

Research Article

INSUFFICIENCY TO PROVIDE SERVICES AND ITS IMPACT ON CUSTOMER BEHAVIOUR

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ABSTRACT

The insurance industry is one of the most important services in the economy of any country that can bring growth and development of society. Development of the insurance industry depends on to provide appropriate services. Aim of This study is to determine the effect of insufficiency in the delivery of services and its impact on customer behavior (the study of the customers of liability insurance) in the Pars Abad. The Method of this study was descriptive- correlational. The study sample consisted of all the customers of the insurance office of Pars Abad that the 95 persons who were randomly selected. Data gathering tool is the Basic standard questionnaire. Information obtained through test correlation and regression analysis was analyzed by using SPSS software. Results of research shown that insufficiency in the delivery of services due to the high and low emotional intelligence, personality and relationships of employees by changing customer behavior there is a significant positive relationship. Based on these results, we can conclude emotional intelligence, personality and behavior of the most important factors in changing the behavior of customers. So can be prevented insufficiency in the delivery of services by good training.

Keywords: *Insufficiency Services, Customer Behavior, Insurance Industry, Iran*

INTRODUCTION

Today's service industries play an essential role in the growth and economic development of countries. In the meantime role and importance and standing of the insurance industry as an industry support is not obvious to all. Also, increasing competitions in the insurance industry, the majority of managers in the industry to alternative thinking in business (Gross, 1988). The competitive environment in the world today, more companies are focusing on customer retention as a key to success. In marketing, the most important strategy is to maintain current customers and attract new customers. As a result, most companies are trying to provide services to its customers because high quality services delivered to the customer, the more likely it will enhance customer satisfaction. However, it may be occur in the process of service delivery, insufficiency, errors, mistakes and reluctance (Hosseini, 2009). If companies do not pay enough attention to the problem of insufficiency service, may face bankruptcy. Customer satisfaction as a background and introduction customer behavioral intentions are known and to be a key factor in any service industry to achieve them, because a company can maintain recent customer reduced cost of attraction new customers. So With regard to the issues raised in this part of the study seeks to respond the question is whether the insufficiency to provide services related to the behavior of customers in the insurance industry? However, it may be in the process of delivery service to occur failure, errors, mistakes and reluctance. The insurance industry as a service industry include a high degree of personal interaction is between employees of insurance and customers, meanwhile the lack of proper communication can be service insufficiency (Jong-Hyeong and SooCheong, 2014). If these deficiencies are not corrected, there is the risk of bankruptcy for companies, therefore doing research in this area is necessary. Factors affecting on consumer behavior is include consumer emotional intelligence, personality characteristics and the relationship. Emotional intelligence is mentioned to the ability to communicate, understand the emotions and feelings and assessment emotion to the others. Researches about emotional intelligence have shown relationships between emotional intelligence and social behavior and work performance is from the standpoint of psychology. However, different personality characteristics effect on attitudes, behaviors and the tolerance of frustration feeling (Lewis and McCann,

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2004). Many scientists believe that different personality characteristics are led to difference fulfilling work and customer oriented behavior (Jong-Hyeong and SooCheong, 2014). Therefore, this study can be used to help improve services and prevent insufficiency in providing the services.

The insurance industry is the indicators of development, on the one hand proposed as one of the most important economic institutions and supported to activities of other institutions. In other words, the insurance industry by collecting of premiums received has a role in economic development. And on the other hand with safety and security for activities of services, manufacturing facilitates progress. One of the major issues in service organizations, especially insurance is customer satisfaction that with the quality of service associated. So that might improve the services quality increase customer satisfaction. Increase customer satisfaction leads to behaviors such as, commitment, loyalty, mutual beneficial relationship between the provider and the recipient of services. In fact, the services are a series of activities that have intangible nature that offered to solve customer problems (Money, 2006).

Table 1: The difference between physical products and services

physical products	Services
Tangible	Intangible
Homogeneous	Non homogeneous
The process of production, distribution and consumption is separate	The process of production, distribution and consumption occur at the same time
Tool A	A process or activity
Produced in the factory	The interaction between buyer and seller is produced
Customers dose not participate in the production process	Customers participate in the production process
Can be saved	Can't be saved
Have ability to transfer	Haven't ability to transfer

Service Insufficiency occurs when provider services cannot provide in accordance with customer expectations. Although customer's experiences service Insufficiency, but when provider services responded to customers' need as well as, they were satisfied with the service experience. When occurring service insufficiency make effective use from services revival strategies in order to customer satisfaction is very important. Revival services have two dimensions: Technical and functional. Technical view refers to company do revival services and functional view refers to how do this process (Sadiq and Shaikh, 2008).

MATERIALS AND METHODS

The research method used in this research is descriptive – survey. The statistical population of the study consisted of the all customers of Iran insurance offices in Ardabil. The sample of study is 95 people from customers of Iran insurance offices in Ardabil. The data were collected by questionnaire and by visiting the library resources.

To collect data from library research, use standard questionnaire from Base paper that has been set in four sections based on (five-point) Likert scale to measure the parameters of services insufficiency. Variables in this research include failures in service, consumer willingness to change behavior, emotional Intelligence, personality characteristics and relationships.

Variables in this research include failures in service, consumer willingness to change behavior, emotional Intelligence, personality characteristics and relationships, that in conceptual model is shown below, which shows the theoretical relationship between variables.

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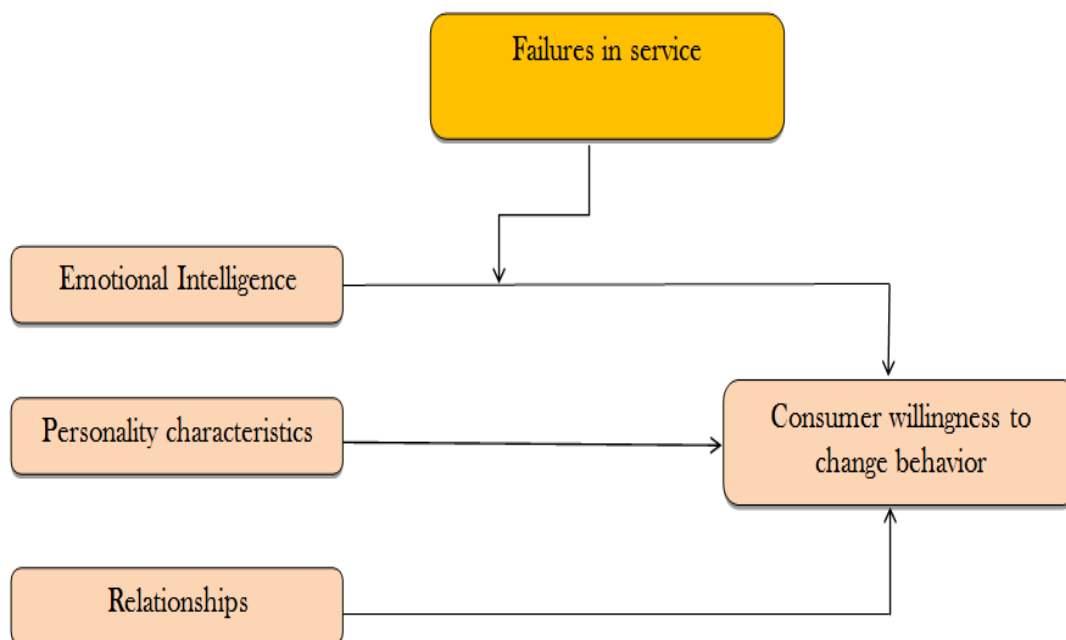


Figure 1: Conceptual model

In this study has applied the Cronbach alpha for reliability and validity of questionnaires. Based on value of Cronbach's alpha for some variables has been Table 2.

Table 2: The reliability of variables

Variables	Cronbach's alpha
The sensitivity of the Failures in service	0.75
Relationships	0.78
Personality characteristics	0.83
Emotional Intelligence	0.81
Consumer willingness to change behavior	0.79

RESULTS AND DISCUSSION

In this research for analysis of data using of descriptive statistics and inferential statistics. In this study to investigate demographic use descriptive statistics. To test the research hypotheses 1 and 2 use the Pearson correlation coefficient and hypothesis 3 linear regression analysis. For analysis of data using by spss No 21.

Table 3: Frequency of sex and education

	Male	Female	Down diploma	Up diploma	Base science	Master science	total
Frequency	65	30	35	25	25	10	95
Percent	68.4	31.5	36.8	26.3	26.3	10.5	100

Table 4: Frequency of age

	20- 30	31- 40	41- 50	51- 60	Total
Frequency	25	28	30	12	95
Percent	26.31	29.47	31.59	12.63	100

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Table 5: Statistical description of variables

	N	Min	Standard deviation	Variance	Skewness
The sensitivity of the Failures in service	95	3.637	0.512	0.262	- 0.127
Relationships	95	2.83	0.605	0.367	- 0.122
Personality characteristics	95	2.579	0.520	0.271	- 0.004
Emotional Intelligence	95	2.771	0.556	0.309	- 0.145
Consumer willingness to change behavior	95	2.492	0.683	0.467	0.126

Base on result of table 5 can be said that maximom min variables is (3.63) and belange variable the sensitivity of the failures in service and minimom min variables is (2.49) and belange variable consumer willingness to change behavior.

Hypothesis's Test: In order to test the hypotheses was used of factor analysis.

Hypothesis 1: there was a significant relationship between services insufficiency and emotional intelligence.

Hypothesis 2: there was a significant relationship between services insufficiency and personality characteristics of costumer.

Hypothesis 3: there was a significant relationship between services insufficiency and costumer behavior.

Table 6: Summery of hypothesizes

Variable	Correlation coefficient	Sig	Result
emotional intelligence	0.32	0.000	H1 is confirmed
personality characteristics	0.42	0.000	H2 is confirmed
costumer behavior	0. 37	0.000	H3 is confirmed

According to the information given in Table 6, the results of hypothesizes study showed that: there was a significant relationship between services insufficiency and emotional intelligence ($p \leq 0.05$). In other words, we can say there was incremental relationship between services insufficiency and emotional intelligence that effect on costumers behavior.

There was a significant relationship between services insufficiency and personality characteristics of costumer ($p \leq 0.05$). In other words, we can say there was incremental relationship between services insufficiency and personality characteristics that effect on costumers behavior.

There was a significant relationship between services insufficiency and costumer behavior ($p \leq 0.05$). In other words, we can say there was incremental relationship between services insufficiency and costumer behavior that effect on costumer's behavior.

Regression Analysis: There was significant relationship between independent factors and the willingness to change consumption. To test subsidiary hypothesis are used as regression. Base on result of table, this hypothesis are accepted, in other words 3 parameter, emotional intelligence, personality characteristics and relationships effected on peridition willingness to change comsumtion.

Table 7: Result of regression analysis

Variable	B	regression coefficient	T	Sig	Result
Fixed amount	- 0.127	-	- 2.214	0.03	-
emotional intelligence	0.251	0.311	17. 413	0.000	H1 is confirmed
personality characteristics	0.185	0.246	12.231	0.000	H2 is confirmed
relationships	0.217	0.283	16.002	0.000	H3 is confirmed
R2	0.872				

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Result of ANOVA test that are used for the significance of the regression of willingness to change consumption. So the following assumptions are defined.

H0: All the coefficients of model are zero and the model is not significant.

H1: At least one of the coefficients of model is zero and the model is significant.

Results of ANOVA test are summarized.

Table 8: Result of ANOVA

Model		sum of squares	df	F	Sig
Depended variable	Regression	32.375	3	66.478	0.000
	Remaining	0.487	91		
	Total	32.862	94		

Base result of table 8, sig (0.000), $\alpha = 0.01$, so H0 rejected and the model significant.

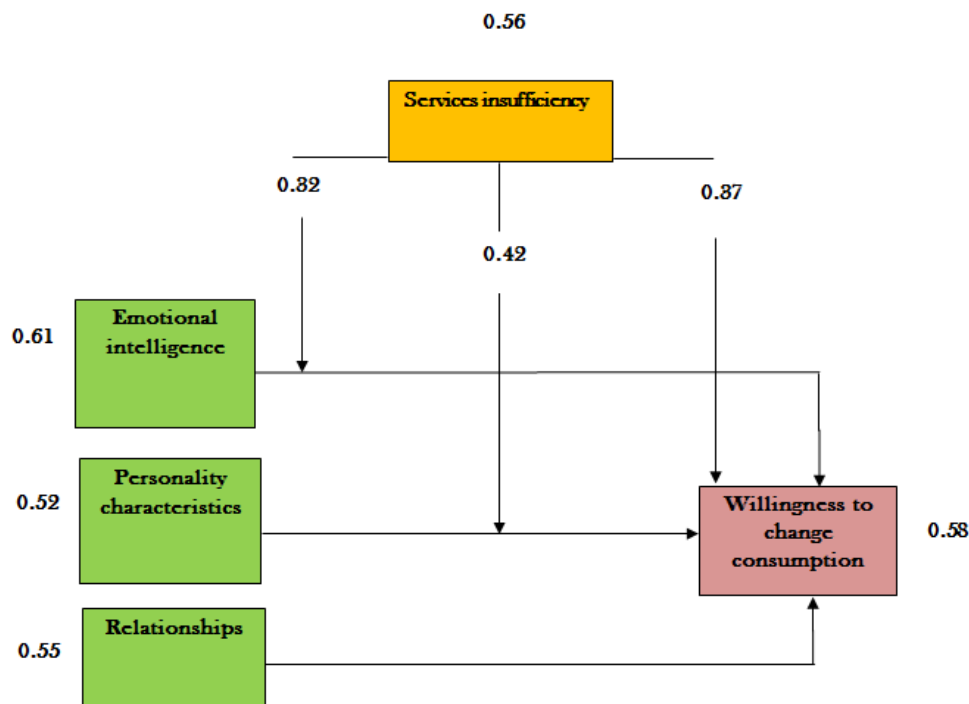


Figure 2: Anatical model effects of emotional intelligence, personality characteristics, relationships

Results

Positive values estimation and standard estimate described direct positive relationship between variables. Results show that all of the hidden variables include tendency to the strength, emotional intelligence, personality characteristics and willingness to change consumption.

Discussion

Today's more companies are focusing on customer retention as a key to success. In marketing, the most important strategy is to maintain current customers and attract new customers. As a result, most companies are trying to provide services to its customers because high quality services delivered to the customer, the more likely it will enhance customer satisfaction. It may be occur in the process of service delivery, insufficiency, errors, mistakes and reluctance. Service insufficiency can eliminate customer satisfaction, especially in the insurance industry maintain existing customers and attract new customers depends on the company's services. The insurance industry is a strategic industry in the economy of any country that can create economic security lead to economic development in the community. By changing

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in the insurance industry, the new insurance company will be added to the competition in the industry and by offering quality and new services compete with other industries. In the meantime, if a company face to failure and have lost trust of its customers and most likely will go bankrupt. Many factors are associated with service insufficiency and every year a lot of research done in this area. This study either review relationship service insufficiency and change costumer behavior. Finding of this study showed that services insufficiency through emotional intelligence, personality factors and relations related to changing customer behavior.

Conclusion

According to the results of study suggested to Insurance companies managers use a training program for its employees based on emotional intelligence that improve their productivity. So use a training program for its employees based on communication skills. Staffs employed based on their character in their organizational position. In when facing services insufficiency, companies should be used the rehabilitation services to avoid bankruptcy. Insurance companies' managers can use the reward program for employees to enhance their productivity. Provide various rewards to reward more attractive and create a flexible reward system so that the reward is proportional to the performance. Finally companies' managers do training staffs' base on needs, providing in-service training and job-related benefits, providing training on how to do things before making big changes and train employees on shift.

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