Customer Satisfaction

Case: National Life Insurance Company Limited, Khulna Branch

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Customers have particular opinions on their purchase or consumption experience from a product or service. Now-a-days, firms are realizing that time has been passed to keep the customers only on price, but need to fulfill the customer's desires, expectations and needs in relation to the service. Competition among the firms, increased drastically due to the globalization, is leading them to keep focus on esteemed customers to make satisfied. Though customers are the main concern and precious asset that is why most of the companies are thinking their current and future needs by analyzing customer satisfaction.

The study was made for a case of National Life Insurance Company Limited, Khulna Branch and the objective was to find out its customers' satisfaction level as well as to provide significant recommendations to improve it.

Quantitative survey method was employed by means of a questionnaire. The questionnaires, designed questions related to the customer satisfaction elements, were distributed among the customers and the responses were collected later on. Finally, the result was shown and analyzed through graphical presentations.

The results of the research revealed that current business strategies of National life Insurance Company, Khulna branch are not playing positive impact on customers' satisfaction level. So, customers suggested that a number of actions should be taken to improve customer service, staff training, technology application, service environment, trustworthiness.

Key words: Customer satisfaction, Qualitative research, Quantitative research, Customer satisfaction research

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1 INTRODUCTION

This thesis was conducted for National Life Insurance Company limited (NLICL), Khulna branch. The main objective of this research was to find out the customer satisfaction level for the company; through a survey by getting feedback from the customers. Due to the new competitors in insurance sector, NLICL wanted to get the feedback from existing customers to identify the problems towards making customers´ satisfaction.

A business cannot be imagined without customer because customer is the life of a business. So it is really an important element to deal with a great care, otherwise failure in this challenging task can bring disaster which destroys the existence of a company. Success in business is strongly related to customer satisfaction, so business success is proportional to customer satisfaction. When the business is much more challenging and competitive, companies benefit is relatively higher from customer satisfaction. (Jobber 2010, 3) Most of the companies are shifting from product oriented to service oriented to make their customers satisfied. Companies are paying their attention on customers' needs and desires to ensure better services to keep customers with them. So, nowadays companies are much more concerned about customers´ expectations and what they are providing to customers. (Kotler and Armstrong 2008, p. 218)

2 OBJECTIVE OF THE STUDY

The main objective of this study was to determine the customer satisfaction levels of National life Insurance Company limited (NLICL), Khulna branch and to recommend suggestions. This study was conducted on existing customers, new customers of NLICL by considering customer loyalty, customer retention and customer decay.

3 LIMITATION OF THE STUDY

During the preparation of this study, time and cost were limited. I worked only one month for distributing and collecting the questionnaires and my financial support was not sufficient to work properly. I had to live during this time in Khulna metropolitan area which was expensive. There were some other factors that might hinder me in case of collecting data as well as preparing the study properly. It was difficult to communicate with each concern person of the insurance, as many of them were busy with their assign job. Main limitation of this study was that the national insurance company did not disclose all the data and main information for obvious reasons, which was could have been very

much vital and last but not least , every terminology related to insurance was not well known to me.

4   COMPANY OVERVIEW

A group of Bangladeshi professionals who were working in different countries and a few passionate local entrepreneurs took initiatives to establish National Life Insurance Company Limited.   On 23rd April, 1985 its journey started through the Bangladesh government approval. After a lengthy complicated process of preparatory work NLICL became first private sector indigenous life insurer. The company was based on three distinct and definite philosophies. In briefly, the first one is to encourage & induce saving of the high/mid income population and especially of the low income & marginal group. The low income people usually face economic hardship for household food security & health problems at certain period of their life. Saving through insurance might provide them relief at odds & calamities. The second one is to create & provide employment opportunity for the illiterate/half literate/literate youth of the country. The third one is capital formation at national level for investment to develop dynamism at macro-economy. NLICL started functioning with 11 staffs which has been turned into 100,000 staffs with several hundred branches and zonal offices all over Bangladesh. About 20 years, it is continuing its business operation with a lot of customers and during this time this company has earned name and fame. Over this time, it has grown its insurance policy and developed business all over Bangladesh not only being first leading insurance company but also by undertaking and successfully implementing innovative and welfare oriented life insurance schemes. They introduced different kind of insurance schemes among them some were first in Bangladesh. For the first time, Personal Accidental Insurance (PAI) was introduced by this company in Bangladesh.

5 FRAMEWORK OF THE THESIS

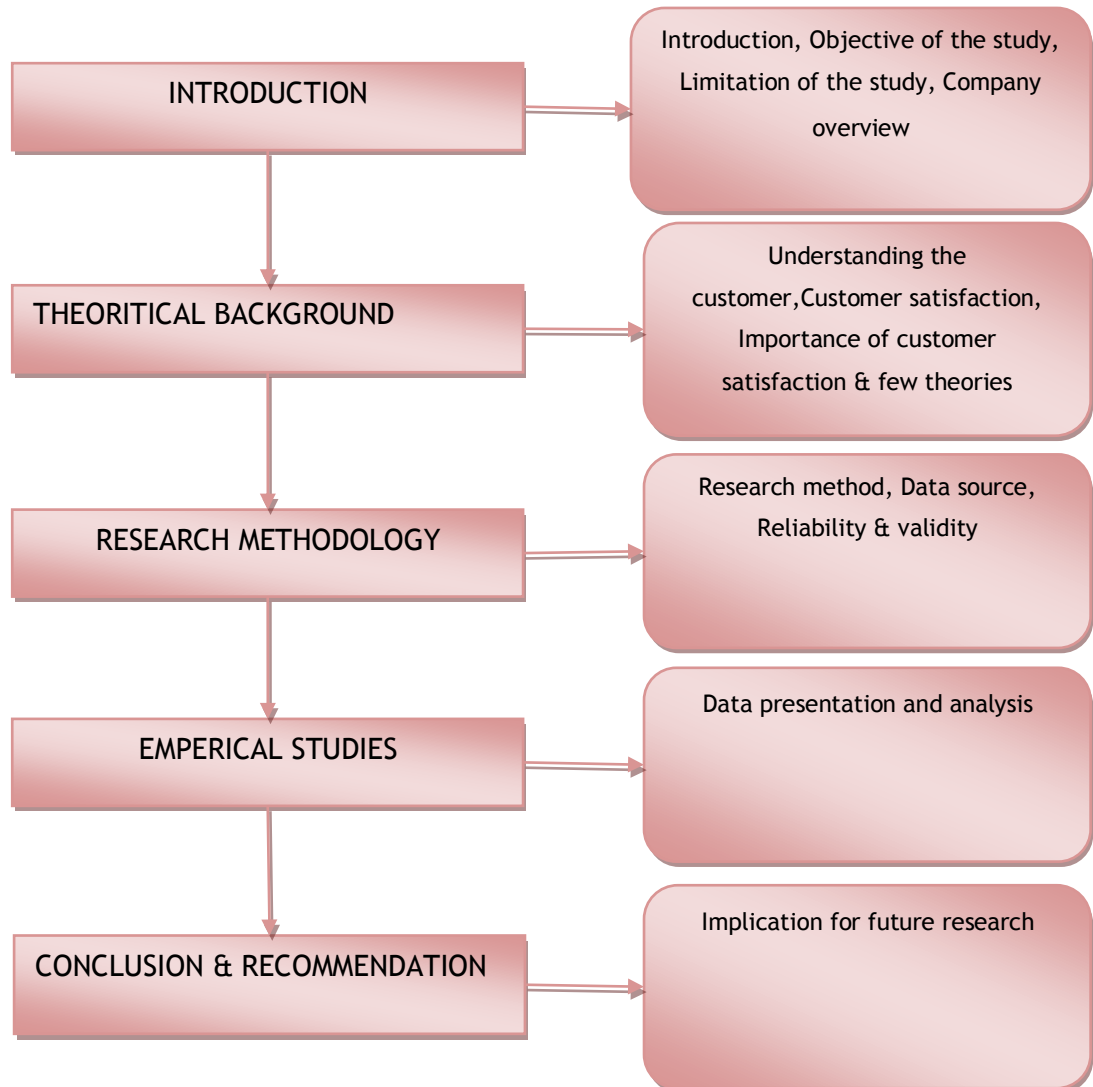| INTRODUCTION	→	Introduction, Objective of the study, Limitation of the study, Company overview
THEORITICAL BACKGROUND	→	Understanding the customer,Customer satisfaction, Importance of customer satisfaction & few theories
RESEARCH METHODOLOGY	→	Research method, Data source, Reliability & validity
EMPERICAL STUDIES	→	Data presentation and analysis
CONCLUSION & RECOMMENDATION	→	Implication for future research

Figure 1: Framework of the thesis

The thesis consists of five sections as the key sections are shown in Figure 2: introduction, theoretical background, research methodology, empirical research, and conclusion with recommendations. The introduction explains the background information, purpose and structure of this study. The theoretical background contains the theories, which provide the fundamental information to this study. The theoretical background provides concepts, philosophies and standards applying academic information to this study. Research methodology provides the methods that which has been conducted in this study and also the reasons whether to choose these research methods, data collection methods and

analysis methods. After introducing the outline of the questionnaire, the author explains the method of conducting the survey. The final parts of this thesis begin with result analysis and propose recommendations.

6   UNDERSTANDING THE TERMINOLOGY CUSTOMER

The theory to understand the terminology customer needed has been described briefly in this section. Definitions of the customer, customers´ behavior and customer affecting factors have been discussed in this section briefly.

6.1   What is customer?

Customers can be an individual person or organization. Individual customers purchase products and services for their own uses or for others like a gift. (Kardes et al. 2008, 8) Whereas, "Organizational consumers purchase goods and services in order to produce other goods or services, resell them to other organizations or to individual consumers and help manage and run their organizations" (Kardes et al. 2008, 9) For example, a paper industry purchases wood as the raw material to produce paper and sells them to the wholesalers or retailers. In a word if we want to define customer then customers are those people who buy products or services. According to McNealy (1994), the customer can be something else by following below descriptions. These description can be overlooked by some of the organizations even can be treated as being irrelevant.

• In a business, a customer is the most important person.
• A customer is not dependent on us but we are dependent on them.
• A customer is the purpose of our business not an interruption.
• A customer does favor us by calling but we are not doing any favor   by serving the product or service.
• A customer is not an outsider, a part of our business.
• A customer is a human being with a body of flesh and blood and has feelings and emotions. They are not cold statistic.

Day by day the globe is becoming smaller to smaller by making the information accessible within a short time. The aim of the customer is to be more satisfied by investing less money. That is why they are searching the offers and other information about the products. As a result the market is becoming so competitive. In this competitive market the companies which are meeting up the expectations of the customers are being able to keep them in future business. So rests of the companies, which are not considering the

customers' expectations, are losing the customers. If the customers are not satisfied, they will not continue their business and will try to find out another one. This, is the business strategic matter, is called customer satisfaction. In a sense we can say that when the degree of satisfaction is being met up by the goods or services from a company is called customer satisfaction. Customer satisfaction is not is possible by producing quality product or services without considering the production price because along with the quality of the product or service the company has to think about the market price so that the customer can buy it with a reasonable price. So the main goal of the company should be to produce satisfied and loyal customers, by considering the quality, service, price etc., who will keep the business in future.

6.2   When is the customer a customer?

A customer is considered to be a customer in a transactional approach to marketing when he or the buying organization is in the target group. Whereas according to relationship marketing this situation is different. This relationship is an ongoing process which exits all the time including in between purchases. Therefore, customers are customers on a continuous basis if once a relationship has been established and they must be treated in such way whether they are purchasing or not at a certain point of time. The companies which realize and act like this treat their customers are as relational customers. (Grönroos 2000, 34)

6.2.1   Types of customers

There are lots of classification methods to differentiate types of customers. For instance, the two principal categories are divided as external customers and internal customers. (Grigoroudis & Siskos, 2010, 9)

• External customers: External customers refer to the customers, who are paying for the final products or services.

• Internal customers: Every individual is the internal customer, who gets the output directly from the company or even from the suppliers.

According to Hunter (2012), a more detailed classification is introduced in the following which divided the customers into five main types:

1. Loyal Customers: This categorized customer is loyal to the company and that is why they do not go to other companies so frequently.

2. Discount Customers: They visit different shops and markets often but do not purchase so frequently. Their buying depends on the size of the concession.

3. Impulse Customers: These customers having no buying plan, when come into stores, they much more interested to buy something which seems good at the time.

4. Need-Based Customers: They have the necessity of specific product.

5. Wandering Customers: these are the free mover customers with no buying plan but they often visit different markets and shops to get a sense of experience.

In this thesis, as it is mentioned in the introduction, the research based on three types of customers:

1. New customers: Persons have never experienced the products or services of the company before and they begin to try the products or services and may gradually become current customers or lost customers of business organizations.

2. Current customers: Persons who are being in the process of a purchasing. They have a certain degree of understanding and knowledge of the company.

3. Lost customers: Persons who used to be the customers of the firm but somehow change to other firms.

6.2.2   Customer affecting factors

There are some factors which affect customer´s perception of the value of being a customer the company. A customer figures out a company by noting the way how it –
• Fixes products ´price
• Handles invoicing
• Takes care of quality problems
• Mistakes and service failures
• Manages complaints
• Offers customer training on how to use machines, equipment and software
• Handles queries and answers questions and e-mails

• Pays attention to customers and their special requests and wishes

• Keeps promises and delivers promptly, etc (Grönroos 2000, 2-3)

6.2.3   Why customers quit a company?

Enterprise has been experienced that there are six primary reasons for what customers stop their business:

1 percent dies

3 percent move away

5 percent develop other relationships

9 percent leave for competitive reasons

14 percent are dissatisfied with the product

68 percent go to somewhere because of the bad treating by the employees of the company. (Payne 2006, 32)

7   CUSTOMER SATISFACTION

This section focuses on the marketing research which was implemented as a part of this study. The theory part acquired for marketing research is also shortly described here with applying it in practice.

7.1   Definition of customer satisfaction

According to Kotler, customer satisfaction is the response with pleasure or disappointment for the performance of certain product or service related to individual expectations (kotler 2008, 36). "A customer is satisfied once his/her needs, real or perceived are met or exceeded" (Gerson 1993,13). Another author Hunt (1977) defines customer satisfaction as a process of evaluation rendered that the experience was at least as good as it was supposed to be.

Tse and Wilton (1988) elaborated hunt definition where they said 'customer satisfaction is a process of consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after its consumption'.

'This definition approaches two sides where the first approach defines satisfaction as a final situation or as end-state resulting from the consumption experience and the second

approach emphasizes the perceptual, evaluative and psychological process that contributes to satisfaction' (Evangelos and Yannis 2010, 2).

According to Chuck, customer satisfaction is the fulfillment of the customers´ enjoyment attained when products or services meet their needs and expectations (Chuck 1998, 3).

7.2   Benefits of customer satisfaction

The satisfied customers will keep business with the company from which they are getting satisfaction. They are buying more products at a time and coming more often. Along with these activities they are also referring the company to their family members, friends and others. As a result the sell is being increased with a greater profit as the figure shows.
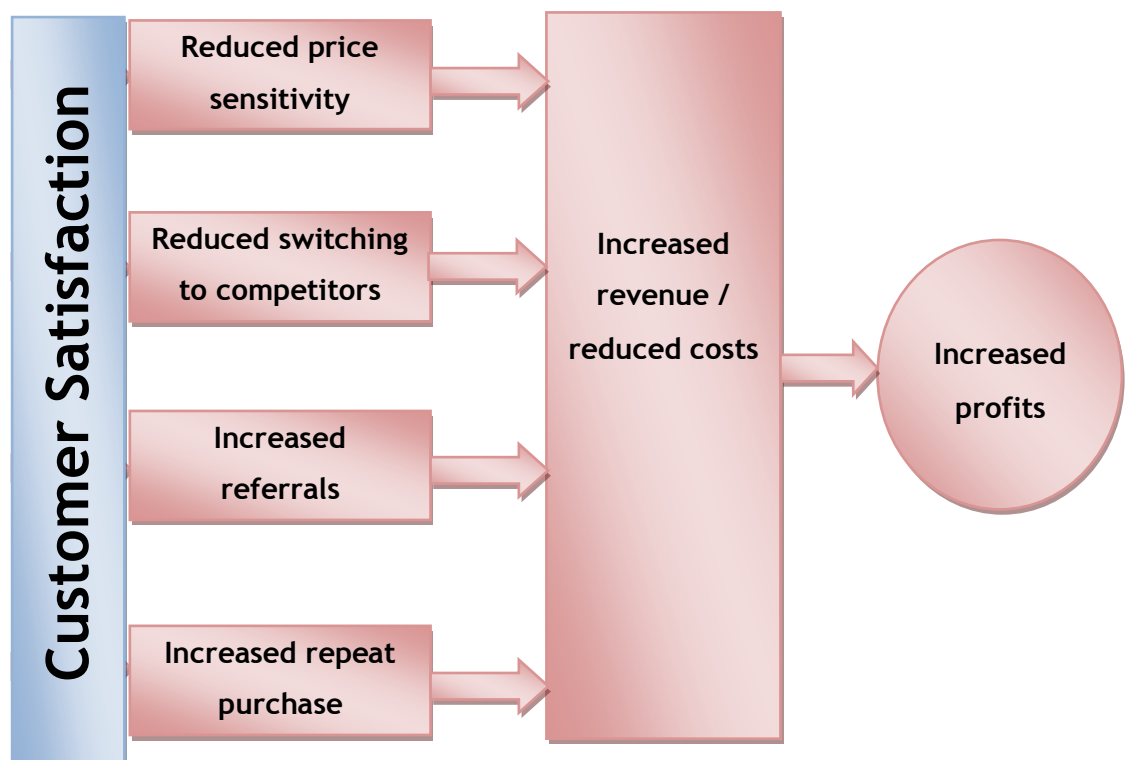

Figure 2: The Benefits of Customer Satisfaction

7.2.1   Trust, commitment and attraction to customer satisfaction

Trust of a party (customer) can be described as the expectation to another party (firm) to behave in a certain expected way in a period of time. If the behave is not through the

predictable way then the trusting party will experience more negative results. This trust concept is subdivided into four divisions.

1. Generalized trust
2. System trust
3. Personality-based trust
4. Process-based trust

Generalized trust is the outcome of social norms. For example, a customer can trust a big supplier company due to its size and market reputation and that is why he is selecting and keeping his business with this company for purchasing products or services. He is also treating this company for continuous business as the source of products or services that he is looking for. System trust depends on laws, industry regulations and contracts even also care the professionalism of the other party. For example, if a customer has signed a long-term business contract with a company, the customer trusts that the company will perform to meet up his expectations. The customer also feels comfort to keep business with this company due to its popularity and reputation. Personality-based trust derives from the human behaviors to rely upon each-other. Here, a customer is to trust another party to meet up his expectations on the basis of word of mouth. Lastly, process-based trust is the outcome of a long term exiting business. For example, a customer is doing business with a supplier company over a period of time and he is much more satisfied by the performance and relationship which incline to trust the service provider. So trust is the indicator to indicate the degree of customer´s satisfaction. The existence of trust between customer and company performs as kind of insurance against risks and unexpected dealings in the future regardless of the reason for the trust in a certain situation. Commitment defines the motivation for doing business through a relationship with other party. If the company wants extra value, for its services during a certain situation, it makes the customer unsatisfied and hopeless to continue the relationship in future. Whereas, in spite of excessive demand of products or services in a point of time, if the business is run at a constant level of commitment, then sense of commitment is deeper which leads to a satisfied customer. Finally, attraction means there should be special factor of the company for what a customer feels interest to do business. The customer can be interested, for example, on financial, technological, or social factors.

The satisfied customers have high level of trust, commitment and attraction for the other party even while they are doing business for a long time, during that time other competitive companies have developed their business strategy but these satisfied customers are not going for the alternatives. Due to the looked up with the exiting

company they have been kind of blind to the opportunities developed by the competing suppliers. It has sometimes been called ´´ the dark side of a relationship´´. (Grönroos 2000, 37-39)

7.2.2   Service quality gaps model

Parasuraman and his colleagues worked for the development of service quality to find out the gaps in the relationship linkage which led to quality shortfalls and finally they proposed the quality gap model to explain the gaps consisting of several variables as well as dimension and sub-dimension that affect customers' quality judgment. In this model they found five kinds of gaps which have been discussed briefly in the lower part (M. Bitner, V. Zeithaml, 2003).
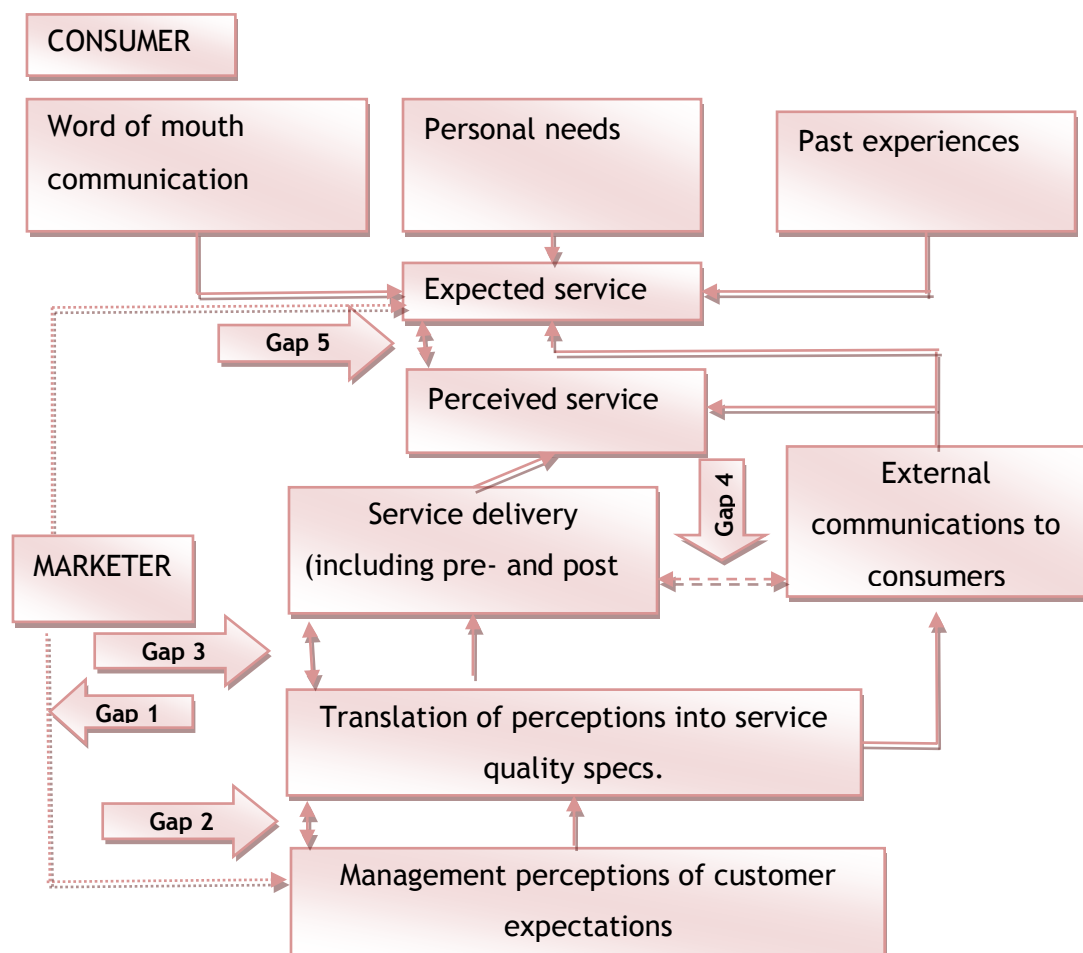

Figure 3: Conceptual model of service quality –the gap analysis model. Reprinted with permission from the journal of Marketing, published by the American marketing Association, Zeithaml, V.A., L.L. & Parasuraman, a., 1988,p. 36.

1.1 The management perception gaps (Gap 1):

This gap means that management perceives the quality expectations inaccurately. This gap is the outcome of:

• Incorrect data from market research and demand analysis;

• Wrong interpretation of the information about the expectations;

• Bad or nonexistent upward data from the firm´s interface with its customers to management;

• Too many organizational layers which stop or change the pieces of data that may flow upward from those involved in customer contacts;

• Insufficient relationship focus; and

• Inadequate services recovery.

1.2 The quality specification gap (Gap 2)

Gap 2 means the lack of right designs and standards of the product. This gap is due to:

• Planning mistakes and inadequate planning processes;

• Bad management of plans;

• Lack of clear goal-setting in the organization; and

• Inadequate support for planning for service quality from top management.

1.3 The service delivery gap (Gap 3)

This gap means that standard quality of service is not being delivered to the customers. It happens due to:

• Designs which are too complicated and/or too rigid;

•Employees disagreeing with the designs and for that reason not fulfilling them;

• Improper service operation management;

•Impeding the performance by technology and systems towards the designs.

1.4 The market communication gap (Gap 4):

Gap 4 means that standard service is not being delivered according to the promises. This gap is the result of:

• Service operations are absent or not being integrated during the market communication planning;

• Traditional external marketing and operations are not being coordinated properly;

• Failure in performance according to designs which are being used in market communication promotions; and

• An inherent tendency to exaggerate and, thus, promise too much.

1.5 The perceived service quality gap (Gap 5)

This gap means that the experienced or perceived service is inconsistent with the expectation. This is the outcome of:

• Negatively confirmed quality and a quality problem;

•bad word of mouth;

• A negative impact on corporate or local image; and

• Lost business. (Grönroos 2000, 102-106)

7.3   The Kano model: how to delight your customers

According to Zeithaml & Bitner, Quality of service and product, and its price as well as customer´s personal factors including attitude and emotional state affect customer satisfaction (Zeithaml & Bitner 1996, 124). A firm or company is to think about the features of products and services which will be used to obtain high level of customers´ satisfaction. The marketer also has to think about the features of the products and services which will be first attracted to customers' eyes. But meeting up the features, characteristics and other facilities to a large extent is not the way to give highest satisfaction to customers. A model by Noriaki Kano, Kano's model of customer satisfaction, has been introduced to establish which influence the components of products and services have on customer satisfaction.

In which purpose the Kano Model is useful:

• Identifying customer needs
• Determining functional requirements
• Concept development
• Analyzing competitive products

Kano (Kano, 1984) shows the affect of three requirements of product on customer satisfaction in different ways.

Must-be requirements: These requirements, are must as the basic features of the products, do not increase the satisfaction level but absence of these requirements make the customers dissatisfied. Products having these requirements lead to the customers to "not dissatisfied" phase.
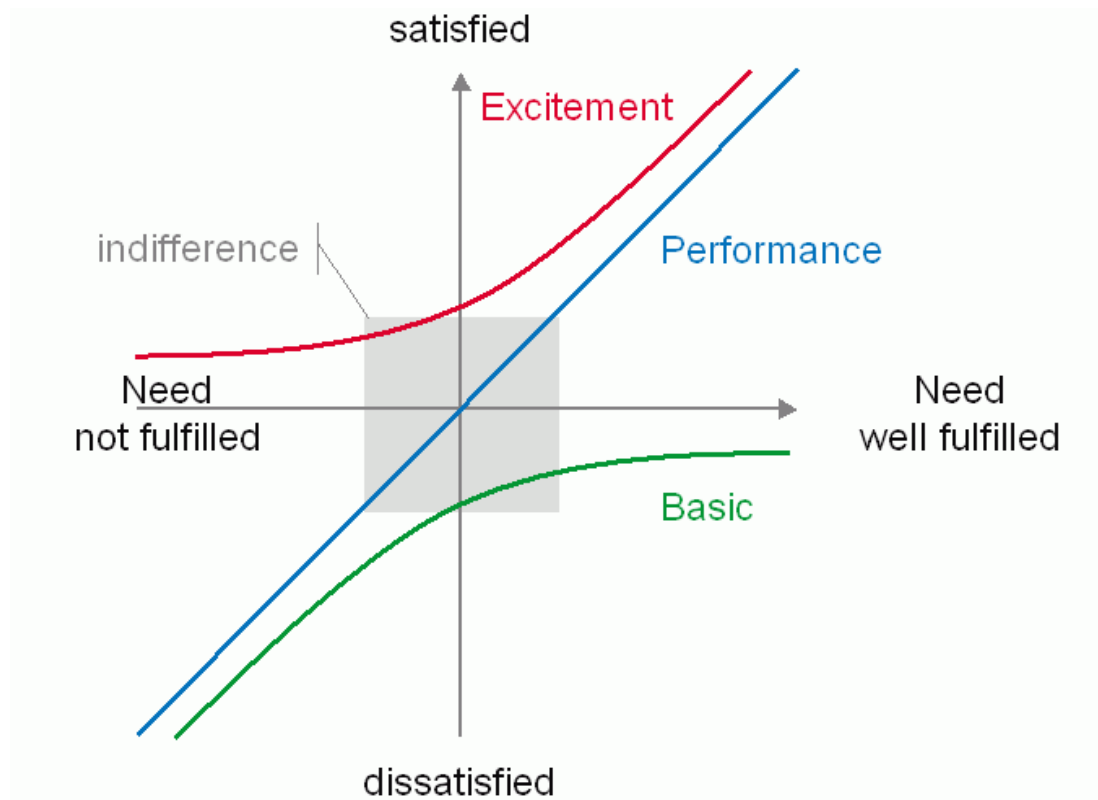
Figure 4: Kano's model of customer satisfaction (Berger et al., 1993)

One-dimensional requirements: With regard to these requirements, customer satisfaction is proportional to the level of fulfillment - the higher the level of fulfillment, the higher the customer's satisfaction and vice versa. One-dimensional requirements are usually explicitly demanded by the customer.

Attractive requirements: Attractive requirements are the product criteria which have the maximum influence on how satisfied a customer will be with a given product. These requirements are neither unambiguously articulated nor predictable by the customer. The satisfaction level is more than proportional if the product has been fulfilled these requirements. Absence of these requirements does not the customer dissatisfied.

7.4   Measuring customer satisfaction

Any company can measure the level of customer satisfaction by using the Philip Kotler´s (2003, 64) four methods for tracking and measuring customer satisfaction. According to Kotler that there are different reasons those can satisfy customers but each and every improvement of service or product doesn´t necessarily satisfy the customer or increase

company's profit. Kotler´s four methods have been described below briefly. According to first method, suggestions and complaints to the company are to register and store including the complimentary customer service numbers and emails through some specific systems so that they can be used in future for the betterment of the communication between customers and company. Secondly, a customer satisfaction survey is to implement which carries out the satisfaction level whether customers are satisfied or not. In general customers who are not satisfied might change the company without complaining directly about the products or services. According to the feedback through the conducting survey, companies can change their business strategy. The third method is known as ghost shopping, in here manager can hire some people to buy the products or services so that latter on the company can evaluate the people´s buying experience. Companies can find out the customers, who have already left their products, for customer analysis through asking the reasons behind their dissatisfaction. By proper monitoring system operated by the company can measure the customer losing rate, failures in business operation, it is very effective to improve their operations and increase customer satisfaction. Usually customer satisfaction survey is much more effective way to get many target people at a time among them questionnaires can be distributed easily. By surveying regularly, companies can develop their whole business strategy as to satisfy customers. (Lin and Jones 1997, 4)

7.5   The customer relationship cycle

There are always potential customers to a business even though some of the exiting customers stop business. Every single customer has a relationship with the company and the company is to develop and maintain the relationship. This relationship is, not being built in a day by the grace of the supernatural activities, the outcome of business over time. This relationship is growing through a life cycle called customer relationship life cycle consisting of three phases:

- The initial phase;
- The purchasing phase; and
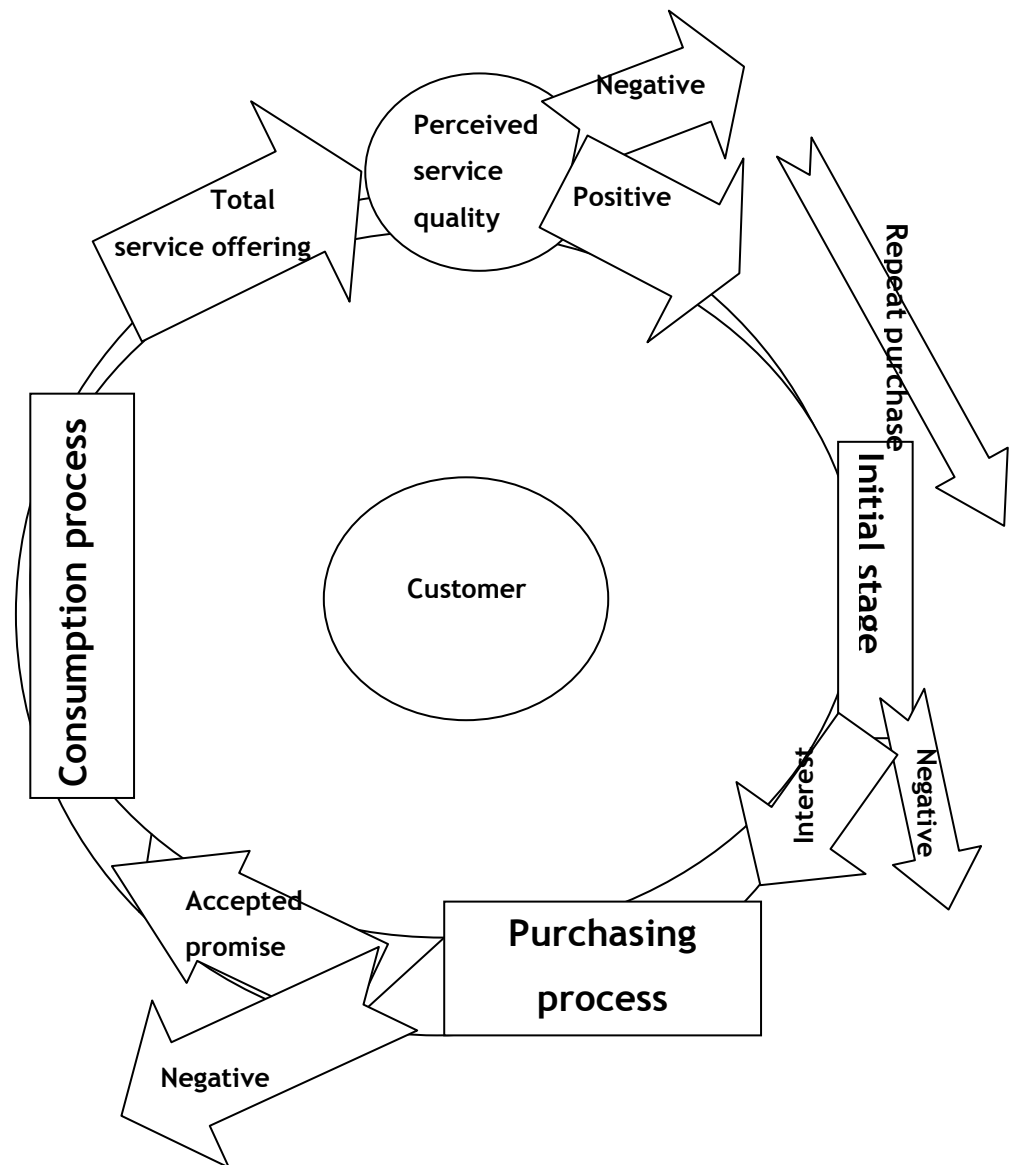- The consumption phase.

Figure 5: Customer relationship cycle (Grönroos 200, 237)

In the initial phase, a potential customer mostly unaware about the services but he enters into the purchasing phase when he feels that the services will meet his satisfaction. After that the potential customer calculates the service quality in comparison to his perceived quality, and gets ready to purchase. If the calculation is positive then he makes a first purchase. In the consumption phase he uses the service and evaluates the quality between his perceived quality and experienced quality. If the customer is satisfied with the experienced quality and treats the service as good as he is looking for then he will continue the relationship with this company, otherwise it will be vice-versa. Due to the

habitual or other factors, the customer can leave the cycle at any stage or will move to the next phase.

7.5.1 Strategies for relationship development

´´All business is based on relationships. The firm only has to make them visible and meaningful for its customers-provided that the customers want that.´´
(Grönroos 2000, 20)

A sales person of a company can play vital role to change the attitude of the customers because he or she is working closely with the customers and it is such a position that from where the satisfaction of the customer can be felt easily. So a sales person has the responsibility to create a good relationship with the customers who are directly and indirectly, internally and externally affecting business. (Manning et al 2010, 56).

Customers are the heart of a business because if the product can´t satisfy them then the customers will not buy anymore as a result the company will not be able to run the business. It means that the company has to make the strong working relationship with customers in mean of mutual support, trust, and goals. Through market analysis and treating the customers' complaints in a positive way for ensuring the quality product or service can increase the sales keeping the good relationship with customers. Before buying products, some of the customers like to take other peoples' opinions and this kind of customer behavior affects selling too much. So it may increase selling having good relationship with these support staffs. Receptionist or a department secretary might be such kind of decision maker. Internal relationship among the employees is also important as well as customer relationship because every company has different departments and these departments are figuring out the whole business market of the company. Such as market research and finance departments can give market views of the products on different factors. Atmosphere of the working environment of a company is an important issue for establishing good relationship strategy because if the company management has the good relationship and open communication then they can share their opinions, different information.

7.5.2 Complaints handling

´´People who do complain and have their problem taken care of tend to be more loyal to the company than the people who were satisfied in the first place.´´ (Barsky 1995, 22)

This statement can knock us to understand the necessity of attention to the complaints of the customers. The above statement can express the meaning that complaint is a good thing to the business because it will give chance to the business to shine and make an impact on customer through the solution of the complaint. TRAP research in USA suggests that every 20 complaints an organization receives, there are further 480 people feel that they have cause for complaints (McNealy 1994, 42).

Customers do not want to complaints normally unless they are badly dissatisfied with the products or services that what they have bought. The customers will complain or not it depends upon some factors or reasons. But the customers in between this take different kind of initiatives like quieting the company, checking the products before buying, drawing attention about the previous product etc.

If the company does not handle the procedures to solve the problem after getting complaints from customers then it damages the image of the company. More importantly, a complaint without any concern which causes further complaints can be a disaster for the company while the customers are talking to their family, friends, even to the television reporter about the issue along how bad the company is. It has been shown is several researches that if the complaints are being treated more quickly and efficiently then it makes more loyal customer to the company (McNealy 1994, 43).

7.5.3 Word of mouth and the communication circle

According to Grönroos, ´´word of mouth communication from a relational perspective is based on consumers' long-term experiences and behavioral commitment. Their word of mouth communication reflects the nature and value of their perception of relationship episodes or service encounters, as well as psychological comfort/discomfort with the relationship. It varies depending on how strong the relationship is.´´
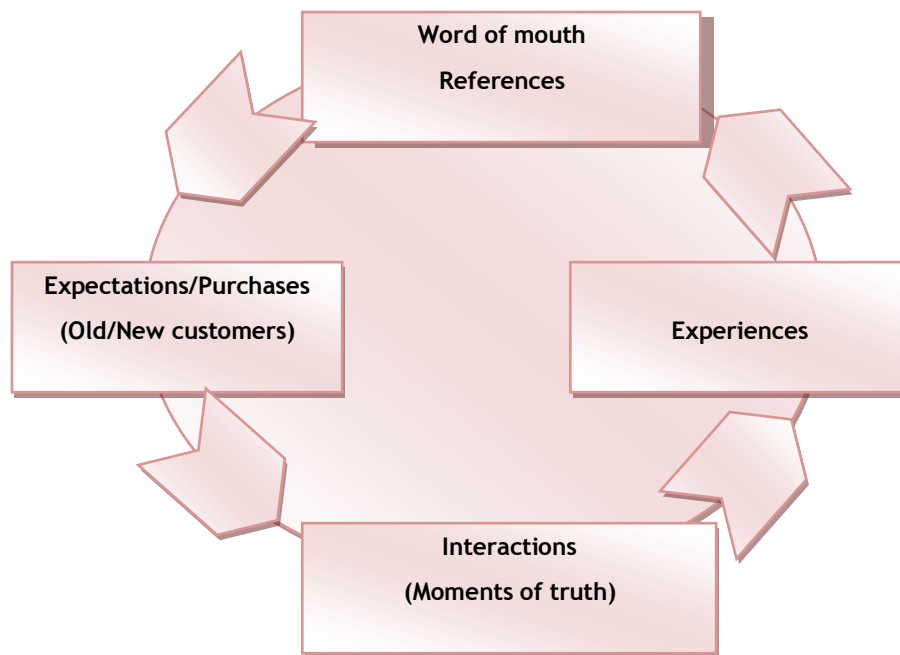
Figure 6: The communication cycle (Grönross 2000, 270)

Most of the companies have the planned communication marketing to reach the potential customers but the impact of word of mouth communication plays a vital role, probably more than the planned communication marketing. If a customer gets the solution of his problems from a company´s service during the consumption phase then he frequently uses the service and forwards the message including the company´s care, ability, services, innovation, trustworthiness etc. to others. How word of mouth plays role, on potential customers to make purchase, has been shown in the communication circle consisting of four parts:

• Expectations/Purchases;
• Interactions/Service encounters;
• Experiences; and
• Word of mouth/References.

Due to the expectations, a customer makes purchase and if the service meets his expectations then he enters into an interaction with the company which leads him to frequent purchases. If the word of mouth of an experienced customer is positive then he continues using of the services on an ongoing basis. Meanwhile this customer refers this company to others, thus capitalizing more effectively on potential sources of good word

of mouth. Destruction of the communication circle may lead three types of negative consequences. They are:

• Word of mouth and references will become negative;
• The trustworthiness of the organization's communication message   suffer; and
• The firm´s image is damaged (Grönroos 2000, 269-270)

7.6   Importance of customer satisfaction

Making profit is the main goal of maximum companies through their business operations. The importance of customer satisfaction is not possible to say in a word because customers are the drivers of a business. When customers are satisfied then they are loyal to the company and as a result they are returning and adding more customers by spreading their positive word of mouth, and then companies will sell more and gain high profits. That is why customer satisfaction is so important. (Gerson 1993, 5)
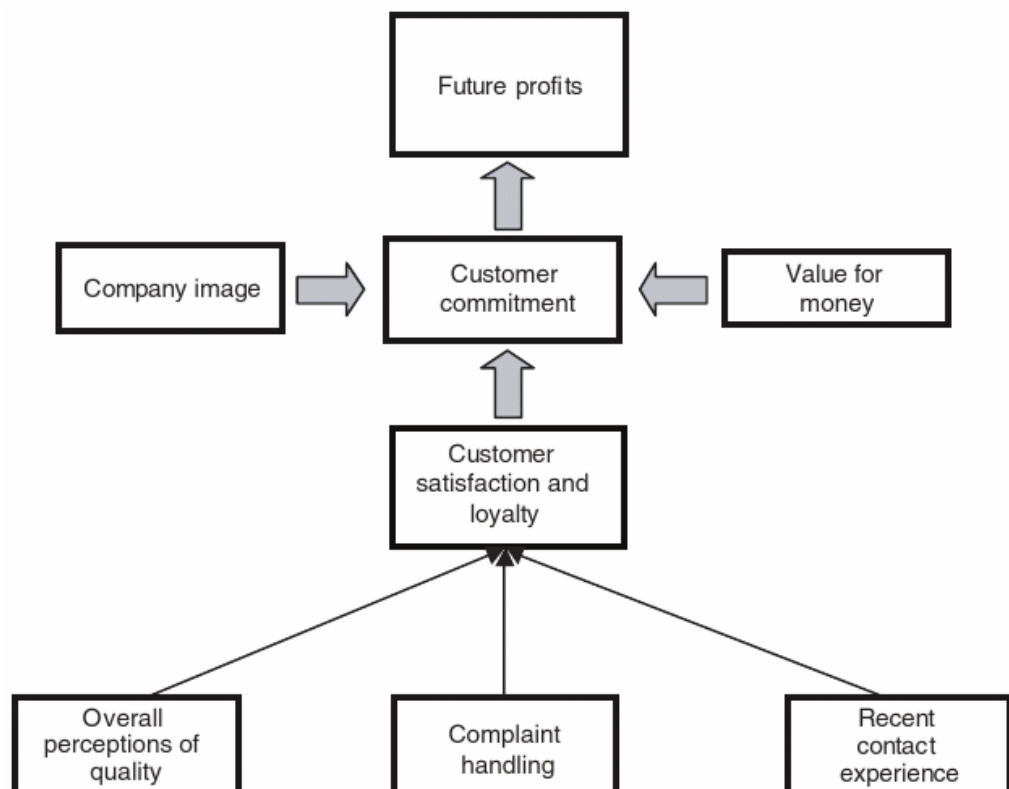
Figure 7: Customer satisfaction model by Paul Szwarc (Paul Szwarc 2005, 28)

If the companies want to make more profit then the exiting customers should be kept in business by considering and maintaining different factors. Customers want to be more

satisfied by paying less and that is why every time they justify the market, quality of the products and services, complaints chandelling process and overall what kind of interaction they have received.

8   RESEARCH METHODOLOGY

According to Gronhaug & Ghauri (2005, 40) research methodology refers to the collection of data and their analysis. Several rules and procedures are being used as the tools or ways to solution of a specific problem or task.
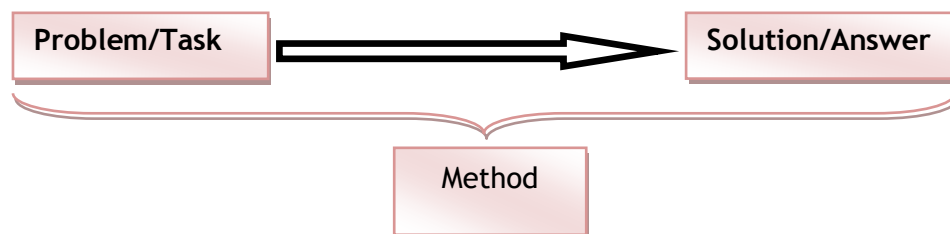

Figure 8: The use of research method (Gronhaug & Ghauri 2005, 40)

8.1   Research method

Research method can be either qualitative or quantitative so one has to decide which method should be implemented before starting any research. Qualitative method does not contain numeric characteristics, it is an interpretation and rational. In this process oriented research method, the analysis of the data mostly depends upon the skills and knowledge of the researcher (Ghauri and Gronhaug 2010, 103-105.). According to Philip Kotler et.al. (2008) qualitative research is based on gathering qualitative data or information and understanding them on the basis of attitudes, feelings and motivations of the product users (Kotler et al, 2008, 335). On the other hand, according to Malhotra (2005, 43) quantitative research is based on numerical character and is aimed at qualifying the data through statistical analysis. In this research method, the data is to present normally in diagrams and graphs (Malhotra, 2005, 43). For this customer satisfaction survey, quantitative research methodology was used by using questionnaires randomly.

8.2   Data source

Generally primary and secondary data are to be used in a research. Sources of secondary data are like books, journals, articles, research papers which already have been published and this type of data helps to solve the problem of the research (Saunders et al. 2009, 256; Ghauri and Gronhaug 2010, 90). In this study secondary data has been used in the theory part. Primary data has been collected from the customer satisfaction questionnaire survey (Ghauri and Gronhaug 2010, 99). This customer satisfaction survey was a quantitative research by distributing questionnaires among the customers. 150 customers were involved in this survey but among them unfortunately 18 persons did not fill the questionnaire completely. That is why 132 questionnaires were accepted. The survey was one month long process, when first 15 days I distributed the questionnaires among the customers and next half 15 days they submitted those to one employee of National Life Insurance Company Limited. Due to the time limitation I was able to distribute among 150 customers.

8.3   Reliability and validity

The reliability and validity of a survey research, is very important because it may affect the findings and recommendations. During the research process I was conscious about these two features and these were checked with care. Bangladeshi business market is a bit different from the other countries because bargaining is most important so there is the win-win situation between buyer and seller. While forming the questionnaire I was highly concentrated on the issue that the questionnaire would be simple and easily understandable by the responders so that it provides the relevant information. Before distributing the questionnaires among the customers, I gave some copies to the employees of National Life Insurance Company Limited, Khulna branch. Some portion of the questionnaires was edited after getting the feedback from them. The feedback was to set the questions in a simple way so that the customers can understand easily. So the edited questionnaires did not affect the survey result. As the research survey was done by the active participation of the clients of Bangladesh National Life Insurance Company Ltd that is why the research can be treated as reliable.

9   EMPIRICAL STUDIES

In this section the results of the questionnaire have been presented by using different charts. The charts indicate the percentage share and also a small analysis of each answer has been presented.

9.1   Survey result presentation and analysis

9.1.1   The respondents´ gender distribution
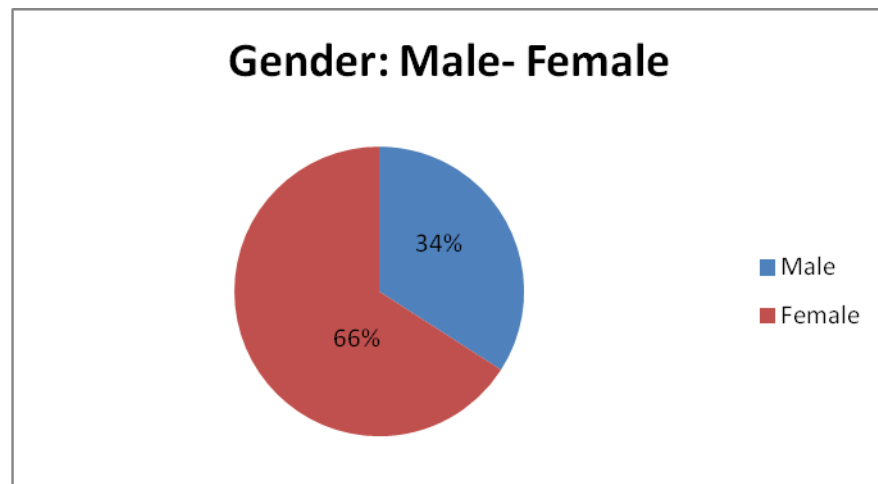
> 1. What is your gender?
>
> □ Male   □ Female

Figure 9: Gender distribution

The first question asked in this questionnaire was gender distribution. The participation percentage of male and female is too much important in this insurance business because in Bangladesh traditionally female are more conscious to save money than the male. So in insurance business sector there was a possibility of more female customers than the male. From the gender distribution chart, the result presented clearly that there was 66% female participated in the survey while the male was only 34%. The male participants were almost half of the female participants.

9.1.2   Age grouping

> 2. What is your age-group?
>
> □ < 20 years   □ 21-30 years   □ 31-45 years   □ 46-55 years   □ 56 –Above
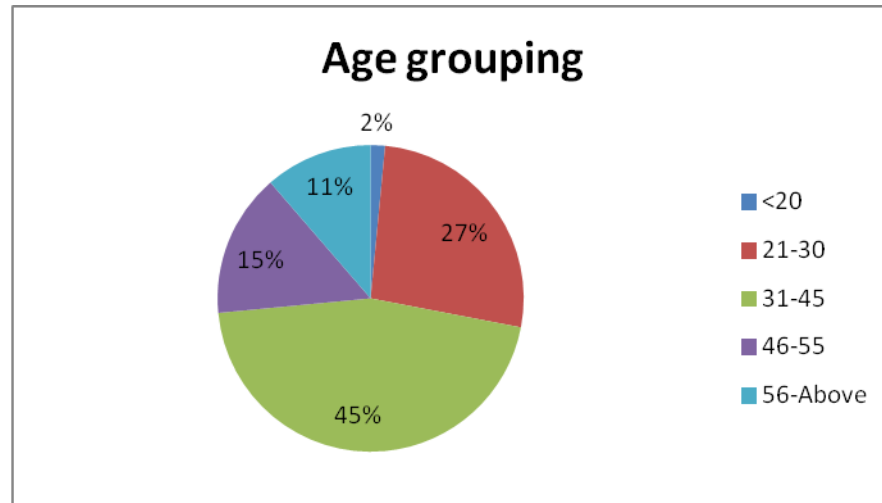
Figure 10: Age grouping

People from 21 to 45 years old have the tendency to invest and save money which has been presented in the figure 10. Among the respondents about half was 31 to 45 years old whereas one third was 21 to 30 years old. These both aged groups, intend to utilize their money because 21 to 30 years old people are starting jobs and 31 to 45 years old are already in jobs or businesses, can join to government job aged before 30 years. This age period (31-45 years) is very important in Bangladesh to do any kind of business to make money for the future. Most of the people below 20 are too young for this business. They do not possess sufficient knowledge about the business and also don´t have any source of income so they are dependent on parents or other earning members of the family. This is why; they cannot play any role in savings or investment, from the figure it is clear that their participation (2%) also too low compare to others. On the other hand, people of above 56 years are too old to operate this business.

9.1.3   Educational qualification

3. What is your educational qualification?

□ Illiterate □ Primary   □ Secondary □ College   □ Bachelor

□ Above bachelor
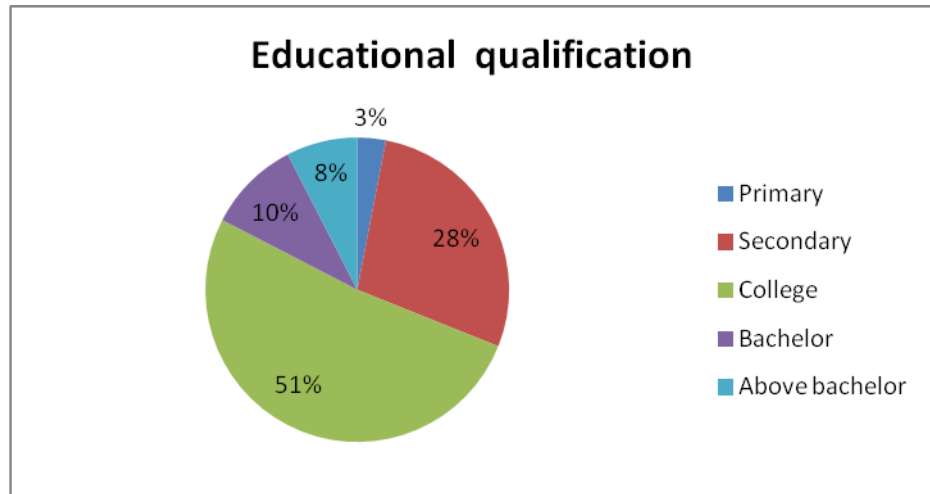
Figure 11: Educational qualification

As presented in the figure 11, 51% people, almost half of the respondents, having college degree were doing their business in insurance sector. In Bangladesh, people having college degree are mostly active in business and that is why they are using insurance. Basically they can understand the real facts of any company by gathering specific information. When they are starting any business beforehand they think about the image, performance of the company and how they will be benefited from that company. People holding bachelor and above bachelor degree are in good positions with different kind of jobs. Besides their jobs they are not too much interested about insurance because they are getting such kind of facilities from their companies. For this reason in this survey their presence in this insurance sector was 10% and 8% respectively. About one third of the respondents (28%) were with secondary school degree. People with primary school education don´t have sufficient and clear knowledge about life insurance even their future. In the figure they have been counted only 3% which is really negligible in comparison to others.

9.1.4 Professional status

4. What is your profession?

□ Student □ Employed □ Unemployed □ Retired
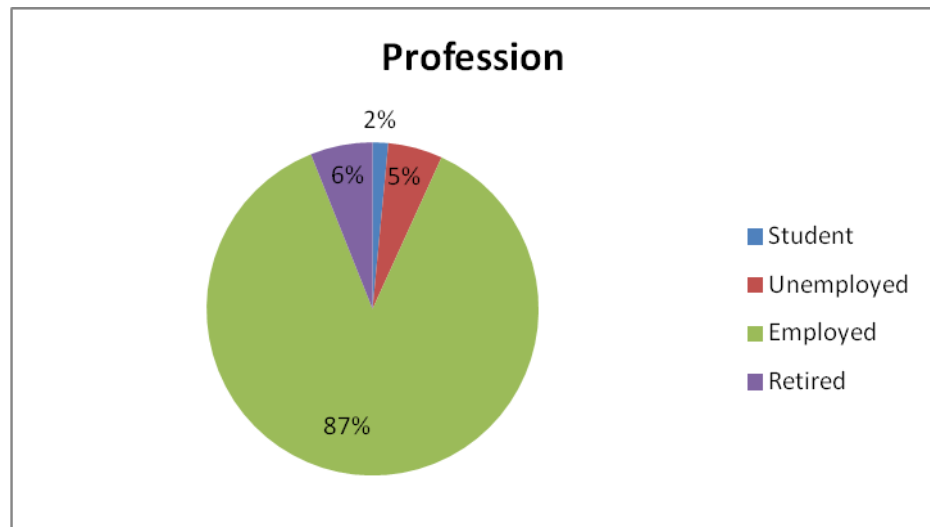
Figure 12: Profession

This chart presentation, can be explanation of figure 12, specified that most of the respondents having insurance with NLICL were employed. In respect to Bangladesh, it is really logical to have life insurance of the employed people because they have regular source of income. However, 2%, 5% and 6% respondents were student, unemployed and retired respectively who did not posses any regular income or even interest and consciousness about life insurance.

9.1.5   Area of residence

5. Where do you reside? □ Urban areas □ Rural areas
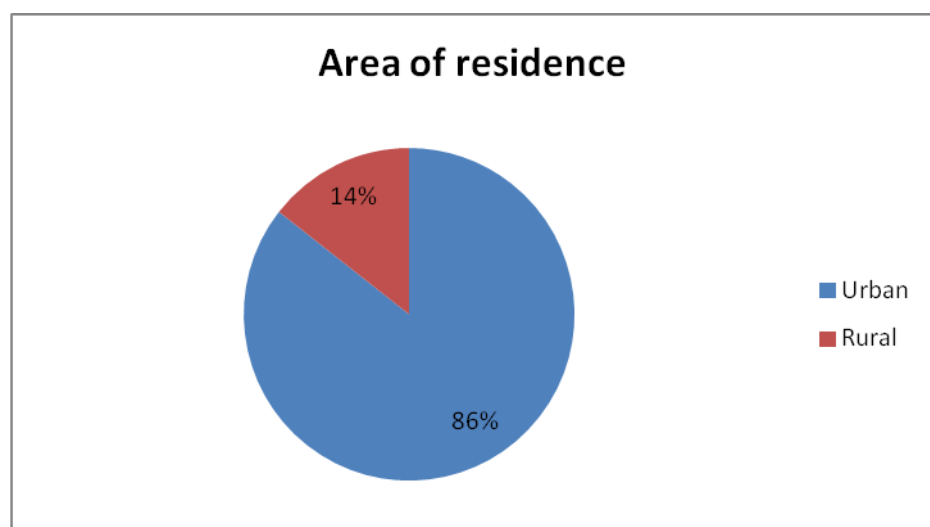
Figure 13: Area of residence

As the figure 13, chart presents 86% of the customers were from urban area whereas only 14% were from rural area. We were conscious about the customers from both rural and urban areas to get their opinions so that we could make the survey more reliable. According to the statement of the employers of NLICL that most of customers were from Khulna metropolitan area.

9.1.6   Branch location

6. Do you think that NLICL´s branch location is in convenient place?
□ Agree   □ Partially agree   □ Disagree
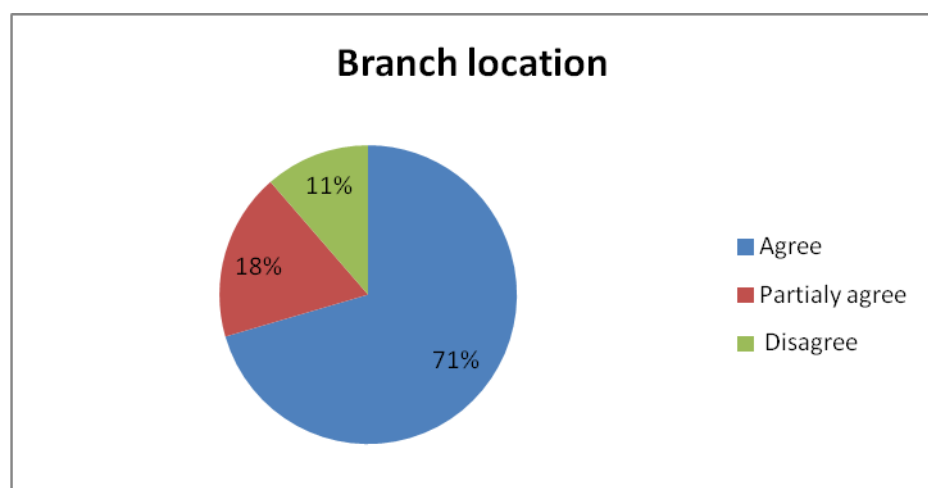
Figure 14: Khulna branch location

As presented in the figure 14, 71% of the customers were positive to the location of the NLICL Khulna branch. The zonal office of NLICL is in Jalil Tower,77 Khan- A-Sabur Road, Khulna but the customer care service office is in Kasturi Plaza, 73 K.D.A. Avenue Khulna, is near to the Sonadanga bus stand and Khulna railway station.

9.1.7   Customer service and courtesy

7. How would you rate NLICL's customer service and courtesy?
□ Satisfactory   □ Partially satisfactory   □ Unsatisfactory

Customer service and courtesy

8%

24%

68%

- ■ Satisfactory
- ■ Partially satisfactory
- ■ Unsatisfactory
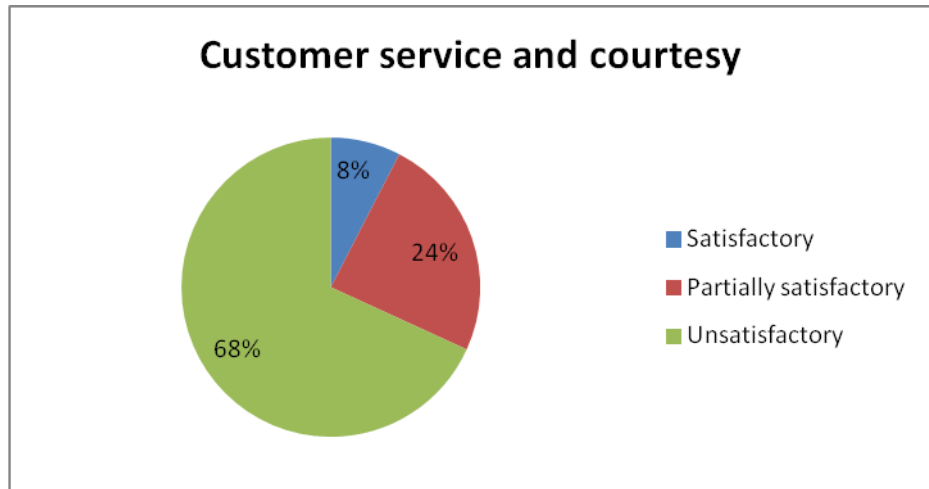
Figure 15: Customer management service

From the chart presentation, majority of the customers (68%) were not satisfied whereas 8% and 24% were satisfied and partially satisfied respectively by the customer management service in the customer care center at Kasturi Plaza, 73 K.D.A. Avenue Khulna. From my visit and experiences from customers, the main problem of the customer management service was the queue system. Customers were to stand in a line due to the lack of digital devices like screen and token machine but the bitter management system was the authority doing illegal acts like they can give the priority to the customers who ever they want. So, there was the uncertainty to get the service desk even they possess the position 1 to 10 in queue.

9.1.8   Categorization NLICL in service delivery and professionalism basis

8. How will you categorize NLICL in service delivery and professionalism basis?

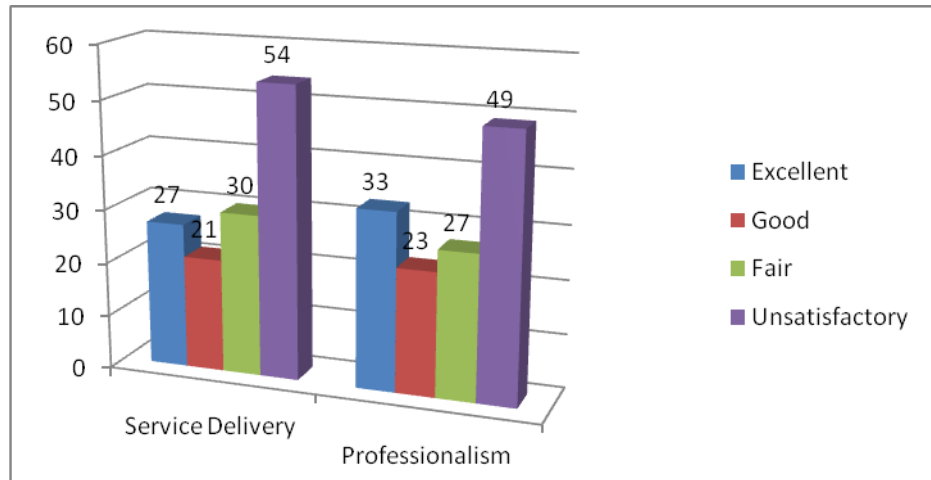| Service delivery	Professionalism
□ Excellent	□ Excellent
□ Good	□ Good
□ Fair	□ Fair
□ Dissatisfactory	□ Unsatisfactory

Figure 16: Categorization NLICL in service delivery and professionalism basis

From the shown categories in the figure 16, both categories had the more unsatisfactory response expressing the unhappiness.

9.1.9   Satisfaction level rating

09. How will you rate the satisfaction level of NLICL?
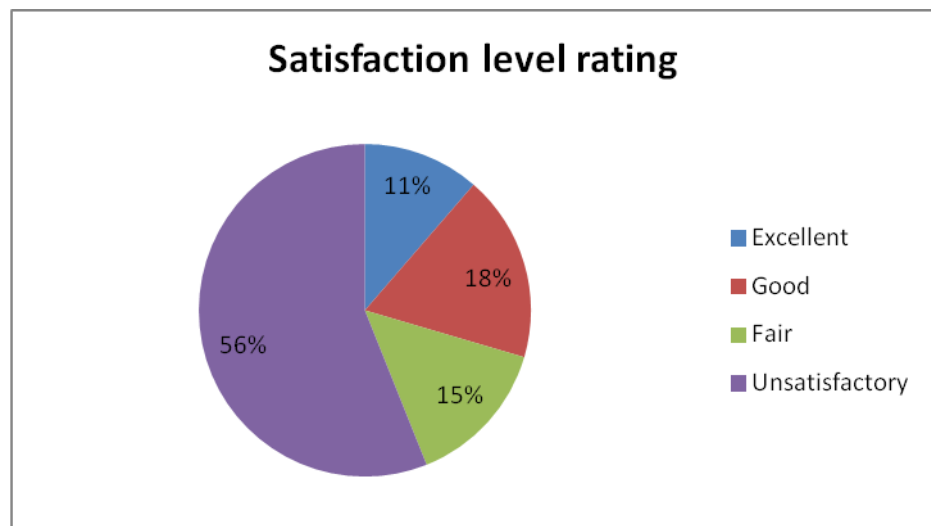□ Excellent   □ Good   □ Fair   □ Unsatisfactory

Figure 17: Satisfaction level rating

According to this figure 17, 11% of the customers´ satisfaction reached the professed peak of satisfaction or more which had been indicated as excellent satisfaction level whereas 18% treated as good and 15% of the respondents treated it as fair. More than half of the

respondents was unsatisfied which meant the case company did not meet its customers´ expectations.

9.1.10   Business continuation with NLICL

10. Are you thinking to continue your business with NLICL?
□ Yes   □ Not sure   □ No
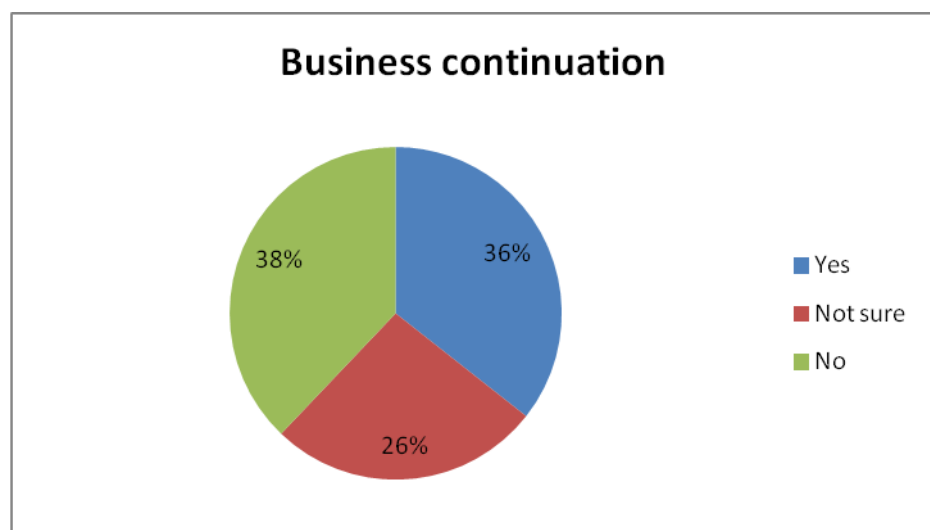
Figure 18: Business continuation

This question was asked to the customers to find out the loyalty of the customers. We know that loyal customers want to purchase frequently and also influence the potential customers. It also expresses the satisfaction level of the customers from previous services. From the figure 18, 36% of the customers believed that they will continue the insurance from case company, and 26% were not sure of the moves they will make to insurance company. Whereas 38% of the customers strongly replied that they were likely to make a switch. As a result it seemed that a tough business time was waiting for this case company.

9.1.11   Financial condition of NLICL

11. How will you categorize financial condition of NLICL?
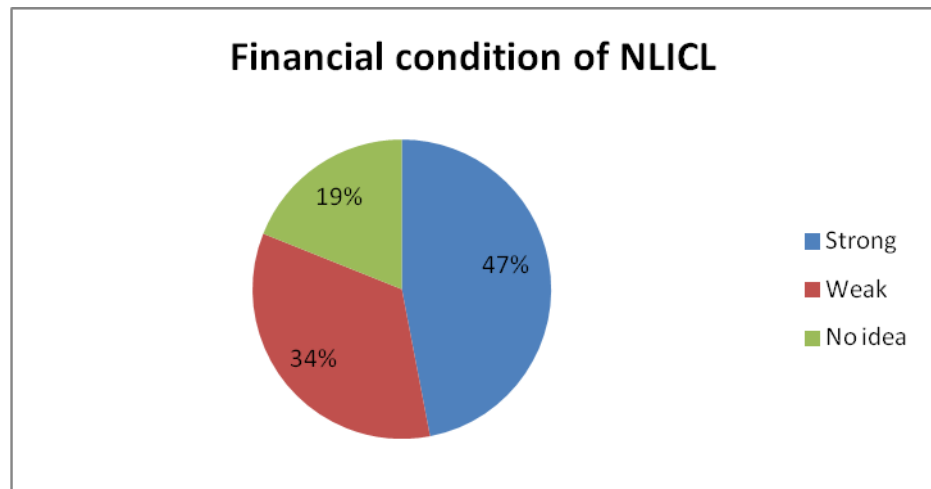□ Strong   □ Weak   □ No idea

Figure 19: Financial condition of NLICL

From the chart, 47% of the customers treated NLICL as financially strong company whereas 34% as weak and 19% had no idea. In aspect of Bangladesh, the customers do not go for the details about the financial condition about the company due to the lack of business knowledge, availability of information. It is not easy to get the information of a company because most of the companies are not presenting their real picture to the customers and customers also can not justify from different angles. I found the year wise financial statement and other features of NLICL from its website but most of the customer can´t see those due to the lack of internet. In this case they are dependent to the other customers or staffs of NLICL.

9.1.12   Recommendation to others

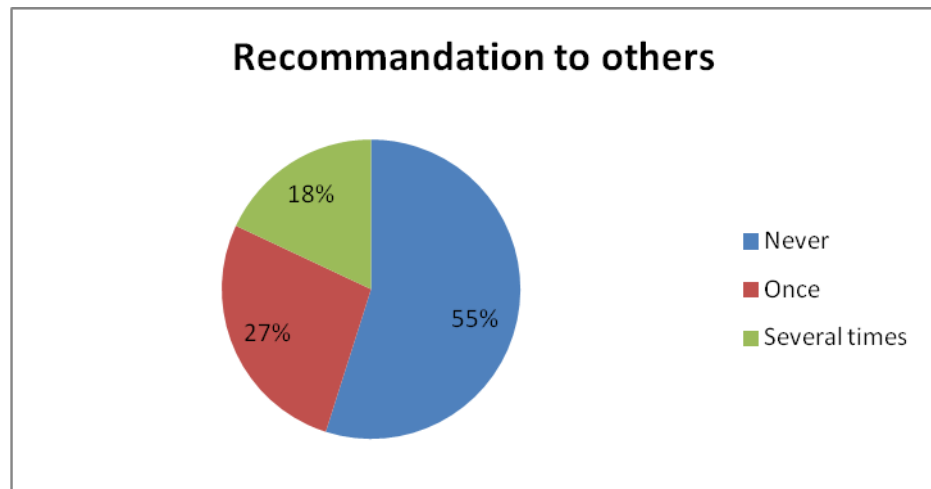12. Would you recommend NLICL to others?

□ Never   □ Once   □ Several times

Figure 19: Recommendation to others

The idea behind this question was to assess the eagerness of the customer to recommend NLICL to others. If the customers recommend any company to other customers more frequently then it determines the highest degree of satisfaction and this kind of recommendation is one of the biggest marketing channels through which customers are spreading their positive word of mouth, especially when targeting potential customers. From the figure 19, more than half of the customers, might be the unsatisfied customers, were not likely to recommend NLICL to others. 18% of the customers, might be the satisfied customers, were likely to recommend the case company several times whereas 27% recommended once to other customers.

10   CONCLUSION & RECOMMENDATION

The objective of the research was to determine customer satisfaction level and to identify the problems required to improve. The result showed that high numbers of customers are not satisfied. In the questionnaire for this research had an open-ended question no 13. Through this question, any kind of suggestions or recommendations were asked to write down. Most of the respondents didn't write anything to NLICL, but few of them filled up the answer script. On the basis of the overall discussion at last I can say that this study has mainly identified four factors those are given more importance by customer of NLICL Khulna in choosing this insurance. The study also has showed that the factors are related with the customer perceived risk and customer's value and cost furthermore, the study has identified that the NLICL' customer (both Clients and beneficiaries) are influenced by most of the same factors. So, these factors implicitly express that the insurance should improve physical facilities, consistency and dependability of the insurance performances, courtesy to its customer, security manner and the understanding of customer feeling.

Thus, this study has focused to formulate customer satisfaction policy and strategies of NLICL Khulna Branch. Finally, it can be summarized that authority of NLICL Khulna should take necessary steps regarding the identified factors and apply marketing techniques to improve their customer satisfaction so that they can maximize benefit and can cove more market shared by regarding better service.

If one knows to what extent a product feature influences the perceived product quality and in turn influences customer satisfaction (must-be, one-dimensional or attractive requirement), and if one is aware of the relative significance of this product feature and assessment from the customer's viewpoint compared to the competitors, the satisfaction portfolio can be drawn up and suitable measures taken. Of utmost priority are those product requirements which the customer regards as important and which show disadvantages with respect to competitors' products. The long-term   objective is to improve customer satisfaction with regard to important product features in order to establish tenable competitive advantages.

Before proposing recommendations to National Life Insurance Limited Company (NLICL), we can have a clear idea about the market situation for NLICL by SWOT analysis.

STRENGTHS	WEAKNESSES
• well known insurance company • different types (short-term and long-term) of life insurance to attract all types of customers • sufficient branches all over Bangladesh	• lack of professional's knowledge management • customer relationship management is not in proper way • old fashion marketing and business strategy
OPPORTUNITIES	THREATS
• favorable market for business expansion • The consciousness of adjusting business tactics	• new entrants or competitors •customers' dissatisfaction

Figure 21: SWOT analysis

According to the authority of NLICL that it has still a quiet good amount of customers than the other insurance companies in Khulna metropolitan area. So it is a great opportunity for NLICL Khulna branch, as a well NLICL Bangladesh, if this company can improve, modify and manage its different strategies by customer relationship management even though it is facing extensive competition from the new entrants and the other insurance companies established in Khulna metropolitan area. If the business strategies make customers satisfied, then it can lead the insurance market and also will be able to reach the potential customers. However, the following measures should be under taken (presented below)–

10.1   Recommendation for Increasing Customer Retention

Still now NLICL is using the paper based application form while a maximum amount of Bangladeshi people are connected with internet, so online business is a demand of time. If they can impose online system besides existing system, then customers can run their business from home instead of coming physically to office. In terms of NLICL, it is important to update and diversify the business strategies to meet up the customers' demand. Through this network and information technology, a good relationship can be maintained and reached to potential customers as well. NLICL can implement its greetings and gratefulness in the words welcome, acknowledgement, sales recognition, thank you statements which carry great significance during the opening and closing. Loyalty and good attitude on new and potential customers act as vital factors for customer retention. NLICL should provide latest information, offers, discounts, and others facilities by encouraging them to come again.

10.2   Recommendation for Building Customer trustworthiness

For the sake of business success, NLICL should take the complaints positively and they have to solve with care so that customer can feel company´s feelings to customers. National Life Insurance Company Limited have to give importance to service concept development, customer expectations management program, service outcome management program, internal marketing program, physical environment and physical resource management program, information technology management program, and customer participation management program. Proper implementation of these programs, towards service quality management, is key steps for building customer trustworthiness. NLICL should know the value of each and every customer, and the lifetime value of customers should be calculated as well. This information can help the employees to

understand the importance of, long-term customer relationship and keeping existing customers.

10.3   Recommendation for Decreasing Customer Decay

According to the survey, it seems NLICL´s current business position is really vulnerable due to the lack of many improvements. As most of the customers are dissatisfied, so the improvements should be done as soon as possible to keep the exiting customers. Otherwise this can bring disaster for NLICL, so sooner is better.

• NLICL should avoid the gap 1 by perceiving quality expectations of customers accurately through market research. During this market research, the researchers have to be conscious against wrong data interpretation.

• The manager of NLICL will have to keep customers' needs and priorities in mind in order to make the plans and their implementation to serve the customers with right designed and standard service.

• The manager and other employees of NLICL have to agree to provide service to customers by avoiding complexity, because customers like to understand each and everything of the insurance what they are going to have.

• NLICL should deliver the service according to its promise during the marketing campaign otherwise trust worthiness can be destroyed due to dissatisfaction.

• Service quality expectation analysis is an important part to keep customers in business by making them satisfied. That is why NLICL can do market research to correlate their expectations and experienced quality.

• The findings of this study observed that the executives of NLICL, Khulna Branch have little judgment (idea) about their customers. So in this case, training program should be under taken to develop the interpersonal dealings of the NLICL employees.

• Selection and starting of insurance are related with the customers' satisfaction, so NLICL should improve the act of promises in time, personal attention to the customers, corporeal insurance facilities and well-mannered and knowledge of employees.

• Quality, branch location, reputation and relationship among customers and employees of NLICL involve the inherent cause of insurance choice such as experienced risk by customers. That is why management department of NLICL Khulna branch should take the proper measures to reduce the financial risk, performance risk, physical risk, social risk and psychological risk experienced by customers.

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FIGURES

APPENDICES

CUSTOMER SATISFACTION SURVEY FOR NLICL

1. What is your gender? □ Male □ Female 2. What is your age-group? □ < 20 years □ 21-30 years □ 31-45 years □ 46-55 years □ 56 –Above 3. What is your educational qualification? □ Illiterate □ Primary □ Secondary □ College □ Bachelor □ > Bachelor 4. What is your professional status? □ Student □ Employed □ Unemployed □ Retired 5. Where do you reside? □ Urban areas □ Rural areas 6. Do you think that NLICL´s branch location is in convenient place? □ Agree □ Disagree □ Partially agree	7. How would you rate NLICL's customer service and courtesy? □ Satisfactory □ Partially satisfactory □ Unsatisfactory 8. How will you categorize NLICL in service delivery and professionalism basis?

Service delivery	Professionalism
□ Excellent	□ Excellent
□ Good	□ Good
□ Fair	□ Fair
□ Dissatisfactory	□ Unsatisfactory

09. How will you rate the satisfaction level of NLICL?
□ Excellent
□ Good
□ Fair
□ Unsatisfactory

10. Are you thinking to continue your business with NLICL?
□ Yes
□ Not sure
□ No

11. How will you categorize financial condition of NLICL?
□ Strong □ Weak □ No idea

12. Would you recommend NLICL to others?
□ Never □ Once   □ Several times