CUSTOMER GAP ANALYSIS: THE BEGINNING OF RELATIONSHIP MARKETING – A COMPARATIVE STUDY OF CUSTOMER EXPECTATIONS AND PERCEPTIONS IN PUBLIC AND PRIVATE MOTOR INSURANCE COMPANIES IN COIMBATORE CITY, INDIA

DR. K. MRIDULA VENUGOPALAN*

*CMS Academy of Management and Technology, Bharathiar University, Coimbatore, India.

ABSTRACT

True competitive advantage for any organization is possible only with customers who are completely satisfied. This involves the organization’s ability to understand customer expectations and to do it right the first time. Customer satisfaction is important because satisfaction influences repurchase intentions and dissatisfaction has been seen as a primary reason for customer defection or discontinuation of purchase.

The last decade saw a splurge in services in India. The insurance sector, especially motor insurance, which was always lurking in the background, also showed a drastic growth. The establishment of the Insurance Regulatory and Development Authority in 1999 has helped regulate and promote an orderly growth of the insurance industry. Motor insurance is the largest constituent of general insurance in India. The growth of the economy and consequently, the standard of living of the people, further supported by the increased choice for the customer and entry of large number of automobile players led to a sharp increase in motor insurance. The aim of this study was to identify the gap, if any, between the expectations and perceptions of customers regarding the quality of motor insurance service. This study, part of a detailed analysis of the motor insurance sector, was conducted on a sample of five hundred customers selected from Coimbatore, India. The questionnaire was adapted from the Pearson’s National Consumer Satisfaction Survey (2002-2006). The findings indicate that in the private sector there was no significant gap on any aspect. But in the public sector a wide customer gap was found on certain factors influencing satisfaction. It has to be concluded that to survive the tough competition companies will have to pay immediate attention to closing the customer gaps.
This study on the customer expectations and perceptions about motor insurance in India is path breaking in that there have been no known similar studies done in India in motor insurance.

KEYWORDS: customer expectations, customer perceptions, customer satisfaction, motor insurance.