in-time delivery of services, services quality and satisfaction, perception and trust of customer among different insurance companies should be done.

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