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Antecedents of Service Quality in the Insurance Industry

¹Alawni Mohammed Saad, ²Rushami Zien Yusoff and ³Rabiul Islam

^{1,2}School of Business Management (SBM), College of Business, University Utara Malaysia, 06010 UUM, Kedah, Malaysia.

³School of Economics, Finance and Banking, College of Business, University Utara Malaysia, 06010 UUM, Kedah, Malaysia.

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ABSTRACT

This study attempted to examine a well-established association between service quality, customer satisfaction and customer loyalty that has been investigated thoroughly in literature concerning the topic in different countries. Hence, in order to succeed and survive in this environment, any economic enterprise needs to deliver quality service. The expositions of problems that may impact the antecedent's factors form the conceptual basis for the design of the research instrument used for this study. In addition, the study not only incorporates these antecedents in its theoretical framework but also takes another step further by examining the impact of corporate image as a moderating variable that is considered to impact service quality-customer satisfaction relationship. By incorporating all these variables into the well-established link among customer satisfaction, service quality and customer loyalty, the present research gains its theoretical contribution. Thus, by investigating service quality in light of its antecedents, in the context of Saudi Arabia, the present research gained another theoretical contribution as it provides a cross-cultural understanding of how the construct of service quality including its associated variables.

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INTRODUCTION

The delivery of a suitable service quality has a key role in service industry particularly, insurance industry as service quality is significant to these firms' survival and profitability (Urban, 2009). Zeng *et al.* (2010) argue that service quality is a critical issue in securing customer satisfaction in most service industries. Owing to the heightened role of service organizations in the economy, and the significance of services in competitive environments, service organizations like the insurance companies should strategically manage service qualities and clearly comprehend service quality, customer expectations and basic quality specifications (Al-Rousan and Mohamed, 2010). Thus, the primary goal of this study is to examine the service quality in Saudi insurance industry in light of its antecedents.

Service quality has developed to become a top instrumental co-efficient in the dynamic competitive market. Hence, in order to succeed and survive in this environment, any economic enterprise needs to deliver quality service (Sandhu & Bala, 2011). In a related study, Kara *et al.* (2005) stated that the delivery of quality service is important for any business in order to survive and succeed in today's business environment. This because once services delivered to customers are of high quality this would ensure that these customers are satisfied with the services and in turn leading to the paramount goal of the company, customers' loyalty (Tsoukatos, 2007).

Service quality:

Insurance companies face many problems and function in increasingly competitive pressures, due to the liberalization of the financial services sector, which had led companies to focus most of their primary strategies toward improving service quality in order to enhance customer satisfaction and loyalty (Siddiqui & Sharma, 2010). These researchers stated that nowadays the consumer is demanding services with higher standards and also becoming more and more aware of higher expectations. It is difficult for service providers to manage their services effectively, because for example, the advancement of technology, especially in information and ICT, enables the consumer to make accurate and quick comparisons on the Internet. As concluded by Siddiqui and Sharma (2010), this in turn leads to the fact that customer expectations and perceptions are continually changing and evolving.

Corresponding Author: Alawni Mohammed Saad, School of Business Management (SBM), College of Business, University Utara Malaysia, 06010 UUM, Kedah, Malaysia.
 E-mail: msalawni@gmail.com

Furthermore, customer service is more pertinent in service business as compared to manufacturing companies, since service characteristics are often inseparable and intangible. Due to improved technologies, growing customer sophistication, and increased private player competition, recent years had witnessed greater thrust on achieving greater levels of efficient customer service. It can be observed that customers are becoming more and more advanced in their requirements and expectations, which in turn demands higher and higher standards of service. For the consumer, the term service can entail many meanings and go under different names, some of which include customer relationship, customer satisfaction, service delivery, customer delight, and etc. Because of this, there is more growing interest in improving service via customer service, which means that objectives of the business must be aligned closely with the customer service elements. Meanwhile, according to Payne (1995), initiatives related to quality improvement go hand in hand with customer service initiatives. Previous research had reported that the concepts of marketing, customer service, and quality have been integrated to form a new perspective on the old concept (Christopher & Ballantyne, 1991). Thus, marketers now are of the opinion that achieving quality has become a pivotal concern. Therefore, in order for service providers to attain better positions in the market place, a vital key is consistent superior service delivery (Brown & Swartz, 1989).

Parasuraman *et al.* (1985) proposed the gap model of service quality that operationalized service quality as the gap between expectation and performance perception of the customer. The following section addresses the various gaps that appeared in Parasuraman *et al.* (1985) Model.

Service Quality Gap Model:

Managers in the service sector are under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered. Given the financial and resource constraints under which service organizations must manage it is essential and measured and that, from the customers' perspective, any gaps in service quality are identified. This information then assists a manager in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on.

What makes managing customer service different, as a marketing problem, from managing the standard elements of the marketing mix (product, price, promotions, and place) is that customer service is typically delivered by front-line employees. Personnel policies, thus, have immediate marketing implications. Many retailers take this into consideration by treating employees as "internal customers." According to this philosophy, management must "sell" their internal customers on the company and its policies in order to induce front-line employees to deliver the desired levels of customer service. Standard personnel policies that can facilitate customer service and sell the "internal customers" include (a) employee screening and selection, (b) training, (c) setting suitable reporting relationships, (d) goals and reward systems, (e) internal communications, and (f) generally creating a "service" culture. The Gap Analysis Model goes a step beyond simply reexamining each of the standard personnel policies in light of the desired customer service. The model provides specific criteria concerning personnel and management policies that complete the linkage between customer expectations and perceived service delivery. In addition, the model provides a checklist of where breaks in the chain can occur; using this checklist can provide a useful audit of service quality.

The Gap model of service quality was developed by Parasuraman *et al.*, (1985) and more recently described in Zeithaml and Bitner (2003). It has served as a framework for research in services marketing for over two decades. Customers have expectations for service experiences and they use them to measure against the perceived service performance in their judgment of service quality. It is essential, then, that managers determine what those expectations are when designing the service. The model identifies four specific gaps leading to a fifth overall gap between customers' expectations and perceived service. The five gaps in the models include the following:

- *Gap One (Customer Expectations – Management Perceptions Gap):* The first gap in service quality occurs when management fails to accurately identify customer expectations. It is referred to as the knowledge gap. Specifically, it is the difference in customer expectations and management's perception of customer expectations. Hotel managers, for instance, must know and understand what their guests expect from their stay, including all tangibles (the room, amenities, lobbies features) and intangible components (availability of additional services, ease of check-in and check-out procedures).
- *Gap Two (Management Perceptions - Service Quality Specifications Gap):* The second gap is referred to as the design gap. It is measured by how well the service design specifications match up to management's perception of customer expectations. The extent of this gap is dependent on management's belief that service quality is important and that it is possible, as well as the resources that are available for the provision of the service. A restaurant manager may understand customer expectations for being served within 20 minutes of ordering, but may not have the resources or the appropriate number of staff to insure that speed of service.

- *Gap Three (Service Quality Specifications - Service Delivery Gap)*: The third gap represents the variation in service design and service delivery. Known as the performance gap, its extent is a function of many variables involved in the provision of service. Since individuals perform the service, the quality may be affected by such factors as skill level, type of training received, degree of role congruity (agreeability) or conflict, and job fit. Some service providers (i.e. waiters, front-desk staff) do not have a high service inclination, despite training. Service recovery efforts along with extent of responsibility and empowerment also affect the size of this gap.
- *Gap Four (Service Delivery - External Communications Gap)*: The fourth gap is called the communications gap. It is the difference between what is promised to customers, either explicitly or implicitly, and what is being delivered. Hospitality companies use advertising, personal selling, and sales promotion to inform, persuade, and remind guests about its products and services. Showing beautifully appointed hotel rooms, refreshing swimming pools and luxurious lobby areas in an advertisement communicates to the target customers. The extent of communications between the company and the advertising agencies will affect the size of the gap. Over-promising is commonly responsible for the communication gap. Each gap has accumulative effect from the preceding gaps.
- *Gap Five (Expected Service - Perceived Service Gap)*: The fifth gap is the total accumulation of variation in Gaps 1 through 4 and represents the difference between expectations and perceived service. This gap is also referred to as the Service Performance Gap.

The following Figure (Figure 1) shows the five gaps of service quality that have been identified by Parasuraman *et al.*, (1985).

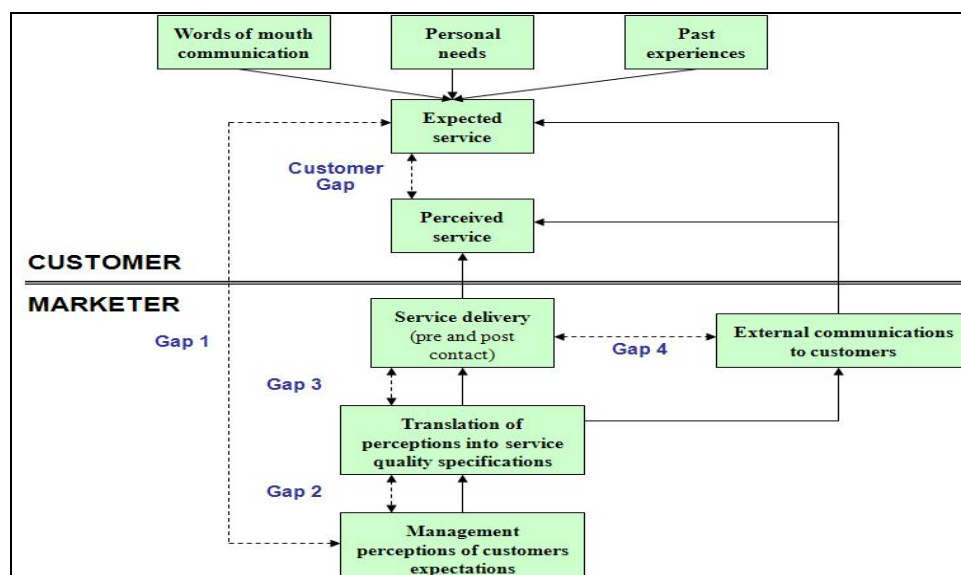


Fig. 1: Gap Model of Parasuraman *et al.*, (1985).

Service quality has also been defined broadly as “consumers’ assessment of the overall excellence or superiority of the service” (Zeithaml *et al.*, 1993). It is viewed as an attitude or global judgment about the overall excellence of a service, with comparison of expectations and performance as the measuring tools. In this study, this definition forms the ground of measuring the services quality in which an attempt will be made to view customers’ perceptions about the services received from their service providers (perceived service quality). Researchers have tried to operationalize service quality from different perspectives for different service applications. Culiberg and Rojsek (2010) define service quality as perceived quality which means a customer’s judgment about a particular service. Thus, service quality is agreed upon to be viewed and perceived in different fields and industries in which each industry needs to develop their own service quality model (Siddiqui & Sharma, 2010). As the study is concerned with the service quality provided by the insurance companies, the following section addresses the case of service quality in the insurance industry.

Service Quality in the Insurance Industry:

The insurance services can be described as a product in the form of a written legal contract (the insurance document) plus a bundle of services associated with it. Services are activities and/or benefits that one party offers to the other and that services are necessarily intangible and do not result in the ownership of anything. Insurance service is different from other services, as it is complex and future contingent service involves substantial legal characteristics. The insurance companies have to find ways to make their services more

tangible. To increase the productivity of providers who are inseparable from their products, to standardize the quality in the face of variability, and to improve the demand situation and supply capacities in the face of service perishability. Informing, educating, motivating, persuading, advising and other services prior to, at the time of and after the issuance of the insurance document make the purchase of insurance dissimilar from purchasing other products and from even other services.

In the face of increasingly fierce market competition, insurance products are becoming more difficult to differentiate, thus leading to the trend of insurance companies having to shift their focus from being a product-focused company to become a customer-focused company. Across the globe, insurance companies have started to focus their energies toward implementing strategies to improve service quality in order to increase customer loyalty through enhancing customer satisfaction. For maintaining future growth and sustainability, more and more insurance companies have developed a more customer-centric approach. This means that companies are becoming more aware that the existing customers, as well as the potentially new ones, can be influenced to try the services offered by the company through speedy, efficient, and prompt services.

Moreover, service marketers have come to realize that quality can be used as a weapon to manage competition, which means that it is of utmost importance that service quality is achieved as a sure way of securing competitive advantage. Conversely, achieving poor service quality would place the company at a disadvantage. In cases where industrial players offer near identical services, such as the insurance industry, insurance firms need to be able to differentiate themselves through service quality and thus achieving greater success in the face of competing service companies. Therefore, by making the firm stand out, the company is then able to garner a higher proportion of consumer choice, which could mean the difference between the company's success and failure in terms of financial standing.

Moreover, the insurance industry, especially in Saudi Arabia, needs to utilize strategic plans in order to provide attractive products and services, in order to meet customers' complex expectations (Siami & Gorji, 2011). In order to do this, the firm needs to match their current services with other services being offered in the global and local markets using the customers' point of view, where they can measure the customers' levels of satisfaction and expectation. However, in order to know the perceptions of customers regarding the quality of services provided to them by different service companies, a number of measuring techniques (service quality dimensions) have emerged in previous studies that are related to the quality of service concept. The following section addresses the service quality dimensions that appeared in the original model of service quality designed by Parasuraman *et al.* (1985).

Antecedents of Service Quality in the Insurance Industry:

Several researchers recommended that quality of service is influenced by a number of factors. Some of these factors are individual in nature such as the demographic characteristics of customers which include their age, gender, economic level, educational level, and etc. A second set of factors, however, are related to the insurance companies such as communication, ICT, customer knowledge, and their prior experience with the insurance companies. The present study is concerned with the second set of factors, those that are related to the insurance companies. The following section addresses these factors.

Communication:

Communication is the ability to provide timely, trustworthy, and/or accurate information. "Good" company-created communication has been defined as "helpful, positive, timely, useful, easy, and pleasant", with little effort required for the customer to decode the communication and determine its utility (Ball *et al.*, 2004). It may include personalized letters, direct mail, web site interactions, other machine-mediated interactions, and e-mail, as well as in-person interactive dialogue between a company and its customers throughout the pre-selling, consuming and post-consuming stages (Ball *et al.*, 2004). Morgan and Hunt (1994) proposed that communication was an antecedent of trust rather than a direct antecedent of loyalty. In the early stages, communication builds awareness, develops customer preference, convinces interested buyers, and encourages potential buyers to make the purchase decision (Ndubisi & Chan, 2005). In later stages, communication involves keeping in touch with customers on a regular basis, providing timely and accurate information and updates on services or products, and proactive communication in case of potential problems.

Communication occurs when two parties are able to provide timely, trustworthy, and accurate information to each other. Good company-created communication has been defined as "helpful, positive, timely, useful, easy, and pleasant", with little effort required for the customer to understand the information contained within the communication and thus determine its value (Ball *et al.*, 2004). Therefore, according to Anderson and Narus (1990), and Ball *et al.* (2004), a communiqué can be in many forms, some of which may include face-to-face encounters, letters via postal services or through the Internet (e-mail), website and other machine mediated interactions, and press conferences, between the two parties. In business, these two parties normally involve the firm and its consumers, in activities related to the pre-sales, consumption, and post-consumption stages.

Meanwhile, it was proposed by Morgan and Hunt (1994) that trust has communication as an antecedent, rather than communication being a direct antecedent of loyalty. In the early stages, communication builds awareness, develops customer preference, convinces interested buyers, and encourages potential buyers to make the purchase decision (Ndubisi & Chan, 2005). In later stages, communication between the firm and its consumers involve forwarding accurate and timely updates and information about their products and services, regularly keeping in touch with customers, and providing communication that is characteristically proactive in case of potential problems.

Communication affects all aspects of the relationship, especially trust, satisfaction, and loyalty (Ball *et al.*, 2004). Effective relationship marketing communication requires providing trustworthy information, providing service information, fulfilling promises, and providing information in case of service delivery problems (Ndubisi & Chan, 2005). This communication may include accurate and timely information regarding program benefits, promotion, and regulations, as well as meeting expectations. Technological advances in communication increasingly play a more important role in the customer's experience by advancing both company-managed and customer-created communication efforts.

Ever-changing communication media, expanded customer touch points, and the expectations of accurate and customized information at the speed of light directly impact the service industry's ability to meet or beat the needs and expectations of customers (Ray *et al.*, 2005). Company-managed efforts such as websites, social media efforts direct email campaigns, and database-marketing efforts are now the norm, as are customer-created communications such as online forums that provide service ratings and customer-to-customer (C2C) know-how exchange. Company-created communication includes program websites, direct mail, email, telephone, fax, texts, face-to-face, training, program guide (printed and online), and online chat. However, the customer-created communications explored in this study are centered around eWOM, specifically focusing on C2C knowledge exchange and reviews/opinions.

Managing conflict is also a vital aspect of communication. It is the ability to avoid potential conflicts, to solve manifest conflicts before they create problems, and to discuss solutions openly when problems do arise (Dwyer *et al.*, 1987). Ndubiri and Chan (2005) found a significant relationship between conflict handling and customer loyalty. Good conflict management can result in greater loyalty, "exit" or "voice" (Rusbult *et al.*, 1988), depending on the degree of prior satisfaction with the relationship, the amount of the customer's investment in the relationship, and a consideration of the alternatives. Improper or unresponsive handling of complaints can be perceived as incompetent or opportunistic behaviour, and will thereby have a negative impact on trust (Morgan & Hunt, 1994).

The importance of personalization and customization of communication in gaining loyalty has been illustrated by many scholars (Allen & Wilburn, 2002). Proper database management, coupled with technology such as the internet and the many platforms it offers, enables many companies to communicate in a highly personal manner despite being high-tech. Such platforms include everything from company-managed websites to the "Wild West" of social media sites that reinforce electronic word-of-mouth (eWOM). However, no matter the platform, customers now expect communication to be more easily accessible, more accurate, and more responsive than ever before. Thus, many companies are attempting to infiltrate customer-created communication by deploying official representatives as active members in these and other online communities – some even being welcomed with open arms.

With the rapid and widespread uptake of new electronic media channels, traditional communications channels like television, mail, telemarketing, and door-to-door sales calls are expected to decline, at least to some extent. Evidence of this is already apparent for network television in the USA, where average ratings are declining and television is experiencing a reduced share of advertising revenue. Postal mail is most directly under threat from e-mail, the fastest expanding new channel. Telemarketing, too, is facing severe competition as a marketing communication channel. In the western world there are fewer telephone marketing calls now that many US households have opted out by listing themselves on the "Do not call" register. Door-to-door personal selling has also been in decline in the western world for consumers, although face-to-face selling remains important for business customers. Therefore, a "state of flux" is an apt description of the overall scene for marketing communication channels.

For the purpose of this study, most of the previous views on the construct of communication and the way it influences service quality in the insurance industry were conducted on Western countries contexts while the impact of communication on service quality in developing and emerging countries witnessed limited examination. This study attempts to fill in the gap in the literature regarding this matter by examining how communication influences service quality in the insurance industry in an emerging country context, namely Saudi Arabia.

Information and Communications Technologies (ICT):

Technology refers to a body of knowledge, tools, techniques, and innovations derived from science and practical experience that is used in the development, design, production, and application of products, processes,

systems, and services. The technological revolution started in the middle of the twentieth century with the introduction of computers in which data can be stored and revised. However, arguably the greatest technological event of the twentieth century was the discovery of the Internet, since it made it easier for people to communicate from different parts of the world. As stated by Warrick and Stinson (2009), more than 1.2 billion people are Internet users, and the numbers continue to rise. An invention that took the use of the Internet to a critical edge was the introduction of smart phones where people are able to transfer data, check their emails, use social media, and communicate without the need to use a computer or a laptop. Organizations worldwide have been making use of emerging technologies for the sake of enhancing their organizational performance and securing a competitive advantage in a highly competitive market.

In their nature, human beings are very adaptable and they tend to cope with the changes that take place in the world around them. People are always making decisions, and constantly altering them according to what is appropriate for the time and circumstance. Therefore, sustainable development of a society requires judgment about today and being prepared to modify constantly through time and space. During the past few decades, the technological advancements created demographic, economic, cultural, and social challenges that are a consequence of scientific innovations. Adoption is a slow and continuous process, yet it is adoption rather than innovation that ultimately determines the pace of economic growth and rate of change in productivity (Hall and Khan, 2003). Companies in general made use of these technological advancements including service-oriented companies through utilizing such technologies to facilitate their activities and enhance their performances.

In measuring the construct of ICT and how insurance companies utilize these new technologies to provide good services for customers, ideas from Davis's (1989) Technology Acceptance Model (TAM) shall be used as part of this study. An assumption in TAM is that both perceived ease of use (EOU) and perceived usefulness (U) components of a new technology would be foremost in affecting the attitude of the individual toward using that particular technology. Meanwhile, the behavioral intention to use a technology is hypothesized to be influenced by the attitude of the individual, which finally ends in the relation to the actual use. Perceived U is the belief that adoption of the (ICT) technology would lead to workplace activity that is augmented (Davis, 1989). Meanwhile, the perception of EOU component refers to the (IS) system being effortless to use. Previous research efforts by Abdel-Waha (2008) discovered that TAM is capable of explaining a high degree of the variance for why users choose to use systems.

Thus, it is the purpose of this study to examine the level of ICT adoption Saudi insurance companies utilize and how such adoption of new technologies relates to the customers' perceptions of service quality in the insurance industry. Investigating how ICT adoption influences service quality in the insurance industry in an emerging country is urgently needed keeping in mind that most of the previous views on the construct of ICT and the way it influences service quality in the insurance industry were conducted on Western countries contexts while the impact of ICT on service quality in developing and emerging countries witnessed limited examination. Thus, this study attempts to fill in the gap in the literature regarding this matter by examining how ICT influences service quality in the insurance industry in an emerging country context, namely Saudi Arabia.

Customer Knowledge:

Insurance is a confusing industry and this industry is not easy to understand, particularly for regular and common customers. So, the potential for clients who are not very familiar with the rules, regulations and policies of insurance to make mistakes is a very likely to take place. This is why insurance companies normally hire brokers who are called insurance brokers whose job is not only providing customers with the best insurance policies available, but among their responsibilities is taking the time to offer their customers advice that will help them understand the insurance world better and not make any missteps along the way.

Normally, insurance brokers have a vast knowledge of insurance rules, regulations and their policy wording and overall industry terminology. Thus, part of their job responsibilities is to transfer this type of knowledge and terminology that is related to insurance policies to their customers who have no idea whatsoever about the meanings and connotations of such terminology. For example, in the case of risk management, insurance companies should inform their clients whether through brokers or directly through different techniques of communication about the all the possible points of risk and the insurance policies that help account for such risks.

In addition, different insurance companies have different nature of policies and this variance between the rules, regulations and policies of the different insurance companies may add to the confusion this industry already have. This is why having knowledge about the different rules and policies of different insurance companies could help customers choose the best policies that suit their needs and wants.

Thus, it is the purpose of this study to examine the nature of knowledge Saudi customers Arabia possess about the rules, regulations and policies of the various companies that provide insurance services. In other words, do these companies inform their customers whether directly or through their insurance brokers about these regulations and policies and whether these insurance companies take out the time and try to update foreign workers about their new policies and regulations? In addition, the study aims at findings out whether customers'

knowledge about the rules, regulations and policies of insurance companies relate to their service quality perceptions. This is because most of the previous views on the construct of customers' knowledge and the way it influences service quality in the insurance industry were conducted on Western countries while the impact of customers' knowledge on service quality in developing and emerging countries witnessed limited examination. Thus, this study attempts to fill in the gap in the literature regarding this matter by examining how customers' knowledge influences service quality in the insurance industry in an emerging country context, namely Saudi Arabia.

Prior Experience:

As far as the insurance industry is concerned, customers' prior experience refers to the previous encounter customers have had with the insurance company. Customers' prior experience is believed to be a very influential factor in determining service quality in the service-oriented companies in general and in the insurance industry in particular keeping in mind that people are highly influenced by the previous experiences they normally have with the company, especially their first experience.

Edvardsson (2005) believe that an experience means the service encounter and/or service process that create the customer's cognitive, emotional and behavioural responses in customers memories and stay on them for relatively long time. He also mentions that customers' experiences will have a strong impact on customers' quality perceptions. Edvardsson notices that some first class companies (like Ikea and Volvo) design service components to physical products stressing experience-based quality, physical products become platforms for service experiences.

The role of experiences as service quality predictor is not exhaustively explained, there is a noticeable lack of research of customers' experiences in this context (Urban, 2010). Customers service consumption experiences might essentially affect what customers expect next time and from other service providers. According to longitudinal study predictive expectations were higher following a positive experience and remained relatively stable following a negative experience. It is expectable that duration of the constant consumption of particular service might have an influence on how customers perceived this particular service and what they expect from it, and similarly the frequency of particular service consumption. Prior research suggests that people as customers learn to cope with newly perceived marketers tactics gradually over time, it might be expected as well that they remember and learn from service experiences during a service process.

Therefore, it is interesting what, in service quality formation, the role of the length of cooperation with one service provider, or the frequency of consumption is? As well as what is the influence of how intensively a customer consumes other competitive services? It is expected that there is the influence of mentioned aspects on the customers' expectations, as well as on customers' service perceptions, and finally on overall service quality. Quality guru Edvardsson states that customers experiences are not stressed enough either in scientific research or in the business sphere, considering that the full discovering of the role of customer experiences is the future of services (Edvardsson, 2005).

When measuring the construct of prior experience, a number of researchers used Parasuraman's (1988) five-dimension measure to assess customers' prior experience arguing that perceived service quality means judging a service based on prior experience or after having used the service. Other researchers used different measures to assess customers' prior experience such as Urban (2010) who conducted a study to examine whether the intensity of prior experiences by the customer with the same firm and other firms affect perceived service quality. In Urban's (2010) research, three dimensions were used: length of experience, frequency of experience with the company (current), and frequency of experience with other (previous) companies.

For the purpose of this study, most of the previous views on the construct of prior experience and the way it influences service quality in the insurance industry were conducted on Western countries while the impact of prior experience on service quality in developing and emerging countries witnessed limited examination. Thus, this study attempts to fill in the gap in the literature regarding this matter by examining how the construct of customers' prior experience influences service quality in the insurance industry in an emerging country context, namely Saudi Arabia.

Health Insurance Providers in Saudi Arabia:

As far as this research is concerned, a group of items, objects, or people forms a sample that is taken for measurement purposes from a larger population with the aim of representing the overall characteristics of the entire population so as to ensure that the findings from the research sample can be generalized (Bryman, 2008). In the present research, the population involved with this study includes the Saudi customers who have insurance policies with the Saudi health insurance companies.

There are 32 health insurance companies listed on the Tadawul Stock exchange. The Saudi Arabian health insurance sector is dominated by the three big players - Tawuniya, Medgulf and Bupa Arabia. The top three insurance companies comprise of nearly half of the total market share, at 49.91%, in terms of GPW as of 2011. Specifically, 23.95% of health insurance customers are under Tawuniya health coverage, 15.19% of health

insurance customers are under Medgulf health coverage, and 10.77% of health insurance customers are under Bupa Arabia health coverage. The following figure (Figure 2) shows the percentage of these 3 top players in the health insurance in Saudi Arabia as compared to other healthcare insurance providers.

The total insurance customers in Saudi Arabia constitute nearly 2.3 million insured Saudi people among which nearly 50% of them are under the 3 previously mentioned health insurance companies (SAMA, 2013). Thus, the population in this study constitutes the Saudi customers who have health insurance policies in these 3 health insurance providers, which means that the total number is around 1.150000 million Saudis. Since the number of population involved with this study exceeds 100,000 individuals and following Sekaran's (2003) sampling design, a total number of at least 384 respondents should be representative of the whole population. Thus, in this study an attempt is made to collect data from 384 health insurance customers who have health insurance policies in Saudi Arabia. The number of 384 respondents also appeared in so many studies that attempted to examine service quality in various service-oriented companies whose customer base is so large to be included as a whole in a single study.

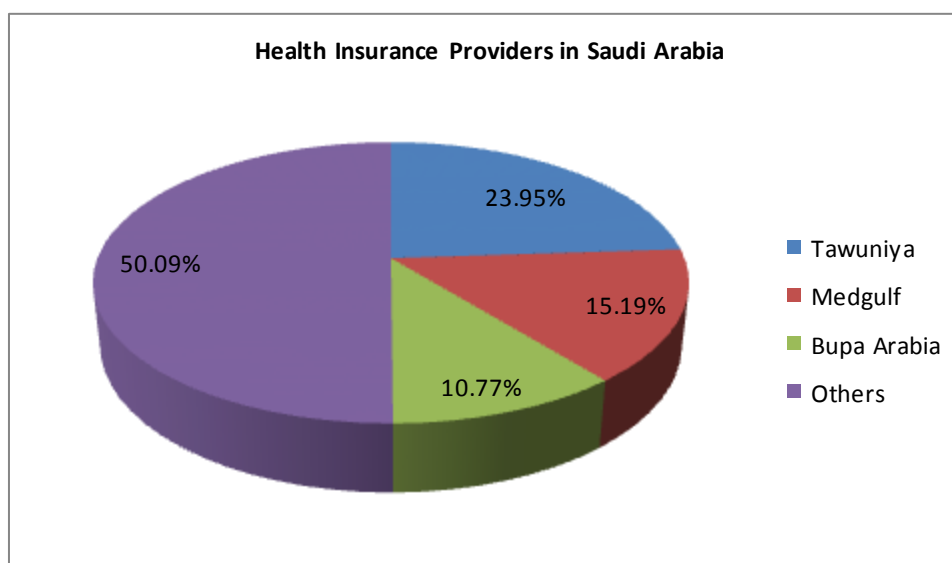


Fig. 2: Health Insurance Providers in Saudi Arabia.

The distribution of the 384 respondents of health insurance in Saudi Arabia will be based on the percentage of these customers in each of the 3 health insurance providers. In order to ensure that the targeted number of the 384 respondents is achieved, the questionnaire will be distributed to a larger number of respondents. Specifically, the questionnaire will be distributed to 500 customers. The reason why 500 were selected is because similar research studies that were conducted on service quality in Saudi Arabia generated a response rate of 77% (Alharbi, 2012). Thus if the 500 respondents generate 77% response rate, the final sample of the 384 recommended by Sekaran (2003) could be secured.

Despite the fact that there are many insurance categories in Saudi Arabia such as motor insurance, life insurance, fire insurance, etc., this study focuses only on health insurance and does not attempt to examine service quality in the other insurance categories. This is because the latest publication of SAMA on the Saudi insurance industry pertains to the year 2010 revealed that majority of the insurance market was represented by health insurance (53%), which amounted to SR8.69 billion and was a 19.2% increase over the previous year.

The distribution of the questionnaires on these 3 companies is done based on the percentage of the total number of the 1.150000 million customers in which 48% of the respondents (184 respondents) are selected from Tawuniya, 30.4% (117 respondents) are selected from Medgulf, and finally 21.6% (83 respondents) are selected from Bupa Arabia. The following table (Table 1) shows the sample of the study and their percentages.

Table 1: Sample of the Study.

Insurance Company	Percentage %	No. of Respondents
Tawuniya	48%	184 respondents
Medgulf	30.4%	117 respondents
Bupa Arabia	21.6%	83 respondents
Total	100%	384 respondents

These three companies have branches distributed in the five main geographical regions in Saudi Arabia, namely Central Region, Easter Region, Western Region, Southern Region, and Northern Region. Thus, to

insurance that the study has a good generalizability factor, the questionnaire will be distributed equally in these five regions in which the three main insurance companies operate.

Conclusion:

This study attempted to examine a well-established association between service quality, customer satisfaction and customer loyalty that has been investigated thoroughly in literature concerning the topic in different countries. However, the present research took a step further by examining a number of antecedents and moderating factors which are recommended by a number of researchers to be influential in the way this link operates in different industries and environments. Specifically, the four antecedent factors of communication, ICT, customer's knowledge and customers' prior knowledge have been recommended to be used by future authors who dedicate their work to service quality in the insurance industry. In addition, the study not only incorporates these antecedents in its theoretical framework but also takes another step further by examining the impact of corporate image as a moderating variable that is considered to impact service quality-customer satisfaction relationship. By incorporating all these variables into the well-established link among customer satisfaction, service quality and customer loyalty, the present research gains its theoretical contribution. In other words, it is hoped that the framework designed for the current study would provide a better understanding and a clearer picture about the service quality in the insurance industry in terms of consequences and antecedents.

Apart from that, it has been mentioned earlier that most of the research studies concerning service quality, particularly those conducted on service quality in the insurance sector have been conducted either on developed countries Western countries or some developed Asian countries such as Japan and Singapore while emerging countries were left with limited research. This means that our understanding of how the construct operates and interplay depends largely on the theories and revelations of Western scholars and research studies. While such theories might definitely be useful in the Saudi context, they might not provide a clear and deep understanding of how service quality is thoroughly understood in an emerging country like Saudi Arabia. This is because Saudi Arabia is different from its Western counterparts taking into account the cultural differences between nations and countries. Saudi Arabia is even different from many neighboring countries in the Middle East region particularly in masculinity. Thus, by investigating service quality in light of its antecedents, in the context of Saudi Arabia, the present research gained another theoretical contribution as it provides a cross-cultural understanding of how the construct of service quality including its associated variables.

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