YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF INSURANCE PROGRAMME

SERVICE QUALITY AND POLICYHOLDER SATISFACTION OF FIRST NATIONAL INSURANCE (GENERAL) CO., LTD

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MI II - 19
MI 1st BATCH

FEBRUARY, 2025

SERVICE QUALITY AND POLICYHOLDER SATISFACTION OF FIRST NATIONAL INSURANCE (GENERAL) CO., LTD

A thesis submitted as a partial fulfillment of the requirement for the degree of Master of Insurance (MI)

ACADEMIC YEAR (2023-2025)

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	2023 – 2025

FEBRUARY, 2025

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ABSTRACT

The objective of this study is to examine the effect of service quality on customer satisfaction and it turns into effect loyalty in First National Insurance (General) Co., Ltd. Quantitative research method is applied in this study. Both primary and secondary data were employed, with a sample size of 150 active policyholders selected from a total of 240 policyholders who made purchases between 2022 and 2024, as calculated using the Yamane Formula. Primary data was obtained using an online questionnaire. Secondary data was collected from several sources, including the First National Insurance website, textbooks, prior theses, and pertinent periodicals. The results demonstrate that several characteristics of service quality, such as tangibles, reliability, empathy, technological aspects, and image, significantly influence customer satisfaction at First National Insurance Company. The findings of the multiple regression analysis indicate that the characteristics of tangibility, dependability, technical quality, and reputation/image exert a substantial and positive influence on customer satisfaction. However, the characteristics of assurance and responsiveness do not significantly impact customer satisfaction at First National Insurance (General) Co., Ltd. The positive association results imply that customer loyalty is associated with customer satisfaction. The firm must maintain the implementation of these critical service quality criteria for sustained success.

ACKNOWLEDGEMENTS

Firstly, I would like to express my sincere gratitude to Professor Dr. Tin Tin Htwe, the Rector of Yangon University of Economics, for her permission to write this MI thesis.

I also thankful to Professor Dr. Thynn Thynn Myint, Head of the Department of Commerce, Yangon University of Economics, for her permission of enthusiastic support for this study.

Furthermore, my deepest appreciation is extended to my beloved supervisor Professor Dr. Aye Thanda Soe, Program Director of Master of Insurance Programme, for the continuous support of this study, for her patience, motivation, enthusiasm, and immense knowledge. Her guidance helped me to finish this study.

My special thanks go to my MI professors, colleagues, friends, and classmates for their encouragement, support and knowledge sharing during my studies. Last but not least, I would like to thank officials of First National Insurance (General) Co., Ltd management, staffs and its customers for supporting my thesis.

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INTRODUCTION

Business success depends on customer happiness, which affects customer loyalty, retention, and brand reputation (Kotler & Keller, 2016). Customer satisfaction increases the likelihood of repeat purchases, referrals, and favorable word-of-mouth marketing (Oliver, 2014). High customer satisfaction decreases complaints, builds confidence, and promotes business-consumer connections. Companies that focus customer happiness with superior products, great service, and tailored experiences have a competitive edge. High customer satisfaction boosts profits and corporate growth (Anderson, Fornell, & Mazvancheryl, 2004).

To achieve customer satisfaction, service quality plays a vital role as it directly impacts the customer experience and perception of a company. High-quality service ensures that customers receive efficient, reliable, and professional assistance, leading to increased trust and loyalty. Factors such as responsiveness, reliability, empathy, and assurance contribute to service excellence, making customers feel valued and respected (Ladhari, 2009). When a company maintains high service standards, it not only meets but exceeds customer expectations, resulting in positive word-of-mouth and repeat business. Therefore, continuous improvement in service quality is essential for sustaining long-term customer satisfaction and business success (Seth, Deshmukh, & Vrat, 2005).

Service quality is the assessment of a company's effectiveness in delivering services that meet or beyond consumer expectations. It includes several elements, such as reliability, responsiveness, assurance, empathy, and tangibles, which collectively characterize the total customer experience. (Cronin & Taylor, 1992). High service quality ensures that customers receive consistent, timely, and efficient support, leading to satisfaction and loyalty. Service quality is a key factor in determining customer perception, competitive advantage, and long-term business success (Grönroos, 2007).

Service quality is typically assessed through three key dimensions: functional quality, technical quality, and reputation quality (Grönroos, 1984). Functional quality refers to how services are delivered to customers, including employee behavior, responsiveness, and the overall customer experience. It focuses on factors such as communication, courtesy, and problem-solving, ensuring that customers feel valued and well-assisted. Technical quality, on the other hand, relates to the actual outcome of the service, such as the accuracy, reliability, and effectiveness of the provided solutions (Cronin & Taylor, 1992).

It is influenced by past customer experiences, word-of-mouth recommendations, and overall brand perception. A strong reputation enhances customer confidence, making them more likely to choose and remain loyal to a company (Oliver, 2014). All three dimensions of service quality are interconnected—functional quality affects customer experience, technical quality ensures service effectiveness, and reputation quality strengthens trust and long-term relationships. Therefore, companies must focus on continuously improving all aspects of service quality to achieve high customer satisfaction and sustain a competitive advantage (Anderson et al., 2004).

1.1 Rationale of the Study

Businesses deliver various services to their clients, such as financial services, healthcare, entertainment, advertising, marketing, real estate, travel, and legal practice. In service-oriented industries, the quality-of-service delivery is crucial for organizational success (Parasuraman et al., 1988). Maintaining high service standards helps businesses retain clients, and as they attract more customers, their profits and overall success grow (Zeithaml et al., 1996). With the rise in service-based enterprises, competition within the same sector requires companies to continuously enhance their offerings.

As customer satisfaction is essential in service-based industries, insurers must uphold high standards to foster satisfaction and loyalty (Kotler & Keller, 2016). Myanmar's insurance industry is competitive, thus service quality and performance are prioritized. Thus, this study investigates FNIG Co. Ltd.'s service quality and customer satisfaction.

In the insurance industry, service quality encompasses various aspects: the quality of decision-making at all levels, accuracy in underwriting (rates and premiums), efficient business processes, employee performance, the effectiveness of technology and systems, and the claims processing and settlement (Berry et al., 1985). Despite its strong reputation, FNIG faces challenges in meeting customer expectations, particularly in claims services. Issues like inaccurate claims amounts, delays in processing and ineffective scheduling have affected customer satisfaction. This study explores customer satisfaction with FNIG Co. Ltd.’s service quality to identify areas for improvement.

FNIG focuses on customer satisfaction and loyalty to maintain and grow its market share. To be competitive in the insurance market, FNIG Co. Ltd. must understand client satisfaction and loyalty (Reichheld & Sasser, 1990). The study will use the Nordic and SERVQUAL framework to evaluate tangibles, reliability, responsiveness, assurance, empathy, technical, and image aspects of service quality (Parasuraman et al., 1988). The study uses the Nordic SERVQUAL framework to examine how these characteristics affect customer satisfaction and loyalty at FNIG Co. Ltd. The corporation knows customer happiness is key to market share growth. FNIG's service quality strongly affects customer satisfaction and repurchase choices. This research seeks to increase FNIG Co. Ltd. customer satisfaction and loyalty.

Service quality impacts FNIG Co. Ltd. satisfaction and loyalty, according to a research. Customer satisfaction is affected by tangibility, reliability, responsiveness, assurance, and empathy, which needs further investigation (Bitner & Hubbert, 1994). Service-oriented businesses, especially financial ones, depend on client satisfaction and quality (Cronin & Taylor, 1992). Service quality characteristics have been studied in banking, hotels, insurance, and other financial institutions.

Service quality is a important to achieve customer satisfaction as it directly shapes customer perception and experience (Grönroos, 1984). Delivering high-quality service fosters trust, loyalty, and positive word-of-mouth. Key factors such as responsiveness, reliability, empathy, and assurance ensure service excellence, making customers feel valued. Continuous improvement in service quality is essential for long-term business success (Seth, Deshmukh, & Vrat, 2005).

Service quality is defined by dependability, responsiveness, assurance, empathy, and tangibles (Parasuraman et al., 1988). Customer loyalty is increased by consistent, efficient, and professional service. The organization also values trust and dependability (Ladhari, 2009).

Three key dimensions functional, technical and reputation quality define service quality. Functional quality focuses on service delivery, employee behavior, and problem-solving (Parasuraman et al., 1985). Technical quality ensures accuracy and reliability, such as efficient claims processing in insurance. Reputation quality builds long-term trust and credibility through customer experiences and word-of-mouth. These dimensions collectively enhance customer satisfaction and competitive advantage (Anderson et al., 2004).

Furthermore, the expected outcome of the study is customer satisfaction because of the attractive service quality of the company.

1.2 Objectives of the Study

The objectives of the study are:

1. To identify the service quality dimensions of First National Insurance (General) Co., Ltd
2. To analyze the effect of service quality dimensions on customer satisfaction of First National Insurance (General) Co., Ltd
3. To examine the effect of customer satisfaction on customer loyalty of First National Insurance (General) Co., Ltd

1.3 Scope and Method of Study

The study focuses on service quality of Fist National Insurance (General) Company in Naypyitaw. The study used both primary data and secondary data. Sample respondents were selected by using simple random sampling method. There are 240 customers in Fist National Insurance (General) Company. Taro Yamane (1967) provides a simplified formula to calculate sample size. This formula is used to obtain manageable sample size from such large population considering 95% confidence level. Primary data was collected from 150 customers (policyholders) who bought from the First National Insurance (General) Co. Ltd. in 2024. Secondary data was obtained from pertinent literature, prior research papers, corporate records, annual reports, and online sources. The study evaluated the collected data using descriptive statistics, correlation, and multiple regression approaches. The survey period is scheduled for January 2025.

1.5 Organization of the Study

This research is segmented into five chapters. Chapter I serves as the introduction, encompassing the study's rationale, objectives, scope, methodologies, and organization. Chapter II delineates the theoretical framework of service quality; Chapter III elucidates the service quality of First National Insurance (General) Co., Ltd. Chapter IV is analysis on service quality, policyholder satisfaction and loyalty of First National Insurance (General) Co., Ltd and Chapter V describes the conclusion including findings and discussions, suggestions and recommendations and limitations and needs for further studies.

CHAPTER II
THEORETICAL BACKGROUND

This chapter discusses satisfaction, service quality, customer loyalty, key theories including the Nordic model and SERVQUAL model, preceding research, and the study's conceptual framework.

2.1 Concept of Service Quality

Service quality means a corporation regularly meets or exceeds consumer expectations in service delivery. Customer happiness, corporate performance, and competitive advantage depend on it. Parasuraman, Zeithaml, and Berry (1988) assess service quality by dependability, assurance, tangibility, empathy, and responsiveness. Assurance shows employees' expertise, civility, and trustworthiness, whereas reliability means delivering promised services consistently. Empathy emphasizes the company's capacity to personalize client service, whereas tangibles include facilities, equipment, and staff appearance. Finally, response is customer service speed and willingness. These dimensions help firms assess and improve service delivery to satisfy customers.

The SERVQUAL approach compares customer expectations to service performance to evaluate service quality. Customer loyalty, word-of-mouth, and brand reputation improve with good service (Zeithaml, Berry, & Parasuraman, 1996). Online customer assistance, smartphone apps, and automated services are all part of service excellence in the digital age. Continuous service improvement, personnel training, and new technology may help companies retain customers and succeed.

A critical instrument for efficiency and commercial effectiveness is quality. Crosby described it as customer satisfaction via compliance with regulations. Parasuraman et al. (1994) attempted to define service quality as an overarching evaluation or disposition of the excellence of the service. Parasuraman et al. (1988) identify three distinctive characteristics of service quality: intangibility, heterogeneity, and the inseparability of production and consuming. The quality of services manifests during service delivery, namely in the relationship between a client and the service provider. Service quality is essential for delighting and maintaining valued clients. The quality of a firm's service is evaluated at every single interaction. If service professionals exhibit boredom, fail to respond to basic inquiries, or engage in conversation with one another as consumers await assistance, customers reconsider their future business with that vendor. The Hank service is likewise not an exception.

Moreover, service quality reflects consumers' overall perception of the organization's relative excellence and its offerings. Maintaining and enhancing service quality is a lifelong commitment for firms seeking enduring client loyalty. Gronroos (1992) defined service quality as the disparity between client expectations of "what they desire" and their views of "what they receive."

Buttle and Maklan (2015) define service quality as conformity with requirements and fit for purpose. The first step is specification compliance. This aligns with Philip Crosby's perspective on quality. The enterprise delineates the criteria for quality and evaluates its performance against that benchmark. Adherence to specifications may entail generating error-free bills, ensuring timely and complete deliveries as pledged to clients, or responding to consumer complaints within 24 hours. The second criterion is suitability for purpose. Joseph M. Juaran asserted that quality entails producing goods that fulfill client expectations. The client, not the corporation, determines the appropriateness of quality.

These viewpoints on quality can coexist together. Service performance specifications may be derived from consumer expectations. If customers establish the criteria, there will be no contradiction between these two approaches. Service quality has grown more crucial due to its significant influence on the commercial performance of organizations. Brown and Swartz (1989) assert that customers favor and appreciate organizations that deliver superior service quality. Consequently, the provision of superior service quality enables organizations to retain consumers and reap profits. Providing superior service quality is an effective technique for business success. Thus, service quality is a pivotal success component in corporate operations.

Buttle and Maklan (2015) assert that two predominant service quality theories have influenced management practices as organizations endeavor to enhance their service performance: the Nordic model and the SERVQUAL model. The Nordic approach, initiated by Christian Gronorros and further refined by others, delineates three components of service quality: technical, functional, and reputational.

Technical quality affects service quality. Functional quality is the 'how' of service excellence. Performance creates a halo effect that affects consumer perceptions of quality, both favorably and adversely. The Gronroos approach stresses understanding customer expectations and establishing a service delivery system that fulfills technical and functional service quality requirements.

2.2 Service Quality Dimensions

Service quality dimensions are essential for evaluating how well a service meets customer expectations and can be categorized into functional, technical and reputational/image quality. Functional quality focuses on the process of service delivery, such as customer interactions, responsiveness, and empathy, which shape the customer experience. Technical quality refers to the tangible outcomes of the service, including accuracy, efficiency, and functionality, which are more objective and measurable (Parasuraman, Zeithaml, & Berry, 1988). Reputational/image quality, on the other hand, encompasses the overall perception of the service provider, influenced by brand reputation, trustworthiness, and corporate image, which are built over time through consistent performance and effective communication (Zeithaml, Berry, & Parasuraman, 1996). These characteristics give a complete framework for service quality understanding and improvement.

2.2.1 Functional Quality

Functional quality refers to the service delivery process and how well the service meets customer needs in terms of experience and interaction. It focuses on the *how* aspect of service provision, including the responsiveness, reliability, and efficiency of the service provider. Customers assess functional quality based on their direct interactions with employees, the ease of access to the service, and the overall convenience of the process. A smooth and well-managed service experience contributes to a higher perception of quality, making it an essential dimension of service evaluation.

Functional quality includes service providers' desire and capacity to help clients quickly. Parasuraman, Zeithaml, and Berry (1988) state that consumers anticipate prompt and useful replies to their questions and difficulties, making responsiveness a key factor in service excellence. Businesses that prioritize fast and efficient service generally gain consumer loyalty. In contrast, delays, lack of assistance, or poor communication can negatively affect a customer perception of service quality.

Another important element of functional quality is customer interaction, which involves the way service employees engage with customers. Lovelock and Wirtz (2016) highlight that the quality of customer interactions significantly influences overall service perceptions, particularly in industries where human interaction is crucial, such as hospitality, healthcare, and retail. Employees who demonstrate empathy, attentiveness, and professionalism enhance functional quality, making the service experience more positive. Effective communication and problem-solving skills further contribute to a seamless customer experience.

Finally, service accessibility and ease of use play a vital role in functional quality. Customers value services that are convenient, easy to navigate, and hassle-free (Zeithaml, Bitner, & Gremler, 2018). This includes factors such as user-friendly digital platforms, efficient call center support, and well-organized physical spaces that facilitate smooth service delivery. When functional quality is high, customers feel that their needs are met effortlessly, leading to higher levels of satisfaction and repeat patronage. As service expectations continue to evolve, businesses must continuously refine their service processes to enhance functional quality and maintain a competitive advantage.

According to the five-gap service quality model, researchers have found five drivers of service quality: Reliability, Responsiveness, Assurance, Empathy, and Tangibles.

1. Reliability denotes the capacity to execute the promised service consistently and precisely. The reliability factor encompasses the following elements: delivering services as promised; dependability in addressing customer service issues; executing services correctly on the first attempt; providing services within the stipulated timeframe; maintaining accurate records; and employing knowledgeable staff capable of addressing customer inquiries.
2. Responsiveness denotes the readiness to assist clients and deliver timely service. The responsiveness factor encompasses the following elements: informing consumers about service schedules; delivering quick service; demonstrating a willingness to assist customers; and being prepared to address customer demands.

3. Assurance pertains to the expertise and politeness of personnel, as well as their capacity to instill trust and confidence. The assurance factor encompasses the following elements: staff who inspire trust in clients, ensuring customers feel secure in their transactions, and employees who constantly exhibit courtesy.
4. Empathy denotes the delivery of compassionate, personalized care to clients. The empathy factor encompasses the following elements: providing personalized attention to consumers; employees interacting with customers in a compassionate manner; prioritizing the customers' best interests; employees comprehending the demands of their customers and facilitating convenient business interactions.
5. Tangibles denote the visual aspects of physical facilities, equipment, staff, and communication mediums. The tangible factors encompass the following elements: contemporary equipment; aesthetically pleasing premises; staff exhibiting a polished professional appearance; and visually attractive documents related to the service.

2.2.2 Technical Quality

Technical quality refers to the ultimate product or result of service delivery. It immediately impacts customer happiness and value perceptions, making it a key service quality factor. 1984 (Grönroos). Unlike functional quality, which focuses on the interaction and process of service delivery, technical quality assesses the effectiveness, accuracy, and reliability of the service itself. Customers often judge technical quality based on the tangible benefits they receive, such as the correctness of a financial transaction, the accuracy of medical diagnoses, or the performance of an internet connection.

Accuracy and dependability are two of the most important aspects of technical quality. Accuracy and reliability relate to the degree to which a service satisfies the expectations of the consumer in terms of specificity and consistency. It is emphasized by Parasuraman, Zeithaml, and Berry (1988) that dependability is an essential component of service quality. This is due to the fact that consumers anticipate that services will be provided in an accurate and consistent manner over the course of time. For example, in the field of healthcare, providing customers with accurate medical diagnosis and appropriate treatment programs is essential to gaining their trust. In a similar vein, clients of online services anticipate receiving correct information, conducting transactions in a safe manner, and experiencing flawless performance, which amplifies the requirement for good technical quality.

One further essential component of technical quality is performance effectiveness, which assesses whether or not the service in question accomplishes the goals that it was designed to accomplish. In their 2018 article, Zeithaml, Bitner, and Gremler claim that a service is considered to be of high quality if it either meets or surpasses the expectations of the client in terms of the outcomes it produces. As an illustration, a vehicle repair firm specializing in the automotive industry is obligated to guarantee that the automobile is completely operational following maintenance. It is possible that clients will view the service as useless if it does not match the technical quality criteria, regardless of how pleasant the experience of receiving the service was by the customer. If businesses want to increase their customers' confidence, they need to concentrate on producing results that are dependable and efficient.

When it comes to preserving technical quality, consistency and uniformity are extremely important factors to consider. Customers anticipate receiving dependable service with each and every encounter (Lovelock & Wirtz, 2016). Customers are frequently dissatisfied with the service they receive, which in turn undermines their faith in the company. The implementation of stringent quality control standards, the provision of extensive staff training, and the enforcement of standardized operating processes are all things that firms should do in order to prevent problems of this nature. According to Lovelock and Wirtz (2016), focusing on maintaining a constant level of service quality not only helps to build a company's reputation, but it also helps to develop customer loyalty and generates long-term success.

2.2.3 Reputational/Image Quality

Customer perception of a company is referred to as its reputational or image quality. This perspective is formed by the customer's view of the firm's brand image, public reputation, and previous experiences. When it comes to creating expectations about a company's service, clients frequently rely on the reputation of the firm (Gronroos, 1984). This makes it an important factor in determining the quality of the service. Customers are more likely to trust and have faith in a service provider if they have a strong and favorable reputation, which in turn influences their decision to work with that supplier. A poor reputation, on the other hand, might discourage prospective clients, regardless of the quality of the service that is actually provided. Because of this, companies need to actively manage their brand image and make sure that they are consistent in the delivery of their services in order to keep their customer satisfaction levels high.

One of the most important aspects that determines the quality of a brand's reputation is the trust and credibility of the brand. Researchers Zeithaml, Bitner, and Gremler (2018) found that customers are more likely to view the services provided by a firm as being of high quality if the organization has a reputable reputation in the market that has been established over a long period of time. Trust is developed over time via the provision of consistent service, the implementation of ethical corporate practices, and the presentation of honest information. Apple and Amazon, for instance, are well-established businesses that have maintained their excellent reputations by providing dependable services to their customers. This has resulted in increased consumer confidence and loyalty. The failure of an organization to maintain its credibility may make it difficult for the organization to recruit and keep clients, even if the quality of the organization's functional and technical services is good.

In addition to this, the perceptions of customers that are based on word-of-mouth and internet reviews are an essential component of the quality of the reputation. Lovelock and Wirtz (2016) underline the fact that in this day and age, consumers place a significant amount of importance on reviews, testimonials, and comments made on social media platforms when evaluating the reputation of a firm. As a result of the fact that a single unpleasant experience that is published online can impact the thoughts of future consumers, reputation management is an essential component of providing great service quality. Positive word-of-mouth marketing is beneficial to businesses that have good reputations since it increases the attraction of their services and brings in new clients. For this reason, in order to keep a favorable public image, businesses need to regularly monitor and respond to the feedback provided by their customers.

The final point is that the quality of a company's reputation is substantially impacted by both corporate social responsibility (CSR) and ethical business practices.

According to Kotler and Keller (2016), consumers are progressively more likely to choose businesses that exhibit environmental sustainability, fair labor standards, and meaningful engagement with the community. With a dedication to corporate social responsibility (CSR) efforts, a firm may improve its public image and differentiate itself from its rivals. For instance, companies that implement environmentally friendly practices or provide assistance to the areas in which they operate frequently acquire a positive reputation, which in turn promotes the loyalty of their customers. On the other hand, businesses that disregard ethical issues run the risk of suffering reputational harm, which may result in a decrease in the trust that customers have in the company as well as a drop in profitability. In order to achieve success over the long term, it is vital to establish a strong and favorable image via acts that are ethical and responsible.

2.3 Concept of Customer Satisfaction

How effectively a corporation fulfills or exceeds consumer expectations is measured by customer satisfaction. It is crucial to corporate success since delighted consumers are more likely to stay loyal, endorse the firm, and boost long-term profits (Kotler & Keller, 2016). Service quality, product performance, pricing fairness, and customer experience affect satisfaction. Customer-focused companies develop trust and long-term partnerships.

Customer satisfaction is based on expectation-disconfirmation theory (Oliver, 1980), which says customers evaluate their experience to their expectations. Customers are satisfied if a product or service meets or exceeds expectations and dissatisfied otherwise. This idea emphasizes controlling consumer expectations and providing high-quality services to boost satisfaction.

Quality service is key to client happiness. Parasuraman, Zeithaml, and Berry (1988) developed the SERVQUAL model, which includes dependability, assurance, tangibility, empathy, and responsiveness. High service quality boosts client happiness and trust in the organization. Businesses that consistently deliver superior service quality tend to experience higher customer retention and positive word-of-mouth marketing. Additionally, emotional and psychological factors influence customer satisfaction. According to Lovelock and Wirtz (2011), satisfaction is not only based on rational evaluation but also on emotional responses. A pleasant customer experience, personalized interactions, and a sense of being valued contribute significantly to satisfaction. This emotional connection encourages customers to continue engaging with a company, leading to repeat business and long-term loyalty.

Customer satisfaction also directly impacts business performance and competitiveness. Reichheld and Sasser (1990) found that satisfied customers are more likely to remain loyal, reducing churn rates and increasing profitability. Companies with high satisfaction levels often enjoy better brand reputation, stronger customer advocacy, and reduced marketing costs, as existing customers become brand ambassadors. Consequently, sustaining elevated satisfaction levels is crucial for corporate viability.

Customer satisfaction (CS) is a key component of company strategy and objectives, especially in today's competitive market, thus scholars and practitioners have paid attention to it. Comparing a product's performance or outcome to expectations leads to satisfaction or dissatisfaction (Kotler & Keller, 2012). Satisfaction is the psychological feeling of well-being and pleasure from getting what one wants from an appealing product or service (WTO, 1985). After a transaction or series of product interactions, customer happiness is evaluated (Lovelock & Wirtz 2007). Loyalty is "a consumer's post-purchase assessment and emotional reaction to the overall product or service experience." Oliver, 1992. Satisfaction is just meeting consumer needs without departing from them.

According to Besterfield (1994), customer satisfaction is defined as "an experience-based assessment made by the customer regarding the extent to which their expectations about the individual characteristics or overall functionality of the services received from the provider have been met" (Bruhn, 2003). Gyasi and Azumah (2009) define satisfaction as “the process of a customer's overall subjective assessment of product/service quality in relation to expectations or desires over a specified time frame.”Numerous elements influence customer satisfaction that must be analyzed to accurately assess it. Customer happiness may depend on service quality and experience. Oliver, 1993. In addition to cognitive components of service quality judgments, emotional dimensions positively affect post-purchase behaviors such repeat purchases, customer loyalty, switching intentions, and likely to refer (Erevelles, 1998).

In the digital age, consumer happiness is progressively shaped by technology and online engagements. Organizations must evolve by delivering cohesive digital experiences, tailored suggestions, and effective customer assistance. Online reviews and social media have magnified the effect of customer happiness, since consumers increasingly disseminate their experiences broadly, shaping the decisions of prospective purchasers. Businesses must proactively oversee their internet reputation to maintain a favorable impression among consumers (Hennig-Thurau et al., 2004).

2.4 Customer Loyalty

Customer loyalty is the commitment to repurchase or engage with a brand or service provider. This involves recurrent encounters, a strong affinity for one firm, and resistance to moving to competitors (Oliver, 1999). Customer loyalty leads to repeat purchases, favorable word-of-mouth, and long-term business prosperity. Since competition is rising across industries, organizations must prioritize customer loyalty by providing consistent service, creating strong connections, and exceeding expectations.

Customer pleasure affects loyalty. Zeithaml, Bitner, and Gremler (2018) found that happy consumers are more likely to return. Meeting or exceeding client expectations creates a good experience that fosters emotional relationships. Dissatisfaction may lead to customer turnover and unfavorable reviews, which can hurt a company's reputation and retention. For long-term loyalty, consumer happiness must be high.

Also important in client loyalty is perceived service quality. According to Parasuraman, Zeithaml, and Berry (1988), customers evaluate service quality based on reliability, responsiveness, and assurance. A company that consistently provides high-quality services earns customer trust, increasing their likelihood of remaining loyal. Conversely, inconsistent service experiences can lead to uncertainty and dissatisfaction, prompting customers to explore alternative options. To strengthen customer loyalty, companies must ensure that their service quality remains consistently high across all touch points.

Loyalty is also influenced by switching costs and alternatives available in the market. According to Jones, Mothersbaugh, and Beatty (2002), customers may remain loyal not only because they prefer but also due to the high costs or inconveniences associated with switching to competitors. For example, financial services and telecommunications industries often have high switching barriers, such as contract termination fees, complexity in transferring services, or loss of accumulated benefits. When switching costs are high, customers are more likely to remain with their current provider, even if they are not entirely satisfied with the service.

Another key factor in customer loyalty is reward programs and incentives. Loyalty programs, such as point-based rewards, discounts, and exclusive offers, can encourage customers to remain engaged with a brand (Yi & Jeon, 2003). Many companies implement customer retention strategies through loyalty programs to provide additional value and keep customers coming back. For instance, airlines offer frequent flyer programs, and retailers provide membership discounts to incentivize repeat purchases. When designed effectively, these programs can create a sense of exclusivity and appreciation, strengthening customer loyalty.

Customer loyalty also has a strong connection with positive word-of-mouth and brand advocacy. Loyal customers are more likely to recommend a brand to friends and family, effectively becoming brand ambassadors (Reichheld, 2003). Positive referrals from loyal customers enhance a company reputation and attract new customers at a lower acquisition cost. In contrast, dissatisfied customers may share negative experiences, which can damage brand image and discourage potential customers from engaging with the company. Consequently, enterprises must prioritize the cultivation of robust connections with current consumers, since their endorsement may serve as a potent marketing instrument.

A corporation must stress the value of its products and services while addressing customer needs and building relationships to build loyalty (Griffin 2002). Thomas and Tobe (2013) stated that "loyalty is more profitable" and divided client loyalty into behavioral, purposeful, and emotional categories. Behavioral loyalty is the likelihood of repeat purchases, whereas intentional loyalty is the likelihood of purposeful purchases.

In conclusion, customer loyalty is a multifaceted concept influenced by satisfaction, service quality, emotional connections, switching costs, reward programs, and relationship management strategies. Companies that prioritize customer loyalty benefit from increased retention, higher profitability, and stronger brand equity. By continuously enhancing the customer experience and fostering meaningful relationships, businesses can build a loyal customer base that supports long-term success. As competition intensifies, companies must adopt strategic approaches to strengthen customer loyalty and differentiate themselves in the marketplace.

2.5 Related Theories

This research assessed service quality using SERVQUAL and Nordic models. Parasuraman, Zeithaml, and Berry (1988)'s SERVQUAL methodology compares customer expectations and perceptions of tangibles, dependability, responsiveness, assurance, and empathy to evaluate service quality. Service faults and improvements are often found using this strategy (Parasuraman et al., 1988). Technical quality (service product) and functional quality (service delivery process) comprise the Nordic model of service quality, according to Grönroos (1984). Both characteristics greatly impact consumer satisfaction and impressions. This study combines various models to understand service quality across delivery processes and results. This dual-framework method helps discover service gaps and improve customer satisfaction.

2.5.1 SERVQUAL Model

One of the most popular service quality models is SERVQUAL, established by Parasuraman, Zeithaml, and Berry (1988). It assumes service excellence is judged by client expectations against actual experiences. The approach identifies tangibles, dependability, responsiveness, assurance, and empathy as service quality aspects. This framework helps companies assess and improve their services to boost consumer happiness and loyalty.

Servequal compares customer expectations with perceived service performance using gap analysis (Parasuraman et al., 1985). The methodology reveals five service failure gaps, including customer expectations and management perceptions, management perceptions and service requirements, and service specifications and actual service delivery. Addressing these gaps can enhance service operations and connect offers with consumer expectations.

The SERVQUAL model has been widely applied across industries, from retail and hospitality to healthcare and financial services. Research suggests that businesses that focus on improving the five dimensions of service quality tend to have higher customer satisfaction and retention rates (Zeithaml, Bitner, & Gremler, 2018). However, some critics argue that SERVQUAL is too focused on functional quality and does not adequately consider technical quality. As a result, alternative models such as SERVPERF, which measures only performance rather than expectations, have emerged as modifications to the original SERVQUAL framework.

2.5.2 Nordic Model

The Nordic model of service quality, introduced by Grönroos (1984), presents an alternative perspective on evaluating service quality. SERVQUAL divides service quality into numerous categories, whereas the Nordic model divides it into technical and functional quality. Technical quality relates to service outcomes, such as banking transaction correctness or medical procedure efficacy. Functional quality, on the other hand, pertains to the process of service delivery, including customer interactions, responsiveness, and overall service experience.

One of the strengths of the Nordic model is its emphasis on the holistic nature of service quality. Grönroos (2001) argues that customers form overall perceptions of service quality based on their evaluation of both functional and technical aspects. Additionally, he highlights the role of corporate image in shaping customer perceptions. If a company has a strong reputation for quality, customers may be more forgiving of minor service failures. Conversely, a company with a weak reputation may struggle to retain customers even if its service performance improves.

Another key advantage of the Nordic model is its applicability to industries where service quality is highly dependent on technical expertise, such as healthcare, finance, and education. Research suggests that in professional service industries, customers place a high value on technical quality, whereas in hospitality and retail, functional quality tends to have a greater impact on customer satisfaction (Lovelock & Wirtz, 2016). This distinction allows businesses to prioritize the aspects of service quality that are most relevant to their industry and customer base.

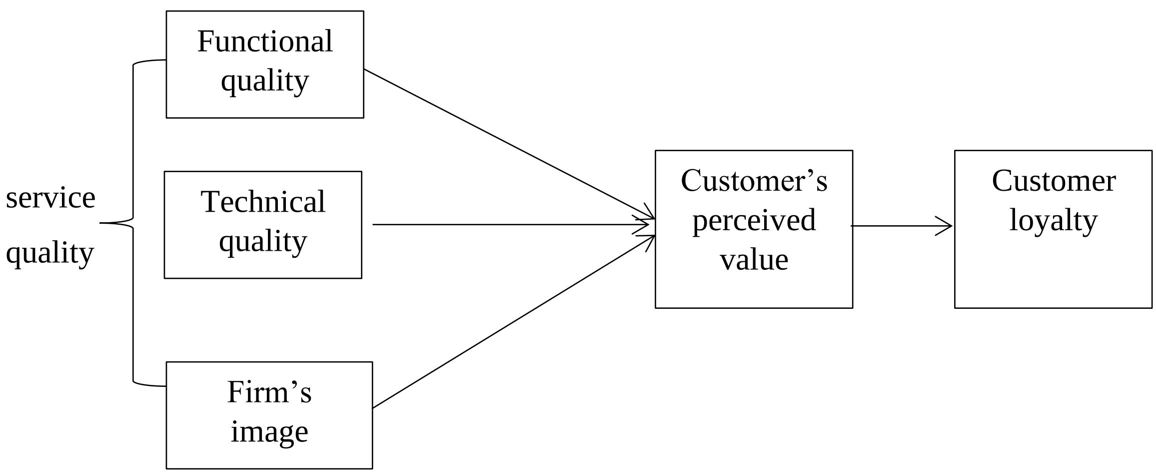
While both SERVQUAL and the Nordic model provide valuable insights into service quality, they differ in their approach. SERVQUAL emphasizes perceived service quality based on expectations versus actual performance, while the Nordic model focuses on the dual dimensions of functional and technical quality. Companies seeking to improve service quality can benefit from integrating elements of both models to create a more comprehensive strategy. By combining SERVQUAL structured gap analysis with the Nordic model focus on technical and functional quality, businesses can develop a well-rounded approach to enhancing customer satisfaction and loyalty.

2.6 Previous Studies

Fadi Abdelmuniem Abdelfattah et al. (2015) performed “Assessing the Antecedents of Customer Loyalty in Healthcare Insurance Products: Service Quality; Perceived Value Embedded Model.” This study examines how service quality affects health insurance client loyalty. This study also evaluated how perceived value mediates service quality and health insurance customer loyalty.

This study developed a customer loyalty model based on service quality and perceived value. This study employed a convenience sampling strategy. The study examined 342 healthcare insurance consumers using a self-administered questionnaire. In addition to evaluating the reliability and validity of the components by confirmatory factor analysis, this research employed a structural equation modeling (SEM) technique to examine the suggested hypothesis.

Figure (2.1) Assessing the antecedents of customer loyalty on healthcare insurance products: Service quality; pereived value embedded model

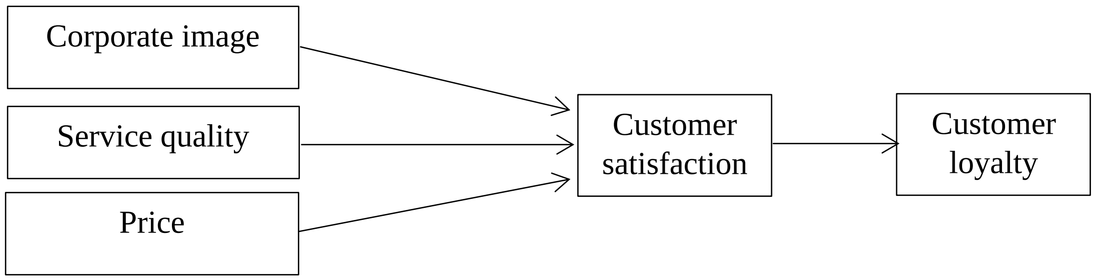


Source: Fadi Abdelmuniem Abdelfattah et al. (2015)

The inferential data indicated that healthcare insurance clients are significantly impacted by service quality, with perceived value following closely in determining their loyalty to a certain health insurance provider. The conceptual structure of this investigation is illustrated in Figure 2.1.

A research entitled “Customer Satisfaction and Loyalty towards Life Insurance Products in Klang Valley” conducted by Syazwani Binti Hamid (2020). This study examines consumer satisfaction and loyalty about life insurance in Klang Valley. Life insurance is essential for every individual as it provides security for clients and their families, particularly in unforeseen circumstances. The research seeks to ascertain client satisfaction levels and foster loyalty towards the offered goods, focusing on enhancements in corporate image, service quality, and pricing within the Klang Valley.

Figure (2.2) Customer Satisfactions and Loyalty towards Life Insurance Product in Klang Valley

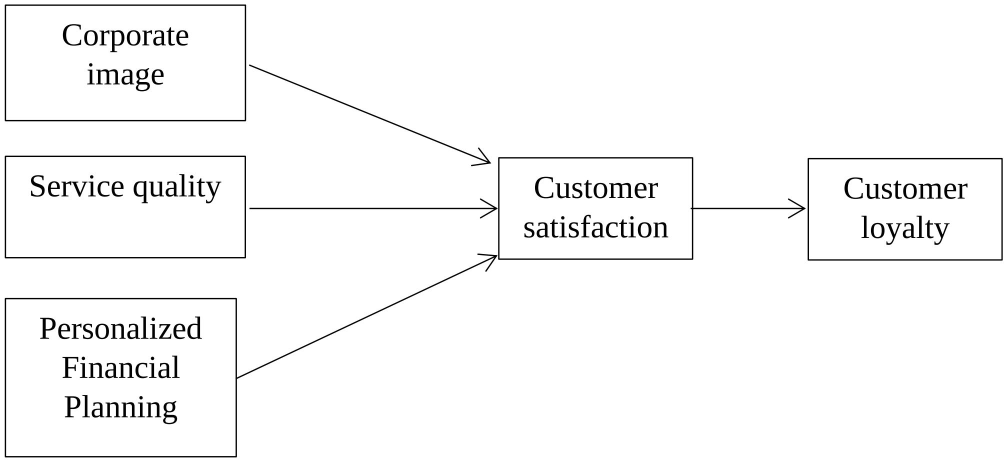


Source: Syazwani Binti Hamid (2020)

The study's findings indicate that customer happiness and loyalty are significantly related to consumer engagement. A favorable result strongly influences customer satisfaction. Concurrently, an unfavorable outcome did not impact consumer satisfaction. The research conducted by Syazwani Binti Hamid is illustrated in Figure (2.2).

This research, entitled “Determinants of Customer Loyalty in the Insurance Sector with Reference to LIC, Manipur,” was conducted by K. Sotechand in 2020. The study aims to investigate and validate the fundamental aspects of consumers' perceptions of service quality, contentment, and loyalty regarding life insurance products provided by LIC. The variables posited to have a substantial correlation with customer satisfaction and loyalty in life insurance include service quality, corporate image, and individualized financial planning services offered by the insurer.

Figure (2.3) Determinants of Customer Loyalty in the Insurance Sector with Reference To LIC, Manipur

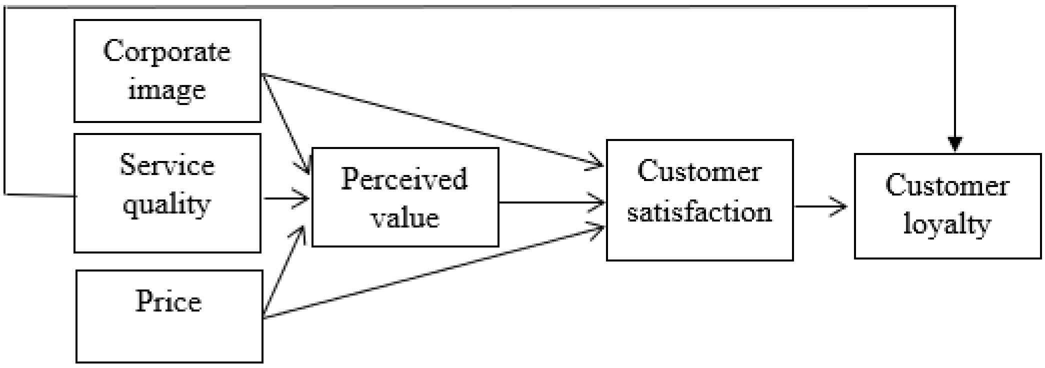


Source: K. Sotechand (2020)

The research identified service quality as the primary determinant of customer happiness in the insurance industry, thereby fostering client loyalty. The corporate image of LIC is positively correlated with customer satisfaction and loyalty. Personalized financial planning is not a substantial indicator of customer happiness in LIC. The conceptual structure of this research is illustrated in Figure 2.3.

The research entitled "Determinants of Customer Satisfaction and Loyalty in the Vietnamese Life-Insurance Context" by Ha Thu Nguyen et al. (2018). For sustainability, service providers must meet consumer expectations by prioritizing the improvement of customer relations, brand image, quality, and additional value. Vietnamese life insurance consumers' impressions of image, service, price, and value were examined using statistical methods.

Figure (2.4) Determinants of Customer Satisfaction and Loyalty in Vietnamese Life-Insurance Setting



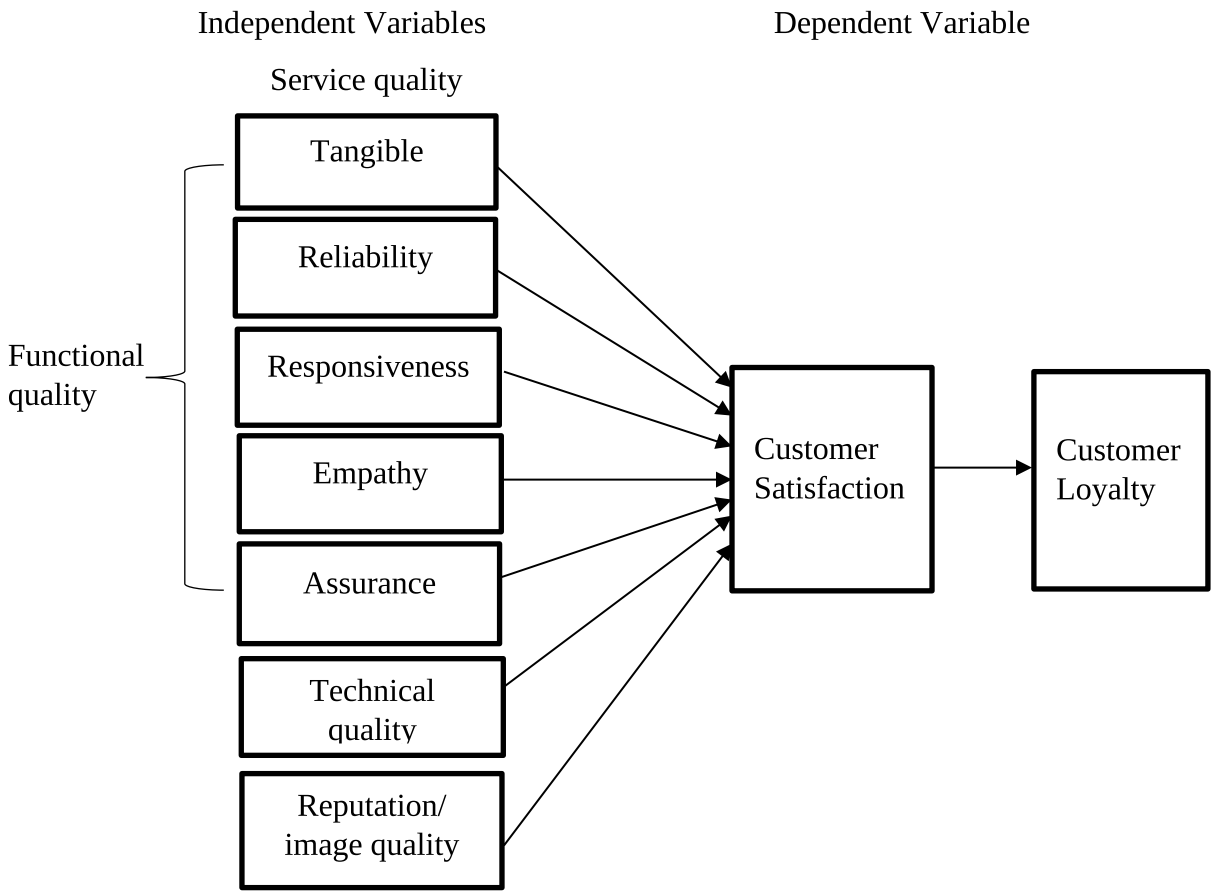
Source: Ha Thu Nguyen, et al. (2018)

The findings demonstrate that business image, service quality, and perceived value greatly affect consumer happiness and loyalty. The research conducted by Ha Thu Nguyen and colleagues is illustrated in Figure 2.4.

2.7 Conceptual Framework of the Study

The study's conceptual framework is shown based on the outcomes of prior research. This survey anticipated client satisfaction about service quality. The analysis of the self-compiled data is illustrated in Figure 2.5.

Figure (2.5) Conceptual Framework of the Study



Source: Own Compilation (2025)

The study identifies functional quality, technical quality, and reputation/image quality as independent factors, based on the conceptual framework of the Nordic model and the SERVQUAL model. The study's dependent variable is customer satisfaction. The concept posits that service quality has technical and functional aspects, with the image of a service organization acting as a filter in the perception of service quality. The arrow illustrates the correlation between service quality and client satisfaction.

Working Definition

Tangibility refers to the physical aspects of a service that customers can perceive and evaluate. Tangibility encompasses elements such as: physical facilities, equipment, and personnel appearance and communication materials.

Reliability refers to the consistency and dependability of a service. It is about delivering the promised service accurately and consistently over time. Reliability involves several key aspects**:** consistency, dependability and timeliness.

Responsiveness refers to the willingness and ability of service providers to assist customers and address their needs promptly. This aspect of service quality emphasizes the importance of being attentive and reactive to customer inquiries and requests.

Empathy refers to the ability of service providers to understand and care for their customers' individual needs and feelings. It involves creating a personal connection and demonstrating concern for customers.

Assurance in the context of service quality refers to the ability of service providers to instill confidence and trust in their customers. It encompasses the knowledge, competence, and courtesy of employees, as well as the ability to convey trustworthiness and reliability.

Technical Quality pertains to the outcome or result of a service, focusing on accuracy, reliability, and the fulfillment of customer needs.

Reputational/Image Quality represents the perception of a company credibility and reliability based on its branding, customer experiences, and public reputation.

Customer Satisfaction is the degree to which a product or service meets or exceeds customer expectations.

Customer Loyalty refers to a customer commitment to consistently choosing a particular brand or service provider over competitors. It is demonstrated through repeat purchases, brand advocacy, and resistance to switching brands, even when alternatives are available.

CHAPTER III

PROFILE AND SERVICE QUALITY OF FIRST NATIONAL INSURANCE (GENERAL) CO., LTD

This chapter presents the overview of insurance industry, profile of First National Insurance (General) Co., Ltd, organization structure, and service quality of First National Insurance (General) Co., Ltd.

3.1 Overview of Insurance Industry

As a direct reaction to the insurance needs of Europeans working in a variety of positions inside the nation, the insurance sector in Myanmar was established in 1826, immediately following the conclusion of the First Anglo-Burmese War. Since that time, multinational insurance companies have gradually entered Myanmar in order to begin their commercial activities in the years that are stated alongside their names. This occurred prior to the engagement of any Myanmar company in the sector. Following the nation's independence from British rule, a large number of insurance companies came into existence, providing coverage for both life and non-life insurance. Two years after the country gained its independence in 1948, the Union Insurance Board Act of 1950 and the Insurance Companies Nationalization Act of 1951 were passed into law in order to halt the flow of premium monies out of Myanmar and to bring back economic activity for the country's population. Burma National Company was nationalized and rebranded as the Union Insurance Board in compliance with the provisions of these Acts, which stipulated that the company change its name. Beginning on March 1, 1953, all government employees, including members of the armed services, were required to get life insurance coverage.

During this time period, People Insurance Co., Ltd. was engaged in the business of general and life insurance, and Burma Fire and General Insurance Co., Ltd. was established with the intention of having a primary concentration on fire and general insurance. In the year 1959, a government agency was solely responsible for the management of life insurance, and in February of 1964, the whole insurance industry was brought under the supervision of the government. Nevertheless, up until 1976, the insurance agency worked in conjunction with the banks to carry out its operations. The Insurance Act of 1975 was passed into law in order to make it easier for a large number of people to participate in the insurance industry. This led to the founding of the Burma Insurance Corporation inside the country as an autonomous organization. In 1981, the name of the organization was changed to more accurately reflect its present classification, which is Myanmar Insurance. It is anticipated that the state would be the only shareholder in Myanmar Insurance.

Over the course of the last ten years, the insurance business in Myanmar has seen a substantial transformation, transitioning from a sector that was dominated by the state to a market that is more competitive and includes involvement from private companies and international investors. For a significant amount of time, Myanmar Insurance, which is a state-owned corporation, was the sole provider of insurance services in the market. However, regulatory reforms, notably the implementation of the Insurance Business Law in 1996 and subsequent liberalization initiatives by the government, cleared the door for private insurers to enter the market (Myanmar Insurance Association, 2020). Additionally, in 2019, the government authorized international insurers to operate, which further enhanced competition and improved service standards (Deloitte, 2021). In 2013, the government issued licenses to numerous local private insurance businesses. As a result of these reforms, there has been a rise in the variety of products currently available, improved risk management solutions, and expanded accessibility to insurance services for both people and companies.

The insurance penetration rate in Myanmar is still relatively low in comparison to that of adjacent countries, mostly because of poor awareness, economic restraints, and a lack of faith in insurance products. Despite these advancements, the insurance penetration rate exists in Myanmar. According to Oxford Business Group (2022), a significant number of individuals and enterprises continue to rely on informal risk management measures rather than obtaining commercial insurance coverage. Furthermore, the expansion of the business has been impacted by a number of problems, including the unpredictability of regulatory requirements, volatility in currency, and the economic impact of political instability. Insurers, on the other hand, have been actively attempting to bridge the gap through education campaigns, digital transformation, and policies that are more customer-friendly. This is in response to the growing middle class and the growing need for financial protection.

The future of Myanmar's sector appears to be bright, due to the fact that technical breakthroughs, regulatory changes, and more consumer awareness are driving the industry forward. As a means of improving both efficiency and customer satisfaction, insurance companies are increasingly turning to digital platforms for the management of policies, the processing of claims, and customer service representatives. Additionally, it is anticipated that the continuous efforts of the government to build a regulatory framework that is more organized would give stability and attract additional investment into the industry (PwC, 2023). The insurance business is prepared for continuous expansion, which will contribute to Myanmar's overall economic resilience. This is because an increasing number of customers are becoming aware of the significance of insurance in terms of financial planning and risk reduction.

3.2 Profile of First National Insurance (General) Co., Ltd

FNIG was created on June 14, 2013, with integrated insurance business license No. 007 from the Ministry of Planning and Finance Insurance Business Regulatory Board. In April 2019, FNIG converted to business license 003 for general insurance. The company offers Myanmar Kyat and US dollar insurance for 40 billion and 500,000, respectively. After 10 years, FNIG has 500 insurance-qualified specialists and competent management. The company offers 18 insurance products, including Comprehensive Motor Insurance, Fire and Allied Perils Insurance, Marine Cargo (Inland and Overseas), Marine Hull Insurance, Travel, Personal Accident, Health, and others. With its wide range of products, FNIG can satisfy clients.

FNIG's headquarters and three branches are in Yangon. The organization provides statewide services from 13 regional offices in Mandalay, Monywa, Mawlamyine, Pyay, Magway, Pathein, Nay Pyi Taw, Myitkyina, Taunggyi, Taungoo, Kalay, Myeik, and Pyigyita FNIG's extensive network in Myanmar demonstrates its commitment to comprehensive insurance. FNIG has swift, efficient 24-hour claims service. In Yangon and Mandalay, FNIG runs insurance agent training programs for future insurance professionals. Its Management Development Programme (MDP) improves personnel skills and capacities, demonstrating its commitment to customer satisfaction and employee development.

Through the advancement of industrial and economic development as well as the improvement of people's lives, FNIG intends to become the leading insurance company in Myanmar. With the aid of this service, customers are able to safeguard their savings and achieve financial stability without any anxiety. Business values include things like honesty, cooperation, putting the needs of the client first, respect, decency, creativity, and dedication. By preserving and enhancing its effective and quality management system, FNIG is able to fulfill the requirements of both the regulatory and ISO 9001:2015 standards. By settling claims in a timely manner, the company hopes to earn a reputation for being a speedy and fair insurance provider. In order to carry out the implementation of this resolution, FNIG makes use of counsels, surveyors, and adjusters in order to provide comprehensive and expert service.

Continuously focused on raising understanding about the insurance system, the company provides help to Myanmar's insurance sector. Both directly and through agents, FNIG seeks to acquire new customers. In order to provide assistance to our insured customers, the company has established branch offices or mobile teams in a number of Myanmar townships, which are staffed by qualified local personnel. It alleviates the concerns of the general public regarding insurance by accepting risks that are managed by underwriters who are knowledgeable and competent. FNIG's goal is to establish a reputation as an insurance company that is both fair and efficient by addressing claims in a timely manner. This settlement will be implemented by our team, which includes counselors, surveyors, adjusters, and other professionals.

At FNIG, we place a strong emphasis on functional quality by ensuring that our service delivery is efficient, that our customer assistance is competent, and that our claims process is simplified. The organization provides a claims service that is available around the clock, which helps to increase client confidence and happiness by ensuring that they receive timely assistance in times of need. In addition, FNIG makes investments in staff training by way of its insurance agent training schools located in Mandalay and Yangon. Additionally, the company offers a Management Development Program (MDP) to improve management and administrative abilities. The implementation of these measures helps to ensure that clients receive support that is both educated and competent, so contributing to the maintenance of high service standards.

Customers are provided with accessibility and convenience because to the wide branch network that FNIG maintains across Myanmar, which further increases the functional quality of the organization. Through its regional offices located in important locations such as Mandalay, Nay Pyi Taw, and Taunggyi, FNIG offers consumers the opportunity to get individualized assistance, which enables them to acquire services in a timely manner. In addition, the organization is consistently working to enhance its operational efficiency by utilizing digital engagement and customer support channels. In spite of the fact that FNIG exhibits a high level of functional quality in the delivery of its services, more insights into the overall efficacy of its services and areas in which it might be improved could be obtained through independent research and feedback from customers.

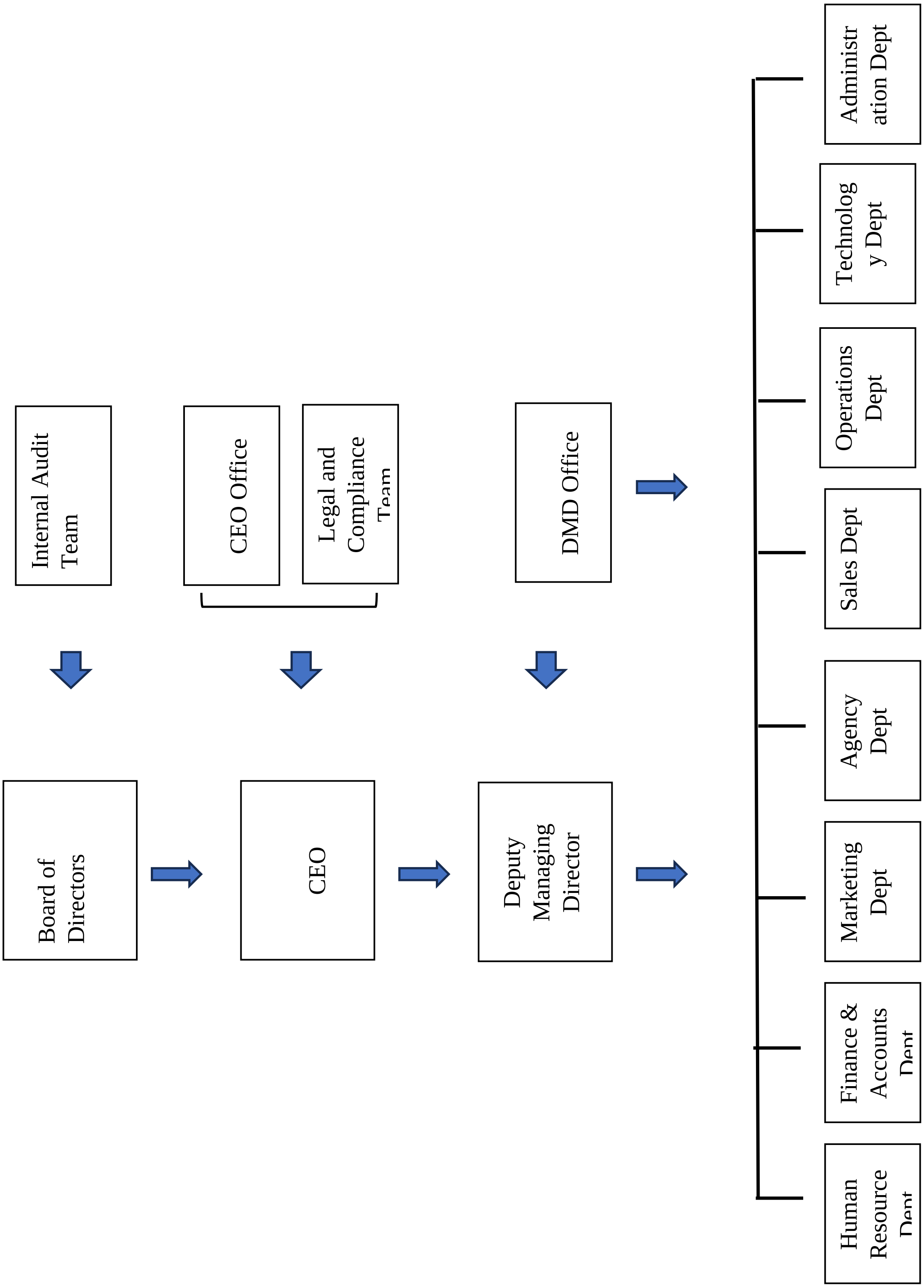
Through its adherence to worldwide standards and regulatory regulations, FNIG proves its dedication to providing its customers with high-quality technical services. In order to guarantee constant service delivery and operational excellence, the firm maintains a management system that is both effective and of high quality. This system is in accordance with the standards known as ISO 9001:2015. FNIG quality policies place an emphasis on developing a reputation as an insurer that is both efficient and fair by satisfying claims responsibilities in a fast and efficient manner within the policy. The firm has incorporated experts such as counsels, surveyors, and adjusters into its workforce in order to accomplish this goal. This has allowed the company to improve its technical skills in the areas of risk assessment and claims administration.

Furthermore, FNIG's emphasis on technical expertise is highlighted by the fact that the company has made investments in a powerful management team and more than 500 professional workers who have relevant insurance certifications. Its technological competence to efficiently underwrite a wide variety of risks is reflected in the extensive range of 18 insurance products that the business offers. These products include travel insurance, health insurance, fire insurance, marine insurance, personal injury insurance, and motor vehicle insurance. The fact that FNIG is committed to maintaining and continuously enhancing its management system is in accordance with the requirements of both the regulatory standards and ISO 9001:2015, which further demonstrates the company's commitment to providing technical quality in the insurance industry.

3.3 Organization Structure of First National Insurance (General) Co., Ltd

The organization structure with 2025, First National Insurance (General) Co., Ltd is supported by eight departments – Human Resource Department, Finance and Account Department, Marketing Department, Agency Department, Sale Department, Operation Department, Technology Department and Administration Department.

Figure (3.1) Organization Structure of First National Insurance (General) Co., Ltd



Source: First National Insurance (General) Co., Ltd (2025)

3.4 Services Provided by First National Insurance (General) Co., Ltd

To cater to the varied requirements of individuals and companies in Myanmar, First National Insurance (General) Co., Ltd. provides a broad selection of insurance products that are geared to satisfy those requirements. FNIG's services include a wide range of industries, with the goal of ensuring that customers are adequately secured against any potential dangers that may arise. This commitment encompasses the provision of financial stability and peace of mind.

Motor Vehicle Insurance - FNIG offers plans related to motor vehicle insurance that cover damages to cars that are the consequence of accidents, theft, fire, and other unanticipated incidents. The purpose of these insurance is to provide financial protection to car owners, ensuring that they are able to recover quickly from catastrophes that may otherwise result in major financial difficulties.

The insurance product known as fire and allied perils insurance protects properties from financial losses or damage that may be incurred as a result of fire and other risks that are connected to it. Property owners who want to safeguard their assets from future disasters should consider purchasing FNIG fire and associated hazards insurance. This type of insurance offers coverage that makes it easier to recover and maintain business operations continuously.

Hull Insurance and Marine Cargo Insurance FNIG provides marine cargo insurance for domestic and international shipments. This type of insurance protects items while they are in transit against potential dangers such as theft, loss, or damage. In addition, marine hull insurance protects ship owners and operators against the possibility of incurring financial losses as a result of maritime activities by covering any physical damages that may occur to vessels.

Personal Accident Insurance and Health Insurance FNIG recognizes the significance of personal well-being and offers personal accident insurance, which provides financial compensation in the case of injuries, incapacity, or death that are the result of accidents. The medical expenses that individuals incur are covered by their health insurance plans, which ensures that individuals have access to the essential healthcare services without the stress of additional medical bills that may arise unexpectedly.

Insurance for Travelers: Travel insurance products provide protection against a variety of hazards that may arise during a journey, such as the possibility of experiencing a medical emergency, having to cancel a trip, or losing personal possessions. Travelers may feel confident and secure in the knowledge that they are protected throughout their trips thanks to this service, which was developed to give them with these benefits.

The provision of complete coverage for policyholders is the primary objective of health insurance products. Hospitalization, surgical procedures, outpatient treatments, and emergency care are only some of the medical expenditures that are covered by their health insurance coverage. In the event that they are confronted with health-related issues, this guarantees that clients will have financial protection.

In addition to these basic services, FNIG also provides specialist insurance products such as fidelity insurance, cash-in-transit insurance, and parcel insurance. These products are designed to meet the unique requirements of organizations and people. With an experienced management team and more than 500 skilled personnel, FNIG is committed to providing services that are timely and efficient. One of the services that the business offers is a 24-hour claims service, which has helped the firm earn a reputation for managing claims in an expedient manner.

3.5 Service Quality of First National Insurance (General) Co., Ltd

Today, insurance industry becomes a competitive industry in Myanmar. Therefore, First National Insurance (General) Co., Ltd adopts different activities of service quality to build customer satisfaction and loyalty. It uses seven service quality dimension tools (Reliability, Responsiveness, Assurance, Empathy, Tangibles, Technical and Reputation/image) to compete, existing competitors and to get customer satisfaction.

3.5.1 Tangible

FNIG operates well-designed and accessible offices, with comfortable waiting areas where customers can receive face-to-face consultations about their insurance needs. The office is equipped with modern technology, such as computers and digital displays, to efficiently process customer requests and provide up-to-date information. Additionally, FNIG uses clear signage and informative brochures to help customers easily navigate their offerings. These physical elements, combined with the presence of professional and friendly staff, ensure that customers feel confident and valued when interacting with the company.

3.5.2 Reliability

According to the dependability component, the capacity to supply the services that were promised in a consistent and correct manner is referred to. In accordance with their commitments, employees supply insurance services whenever they are expected to. The personnel of the firm have extensive knowledge in insurance affairs, which has resulted in them having competence in addressing customer concerns. This is due to the fact that many of them have been employed by the company for a long period of time. In the event that customers experience difficulties (accidents), employees exhibit real care in the process of problems resolution. Due to the fact that the records are up to date and the accounting paperwork, which includes journals, ledgers, and data, is correctly stored in the database, it is also possible for it to provide accurate claims and premiums for people.

3.5.3 Responsiveness

Responsiveness at FNIG is a key component of its customer service strategy, ensuring that customer inquiries and issues are addressed promptly and effectively. The company employees are well-trained to provide accurate and clear information to customers, especially regarding insurance policies and claims processes. In case of a problem or complaint, customers can easily reach the appropriate department or person, and issues are handled directly and swiftly. FNIG also offers emergency assistance through a 24/7 customer support line, with supervisors overseeing the process to ensure that customers' needs are met in a timely manner. This level of responsiveness not only resolves problems quickly but also contributes to customer loyalty and a positive brand image for FNIG.

3.5.4 Assurance

The employees are able to guarantee that the customer is shielded from any risks, dangers, or threats to their physical and financial well-being. Customers are more likely to have faith and confidence in the FNIG organization because of the honesty and integrity of its employees when it comes to the management of insurance transactions.

The employees of the organization cultivate solid connections with policyholders by placing a high priority on the interests of the customers and continuously demonstrating a pleasant and helpful demeanor. The staff of the firm display empathy by being responsible and accountable in answering client complaints and resolving issues in a quick manner, so ensuring that consumers have a great experience. This is despite the fact that the company handles a high number of customers.

3.5.5 Empathy

For these dimensions, the firm is open from nine in the morning until five in the afternoon, guaranteeing that service hours are accessible to suit the requirements and questions of customers. Because of the vast number of customers, it may be difficult for personnel to recall the preferences of each individual client, to welcome them by name when they arrive, or to give highly customized service. In order to ensure that regular customers feel valued, the firm has implemented a well-structured loyalty program. This program ensures that consumers feel appreciated, even though individual recognition can be difficult. Although personnel may not know each individual client on a personal level, they display a strong dedication to delivering excellent customer service by demonstrating an awareness of the general requirements of customers and by giving attentive service. Furthermore, personnel handle clients with courtesy and patience, immediately resolving complaints and expressing honest apologies for any trouble that may have been caused.

3.5.6 Technical

As a result of the technological knowledge and problem-solving skills of its employees, the business is exceptionally successful in the process of applying for insurance claim settlements. FNIG makes use of cutting-edge technology in order to simplify its services and improve the convenience it provides to its customers. Software that is used for Customer Relationship Management (CRM) assists staff in keeping track of interactions with customers and providing individualized services. If you want to make payments online, FNIG incorporates secure payment methods like mobile banking, electronic wallets (like KBZPay and Wave Money), and credit card processing systems to make it possible for you to make premium payments without any hassle. As an additional measure, the organization has implemented cloud-based insurance administration tools in order to guarantee accessibility and real-time updates for both its staff and its clients. These technologies, when combined, increase the efficiency of service, enrich the experience of customers, and promote a model of service that is provided at a single location.

3.5.7 Reputation/Image

FNIG has distinguished itself from its rivals by establishing a solid reputation via the provision of dependable claim settlements, the development of new digital services, and a strategy that is centered on service to customers. FNIG mobile app services and flexible online payment choices, such as KBZPay and Wave Money, are guaranteeing that transactions are carried out without any complications, in contrast to traditional form of insurance. Personalized service is enhanced by customer relationship management technology, while the company's one-stop insurance solutions respond to a wide range of consumer requirements. The Financial National Insurance Group (FNIG) regularly participates in corporate social responsibility (CSR) projects, including as education programs, disaster relief operations, and healthcare support, in order to build its brand image and demonstrate its commitment to social responsibility. Through the implementation of these techniques, FNIG has been able to achieve rapid brand recognition and popularity, therefore establishing itself as a reliable and forward-thinking leader in the insurance sector.

At the same time as it helps individuals and organizations reduce their exposure to risk, the insurance sector plays a significant role in ensuring financial stability. The organization places a high priority on service quality, with a particular emphasis on timeliness, transparency, and efficient claims administration. This is done to guarantee that customers are satisfied and to preserve the company's image as a reliable supplier in the market.

CHAPTER IV

ANALYSIS ON SERVICE QUALITY, POLICYHOLDERS SATISFACTION AND LOYALTY OF FIRST NATIONAL INSURANCE (GENERAL) CO., LTD

This study delineates the demographics of respondents and analyzes service quality, policyholder happiness, and loyalty at First National Insurance (General) Co., Ltd.

4.1 Research Design

This study examines the factors influencing customer satisfaction and retention at First National Insurance (General) Co., Ltd, focusing on functional quality, technical quality, and reputation/image quality as predictors of customer satisfaction. client pleasure is posited to be crucial in enhancing client retention. A quantitative research methodology employed to examine these aspects. The target audience comprises 240 individuals who purchased policies from First National Insurance (General) Co., Ltd, covering the period from 2020 to 2024. A simple random sampling procedure was employed to guarantee a representative sample, taking into account the finite population. Utilizing this methodology, the sample size is determined to be roughly 150 renewing customers, guaranteeing a 95% confidence level with a 5% margin of error, in accordance with Yamane's (1967) calculation. Upon gathering the requisite data, the analysis was conducted with SPSS software version 22.

Key points about the Yamane formula:

Formula:

n = N / (1 + N * e^2), where "n" is the sample size, "N" is the population size, and "e" is the margin of error.

Population Size (N): 240

Margin of Error (e): 0.05

Calculate e2: e2 = 0.05 = 0.0025

Calculate the denominator (1 + N * e2):

1 + N * e2 = 1 + 240 * 0.0025 = 1.6

Calculate $n = N / (1 + N * e2)$:

$n = 240 / 1.6 = 150$

Round up to the nearest whole number: Final Sample Size (n) = 150

Primary data are obtained using structured surveys, whilst secondary data are sourced from prior research articles, textbooks, websites, and other references. The data are investigated by statistical methods, including correlation and regression analysis, to investigate the links among the examined factors and their impact on retention. The survey is anticipated to occur in January 2025.

4.2 Profile of the Respondents

The respondents' general information is gathered using a standardized questionnaire. One hundred fifty consumers participated as responses. The general information includes gender, age, marital status, educational attainment, monthly income, and occupation.

4.2.1 Respondents by Gender

Respondents by gender are categorized into two groups: male and female. Gender frequencies are presented in Table 4.1.

Table (4.1) Respondents by Gender

Sr. No.	Gender	Number of Respondents	Percentage
1	Male	84	56.00
2	Female	66	44.00
Total		150	100.00

Source: Survey Data (2025)

According to Table (4.1), 84 respondents are male representing 56.00% and 66 respondents are female representing 44.00%. It shows that many of the respondents are male.

4.2.2 Respondents by Age

Customer different interest and needs can vary by their different age levels. The respondents are classified into four age categories: under 30 years, 30 to 39 years, 40 to 49 years, and above 50 years. Age frequencies are presented in Table 4.2.

Table (4.2) Respondents by Age

Sr. No.	Age	Number of Respondents	Percentage
1	Under 30 years	19	12.70
2	30 – 39 years	74	49.30
3	40 – 49 years	40	26.70
4	50 years and above	17	11.30
Total		150	100.00

Source: Survey Data (2025)

According to the Table (4.2), 19 respondents are under 30 years old representing 12.70%, 74 respondents are between 30 to 39 years representing 49.30%, 40 respondents are between 40 to 49 years representing 26.70% and 17 respondents are above 50 years old representing 11.30%. Most of the customers of FNIG (General) Insurance Co., Ltd are between 30 to 39 years old.

4.2.3 Respondents by Marital Status

The marital status of respondents was categorized into two distinct groups: single and married. These are presented in Table 4.3.

Table (4.3) Respondents by Marital Status

Sr. No.	Marital status	Number of Respondents	Percentage
1	Single	44	29.30
2	Marriage	106	70.70
Total		150	100.00

Source: Survey Data (2025)

According to Table (4.3), 44 respondents are single representing 29.30% and 106 respondents are marriage representing 70.70 %. The sample is made up of 44 persons (29.30%) of single and 106 persons (70.70%) of marriage in the total number of respondents. Therefore, most of the respondents are marriage in this study.

4.2.4 Respondents by Education Level

Various educational levels can influence consumer preferences. The respondents' education level is categorized into four groups: basic education, undergraduate, graduate, and postgraduate. The information is shown in Table 4.4.

Table (4.4) Respondents by Education Level

Sr. No.	Education level	Number of Respondents	Percentage
1	Basic Education	20	13.30
2	Undergraduate	11	7.30
3	Graduate	108	72.30
4	Postgraduate	11	7.30
Total		150	100.00

Source: Survey Data (2025)

According to Table (4.4), 20 respondents are basic education level representing 13.30%, 11 respondents are Undergraduate level representing 7.30%, 108 respondents are Graduate level representing 72.30%, 11 respondents are postgraduate level representing 7.30%. Most of the respondents are at graduate level.

4.2.5 Respondents by Monthly Income

Respondents' monthly income levels are categorized into four groups: 200,000 Kyats or less, 200,001 to 400,000 Kyats, 400,001 to 600,000 Kyats, and over 600,000 Kyats. The monthly earnings of respondents are presented in Table 4.5.

Table (4.5) Respondents by Monthly Income

Sr. No.	Monthly income (Kyats)	Number of Respondents	Percentage
1	200,000 and less	8	5.30
2	200,001 - 400,000	15	10.00
3	400,001 - 600,000	46	30.70
4	Above 600,000	81	54.00
Total		150	100.00

Source: Survey Data (2025)

According to the Table (4.5), shows the percentage of the average monthly income of the respondents in the sample. There are four level average monthly income: 200,000 Kyats and less, between 200,001 - 400,000 Kyats, between 400,000 - 600,000 Kyats and 600,001 Kyats and above. It is found that 8 respondents are 200,000 Kyats and less representing 5.30 %, 15 respondents are 200,001 - 400,000 Kyats representing 10.00 %, 46 respondents are 400,001 - 600,000 Kyats representing 30.70 % and 81 respondents are above 600,000 Kyats representing 54.00%. Most customers' monthly income range is above 600,000 Kyats.

4.2.6 Respondents by Occupation

The respondents' occupations are presented in Table 4.6. The respondents are classified into four main categories: government employees, corporate employees, business owners, and others.

Table (4.6) Respondents by Occupation

Sr. No.	Occupation	Number of Respondents	Percentage
1	Government Staff	6	4.00
2	Company Staff	56	37.30
3	Business Owner	76	50.70
4	Other	12	8.00
Total		150	100.00

Source: Survey Data (2025)

According to the Table (4.6), 6 respondents are government staff representing 4.00%, 56 respondents are company staff representing 37.30%, 76 respondents are business owner representing 50.70% and 12 respondents are other representing 8.00%. Most customers are business owner, which also means FNIG (General) Insurance Co., Ltd targeted customers are business owner.

4.2.7 Sources of Recommendations for Purchasing Insurance Products

The suggested person for buying products is shown in the following Table (4.7). The respondents are categorized into four distinct groups such as friends, policyholder, insurance agent, and salesperson.

Table (4.7) Sources of Recommendation

Sr. No.	Suggestion	Number of Respondents	Percentage
1	Friends	13	8.70
2	Policyholder	38	25.30
3	Insurance Agent	24	16.00
4	Salesperson	75	50.00
Total		150	100.00

Source: Survey Data (2025)

According to the Table (4.7), 13 respondent is suggesting of friends representing 8.70%, 38 respondents are suggesting of policyholder representing 25.30%, 24 respondents are suggesting of insurance agent representing 16.00% and 75 respondents are suggesting of salesperson representing 50.00%. Most customers buy the product by suggesting of salesperson.

4.2.8 Duration of Relationship with FNIG Company

The duration of client engagement with FNIG (General) firm is presented in Table 4.8. The responses are classified into four unique categories: less than 1 year, 1 to 2 years, 3 to 4 years, and more than 4 years.

Table (4.8) Duration of Relationship

Sr. No.	Time	Number of Respondents	Percentage
1	Less than 1 year	13	8.70
2	1 – 2 years	31	20.70
3	3 – 4 years	39	26.00
4	More than 4 years	67	44.70
Total		150	100.00

Source: Survey Data (2025)

According to the Table (4.8), 13 respondent is less than 1 year representing 8.70%, 31 respondents are 1 to 2 years representing 20.70%, 39 respondents are 3 to 4 years representing 26.00% and 67 respondents are more than 4 years representing 44.70%.

4.2.9 Respondents by Types of Insurance Purchased

The items purchased by respondents are presented in Table 4.9. The replies are classified into six unique categories: fire insurance, personal injury insurance, comprehensive auto insurance, maritime cargo insurance, travel insurance, and health insurance.

Table (4.9) Respondents by Insurance Type Purchased

Sr. No.	Occupation	Number of Respondents	Percentage
1	Fire Insurance	42	28.00
2	Personal Accident Insurance	28	18.70
3	Motor Insurance	76	50.70
4	Marine Cargo Insurance	1	0.70
5	Travelling Insurance	2	1.30
6	Health Insurance	1	0.70
Total		150	100.00

Source: Survey Data (2025)

According to the Table (4.9), 42 respondent is buying fire insurance representing 28.00%, 28 respondents are personal accident insurance representing 18.70%, 76 respondents are motor insurance representing 50.70%, 1 respondent are marine cargo insurance representing 0.70%, 2 respondents are travelling insurance representing 1.30% and 1 respondent are health insurance representing 0.70%. Most customers are buying motor insurance.

4.3 Reliability Test

Cronbach's coefficient alpha evaluates the internal consistency of the items pertaining to the factor. Cronbach's Alpha is a reliability coefficient that measures the positive correlation among items within a collection (Sekaran and Bougie, 2010). The subsequent table illustrates the permissible range for reliability assessments.

Table (4.10) Reliability Assessment Range

Cronbach's coefficient alpha	Level of Reliability
0.80 to 0.95	Excellent Reliability
0.70 to 0.80	Good Reliability
0.60 to 0.70	Fair Reliability
Less than 0.60	Poor Reliability

Source: Sekaran and Bougie (2010)

The following table shows the reliability test of Cronbach's Alpha values for variables.

Table (4.11) Reliabilities of the Variables

Sr. No.	Variables	No. of Items	Cronbach's Alpha
1	Tangible	7	0.913
2	Reliability	7	0.940
3	Responsiveness	7	0.947
4	Empathy	7	0.958
5	Assurance	7	0.948
6	Technical Quality	7	0.940
7	Reputation/Image Quality	7	0.949
8	Customer Satisfaction	7	0.944
9	Customer Loyalty	7	0.955

Source: Survey Data (2025)

The reliability assessments for each component in this study are presented in Table 4.11. The chart indicates that the Cronbach's Alpha values for the variables—tangibility, dependability, responsiveness, empathy, assurance, technical quality, reputation/image quality, customer happiness, and customer loyalty—exceed 0.80. This indicates that these variables exhibit robust consistency and exceptional dependability.

4.4 Respondents Perception on Service Quality, Customer Satisfaction and Loyalty

This research analyzes tangible aspects, reliability, responsiveness, empathy, assurance, technical quality, reputation/image quality, customer happiness, and customer loyalty on a Five-point Likert scale. Best (1977) delineates the interpretation of mean values for five-point Likert Scale items as follows:

Table (4.12) Mean Score Interpretation Range

Mean Score	Interpretation
1.00 – 1.80	Very Low
1.81 – 2.60	Low
2.61 – 3.20	Medium
3.21 – 4.20	High
4.21 – 5.00	Very High

Source: Moidunny, *(*2009)

4.4.1 Respondent Perception on Tangible

This dimension encompasses the aesthetics of physical facilities, the quality of equipment, and the competencies of staff. It can comprehend the range and type of the services offered. The tangible component was assessed using seven statements. Table (4.13) presents the mean values, standard deviation, and overall mean value related to tangible aspects of customer satisfaction.

Table (4.13) Mean Score of Tangible Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Arranging Catalogues to get information regarding insurance product	4.05	0.865
2	Being spacious and clean environment	4.12	0.827
3	Providing enough car parking space	3.89	1.033
4	having well dressing and appear neat by employee	4.24	0.757
5	Being pleasant and attractive	4.17	0.823
6	Being modern and clean by telephone, air conditioners, chair, and tables	4.09	0.797
7	Providing good facilities for customer (e.g. free Wi-Fi, coffee, drinking water, magazines, and journals).	4.19	0.814
	Overall Mean	4.10	

Source: Survey Data (2025)

Table 4.13 illustrates customers' perspectives regarding tangibility. The total perceptual score for tangibility is 4.10. The mean score of 4.24 for the sense of personnel being well-dressed and well presented is the highest among the tangibility factors. Employees are required to be well-dressed and presentable, which is significantly valued by clients. In this context, to assess the tangibility of service quality as viewed by customers of FNIG (General) Co., Ltd., it can be concluded that the characteristics and atmosphere of the FNIG (General) Co., Ltd. branch office align with customer expectations. The lowest mean value is 3.89, indicating that the automobile capacity is insufficient for the consumer.

4.4.2 Respondent Perception on Reliability

This dimension encompasses critical aspects of services, including the service provision methods of FNIG (General) Co., Ltd, problem-solving capabilities, service delivery efficiency, reliability and accuracy in fulfilling promised services, and the implementation of preventive and proactive maintenance policies. Customer perception on reliability is measured with seven items. The mean value and standard deviation for each item are presented in Table (4.14).

Table (4.14) Mean Score of Reliability Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Delivering insurance services timely	4.13	0.857
2	Being to promises truly	4.11	0.761
3	Being consistent in solving customer complaints	4.16	0.705
4	Performing the services right the first time	4.12	0.794
5	Keeping accurate records regarding with records	4.28	0.734
6	Being able to accurately answer question	4.23	0.752
7	Showing a sincere interest in solving it when having a problem (accident)	4.24	0.692
	Overall Mean	4.18	

Source: Survey Data (2025)

According to Table 4.9, the overall mean score of perception for reliability dimension is 4.18 and it can be said that the customer agrees the reliability of company. The highest mean score is 4.28 which can be mentioned, and the minimum mean value is 4.11. The maximum score of achievement shows able to keep accurate records customer record. It shows that company support training for each employee, so those employees have skills and knowledge how to keep for customers' record. The minimum score of achievement statement shows being to promises truly. It shows that company need to review its policy about claim process. The weakness of this condition is the area to be reviewed by the company.

4.4.3 Respondent Perception on Responsiveness

Customer perception of responsiveness is assessed using seven items. The average and standard deviation for each item are displayed in Table 4.15.

Table (4.15) Mean Score of Responsiveness Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Explaining exactly when service will be performed	4.25	0.714
2	Giving prompt services to customers' needs/problem	4.16	0.724
3	Willing to help customers in emergency	4.26	0.660
4	Communicating clearly with customer	4.22	0.703
5	Being ready to respond customer by service providers	4.19	0.730
6	Being easy to reach the appropriate person from company if there is a problem	4.16	0.786
7	Handling customer complaints directly and immediately	4.15	0.809
	Overall Mean	4.20	

Source: Survey Data (2025)

As shown in Table (4.15), the overall mean score of perception for responsiveness dimension is 4.20 and it can be said that the customer agrees the responsiveness of company. The highest perception of customers among responsiveness dimensions is 4.26 among other factors of responsiveness. This result means that the customer notice that the company are willing to help customers in emergency. The lowest perception of customers among responsiveness dimension is 4.15 at the handling customer complaints directly and immediately According to result, many respondents agree with the employee of company cannot handle customer complaints directly and immediately and performance insurance service exactly. Regarding the assessment of service quality responsiveness as viewed by customers of FNIG (General) Co., Ltd, it can be concluded that customers are satisfied with the replies to their requests.

4.4.4 Respondent Perception on Empathy

Customer perception on empathy is measured with seven items. The mean value and standard deviation for each item are presented in Table (4.16).

Table (4.16) Mean Score of Empathy Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Making customer feel safe in their transaction	4.09	0.810
2	Being sincerity and patience in resolving customer complaints/problems	4.18	0.778
3	Having customer best interest at heart	4.05	0.830
4	Giving individual customer attention	4.11	0.815
5	Making efforts to understand specific customer needs	4.09	0.819
6	Apologizing for inconvenience caused to customers	4.23	0.752
7	Treating customer with kindness and patient	4.25	0.750
	Overall Mean	4.14	

Source: Survey Data (2025)

According to table (4.16), overall mean value is 4.14 and it can be concluded that the customers agree the empathy of company. The highest perception among empathy dimension is the company treat customer with kindness and patient in performance of service which scores is 4.25. The lowest perception among empathy dimensions is that the company has customer best interest at heart when service will be performed with score 4.05. According to the result, the perception is to the facts of employees of the company are affable to customers with kindness and patient, but the company has not customer interest in the performance service. As an overall, the customer like the way the employees of FNIG (General) Co., Ltd, act to them.

4.4.5 Respondent Perception on Assurance

Customer impression of assurance is assessed using seven items. The average and standard deviation for each item are displayed in Table 4.17.

Table (4.17) Mean Score of Assurance Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Instilling confidence in customers by employee behaviors	4.24	0.757
2	Having skill and knowledge to answer customer questions	4.13	0.774
3	Being will-experienced by employees	4.25	0.707
4	Effective communication between employees and customers	4.21	0.735
5	Being polite and friendly to customers by employees	4.35	0.634
6	Being honest and trustworthy in performance	4.18	0.760
7	Being responsible and accountable by employees	4.15	0.766
	Overall Mean	4.22	

Source: Survey Data (2025)

According to Table (4.17), shows that the perceptions upon assurance dimensions service quality of how FNIG (General) Co., Ltd by respondents. The overall average score for the dimension of assurance is 4.22 for perception; it can be assumed that the customer agreed the assurance of company. The highest perception among assurance dimension is polite and friendly to customers in performance of service which score is 4.35. The lowest perception among assurance dimensions is employees of company have skill and knowledge to answer customers' questions with score 4.13. According to the result, the perception is to the facts of employees of the company are affable to customers with polite and friendly in the performance service. The knowledge and skills of employees is regarded as essential for customers. As an overall, the customer like the way the employees of FNIG (General) Co., Ltd act to them.

4.4.6 Respondent Perception on Technical Quality

Customer perception on technical quality is measured with seven items. The mean value and standard deviation for each item are presented in Table (4.18).

Table (4.18) Mean Score of Technical Quality Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Handling successful in completing insurance claims settlements	4.01	0.855
2	Having technological knowledge and skills in solving customer problems	4.11	0.804
3	Being ability to provide insurance products/policies that meet customers' requirement	4.17	0.757
4	Having innovativeness-ability to use current technology to improve services	4.00	0.890
5	Distributing the latest information to its customers in time	4.17	0.798
6	Providing one stop services to customer	4.12	0.810
7	Receiving premium amount by online payment	4.44	0.719
	Overall Mean	4.15	

Source: Survey Data (2025)

According to Table (4.18), Overall mean value of customer perception on technical is 4.15 with agree level of customers the customers agreed. That technical is one of the required service qualities provided by the company. The highest perception among technical dimension is receiving premium amount by online payment for customers in performance of service which score is 4.44. The lowest perception among technical dimensions is having innovativeness-ability to use current technology to improve services with score 4.00. Although online payment is useful for customers, customers have a weak perception in having innovativeness-ability to use current technology to improve services. According to the result, the one-line service is convenience for customers in saving time and effort of customers. The weak perception of customers should be recognized by the company to find the way to get better perception.

4.4.7 Respondent Perception on Reputation/Image Quality

Customer perception on reputation/image quality is measured with seven items. The mean value and standard deviation for each item are presented in Table (4.19).

Table (4.19) Mean Score of Reputation/Image Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Being the best quality in customers' mind	4.06	0.805
2	Expressing customers' personality confidence by purchasing insurance policy	4.18	0.715
3	Differentiating product design rather than competitor	4.01	0.867
4	Being fair service match equity customer' values	4.19	0.745
5	Giving the positive perception in customers' mind	4.07	0.833
6	Recognizing brand image and logo easily for customer	4.14	0.844
7	Being brand popularity within one year	4.11	0.820
	Overall Mean	4.11	

Source: Survey Data (2025)

According to Table (4.19), overall mean value is 4.11 and it can be concluded that the customers agree the image of company. The reputation/image of the company is essential for customers to decide to contact and believe the company or not. The highest perception among image dimension is fair service match equity customer' values which score is 4.19. The lowest perception among image dimensions is the product design of FNIG (General) Co., Ltd differentiates rather than competitor with score 4.01. The customers perceived that the company does not offer different product design (insurance) to meet the different needs of customers. Offering different product design is the area to be focused by the company.

4.4.8 Summary of Respondent Perception on Service Quality Dimensions

The following table presents the overall mean scores for key variables that impact agent retention and job satisfaction, based on customers' perceptions.

Table (4.20) Overall Mean Scores of Service Quality Dimensions

Sr. No.	Service quality	Overall Mean
1	Tangible	4.10
2	Reliability	4.18
3	Responsiveness	4.20
4	Empathy	4.14
5	Assurance	4.22
6	Technical Quality	4.15
7	Reputation/Image Quality	4.11

Source: Survey Data (2025)

According to Table (4.20), the assurance factor has the maximum overall mean value 4.22 among seven variables of service quality factors of this organization. This means that most respondents agree with FNIG (General) company assurance. The maximum score of achievement shows, customers feel that employees are polite and friendly. On the other hand, the tangible factor has the minimum overall mean value 4.10 among seven variables of customer satisfaction on service quality of the company. This means that most of the respondents are not satisfied for the company tangible activities which not enough car parking spaces, then other service quality dimension activities.

4.4.9 Respondents Perception on Customer Satisfaction

Table (4.21) describes the mean, overall mean value and the result analysis of customer satisfaction on service quality of FNIG (General) Insurance Company Limited which measured with seven statements.

Table (4.21) Mean Scores of Customer Satisfaction

Sr. No.	Statement	Mean	Standard Deviation
1	Satisfying with catalogues arranging information regarding insurance product	4.11	0.778
2	Satisfying with delivering services in promised time	4.11	0.716
3	Satisfying with keeping accurate records regarding with records	4.21	0.738
4	Satisfying with apologizing for inconvenience caused to customers	4.23	0.699
5	Satisfying with problem solving by employees	4.14	0.751
6	Satisfying with communicating with every employee anytime to ask for help	4.26	0.728
7	Satisfying with completing insurance claims settlement	4.11	0.832
	Overall Mean	4.17	

Source: Survey Data (2025)

The data in Table 4.21 demonstrate that the standard deviation of the statement is less than one. The average customer satisfaction score is 4.17, signifying that respondents demonstrate a decent level of contentment. The claim that contentment with the capacity to communicate with any employee at any time for assistance attained the highest mean value of 4.26 reflects the respondents' level of satisfaction. The crew understands the consumers' concerns and is ready to assist them, performing the task efficiently. The claim about satisfaction with the arrangement of information pertaining to insurance products, the prompt delivery of services, and the resolution of insurance claims attained a minimal mean value of 4.11, reflecting the respondents' satisfaction level.

4.4.10 Respondents Perception on Customer Loyalty

Table (4.22) describes the mean, overall mean value and the result analysis of customer loyalty on customer satisfaction of FNIG (General) Insurance Company Limited which measured with seven statements.

Table (4.22) Mean Scores of Customer Loyalty

Sr. No.	Statement	Mean	Standard Deviation
1	Feeling emotionally connected to this insurance company	4.05	0.830
2	Preferring to stay with this insurance company rather than switch to competitors	4.09	0.810
3	Recommending this insurance company to my family and friends	4.15	0.798
4	Being likely to renew policy with this insurance company when it expires	4.22	0.664
5	Trusting this insurance company to protect my interests and providing reliable coverage	4.16	0.803
6	Feeling valued as a customer by this insurance company	4.21	0.720
7	Preferring to stay this insurance company because of delivering services in promised time	4.24	0.757
	Overall Mean	4.16	

Source: Survey Data (2025)

According to the result of Table (4.22), it was found that the standard deviation of the statement is less than one. The overall mean value of customer satisfaction is 4.16, which means that the respondents show satisfy level. Among the statement, the maximum mean value is 4.24 which shows the satisfy level of respondents. This means that customers refer to stay this insurance company because of delivering services in promised time. The minimum mean value is 3.74, which shows the satisfy level of the respondents. This means that customers do not feel emotionally connected to this insurance company.

4.5 Analysis on the Effect of Service Quality and Customer Satisfaction

After the reliability test, the correlations of the independent variables (tangible, reliability, responsiveness, empathy, assurance, technical quality, reputation/image quality are tested to show their correlation with intermediary variable (customer satisfaction). Correlation is the statistical technique that can show whether and how strongly pairs of variables are related. The correlation coefficient (r) varies from -1.0 to

+1.0. A positive number indicates that an increase in one variable corresponds with an increase in the other variable. A negative number indicates that while one variable increases, the other decreases. A value of 0 indicates the absence of correlation between variables. The size of the correlation coefficient signifies the strength of the link.

Table (4.23) Correlation Coefficient Strength and Interpretation

Correlation Coefficient	Interpretation
±0.8 to ±1.0	Very Strong Relationship
±0.6 to ±0.8	Strong Relationship
±0.4 to ±0.6	Moderate Relationship
±0.2 to ±0.4	Weak Relationship
±0.0 to ±0.2	Weak or No Relationship

Source: (Mukaka, 2012)

4.5.1 Correlation Analysis of Service Quality Dimensions and Customer Satisfaction

Table (4.24) describes the correlation analysis of service quality dimensions and customer satisfaction of FNIG (General) Insurance Company Limited.

Table (4.24) Correlation Analysis of Service Quality and Customer Satisfaction

Sr. No.	Variables	Correlation Coefficients	P-Value
1	Tangible	0.672**	.000
2	Reliability	0.811**	.000
3	Responsiveness	0.858**	.000
4	Empathy	0.871**	.000
5	Assurance	0.854**	.000
6	Technical Quality	0.918**	.000
7	Reputation/Image Quality	0.905**	.000

Source: Survey Data (2025)

**Correlation is significant at the 0.01 level (2-tailed)

According to the Table (4.24), service qualities are positively correlated with customer satisfaction at 0.01 levels. The result indicates that tangible, reliability;

responsiveness, empathy, assurance, technical and reputation/image have positive and strong correlation with customer satisfaction. Technical is strongly correlated with customer satisfaction. Technical plays an essential role for customer satisfaction than the other dimensions. The correlation results showed that service quality dimension is essential to gain the customer satisfaction for FNIG (General) Insurance Company Limited.

4.5.2 Multiple Regression Analysis of Service Quality Dimensions and Customer Satisfaction

A multiple regression analysis is performed to evaluate the hypothesized association between service quality and customer satisfaction. It is utilized to forecast the value of a variable depending on the values of two or more additional variables. In the multiple regression models, customer satisfaction serves as the dependent variable, while the independent variables include service quality dimensions: tangible, dependability, responsiveness, empathy, assurance, technical quality, and reputation/image quality in this study. The below equation elucidates the correlation between independent factors and the dependent variable.

The proposed model is:

$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \varepsilon_i$

Where:

Y_i = Customer Satisfaction

β_0 = Constant (Intercept)

$\beta_1, \ldots, \beta_{10}$ = Regression Coefficients

X_1 = Tangible

X_2 = Reliability

X_3 = Responsiveness

X_4 = Empathy

X_5 = Assurance

X_6 = Technical Quality

X_7 = Reputation/image quality

ε_i = Random Error

Table (4.25) Regression Analysis of Service Quality and Customer Satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	0.401	0.125		3.207	0.002	
Tangible	0.105**	0.039	0.112	2.704	0.008	2.448
Reliability	0.193***	0.053	0.193	3.636	0.000	4.051
Responsiveness	-0.063	0.074	-0.062	-0.858	0.392	7.587
Empathy	0.116*	0.064	0.127	1.808	0.073	7.023
Assurance	-0.060	0.068	-0.059	-0.876	0.382	6..538
Technical Quality	0.454***	0.078	0.482	5.802	0.000	9.899
Reputation/Image Quality	0.376***	0.055	0.408	6.780	0.000	5.198
R-square	0.901					
Adj R-square	0.896					
F Value	184.312***					

Source: Survey Data (2025)

*** = Significant at 1% level, ** = Significant at 5% level, * = Significant at 10% level

The multiple regression analysis results indicated that tangible, reliability, technical and reputation/image are positively related to customer satisfaction (B = 0.105, t= 2.704, p< 0.01), (B = 0.193, t= 3.636, p< 0.01), (B = 0.454, t= 5.802, p< 0.01), (B = 0.376, t= 6.780, p< 0.01), there are significant effects of events, and tangible, reliability , technical and reputation/image related to customer satisfaction. However, there are no significant effects of events and responsiveness, empathy and assurance on customer satisfaction. It can be concluded that the service quality activities which is the tangible, reliability, technical and reputation/image are significant effects on the customer satisfaction.

The estimated model is

$$\hat{Y} = \beta_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7$$

Customer satisfaction = 0.401 + 0.105 Tangibility + 0.193 Reliability+ 0.454 Technical + 0.376 Reputation/Image

The results indicate substantial implications on tangibility, dependability, technical aspects, and reputation/image. The coefficient for tangible assets is 0.105. It indicates that pleasure will improve by 0.105 for each unit increase in tangibility. The tangible aspects have a statistically significant beneficial influence on customer satisfaction at the 0.01 level (1%).

The reliability coefficient is 0.193, indicating that customer satisfaction will rise by 0.193 for each unit increase in dependability. It may be concluded that dependability has a positive influence on customer satisfaction at the 0.01 (1%) significance level. The coefficient for technical is 0.454, indicating that customer satisfaction will rise by 0.454 for each unit increase in direct marketing. The technological aspect has a favorable influence on customer satisfaction at a significance level of 0.01 (1%). The coefficient for reputation/image is 0.376. It indicates that customer satisfaction will rise by 0.376 for each unit improvement in reputation/image. The reputation/image has a positive influence on customer satisfaction at a significance level of 0.01 (1%).

The regression results indicate that tangibility, dependability, technical quality, and reputation/image significantly influence customer satisfaction, but empathy, assurance, and responsiveness do not have a significant impact.

4.6 Analysis on the Effect of Customer Satisfaction on Loyalty

After analysis of service quality on customer satisfaction, the correlation of variables (customer satisfaction) is tested to show their correlation with the dependent variable (customer loyalty).

4.6.1 Correlation Analysis of Service Quality Dimensions and Customer Satisfaction

The following table shows the relationship between customer satisfaction and customer loyalty.

Table (4.26) Correlation between Customer Satisfaction and Customer Loyalty

Sr. No.	Variable	Pearson Correlation Coefficients	P-Value
1	Customer Satisfaction	0.852**	.000

Source: Survey Data (2025)

**Correlation is significant at the 0.01 level (2-tailed)

The data in Table 4.19 indicates a robust positive association between customer happiness and loyalty. The correlation coefficient between customer happiness and customer loyalty is 0.852 at the 0.01 significance level (two-tailed). The positive association results imply that customer loyalty is associated with customer satisfaction. The correlation results showed that service quality dimension is essential to gain the customer loyalty for FNIG (General) Insurance Company Limited.

4.6.2 Linear Regression Analysis of Customer Satisfaction and Customer Loyalty

A linear regression analysis was performed to evaluate the impact of customer satisfaction on customer loyalty. The below equation elucidates the correlation between independent factors and the dependent variable.

The proposed model is:

$Y_i = \beta_0 + \beta_1 X_1 + \varepsilon_i$

Where:

Y_i = Customer Loyalty

β_0 = Constant (Intercept)

β_1 = Regression Coefficients

X_1 = Customer Satisfaction

ε_i = Random Error

In the linear regression model, the dependent variable is customer loyalty while the independent variable is customer satisfaction in this study. The linear regression results of customer satisfaction on customer loyalty are shown in Table (4.27).

Table (4.27) Linear Regression Analysis of Customer Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.417	0.191			
Customer Satisfaction	0.898***	0.045	0.852	19.827	0.000
R-square					0.726
Adjusted R-square					0.725
F Value					393.124***

Source: Survey Data (2025)

*** = Significant at 1% level.

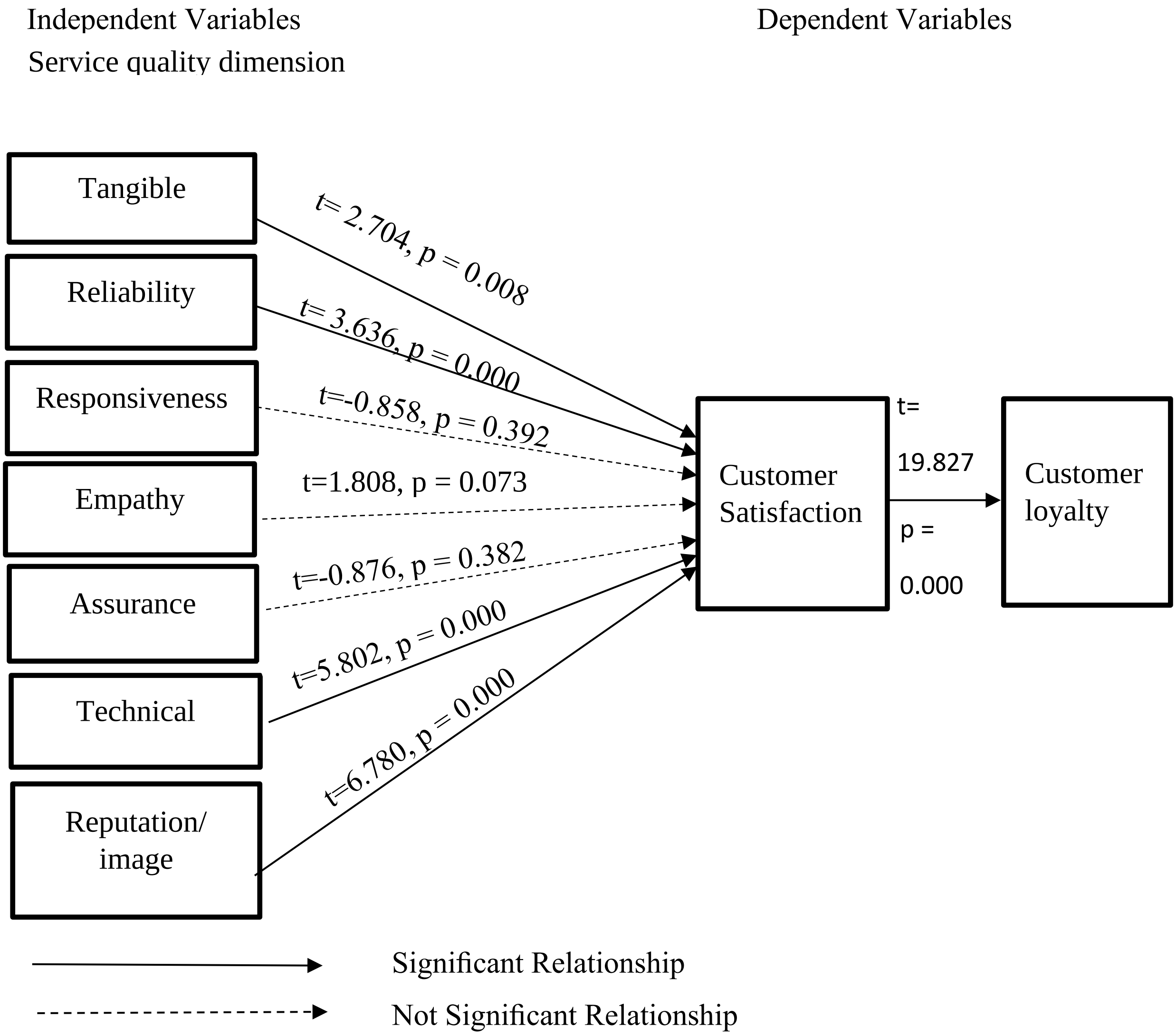
The estimated model is:

$\hat{Y} = a + b_1X_1$

Customer Loyalty = 0.417 + 0.898 Customer Satisfaction

The linear regression analysis results indicate that customer satisfaction has a positive and significant relationship with the desire to stay ($b=0.898$, $t=19.827$, $p<0.01$). Consequently, customer happiness is crucial for boosting client loyalty inside this firm. The outcome of the regression analysis is illustrated in Figure 4.1.

Figure (4.1) Conceptual Framework with Results



Source: Own Compilation

Figure (4.1) shows the result of multiple regression analysis of this study. According to this study, four service quality activities (tangible, reliability, technical and reputation/image) have significant effects on customer satisfaction. At the results of tangible, company offers the favorable terms and condition of insurance contract which include individual customer intention, specific customer needs and sound loyalty program. And the company also arranges catalogues to get information regarding insurance product. Most of respondents are satisfied on the insurance product which is match with their need.

The dependability findings indicate that the company's personnel exhibit sincerity and tolerance in addressing client concerns due to their skills, expertise, and extensive experience. Employees at FNIG are maintaining precise records of consumer information. The communication between employees and customers is effective due to employees' ability to correctly address consumers' inquiries. Due to the company's adherence to its commitments and prompt delivery of insurance services, the majority of respondents express satisfaction with the company's service.

FNIG (General) Insurance Company Limited effectively manages insurance claims settlements due to its innovative capacity to leverage contemporary technology for service enhancement, coupled with employees possessing the requisite technological knowledge and skills to address customer issues. The organization have the capability to offer insurance products and policies that fulfill consumer requirements by supplying a sufficient range of options and disseminating timely information to its clients. The organization provides a comprehensive solution for customers purchasing insurance policies simultaneously. Consequently, the majority of respondents express satisfaction with the company's service due to its comprehensive one-stop customer support.

The reputation and image of FNIG (General) Insurance Company Limited in the insurance business are distinguished by its product design, brand image, and logo, making it easily recognizable to consumers compared to other insurance companies. The firm provides equitable services that align with clients' beliefs, fostering a favorable impression in their minds; thus, the brand's reputation has seen growth and increased popularity within one year. Consequently, the majority of respondents express satisfaction with the product design and the company's brand, which constitutes the distinction.

The results indicate that enhancing service quality initiatives improves customer happiness. Responsiveness, empathy, and certainty do not significantly influence customer satisfaction. The results indicate that the majority of respondents are dissatisfied with the company's responsiveness, empathy, and assurance due to deficiencies in these areas.

This study demonstrates that customer pleasure is significantly related to customer loyalty. This organization evidently prioritizes customer pleasure, since this outcome suggests it may attract more consumers through enhanced satisfaction. This finding indicates that client loyalty is generated via customer satisfaction. FNIG cultivated strong relationships with its consumers, resulting in enhanced customer satisfaction and loyalty.

CHAPTER V
CONCLUSION

This chapter serves as the conclusion, derived from the findings of the statistical analysis. It comprises results, comments, proposals, recommendations, and requirements for further study. This study examined the impact of motivating methods at FNIG (General) Insurance Company Limited in Naypyitaw.

5.1 Findings and Discussions

The research examines FNIG (General) Insurance Co., Ltd.'s service quality and how tangible, dependability, responsiveness, empathy, assurance, technical, and reputation/image characteristics affect customer satisfaction.

This study examined and evaluated FNIG (General) Insurance Co., Ltd. services. The Nordic and SERVQUAL models are the most extensively used and respected service quality assessment methods in modern marketing literature. FNIG's service quality was assessed using the Nordic and SERVQUAL models to analyze customer expectations and perceptions.

A total of 150 consumers are being interviewed using standardized questionnaires. Demographic characteristics are assessed first. Primary evidence derived from random sampling indicates that male consumers exhibit greater involvement than female customers in purchasing insurance. The data indicates that the 30 to 39 age group comprises the biggest number of individuals purchasing insurance policies compared to other age groups. In occupational level, customers making their own business take largest ratio among others level. Above 6 lakhs and above income level also take larger ratio than other three income levels which are the difference ratio according to the survey data.

In the dimension of reactivity, FNIG may address client issues promptly and directly. Company employees provide customers with precise and clear explanations on the timing of service delivery. However, the minimal score of the achievement statement is evident in these exercises. The organization requires staff training. The service quality of FNIG in the responsiveness factor fails to satisfy consumer expectations.

The empathy component has the lowest satisfaction across all seven aspects. The most significant discrepancy has arisen in the assertion of the customer's best interests in relation to the services offered by FNIG. The service quality offered by FNIG in the empathy dimension fails to fulfill client expectations.

Concerning clients' perceptions of the assurance factors of service quality offered by FNIG, good ratings have been seen in these categories. The total mean score of perception has been recorded in the assurance component. The minimal score of the accomplishment statement indicates proficiency and expertise in addressing customer inquiries. The corporation must reassess its policies regarding staff training, including the claims procedure. The service quality of FNIG in the assurance dimension fails to fulfill consumer expectations.

The average score of the seven characteristics of service quality for the organization indicated a solid agreement and agreement among consumers. The assurance dimension exhibited the highest mean value of service quality, while the tangible dimension recorded the lowest mean value among the seven dimensions of service quality. Nonetheless, all dimensions exhibited the degrees of agreement among the responders. The responders acknowledged the quality of service.

The correlation analysis indicates a substantial relationship between the seven aspects of service quality and customer satisfaction. Consequently, it can be argued that customer happiness is achieved by superior service quality. A stronger association between the seven characteristics of service quality and customer satisfaction leads to greater client preference for such services. Of the seven aspects, the technical component exhibited the highest link with customer satisfaction. The technological aspect is the most influential factor in generating client happiness.

The result of multiple regression analysis showed that the four dimensions of service quality (tangible, reliability, technical and reputation/image) had significant effects on customer satisfaction. Tangible dimension has effect on customer satisfaction because of attracting the appearance of branch office and office equipment for customer and the customer satisfied the employees are well dressed and appear neat.

The reliability dimension has effect on customer satisfaction because company keeps accurate records regarding with customer record and the employee can accurately answer customer question. In technical dimension, the customer who buy adequate variety insurance policy accepted one line payment service provided by company. In reputation/ image dimension, the customer received the positive perception in their mind because the company brand image & logo easily recognize for customer. Nevertheless, responsiveness dimension has not impact on customer satisfaction because the customers unacknowledged prompt services whenever they need and cannot contact clearly, and company cannot handle customer complaints directly and immediately.

Despite providing the customers with empathy dimension, which is having customer best interest at heart, this dimension cannot make customer satisfaction.
In assurance dimension, the customer can not willing to the service such as trustworthy skill of service providers, responsible and accountable of employees. In general, it was found that, the overall service provided by FNIG according to the customer perception, they like the service providing through employee and then company keeps accurate records regarding with their records. Most of the employees are well-experience and knowledge concerning with insurance.

5.2 Suggestions and Recommendations

While it is gratifying that four out of seven service characteristics achieved customer satisfaction, three aspects—responsiveness, empathy, and assurance—require enhancement. The company needs to strengthen its four successful dimensions (tangible, reliability, technical, and reputation/image) while specifically addressing the three underperforming areas of responsiveness, empathy, and assurance. To improve operational efficiency, the company should implement a robust customer complaint management system, establish clear service timelines, and develop standard operating procedures for common customer requests. Consistent customer service may enhance customer satisfaction through personnel training and performance monitoring.

FNIG should enhance its effectiveness and efficiency by demonstrating a genuine commitment to resolving issues as promised and on the first attempt. An extensive personnel training and development program should be instituted, emphasizing customer complaint resolution, technical knowledge augmentation, and soft skills enhancement to assist clients, deliver fast service, and maintain a cordial demeanor. FNIG employees should be educated to discern the distinctive demands of consumers and to attend to each individual client meticulously.

Moreover, FNIG should institute personal development initiatives for its staff. Despite the qualifications and skills of the majority of FNIG personnel, significant unfavorable gaps were identified about their performance. Furthermore, staff motivation and performance must be managed through performance measures centered on customer satisfaction, incentive programs, and frequent reviews accompanied by feedback. Strategic objectives must encompass preserving the robust brand image, enhancing service delivery efficiency, and instituting complete customer relationship management systems.

FNIG, as a non-governmental organization, suggests that non-financial motivational factors, such as recognition, working conditions, and training, are superior than money incentives, including pay and bonuses. Given that service quality is inconsistent and varies according to consumer demands, it is advisable for the entire service provider group to endeavor to enhance and elevate service quality to achieve customer satisfaction.

Finally, a systematic monitoring and evaluation process should be established, including regular service quality audits, customer satisfaction surveys, and continuous improvement programs based on feedback. These enhancements will help address the identified require while building on the company existing strengths in tangible, reliability, technical, and reputation dimensions. The implementation of these recommendations should be prioritized based on the company resources and capabilities, with a focus on areas that will have the most immediate impact on customer satisfaction and service quality.

5.3 Needs for Further Research

The study focused on customers from Nay Pyi Taw. There may be different customers with different perceptions. Thus, further studies should focus on other customers in other areas. This study focuses on single provider in the insurance industry. It cannot represent the entire population in the insurance industry. It is needed to extend research beyond the current customer base in FNIG including diverse demographic groups across different regions of Myanmar. It is also needed to conduct further studies in other insurance service providers with large sample size to figure out customer satisfaction on service quality in the whole insurance industry by comparing urban and rural customer expectations and perceptions. It is needed to study the impact of digital transformation on service quality and research the technical role service delivery.

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APPENDIX - A

QUESTIONNAIRE

Dear Respondents, this questionnaire is designed to collect information how you feel about the service quality delivered by your insurance company in Myanmar. This survey questionnaire is concerned with a study on service quality and policyholder (customer) satisfaction of FNI (General) Company in Naypyitaw. This study is being conducted as part of the requirements for master thesis of MI Programme in Yangon University of Economics. Your response is very important, so please answer all the questions. We appreciate your contribution and thank you very much in advance.

Section (I)
General Information (Personal Data)

Please tick the appropriate answer in the box where applicable.

1. Gender

   ☐ Female

   ☐ Male

2. Age

   ☐ Under 30 years

   ☐ 30 – 39 years

   ☐ 40 – 49 years

   ☐ 50 years and more

3. Marital Status

   ☐ Single

   ☐ Married

4. Education Level

- ☐ Basic Education
- ☐ Under Graduate
- ☐ Graduate
- ☐ Post Graduate

5. Monthly Income

- ☐ 200,000 Kyats and less
- ☐ 200,001 to 400,000
- ☐ 400,001 to 600,000
- ☐ More than 600,000 Kyats

6. Jobs

- ☐ Government staff
- ☐ Own Business
- ☐ Private staff
- ☐ Other (Please specify)

7. Who suggest you to buy insurance product?

- ☐ Friends
- ☐ Policyholder
- ☐ Insurance Agent
- ☐ Sale person

8. How long have you been a customer to FNI (General) Company?

- ☐ Less than 1 year
- ☐ 1-2 years
- ☐ 3-4 years
- ☐ More than 4 years

9. Which type of insurance policy do you buy from FNI (General) Company?

- ☐ Life insurance
- ☐ Non- life insurance (general)
- ☐ Both life and non-life

10. Which general insurance product do you buy from FNI (General) Company?

- ☐ Fire insurance
- ☐ Personal accident insurance
- ☐ Comprehensive car insurance
- ☐ Marine Cargo insurance
- ☐ Travelling insurance
- ☐ Health insurance

Section (II)

Service Quality

In your opinion, how does the service quality of your insurance company meet your expectations in terms of following dimension items in the table?

Please check the level of your agreement to the following statements:
(1=strongly disagree, 2=Disagree, 3=neither agree or disagree, 4=Agree, 5= strongly agree)

1. Functional Quality (Tangible)

Sr. No.	Statement	1	2	3	4	5
1	FNI Company arranges catalogues to get information regarding insurance product.					
2	FNI Company is spacious and clean environment.					
3	FNI Company provide enough car parking space.					
4	Employees of FNI Company are well dressed and appear neat.					
5	FNI Company office is pleasant and attractive.					
6	Telephone, air conditioners, chair and table are modern and clean.					
7	FNI Company provide good facilities for customer (e.g. free Wi-Fi, coffee, drinking water, magazines and journals).					

2. Functional Quality (Reliability)

Sr. No.	Statement	1	2	3	4	5
1	FNI Company delivery insurance services timely.					
2	FNI Company is keeping to promises to you truly.					
3	FNI Company is consistent in solving customer's (your) complaints.					
4	FNI Company performs the services right the first time.					
5	FNI Company keeps accurate records regarding with your records.					
6	Employees of company are able to accurately answer your question.					
7	When you have a problem (accident), FNI company shows a sincere interest in solving it.					

3. Functional Quality (Responsiveness)

Sr. No.	Statement	1	2	3	4	5
1	Employees of FNI Company explain you exactly when service will be performed.					
2	FNI Company gives prompt services to customers' needs/ problem.					
3	Employees of FNI Company are willing to help customers in emergency situation.					
4	Employees of FNI Company can communicate clearly with you.					
5	The service providers of company are always ready to respond customer.					
6	If there is a problem, it is easy to reach the appropriate person from company.					
7	Employees of FNI Company can handle customer's complaints directly and immediately.					

4. Functional Quality (Empathy)

Sr. No.	Statement	1	2	3	4	5
1	Employees of FNI Company are making customer feel safe in their transaction.					
2	Employees of FNI Company are sincerity and patience in resolving customer’s complaints / problems					
3	FNI Company has customer’s best interest at heart.					
4	FNI Company gives individual customer attention					
5	FNI Company makes efforts to understand specific customer needs					
6	FNI Company apologies for inconvenience caused to customers.					
7	Employees of FNI Company treat customer with kindness and patient.					

5. Functional Quality (Assurance)

Sr. No.	Statement	1	2	3	4	5
1	The behaviors of employee are instilling confidence in customers.					
2	Employees of company have skill and knowledge to answer customer’s questions.					
3	The employees of company are well- experienced.					
4	The communication between employees and clients are effective.					
5	Employees of FNI Company are polite and friendly to customers					
6	Employees of FNI Company are honest and trustworthy in performance.					
7	Employees of FNI Company are responsible and accountable.					

6. Technical Quality

Sr. No.	Statement	1	2	3	4	5
1	FNI Company can handle successful in completing insurance claims settlements					
2	Employees of FNI Company have technological knowledge and skills in solving customer problems					
3	FNI Company is ability to provide insurance products / policies that meet customers' requirement.					
4	Employees of company have innovativeness-ability to use current technology to improve services.					
5	FNI Company distribute the latest information to its customers in time					
6	FNI Company services one stop service for customer.					
7	FNI Company received premium amount by on line payment.					

7. Reputation/ Image Quality

Sr. No.	Statement	1	2	3	4	5
1	FNI Company is the best quality in customers' mind.					
2	Purchase insurance policy of FNI Company expresses customers' personality confidence.					
3	The product design of FNI Company differentiates rather than competitor.					
4	FNI Company is fair service match equity customer' values					
5	FNI Company gives the positive perception in customers' mind.					
6	FNI Company's brand image & logo easily recognize for customers.					
7	Brand of FNI Company is popularity within one year.					

Section (III)

Customer Satisfaction on Service Quality Dimensions

Please check the level of your satisfaction level to the following statements:
(1=strongly disagree, 2=Disagree, 3=neither agree or disagree, 4=Agree, 5= strongly agree)

Sr. No.	Description	1	2	3	4	5
1	I satisfied the information regarding insurance product arranged by the company with catalogues.					
2	I satisfied with delivering services in promised time					
3	I satisfied the company keeps accurate records regarding with your records.					
4	I satisfied the apologies for inconvenience caused to customers.					
5	I satisfied the employees of the company were able to solve my problem.					
6	I satisfy that I can communicate with every employee anytime to ask for help.					
7	I satisfied that insurance claims settlements are completely.					

Section (IV)

Customer Loyalty

Please check the level of your satisfaction level to the following statements:

(1=strongly disagree, 2=Disagree, 3=neither agree or disagree, 4=Agree, 5= strongly agree)

Sr. No.	Description	1	2	3	4	5
1	I feel emotionally connected to this insurance company.					
2	I prefer to stay with this insurance company rather than switch to competitors.					
3	I would recommend FNI Insurance Company to my family and friends.					
4	I am likely to renew my policy with FNI Insurance Company when it expires.					
5	I trust FNI Insurance Company to protect my interests and provide reliable coverage.					
6	I feel valued as a customer by FNI Insurance Company.					
7	I prefer to stay in this insurance company because of delivering services in promised time.					

APPENDIX – B

Correlation Analysis of Service Quality Dimension and Customer Satisfaction

		Tangible	Reliability	Responsiveness	Empathy
Tangible	Pearson Correlation	1	.713**	.690**	.703**
	Sig. (2-tailed)		.000	.000	.000
	N	150	150	150	150
Reliability	Pearson Correlation	.713**	1	.840**	.783**
	Sig. (2-tailed)	.000		.000	.000
	N	150	150	150	150
Responsiveness	Pearson Correlation	.690**	.840**	1	.874**
	Sig. (2-tailed)	.000	.000		.000
	N	150	150	150	150
Empathy	Pearson Correlation	.703**	.783**	.874**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	150	150	150	150
Assurance	Pearson Correlation	.691**	.794**	.851**	.886**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150

		Tangible	Reliability	Responsiveness	Empathy
Technical	Pearson Correlation	.724**	.796**	.906**	.899**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Image	Pearson Correlation	.714**	.769**	.826**	.845**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Satisfaction	Pearson Correlation	.672**	.811**	.858**	.871**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150

		Assurance	Technical	Image	Satisfaction
Tangible	Pearson Correlation	.691**	.724**	.714**	.672**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Reliability	Pearson Correlation	.794**	.796**	.769**	.811**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Responsiveness	Pearson Correlation	.851**	.906**	.826**	.858**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Empathy	Pearson Correlation	.886**	.899**	.845**	.871**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Assurance	Pearson Correlation	1	.890**	.852**	.854**
	Sig. (2-tailed)		.000	.000	.000
	N	150	150	150	150
Technical	Pearson Correlation	.890**	1	.877**	.918**
	Sig. (2-tailed)	.000		.000	.000
	N	150	150	150	150
Image	Pearson Correlation	.852**	.877**	1	.905**
	Sig. (2-tailed)	.000	.000		.000
	N	150	150	150	150
Satisfaction	Pearson Correlation	.854**	.918**	.905**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	150	150	150	150

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation Analysis between Customer Satisfaction and Customer Loyalty

		Satisfaction	Loyalty
Satisfaction	Pearson Correlation	1	.852**
	Sig. (2-tailed)		.000
	N	150	150
Loyalty	Pearson Correlation	.852**	1
	Sig. (2-tailed)	.000	
	N	150	150

**. Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis Result for Service Quality and Customer Satisfaction

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.949[a]	.901	.896	.20928	.901	184.312	7	142	0.000	2.135

a. Predictors: (Constant), Image, Tangible, Reliability, Empathy, Assurance, Responsiveness, Technical
b. Dependent Variable: Satisfaction

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.508	7	8.073	184.312	.000[b]
	Residual	6.219	142	.044		
	Total	62.728	149			

a. Dependent Variable: Satisfaction
b. Predictors: (Constant), Image, Tangible, Reliability, Empathy, Assurance, Responsiveness, Technical

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.401	.125		3.207	.002		
	Tangible	.105	.039	.112	2.704	.008	.409	2.448
	Reliability	.193	.053	.193	3.636	.000	.247	4.051
	Responsiveness	-.063	.074	-.062	-.858	.392	.132	7.587
	Empathy	.116	.064	.127	1.808	.073	.142	7.023
	Assurance	-.060	.068	-.059	-.876	.382	.153	6.538
	Technical	.454	.078	.482	5.802	.000	.101	9.899
	Image	.376	.055	.408	6.780	.000	.192	5.198

a. Dependent Variable: Satisfaction

Regression Analysis Result for Customer Satisfaction and Loyalty

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.852a	.726	.725	.35874	.726	393.124	1	148	.000	1.872

c. Predictors: (Constant), Satisfaction
d. Dependent Variable: Loyalty

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.594	1	50.594	393.124	.000b
	Residual	19.047	148	.129		
	Total	69.641	149			

c. Dependent Variable: Loyalty
d. Predictors: (Constant), Satisfaction

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.417	.191		2.181	.031		
	Tangible	.898	.045	.852	19.827	.000	1.000	1.000

b. Dependent Variable: Satisfaction