

Customer Satisfaction with Customer Care Service Quality at Baoviet Life Corporation, Vietnam



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ABSTRACT: Based on relevant theoretical bases and through conducting qualitative research to build a research model with a customer care service quality scale including 22 descriptive variables for 5 components of service quality. Customer service, that is: physical facilities, reliability, assurance, response, empathy; customer satisfaction scale for customer service. The result has 159 valid samples. The results of the linear regression analysis between the independent variable which is 5 components of customer service quality and the dependent variable which is customer satisfaction show that all 5 components have a positive relationship. Accordingly, the tangible component has the strongest impact, followed by the trust component and finally the feedback component. Based on this result, the research team has identified the shortcomings and proposed solutions such as: Building uniform policies, remuneration as well as sanctions for agents; Develop customer care regulations for agents; improve the capacity of customer service staff or improve customer support.

KEYWORDS: Satisfaction, service quality, Baoviet life.

1. PREAMBLE

Life insurance business is a service business, but because life insurance products have unique characteristics that are different from other products and services, it has dominated most of the business process of insurance enterprises. Dangerous. Specifically, life insurance products have common characteristics of products and services, which are intangibility, inseparability, and inability to store. Continuously keeping the upward momentum in recent years, the insurance industry, including the life insurance segment, is making important contributions to the economy. By the end of 2021, the whole country has 18 life insurance enterprises [6]. Along with the people's income is improved, the demand for health protection is increasing. Baoviet Life Corporation is one of the first life insurance companies in Vietnam's life insurance market. Currently, according to the statistics of supervisory management tools, Baoviet life Corporation accounts for 21.5% of the market share [5]. Although Baoviet Life is a long-standing business with almost 100% domestic capital, Baoviet Life Corporation is also facing a large number of customers who want to terminate their contracts before the deadline. This affects not only businesses but also Vietnam's social security. In addition, this type of product also has its own characteristics that are very different from all other types of products and services, in which unpredictability is one of its outstanding characteristics. It is this feature that makes the offering of life insurance products extremely difficult. In addition, due to the race for sales, many insurance distribution channels have not fulfilled their duties in providing information and advice to customers, leading to customers losing their benefits when an insurance event occurs. Out. So how does the quality of customer care service at Baoviet Life Corporation affect customer satisfaction? This issue will be clarified in this study.

2. THEORETICAL BASIS AND RESEARCH HYPOTHESIS

2.1. Theoretical basis

Satisfaction

There are many different views on the level of customer satisfaction - customer satisfaction. Oliver (1997): Customer satisfaction is the feedback of consumers, the comments about the characteristics of the product or service or the product or service itself. These reflections will show different levels of satisfaction when they consume products and services [5].

Client

Simply put, customers are individuals or organizations that businesses are marketing efforts towards. They are the buying decision makers. Customers are the beneficiaries of the quality characteristics of products and services [8].

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Service quality

The level of customer satisfaction is the quality level of the service provided. According to this approach, quality is perceived by customers and evaluated by customers, that level of customer satisfaction is the difference between the customer's perception of using that service and their expectations. Before consuming the service [8].

The relationship between service quality and satisfaction

According to Zeithaml and Bitner (2000), service quality and customer satisfaction are two different concepts, while service quality focuses specifically on the components of the service, the level of customer satisfaction. Goods is a general concept [12]. In short, service quality is a factor that greatly affects customer satisfaction. If a service provider provides customers with quality products that satisfy their needs, that provider has initially made customers happy. Therefore, to improve customer satisfaction, suppliers must improve service quality.

2.2. Research model and hypothesis

From the service quality models mentioned above, the research team selected the SERVQUAL model as a reference base to include in the research model of the topic. Because since its launch, SERVQUAL has proven very useful for assessing service quality. The SERVQUAL model is simple, easy to implement and supported by later researchers and further developed to suit different types of services. Therefore, to solve the posed problem, the study uses the SERVQUAL scale to measure the quality of customer care services. In this study, the research team also agreed with the point of view of the research group Tho, NĐ. Trang, NM (2007) that it is not possible to assess service quality in general such as high or low quality of this service, where service quality must be measured by a set of multiple scales to measure the component concepts that are related to each other and which together make up service quality [10].

H1: As the level of trust assessed by customers increases, customer satisfaction will increase accordingly.

H2: As the level of customer-reviewed feedback increases, customer satisfaction will increase accordingly.

H3: As the level of assurance assessed by customers increases, customer satisfaction will increase accordingly.

H4: When customer-rated empathy increases, customer satisfaction will increase accordingly.

H5: When tangible means are appreciated by customers, customer satisfaction will increase accordingly.

3. RESEARCH METHODS

The study uses a combination of general methods such as: information collection, analysis, synthesis, statistics, comparison comparison to analyze:

Document research method: Collect and research relevant research works that have been done in the country and abroad to draw and develop the theoretical basis for the research. The theoretical content is selectively inherited from the results of published scientific works on the content related to the quality of customer care services from which the research team draws the theoretical issues. Independent scientific argument on assessing customer satisfaction with supportive care services from businesses.

Descriptive statistical method: Using primary and secondary information to evaluate and systemize customer care data of Baoviet life Corporation.

Interview method: Conduct survey with customers of Baoviet life Corporation. From primary data, the research team uses data processing software in SPSS statistics to determine the factors affecting the level of customer satisfaction with the quality of customer care services at the Corporation. Bao Viet Life Company.

Methods of analysis and synthesis: Analyze and synthesize data collected from primary and secondary data sources. Processing data to calculate relative numerical indicators to specify the factors affecting customer satisfaction with the quality of customer care services at Baoviet Life Corporation.

4. RESEARCH RESULTS

The period from 2017 to 2020 is difficult and challenging years for the Vietnamese economy in the context of the COVID-19 epidemic along with the implementation of fiscal and monetary policies to control inflation and stabilize the economy. These unfavorable factors together with the pressure within the economy have strongly affected the production and business activities of enterprises in general and Baoviet Life Corporation in particular. However, with the determination and best efforts of all staff, employees and consultants, Baoviet Life Corporation still achieved remarkable results and successes in business activities.

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Table 4.1. Summary of business results of Baoviet Life Corporation

Targets	2016	2017	2018	2019	2020
Net revenue from insurance business	13,456,429	17,471,776	21,507,292	25,452,692	28,046,303
Financial income	3,647,360	4,641,423	7,818,255	6,669,577	8,095,776
Other income	13,101	37,295	34,104	27,345	26,968
Total profit before tax	627,418	1,011,852	956,380	1,104,418	1,077,842
Profit after tax	512,944	819,780	781,303	894,232	875,299

Source: Baoviet Group's annual report

4.1. Reliability test results

Calculation results of Cronbach's Alpha coefficient for each research component show that all research components have Cronbach's Alpha coefficient greater than 0.8. According to many studies, a scale with Cronbach's Alpha coefficient of 0.8 or higher is a good scale, from 0.7 to nearly 0.8 is usable. And the variables in these research components all have correlation coefficients greater than 0.3. Therefore, it can be concluded that: the scale used in the study is appropriate and reliable.

Table 4.2. Results of evaluating the reliability of the scale of research components

Label	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
1. Reliability: Cronbach's Alpha = 0.893		
When a company promises you to do something by a specified time that promise is always fulfilled.	0.632	0.891
When buying products of Baoviet Life Corporation, you are completely assured of the quality of service	0.732	0.870
When you have a problem, Baoviet life always shows sincere interest in solving your problem.	0.769	0.862
Baoviet life's customer care center is always working well	0.777	0.860
Baoviet life always fulfills what it has committed to you	0.779	0.860
2. Responsiveness: Cronbach's Alpha = 0.866		
Reasonable and convenient trading time frame	0.796	0.795
The information in the life insurance contract is explained clearly and easily	0.697	0.837
Agents/consultants and officers and employees of Baoviet life serve you quickly and on time	0.722	0.827
Agents/consultants and officers and employees of Baoviet life are always ready to help and answer your questions.	0.652	0.854
3. Assurance: Cronbach's Alpha = 0.871		
Agents/consultants and officers and employees of Baoviet life always clearly explain the contents of the insurance terms when you take out insurance.	0.589	0.864
Agents/consultants and officers and employees of Baoviet life are always confident when communicating with you.	0.765	0.818
Your questions and complaints are always satisfactorily answered by agents/consultants and officers and employees of Baoviet life.	0.726	0.834
Agents/consultants and officers and employees of Baoviet life are always polite and courteous to you.	0.825	0.792
4. Empathy: Cronbach's Alpha = 0.910		
Agents/consultants of Baoviet life regularly contact you	0.745	0.896
Agents/consultants and officers and employees of Baoviet life understand your needs and difficulties and problems.	0.819	0.881
Agents/consultants of Bao Viet Life take care of you enthusiastically and thoughtfully	0.742	0.897

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The forms of collection of premiums or settlement of insurance benefits when an insured event occurs is very convenient for you.	0.778	0.890
Agents/consultants and officers and employees of Baoviet life always make you feel safe and secure when making transactions.	0.786	0.888
5. Tangibles: Cronbach's Alpha = 0.860		
The system of agents and transaction offices of Bao Viet Life is extensive and conveniently located	0.690	0.829
Baoviet life has modern equipment that is convenient for transactions	0.738	0.809
The form of Baoviet life's customer service office makes a good impression on you	0.666	0.839
Agents/consultants and officers and employees of Baoviet life wear neat and polite uniforms.	0.737	0.809
6. Satisfied: Cronbach's Alpha = 0.846		
Buying life insurance at Baoviet life is really worth the cost and time you spend	0.716	0.783
In general, you are completely satisfied with the customer care service (gift giving, visit, encouragement, promise fulfillment, full service at the place...) that Baoviet life provides.	0.675	0.821
In general, you are completely satisfied with the customer support services (health check-ups, loans on the contract value, financial advice, customer conferences, etc.) that Baoviet life provides.	0.752	0.748

Source: Data processing results of the research team

4.2. Exploratory factor analysis

The original SERVQUAL scale used consisted of 5 components: (1) - reliability, (2) - responsiveness, (3) - assurance, (4) - Empathy (5) - tangibles means with 22 observed variables. The analysis results show 5 components with the coefficient KMO = 0.917 > 0.5, so the EFA is consistent with the data and the Chi - quare statistic of Bartlett's test reached the value of 2421,719 with the significance level of 0.000. Therefore, the observed variables are correlated with each other on the overall scale; the extracted variance is 72.976%, showing that the 5 drawn factors explain 72.976% of the variation of the data, at the Eigenvalue = 1.030.

4.3. Regression analysis

The multivariate regression equation showing the relationship between customer satisfactions with the groups of components in the SERVQUAL scale has the following form:

$$\text{Satisfied} = a_0 + a_1 \text{ Reliability} + a_2 \text{ Responsiveness} + a_3 \text{ Assurance} + a_4 \text{ Empathy} + a_5 \text{ Tangibles}$$

In there: $a_0, a_1, a_2, a_3, a_4, a_5$: Are regression coefficients

Table 4.3. Linear regression results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.833a	0.694	0.684	0.42169

Source: Data processing results of the research team

We see that adjusted R^2 (Adjusted R square) = 0.684 (>0.5) indicates that 5 components H1, H2, H3, H4 and H5 explain 68.4% variation of satisfaction with the quality of customer care service of Baoviet Life Corporation, thus the relevance of the model is relatively high. However, this fit is only true for the sample data. To test whether the model can be deduced for the real population, we must test the model's fit:

Hypothesize:

Ho: The factors of customer service quality of Baoviet Life Corporation have no relationship with each other.

Hr: The factors of customer service quality of Baoviet Life Corporation have a relationship with each other.

Choose significance level = 0.05 corresponding to 95% confidence level.

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The results of the ANOVA test show that the F-test value reaches the value of 69,524 at the significance level $\text{sig} = 0.000 < \alpha = 0.05$. Thus, we reject hypothesis H_0 , accept hypothesis H_r , that is, 5 service quality components H_1, H_2, H_3, H_4, H_5 and dependent variable Satisfied have each relationship with each other. Therefore, the model fits the data set and can be generalized to the population.

Table 4.4. Results of multivariate regression model

Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	-.011	.231		-.047	.962			
	Responsiveness	.146	.067	.135	2.171	.031	.633	.173	.097
	Reliability	.237	.072	.232	3.296	.001	.724	.258	.147
	Assurance	.215	.064	.191	3.351	.001	.604	.261	.150
	Empathy	.172	.052	.206	3.338	.001	.670	.261	.149
	Tangibles	.255	.064	.266	3.983	.000	.707	.306	.178

a. Dependent Variable: Satisfied

Source: Data processing results of the research team

The table of regression results shows that, the regression coefficients of the service quality components have a positive sign and $R = 0.833 > 0$ (Table 4.3), showing that these components have a proportional impact on customer satisfaction. Client. Thus, the hypothesis of the research model H_1 is accepted, meaning that the components of service quality: Responsiveness; Reliability; Assurance; Empathy and Tangibles have a positive relationship with customer satisfaction with quality. Customer care service of Baoviet Life Corporation. In addition, the regression results table also allows us to test the regression coefficients in the model. Components with statistical significance less than 5% are kept, and components with statistical significance greater than 5% are discarded. The larger the beta coefficient of a component, the more important it is. From the results table of multivariable regression model, we can see that the constant is not statistically significant ($\text{Sig} = 0.962 > 0.05$). The same test shows that, the two components including the tangible component and the reliable component have the largest beta coefficient. These are the two components that have the strongest influence on customer satisfaction.

So the regression equation for the normalized Beta coefficients is as follows:

$$\text{Satisfied} = 0,266 \text{ Tangibles} + 0,232 \text{ Reliability} + 0,206 \text{ Assurance} + 0,191 \text{ Empathy} + 0,135 \text{ Responsiveness}$$

5. DISCUSSION OF RESEARCH RESULTS

Through the above analysis, customers are not really satisfied with keeping in regular contact and understanding the needs and circumstances of the customers that they are responsible for taking care of as well as their availability. Honesty of agents/consultants and company employees. The shortcomings in customer care activities at the business include.

Agents of Baoviet Life Corporation are attracted by competitors. Many excellent agents of Baoviet Life Corporation have moved to work at other insurance companies. This not only affects the business performance of Baoviet Life Corporation but also affects customer care, because Baoviet Life Corporation has not really been proactive in arranging representative offices. Alternative means of taking care of these customers.

Secondly, to ensure income stability as well as enjoy other benefits from the company, agents will have to make efforts to exploit new contracts. This leads to a distraction in keeping in touch, caring, and taking care of your old customers.

Third, due to the lack of initiative and flexibility of many agents/consultants and company employees. Customer care has not been paid enough attention when moving to operate in a fiercely competitive environment. Many customers of Baoviet Life Corporation have switched to buy life insurance at other insurance companies because agents and employees lack interest, attachment and lack of empathy for customers. Your goods.

Fourth, the product structure of Baoviet Life Corporation is not really diversified, the completion, addition and modification of old products is always slower than that of competitors. Product breakthroughs are limited, especially those with high protection and investment-linked products.

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Finally, some agents have not properly followed the exploitation process such as: household declaration; declaring information inconsistently with personal papers; many shortcomings; do not instruct customers to declare their medical history...

Thus, from the above analysis, it is shown that customers appreciate the customer care support relatively. However, in order to further improve customer satisfaction, it is thought that Baoviet Life Corporation should pay more attention to recruitment, training and retraining in order to improve professional qualifications as well as enhance customer satisfaction.

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