ABSTRACT

This study evaluates the impact of customer’s perceived service quality on relationship commitment, relationship satisfaction and trust as relationship marketing orientations and then examines the influence of these dimensions on customers’ buying behavior in a business to customer relationship from the customer perspective in insurance industry. In order to conduct this study, a model is provided and empirically tested. Consequently, primary data has been collected by a properly designed questionnaire which was distributed among health insurance customers from three different hospitals in Coimbatore and the secondary data has been collected through online resources. Further, SPSS (13.0) has been used for determined the relationship between the selected model variables with using correlation and regression analysis. Finally, results showed significant relationships between customers’ perceived service quality as independent variable and relationship satisfaction and trust as dependent variables. On the other hand, the relationship between customers’ perceived service quality and relationship commitment is not supported in this study.

Keywords:

Service Quality; Customers’ Buying Behaviour; Health Insurance, Perceived Quality, Customer Relationship, Reliability, Responsiveness, Trust, Assurance and Empathy.
INTRODUCTION

The concept of relationship marketing was first presented and described by as “attracting, maintaining, and enhancing customer relationships”. Furthermore, relationship marketing was also described as “establishing relationships with customers and other parties at a profit, by mutual exchange and fulfillment of promises”. Relationship marketing is all marketing activities performed in order to create, extend, and sustain successful relationships. Companies can make more profit if they move from relationships with short-term goals towards long relationships with continuing goals. Managers and marketers realized that better relationships have significant influence on business performance. Relationship marketing encourages companies to build up long term relationships with their stakeholders (e.g., customers, suppliers). According to Relationship marketing theory, some characteristics in mutual relationships lead to a successful relationship marketing. The concept of customer relationship is still developing and relationship marketing dimensions (trust, relationship commitment, relationship satisfaction, bonding and communication) should get remarkable attention. Hence, the main objective of this study is studying the impact of customers’ perceived service quality on the relationship commitment, relationship satisfaction and trust as relationship marketing orientations and then evaluating the influence of these marketing relationship orientations on the customers’ buying behavior in business to customer relationship from the customer’s perspective across the health insurance industry in Coimbatore. The significance of this study lies in the fact that creating and managing a proper relationship with key customers, can enhance the company’s profit.

PERCEIVED SERVICE QUALITY

Customer’s perceived service quality is the comparison of individual’s expectations of a service with the actual provided service. Service quality is a multidimensional conception. SERVQUAL model is the most usual and generally used model in order to measure service quality. This model measures service quality through dimensions of Tangibles, Reliability, Responsiveness, Assurance, and Empathy. Therefore, five important dimensions of service quality have been presented. The first dimension is tangibles which focus on the elements that offer the service physically. The second dimension is Reliability which refers to the capability of providing the promised service reliably and correctly, such as complains handling, punctual delivery and so on. The third dimension that is based on attitude of service personnel is referred to as Responsiveness which is the personnel desire to assist customers and give on time services. The fourth dimension is Assurance which is defined as the capability to arouse trust and confidence in customers. Finally the last dimension is Empathy which is an
aspect that concentrates on providing individualized treatment for customers. Service quality is a vague and intangible concept which is still very complicated to be exactly measured.

**DESIGN OF THE STUDY**

The main objective of this study is:

- Evaluate the impact of perceived service quality on relationship commitment, relationship satisfaction and trust as relationship marketing orientations.

- Examines the influence of relationship marketing orientations on customers’ buying behaviour in a business to customer relationship from the customer perspective in health insurance industry.

In order to conduct this study, secondary data has been collected through online database. Primary data has been collected by designing a questionnaire based on previous studies. Therefore, the questionnaire was handed over face to face to 100 health insurance customer between the ages of 20-55 in three hospitals in Coimbatore (KG Hospital, Kovai Medical Centre and G. Kuppusamy Naidu Memorial Hospital). The sampling method was simple random sampling. Among the respondents 66% of them were male while 34% of them were female. Meanwhile, 23% of the respondents have an income below 5000pm and 58% between 5000pm – 10000pm while 19% of the respondents have an income over 10000pm. The questionnaire consists of different parts and each part measures a variable by several questions. Meanwhile, the reliability of the questionnaire for each variable has been tested and approved. The total reliability is Cronbach’s Alpha = 0.896. The validity of the questionnaire has been double-checked by two professors in the field of marketing and consumer behavior.

**RESULTS AND DISCUSSION**

In order to determine the relationship between the variables of the study, the SPSS (14.0) tool has been used. In this regards, table 1 shows the descriptive statistics consisting of mean and standard deviation of the variables which is shown in the following table:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Relationship Satisfaction</th>
<th>Relationship Commitment</th>
<th>Trust</th>
<th>Behaviour Buying Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Service Quality</td>
<td>0.818**</td>
<td>0.254</td>
<td>0.773**</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TABLE No. 1 - DESCRIPTIVE STATISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>N=300</td>
</tr>
<tr>
<td>QUALITY SERVICE PERCEIVED</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Std. Dev.</td>
</tr>
</tbody>
</table>
TABLE No. 3 - CORRELATION

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>RELATIONSHIP SATISFACTION</th>
<th>RELATIONSHIP COMMITMENT</th>
<th>TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer buying behaviour</td>
<td>0.936**</td>
<td>0.771**</td>
<td>0.773**</td>
</tr>
</tbody>
</table>

TABLE No. 4 - REGRESSION ANALYSIS

<table>
<thead>
<tr>
<th>PERCEIVED SERVICE QUALITY</th>
<th>STANDARDIZED COEFFICIENTS</th>
<th>R SQUARE</th>
<th>STANDARD ERRORS</th>
<th>ALPHA VALUE</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship Satisfaction</td>
<td>0.14</td>
<td>0.278</td>
<td>0.50</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>Relationship Commitment</td>
<td>0.30</td>
<td>0.130</td>
<td>0.70</td>
<td>0.064</td>
<td>Not supported</td>
</tr>
<tr>
<td>Trust</td>
<td>0.17</td>
<td>0.214</td>
<td>0.90</td>
<td>0.002</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Regression analysis has been used to analyze the relationship between the dependent variables and independent variables and result given in the following:

- The relationship between perceived service quality and relationship satisfaction is supported and is significant at alpha value (0.000<0.05).
- The relationship between perceived service quality and relationship commitment is not supported in this study as the alpha value is (0.064>0.05).
- The relationship between perceived service quality and trust is supported and is significant at alpha value (0.002<0.05).
- The relationship between relationship satisfaction and customer buying behaviour is supported and is significant at alpha value (0.000<0.05).
- The relationship between relationship commitment and customer buying behaviour is supported and is significant at alpha value (0.008<0.05).
- The relationship between trust and customer buying behaviour is
supported and is significant at alpha value (0.000<0.05).

CONCLUSION

This research develops a framework to improve our understanding about the relationship between customer’s perceived service quality and customer’s buying behavior by evaluating the impact of satisfaction, commitment and trust as relationship marketing orientations. Therefore, this study identifies a positive relationship between perceived service quality as independent variable and customers’ satisfaction and trust as dependent variables. Consequently, every increase in customer perception of service quality leads to increase in customers’ satisfaction and trust. Moreover, this study showed no significant relationship between customers’ perceived service quality and customers’ relationship commitment in the case of Health Insurance industry in Coimbatore. Therefore, may be other factors like price and company’s other incentives affect the customer’s decisions for commitment to a company. On the other hand, the positive relationship between relationship marketing dimensions (satisfaction, commitment and trust) as independent variables and the customers’ buying behavior as dependent variable shows that the increase in satisfaction, commitment and trust affect the customers’ buying behavior (Buying behavior in this study is referred to as the customer’s amount of purchasing and spending of money in a store in compare to other stores). Finally, the results of this study show that the perceived service quality has significant influence on customers’ buying behavior by affecting customer’s satisfaction and trust in a buyer-seller relationship.

REFERENCES


