



IJIRCCCE

e-ISSN: 2320-9801 | p-ISSN: 2320-9798



INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH

IN COMPUTER & COMMUNICATION ENGINEERING

Volume 10, Issue 7, July 2022

ISSN INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA

Impact Factor: 8.165

 9940 572 462

 6381 907 438

 ijircce@gmail.com

 www.ijircce.com

Determinants of Customer's Dissatisfaction for Banking Sector Mediclaim Insurance - An Empirical Study in Ranchi

Pratik Biswas¹, Dilip Kumar²

Assistant Professor, ICFAI University Jharkhand Ranchi, India¹

Assistant Professor, ICFAI University Jharkhand Ranchi, India²

ABSTRACT: According to the notification issued by the Government of India, 'Insurance' as a permissible form of business which may be accepted by banks under Section 6(1)(o) of the Banking Regulation Act, 1949. Mediclaim insurance is a type of health insurance provided by the bank to their respective customers. For common people it is very difficult to face the medical bill without proper health insurance. An accident or illness can cause debt problems for not only the person concern but the whole families too. Like factors influencing the decision of purchasing mediclaim insurance, there are certain factors which demotivate the customers to opt for purchasing of mediclaim insurance. In order to find these factors, the researcher conducted a survey using a well-structured questionnaire among 127 customers from different nationalized and private banks of Ranchi, capital of Jharkhand. Here descriptive statistics is used followed by factor analysis. A five-point Likert's scale was used for this purpose. Researcher found that poor service quality is most influencing cause behind not to opt for mediclaim insurance.

KEYWORDS: Bank, customer dissatisfaction, Mediclaim insurance

I. INTRODUCTION

According to the notification issued by the Government of India, 'Insurance' as a permissible form of business which may be accepted by banks under Section 6(1)(o) of the Banking Regulation Act, 1949. Usually, banks provide two types of insurance. First is general insurance and second is healthcare insurance. A health care insurance policy sold by the banks to their customers is popularly known as Mediclaim insurance. Mediclaim is a product launched by both banks and insurance companies where the role of bank and insurance companies are well defined. Since different people purchase Mediclaim for different purpose, we just cannot generalize the need for them.

If we witness the medical history of general people for the last two-decade, it reflects that common people too became concerned about their health. Health-related problems are now getting more important, the frequency of visiting doctor, hospital and private nursing home has increased than earlier. At the same time the cost of visiting doctors' chambers/ hospitals, and private nursing home are costlier than that of earlier days. In order to avoid these huge expenses, health insurance is the only solution for common people. Though requirement of health insurance may be differed from people to people, one thing is true that there is no alternate of health insurance. Since the premium of mediclaim insurance provided by the banks is comparatively cheaper, it is obvious that common people will opt for it. But at the same time there are certain factors which demotivate the customers to go for it. Here in this study the authors have tried to find these factors.

II. REVIEW OF LITERATURE

In western industrialised countries patients' satisfaction studied is used to access the quality of the health insurance, in order to develop a customer-oriented service culture. Which give s stress on customer satisfaction and more access to the various health insurance [1]. According to (Lee, Yu-Cheng et al., 2016) that service quality and customer satisfaction is two major factors for the profitability of a firm. They also found that relationship between customer satisfaction and return on assets are like two sides of coin thus customer satisfaction is the key factor for successful growth of a company [2]. Again (Khadka 2017) explained that every business organization's success depends on the satisfaction of the customers. Those companies that are succeeding to satisfy the customers fully will remain in the top position in a market. Customers are people, who buy goods and services from the market what meet their needs and requirements. In general customers purchase products to meet their expectations in terms of money. Thus,



companies must determine their pricing with the quality of the product that attracts the customer and maintains the long-term affiliation with the company [3]. (Boadi et al., 2017) explained that, every consumer at one point in time has experienced dissatisfaction, either with a product or a service. As we have seen that the work on consumer dissatisfaction is limited, as most of the articles focus on consumer satisfaction. Oliver (1997), has explained dissatisfaction as the unpleasant experience that customers gets from using a product or service after usage [4]. Bhat, R., & Jain, N. (2007) had analyzed health insurance sector and challenges it faces, they found that in our country, most of the studies have recognized issues and challenges the system faces in terms of accessibility, efficiency and quality of the health care delivery. They also explain the factors that affect health insurance purchase decision in a micro health insurance setting, which showed that there were two separate but inter-related decisions. The first decision that deals with whether to buy health insurance policy and in case of answer is “yes”, the very second question is the amount of premium to be pay for the coverage [5]. According to Dhar, P., & Halder, S. (2015) explained in their paper that, from an insured person’s perspective, the objective of having Medclaim insurance protection is to minimize the burden of out-of-pocket health expenditure by getting complete reimbursement for each illness incident [6]. But in reality, things is not the same, the claim settlement ratio of different companies, too support the same scenario. Here in this work the researcher tried to fond the reason behind it

III. RESEARCH METHODOLOGY

3.1 Research Objectives: -

To identify the de-motivating factors that influence customer’s choice towards purchasing of Medclaim policy.
To examine the role of demographic factors in the selection of Medclaim policy

3.2 RESEARCH DESIGN: -

The preset study is descriptive in nature and the primary data was collected from 127 bank customers of both private and nationalized banks of Ranchi. Based on discussion with the bank managers, officers of different insurance companies, staff handling Medclaim insurance and literature review the questionnaire was prepared for the survey. The study follows convenience sampling for selecting of sample from the customers of various banks of Ranchi city. After collecting the data, only those questionnaires were considered for the study, which were found fit for the survey (overwriting questionnaires or incomplete questionnaires were not considered). Selected data was analyzed using the statistical software SPSS version 22. For the analysis of data reliability testing, descriptive statistics and factor analysis have been used. The obtained reliability value was found to be greater than 0.7. Hence the instrument used for data collection was reliable. A Precision rate of 5% and a Confidence level of 95% have been considered.

IV. DATA ANALYSIS AND INTERPRETATIONS

**Table-2: Reliability
(All variables)**

Case Processing Summary			
		N	%
Cases	Valid	127	100.0
	Excluded ^a	0	.0
	Total	127	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics (List deletion based on all variables in the procedure)	
Cronbach's Alpha	Number of Items
.796	16

A total of 100 complete responses were obtained. The reliability test was employed on the responses received from bank customers from different banks. The reliability of the data was checked by calculating Cronbach's alpha (α) which was found to be 0.796 (> 0.7) well within an acceptable range.

Table1: Respondents Demographic Profile

Characteristics	Profile	Frequency	Percentile
Gender	Total Male customer	91	71.65
	Total Female customer	36	28.34
Age	18 years	18	14.17
	18 - 35	38	29.92
	36 - 50	49	38.58
	Above 50	22	17.32
Qualification	10th	13	10.23
	12th	30	23.62
	Graduate	56	44.09
	Postgraduate	16	12.59
	Professional	12	9.44
Occupation	Student	19	14.96
	Business	56	44.09
	Service	31	24.40
	House wife	21	16.53
Yearly income(s)R	Less than 300000	18	14.17
	300000 - 500000	29	22.83
	500000 - 1000000	53	41.73
	1000000 and above	27	21.25
Marital status	Single	13	10.23
	Married	58	45.66
	Widow	28	22.04
	Widower	16	12.59
	Separated	12	9.44

Source: Primary Data

Interpretation–The descriptive statistic showed that 71.65% were male and 28.34% were female and the average age group of the customer is in between (36 – 50), i.e. 38.58% followed by (18 – 35) i.e. 29.92%. While the percentage of graduates' customer is maximum 44.09%. The percentage of professional is minimum that is 9.44%. Again, customer falls in the income group less than Rs 300000/- is 14.17%, while the majority of them belong to Rs 500000 – 1000000 i.e. 41.73%. It seems that married people are more health-conscious – 45.66% while separated less with 9.44% and profession wise business men were 44.09% while house wifewas 16.53%.

Table-3: Factor Analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.845
Bartlett's Test of Sphericity	Approx. Chi-Square	1437.947
	df	120
	Sig.	.000

5.2 Factor Analysis:

Factor analysis is a statistical method, here used to the collected data to identify the factor of customer's dissatisfaction towards Medclaim insurance. Exploratory factor analysis helps to investigate the underlying dimension that could cause correlation among the observed variables and also leads with building theory. Factor analysis through principle components with Varimax rotation methods was applied on customers preference towards Medclaim insurance questionnaire and item with a factor loading above 0.40 was consider to determine items clubbed into a single factor. Further, the measure of sampling adequacy through KMO comes out to be 0.845 and Bartlett's test of Sphericity indicate the [Chi-square of 1437.947 with df= 120, p = 0.000 < 0.05. These values indicate the appropriateness to proceed with factor analysis. Four factors emerged prominently covering 78.479 % variance.

Table-4: Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.054	37.836	37.836	6.054	37.836	37.836	3.235	20.221	20.221
2	3.151	19.693	57.529	3.151	19.693	57.529	3.188	19.923	40.144
3	2.005	12.530	70.059	2.005	12.530	70.059	3.081	19.255	59.399
4	1.347	8.420	78.479	1.347	8.420	78.479	3.053	19.081	78.479

Extraction Method: Principal Component Analysis

The Identified factors were analyzed for a common thread and accordingly the naming of the factors was performed.

Table - 5: Rotated component matrix

Component	Component			
	1	2	3	4
Lack of initiative taken by the bank employees towards customer.	0.9			
Health care service quality improbable.	0.866			
Non availability of the agents at the time of need.	0.851			
Frequent change of insurance agents in the companies has a bad impact on customers.	0.827			
The terms and conditions of pre and post hospitalization benefits are not clear.		0.88		
Only a limited number of hospitals covered in the locality.		0.876		
Coverage of major hospitals in India on insurance companies' choice.		0.876		
Ambulance facilities within limited distance.		0.852		
Non availability of specialized doctors in the network hospitals.			0.879	
Inadequate healthcare service quality in the network hospitals			0.849	
Lack of diagnostic equipment in case of critical diseases in the network hospitals			0.829	
Lack of information about the treatment of the diseases in the network hospitals			0.783	
Due to communication gap back log of settlement piles up affecting the customers claim form.				0.857
Claim process in settling mediclaim, is not hassle free.				0.85
Due to lack of information, facilities like "no claim bonus" often not claimed by the customer.				0.795
Due to unavailability of agents outside the network hospitals, many time documentation for reimburse are not properly claimed.				0.779

Table -7: Factors identified

Sl No	Factors	Variables
	Poor Services Quality	Lack of initiative taken by the bank employees towards customer.
		Health care service quality improbable.
		Non availability of the agents at the time of need.
		Frequent change of insurance agents in the companies has a bad impact on customers.
2	Insufficient Hospitalization benefits	The terms and conditions of pre and post hospitalization benefits are not clear.
		Only a limited number of hospitals covered in the locality.
		Coverage of major hospitals in India on insurance companies' choice.
		Ambulance facilities within limited distance.

3	Communication gap between hospital authority and the patients.	Non availability of specialized doctors in the network hospitals.
		Inadequate healthcare service quality in the network hospitals
		Lack of diagnostic equipment in case of critical diseases in the network hospitals
		Lack of information about the treatment of the diseases in the network hospitals
4	Limitation of Claim Settlement	Due to communication gap back log of settlement piles up affecting the customers claim form.
		Claim process in settling mediclaim, is not hassle free.
		Due to lack of information, facilities like “no claim bonus” often not claimed by the customer.
		Due to unavailability of agents outside the network hospitals, many time documentation for reimburse are not properly claimed.

V. INTERPRETATION

According to the table no- 4, The first factor comprises 4-items Lack of initiative taken by the bank employees towards customer, Health care service quality improbable, Non availability of the agents at the time of need, Frequent change of insurance agents in the companies has a bad impact on customers with loading 37.836% and the factor was named as **Poor Services Quality**. The second factor comprises 4-item: The terms and conditions of pre and post hospitalization benefits are not clear, only a limited number of hospitals covered in the locality, only a limited number of hospitals covered in the locality, Coverage of major hospitals in India on insurance companies' choice with loading 19.693% and the factor was named as **Insufficient Hospitalization benefits**. The third factor comprises 4-items: Non availability of specialized doctors in the network hospitals, Inadequate healthcare service quality in the network hospitals, Lack of diagnostic equipment in case of critical diseases in the network hospitals, Lack of information about the treatment of the diseases in the network hospitals with loading 12.530% and the factor was named as **communication gap between hospital authority and the patients**. The four factor comprises 4-items: Due to communication gap back log of settlement piles up affecting the customers claim form, Claim process in settling mediclaim, is not hassle free, Due to lack of information, facilities like “no claim bonus” often not claimed by the customer, Due to unavailability of agents outside the network hospitals, many time documentation for reimburse are not properly claimed with loading 8.420% and the factor was named as **Limitation of Claim Settlement**.

VI. CONCLUSIONS

It is proven that the satisfaction of the customers is ultimate goal for any companies. Since Mediclaim is a product provided by the banks to their customers thus both product specific and service specific factors are important in customer point of view. They expect, that the insurance companies will provide actual information to them about their services: like hospital benefit in network hospitals, or presence of efficient doctors in time of need, felling of which create very bad impression about the companies. The same was supported by Dave (2014) [7]. Mediclaim is a type of health insurance, the companies (insurance companies as a soul authority and bank as beneficiary) have equal responsibility to see that, after sell service to their customers would not be hamper. According to Vijay(2018) [8], after sell service plays a very crucial role here, patients are fully dependent on agents from insurance companies, communication gap with the customers or unnecessary delay in settlement of claim has very bad impact on customers. Which in long term demotivate customer to opt for Mediclaim insurance? The researcher also found the same in their study. In our study we can see that both product specific and service specific factors are facing certain limitations. Actually, the reason behind that is bank and insurance companies are two entirely different bodies. Their work culture, types of services they provide to their customers and other responsibilities to the society are entirely different. Also, numbers of branches in different cities/ town or villages are also not same. While banks can be found in remote places of India, Insurance companies, except metropolitan / cosmopolitan cities limited to hand full towns only. Thus, in order to provide unerrupted service to bank customer they have to develop a harmony between them, so that Mediclaim insurance becomes the bank customer's first choice.



REFERENCES

1. Bankauskaite, V., &Saarelma, O. (2003). Why are people dissatisfied with medical care services in Lithuania? A qualitative study using responses to open-ended questions. *International Journal for Quality in Health Care*, 15(1), 23-029.
2. Lee, Yu-Cheng, Yu-Che Wang, Shu-Chiung Lu, Yi-Fang Hsieh, Chih-Hung Chien, Sang-Bing Tsai, and Weiwei Dong. "Empirical research on customer satisfaction study: a consideration of different levels of performance." *SpringerPlus* 5, no. 1 (2016): 1-9.
3. Khadka, K., &Maharjan, S. (2017). Customer satisfaction and customer loyalty. *Centria University of Applied Sciences Pietarsaari*, 1(10), 58-64.
4. Boadi, P. O., Li, G., Sai, A. A., &Antwi, P. (2017, September). A Critique of the Impact of Consumer Dissatisfaction. In *International Conference on Transformations and Innovations in Management (ICTIM 2017)* (pp. 579-587). Atlantis Press.
5. Bhat, R., & Jain, N. (2007). A study of factors affecting the renewal of health insurance policy.
6. Dhar, P., & Halder, S. (2015). Financial protection in health insurance schemes: a comparative analysis of mediclaim policy and chat scheme in India. *International Journal of Advanced Research in Management and Social Sciences*, 4(8), 1-36.
7. Dave, D. R., & Dave, R. (2014). A study on Service quality and customer satisfaction of selected Private hospitals of Vadodara City. *Pacific Business Review International*, 6(11), 7-12.
8. Vijay, A., &Krishnaveni, V. (2018). A Study on Policyholders' Satisfaction of Health Insurance with Special Reference to Ernakulam District, Kerala. *International Journal of Engineering and Technology (UAE)*, 7(3), 160-163



INNO  SPACE
SJIF Scientific Journal Impact Factor

Impact Factor: 8.165

 **doi**[®]
CROSS **ref**

ISSN INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH

IN COMPUTER & COMMUNICATION ENGINEERING

 9940 572 462  6381 907 438  ijircce@gmail.com



www.ijircce.com

Scan to save the contact details