

**Effects Of Perceived Cost, Service Value, And Corporate Image On Customers'  
Behavioral Intentions In The Healthcare Insurance Industry In Delhi-Ncr.**

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**ABSTRACT**

Numerous developments in the health insurance and healthcare industries have hampered the expansion of health insurance as a healthcare financing method in India. The present study investigates the effects of cost/service price perceptions on behavioral intentions and brand preferences (as moderated by customer satisfaction). It also determines the influence of perceived service value and the corporate image on brand preference and customer behavioral intentions. This study shows that happy consumers acquire a brand preference for the insurers that provide them with good services. This research adds to the body of knowledge in this field by demonstrating the favorable influence of perceived service costs on brand selection in the Indian healthcare insurance sector. This study addresses a knowledge vacuum by examining if a mediating impact of customer satisfaction exists in India's healthcare insurance sector and how powerful it is. Both the healthcare insurance business and the general public benefit from the research.

**Keywords:** Healthcare Insurance, Perceived cost, Service value, Corporate image, Customer Satisfaction, Brand Preference.

**I. INTRODUCTION**

One of the essential components of the healthcare management system is health insurance. (Yellaiah and Ramakrishna, 2012). However, during the last decade, numerous developments in the health insurance and healthcare industries have hampered the expansion of health insurance as a healthcare financing method in India. The Indian health insurance business is fiercely competitive, and insurance firms can obtain a competitive edge by focusing on crucial success criteria. (Kumar and Duggirala, 2021).

Furthermore, most health insurance policies are one-year contracts, and customers must renew their policies each year to stay in the insurance pool. Understanding the factors that influence demand for

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health insurance and renewal decisions is critical for the insurance industry's future growth and development. Customer satisfaction is one of the many variables that influence a policyholder's choice to renew his or her policy. (Bhat and Jain,2007).

Customers may also have various health insurance policy types, coverage, sum insured, hospitalization benefits, inclusions, and exclusions. This also covers whether a buyer is prepared to pay a higher price for a product due to its perceived brand value, exclusivity, or quality.

Product price that appeals to both the target consumer and the intermediaries engaged in selling the health insurance policy is another critical aspect in making judgments about buy intentions for a health insurance policy.

In light of this, the goal of this study is to accomplish the following objectives:

### **II. RESEARCH OBJECTIVES**

**The present study aims to fulfill the following objectives:**

- To investigate the effects of cost/service price perceptions on behavioral intentions and brand preference (as moderated by customer satisfaction).
- To determine the influence of perceived service value on brand preference and customer behavior.
- 3. To investigate the impact of the connection between brand image and behavioral intentions of health insurance customers.

### **III. REVIEW OF THEORY AND EMPIRICS**

We conducted a thorough evaluation of the relevant research to achieve the goals above.

The review was carried out by categorizing the research papers according to the various research objectives that will be evaluated in the current study.

#### **A. Evaluation of the Effects of Service Price Perceptions on Behavioural Intentions and Brand Preference**

By examining the link between service quality, satisfaction, and behavioral intentions in Ayurveda, (Suhail and Srinivasulu, 2020) tried to identify the perceived variations of healthcare customers in Ayurveda. The initial survey of 404 respondents (primarily women patients) revealed that, except for education, healthcare consumers' perceptions of service quality and patient satisfaction varied according to socioeconomic factors. It was also mentioned that in Ayurveda healthcare, the power of client happiness plays a vital part in the link between performance-based service quality and behavioral intents. Simply put, more loyal healthcare customers can only be gained through improving service delivery quality and increasing patient satisfaction.

Another study, conducted by Wong et al. (2014). looked at the impact of customer satisfaction on customer loyalty in the Hong Kong healthcare insurance industry. According to the authors, customer loyalty in the health insurance industry is allegedly influenced by satisfaction, brand preference, and switching costs. Customer satisfaction was discovered to have a favorable direct influence on customer loyalty as well as brand preference. As a result, brand preference has a direct beneficial impact on consumer loyalty. The research findings give management of Hong Kong's healthcare insurance carriers new and helpful insights that will help them better understand their consumers.

In a study of 624 respondents, Abu-Salim et al. (2017) looked at the influence of service pricing on consumers' perceptions of service quality and service-continuance intentions. It summarises the empirical research findings that looked at the effects of service cost, service quality, and customer satisfaction on health insurance customers' behavioral intentions to stay with or leave their current service providers. Although highly happy health insurance clients are more likely to keep their

existing service providers, consumer discontent does not always result in discontinuation. The findings have some practical implications for health insurance executives, including lowering attrition and increasing client retention.

### **B. The Influence of Perceived Service Value on Customer Satisfaction and the Brand Preference**

According to Johnson and Weinstein (2004). 'by continually offering greater perceived value to the relevant consumers, a significant competitive advantage may be obtained.' The perceived value may also be produced when client expectations and product/service standards are aligned.

Although the link between customer happiness and service quality has been studied in various industries, the influence of the relationship between perceived value and loyalty has largely been overlooked from a health insurance standpoint (Peterson, 2004). As a result, it is more important than ever to grasp the nature of service attributes concerning consumers' perceived value of healthcare insurance products.

The participants of the Malang branch of the National Health Insurance Office (Wijaya et al., 2020) were studied to see how service quality affects perceived value as mediated by brand image and trust. Researchers found that service quality had a significant effect on trustworthiness and brand image, whereas perceived value significantly impacted brand image based on their research with 170 individuals. Perceived value has little impact on trust, but the brand image does. Our findings show that the Social Security Administration's branch in Malang must maintain and enhance the quality of its services while also promoting and socializing the reliability of its brand.

Chinese-speaking patients' satisfaction and loyalty in the medical care industry were examined in different research (Chou et al., 2019). Customer satisfaction and loyalty were influenced by five different elements of Service Quality, including the company's image, perceived value, and trust. The answers of 406 Chinese-speaking patients who used Thai medical services were studied using structural equation model analysis. The results indicated that the image of a medical institution has a substantial beneficial impact on five aspects of service quality. The research ended with several recommendations for potential changes that can be created following the company's image and service quality.

In Egypt, (Mohsen et al. 2018) studied the impact of several aspects of perceived value on customer engagement and loyalty using an integrative framework. The findings indicated that perceived value had a beneficial influence on behavioral intentions. In addition, numerous health care facilities have implemented an active method for accepting complaints and involving clients in the resolution process. The study's sample selection was defined narrowly, which was one of its weaknesses. The bulk of the participants were male university students under the age of 25. As a result, future researchers should concentrate their efforts on researching female customers of healthcare institutions in Egypt.

### **C. The Relevant Connection between the Brand Image and Behavioural Intentions of the Health Insurance Customers**

Brand preference research is still in its infancy in the services industry. This lack of concentration is particularly apparent when it comes to healthcare insurance.

Brand recognition is important in the service industry since quality assessment and evaluation are particularly subjective and intangible. The insurance industry has spent much money on branding initiatives, such as intensive customer loyalty through agents, advertisements, brochures, publicity materials, sponsored programmers, and social media activities, to develop and enhance consumer awareness and, hopefully, influence their choices. Customers' contentment with insurance services drives their continued use of such services.

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That is why they looked at how terms and social media affect hospital brand image in one of their research (Cham et al., 2016). Patients' perceptions of service quality, contentment, and behavior all had a role in the researchers' findings. According to the analysis of structures, the hospital's social media and term initiatives substantially affected how consumers viewed the brand. When it comes to perceptions of service quality, medical tourists are swayed by hospital brand image. These tourists' experiences, in turn, impact their judgments of service quality.

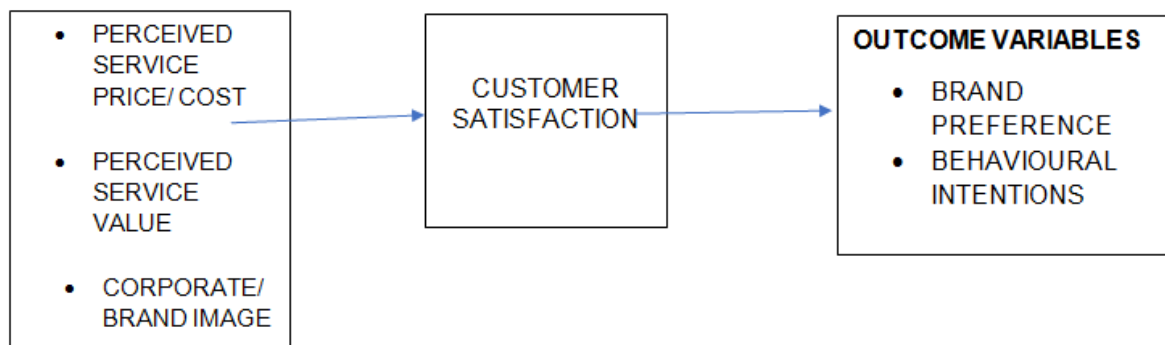
Another research investigated and assessed the quality of treatment given by private hospitals in Bhopal, central India (patient satisfaction and loyalty) (Murthi et al., 2017). Multiple regression was used to examine the relationship between the construction of a comprehensive service quality assessment scale, patient satisfaction, and healthcare environment behavioral intentions. The link between servqual and behavioral intentions was found to be moderated by customer satisfaction. Evidence suggests that quality of service and patient satisfaction are important predictors of future behavior in Indian health care.

We developed a conceptual model based on the study's objectives and a thorough assessment of related work in the past.

### IV. CONCEPTUAL MODEL

#### Conceptual Approach: Figure 1

#### Independent / Input Variables



#### A. Moderating Variable

**The above figure portrays the conceptual model of the present study.**

In this study, we shall be looking at the impact of the service cost or price perceptions of the health insurance on the brand preference and the behavioral intentions of the health insurance customers (moderated by the customer satisfaction variable.)

Secondly, we shall also be looking at the perceptions of the service value on the brand preference and behavioral intentions of health insurance customers. (moderated by customer satisfaction.)

Also, from the above review of theory, it is clear that the corporate or brand image of the health insurance company also plays a significant role in deciding the brand preference and the behavioral intentions of the customers.

The outcome variables assumed in our study are:

Brand Preference and behavioral intentions.

### V. RESEARCH METHODOLOGY

The research design is the researcher's plan, as it lays out the technique for gathering data and drawing meaningful conclusions from it.

Customers who have already used health insurance services in hospitals with various levels of illness and disease make up the population. Personal sources, insurance company databases, and hospital patient databases will all be used to gather information.

**Design of the Study:** A descriptive research design will be used, in which the study's hypotheses will be experimentally evaluated.

We attempted to explore the following hypothesis in this study:

**A. Hypothesis of Research**

**H1a:** Service price fairness has a positive impact on customer satisfaction and customers' behavioral intentions.

**H1b:** Service Value significantly influences the behavioral intentions of the customers.

**H1c:** Brand image positively impacts customer satisfaction and behavioral intentions.

**Sampling Method:** In the context of hospitals, the following approaches would be used to choose the sample involvement of customers towards medical insurance:

Two-stage:

For the study, we will first pick commercial and public health insurance providers. To assure sample representativeness, use a non-probability quota sampling approach based on geography and other characteristics.

Within the specified insurance firms, the simple Sampling technique will be used to choose responders.

**Sample Size:** Based on statistical methodologies, at least 300 customers using health insurance at hospitals in Delhi's National Capital Region.

**Questionnaire Design:** A structured questionnaire was developed based on talks with various end-users, consumers, and literature reviews. The questionnaire had around 30 questions, and the responses were graded on an appropriate scale for the situation.

Based on statistical methodologies, insurance facilities at hospitals in Delhi's National Capital Region.

**VI. ANALYSIS**

The SPSS program (version 26) was used to analyze the data gathered for this investigation. The various research objectives of the present study have been analyzed as follows:

**6.1 The effects of cost/service price perceptions on behavioral intentions and brand preference for health insurance(as moderated by customer satisfaction).**

To test Hypotheses 1a, a regression analysis was used to test hypothesized relationships between the variables. The effects of the service price perceptions were seen on the behavioral intentions and the brand preference.

**Table 1: Regression Analysis of the Variables ( Outcome Variable: Brand Preference)**

<b>Overall Model Results</b>	
<b>Adjusted R<sup>2</sup></b>	<b>0.42</b>
<b>R</b>	<b>0.69</b>
<b>Standard error</b>	<b>0.52</b>
<b>Dependent variable</b>	<b>Brand Preference</b>

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<b>Independent variables</b>	<b>Coefficients</b>	<b>Standard error</b>	<b>t (df = 243)</b>	<b>p-value</b>	<b>Standardized coefficients</b>
<b>Intercept</b>	<b>0.14</b>	<b>0.56</b>	<b>0.67</b>	<b>0.90</b>	<b>0.02</b>
<b>Service Price Perceptions</b>	<b>0.34</b>	<b>0.07</b>	<b>2.89</b>	<b>0.39</b>	<b>0.51</b>
<b>Perceived Service Value</b>	<b>0.18</b>	<b>0.05</b>	<b>1.65</b>	<b>0.56</b>	<b>0.08</b>
<b>Customer Satisfaction</b>	<b>0.45</b>	<b>0.04</b>	<b>3.67</b>	<b>0.45</b>	<b>0.72</b>

Above table 1 shows the results of the regression analysis. The correlation coefficient value R is 0.69. This shows a high positive correlation among the variables. Given the dependent variable as brand preference and the independent variables as Service Price Perceptions, Perceived Service Value, and Customer Satisfaction, the table clearly shows the high positive coefficient values of the independent variables (given the significant p-values).

**Table 2: Regression analysis of the model (Outcome Variable: Behavioral Intentions)**

<b>Adjusted R<sup>2</sup></b>	<b>0.56</b>				
<b>R</b>	<b>0.64</b>				
<b>Std. Error</b>	<b>0.98</b>				
<b>Dependent variable</b>	<b>Behavioral Intentions</b>				
<b>Independent variables</b>	<b>Coefficients</b>	<b>Standard error</b>	<b>t (df = 250)</b>	<b>p-value</b>	<b>Standardized coefficients</b>
<b>Intercept</b>	<b>0.14</b>	<b>0.53</b>	<b>-0.67</b>	<b>0.78</b>	<b>0.01</b>

Table 2 given above shows the results of the regression analysis. The correlation coefficient value R is 0.64. This shows a high positive correlation among the variables. Given the dependent variable as behavioral intentions of the health insurance customers and the independent variables as Service Price Perceptions, Perceived Service Value, and Customer Satisfaction, the table clearly shows the high positive coefficient values of the independent variables (given the significant p-values).

Thus, these results also confirm our hypotheses H1 a and H1 b, whereby the service price fairness positively impacts customer satisfaction and the behavioral intentions of the customers. Moreover, the Service Value also significantly influences the behavioral intentions of the customers.

**A. The Evaluation of the Influence of Perceived Service Value and Brand Image on Brand Preference and Behavioural Intentions of the Health Insurance Customers**

The study of CFA and latent variable connections are included in the Structural Equation Model using AMOS. Validity reliability measurement and variable relationships to test the hypothesis may be included in this study.

The validity test is verified by a standardized loading factor > 0.5, and the reliability test is confirmed by a Cronbach alpha > 0.7. This study found that all of the questionnaire questions were valid and reliable. As a result, all of the indicators have good and appropriate measures based on statistical criteria. The study's validity in assessing standardized loading factor also indicates that it meets the CFA in SEM criterion.

### B. Relationships among the Variables

The whole SEM model can be seen in Figure 1, from which some of the regression coefficients of each route analysis may be deduced.

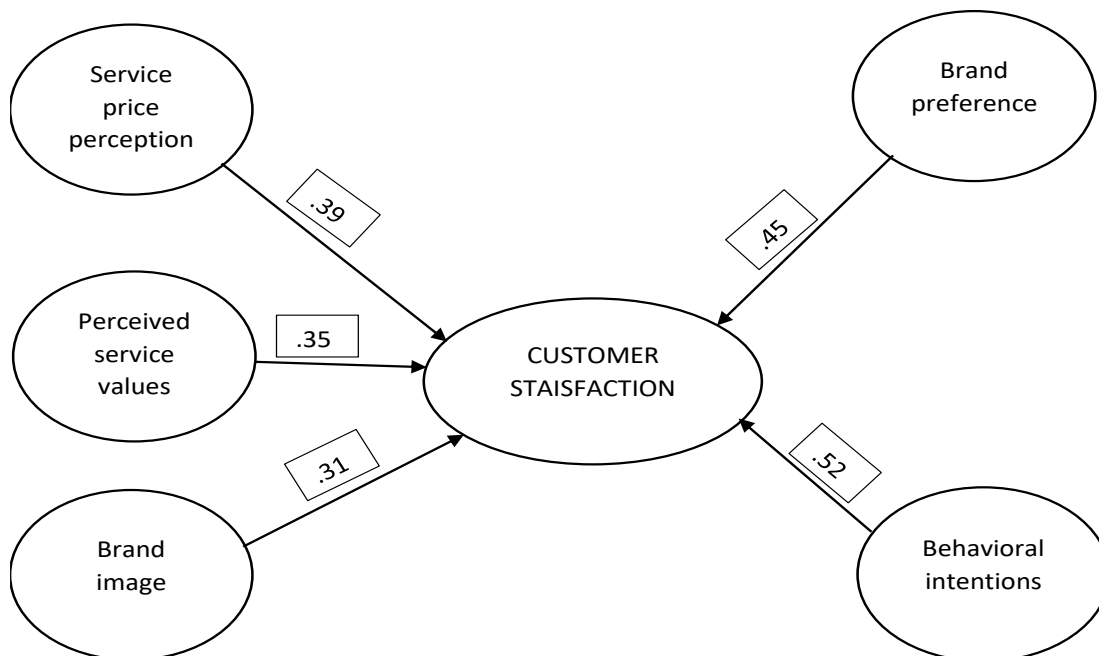


Figure 1: Perceived service cost, service quality, satisfaction, brand image, and behavioral intention all have structural connections.

\*  $p < 0.05$  (significance value)

As can be seen in the graph above, there is a positive correlation between perceived service quality and service pricing and brand preference and behavioral intentions.

The standardized factor loadings have also been shown in the above figure.

## VII. FINDINGS AND DISCUSSION

As seen from the above study, customer happiness is often a significant predictor of purchase intentions and behavior in the service business. Despite the initial concern that different results could be obtained owing to the unique nature of the healthcare insurance sector, this analysis indicates the same.

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The perceived degree of customer satisfaction as a deciding factor in choosing and preferring different health insurance companies. This study shows that happy consumers acquire a brand preference for the insurers that provide them with good services.

This research adds to the body of knowledge in this field by demonstrating the favorable influence of perceived service costs on brand selection in the Indian healthcare insurance sector.

To date, no previous studies have been done on the mediating role of brand preference in the causal connection between customer pleasure and customer loyalty in the healthcare insurance industry, according to the researcher. This research fills a knowledge gap by determining whether or not the Indian healthcare insurance industry has a mediating effect and how significant that influence is.

This research contributes to the growing body of knowledge regarding how healthcare customers' brand preferences, service satisfaction, and cost affect their loyalty.

Both the healthcare insurance business and the general public benefit from the research. The findings imply that practitioners should develop suitable methods to increase their performance and retain clients. Another conclusion of the study's results is that policymakers should design stronger and more extensive regulatory mechanisms to increase the reformed system's acceptability and improve policyholder protection.

### **VIII. SOME SHORTCOMINGS OF THE STUDY**

Even though this study will help academics better understand the links between service quality in the health insurance sector, client happiness, and behavioral intention, it is also important to point out the study's flaws.

Because the current study was done exclusively in India's Delhi-NCR region, the findings cannot be generalized to other contexts. As a result, similar research should be conducted in other areas to expand the findings' generalizability.

Despite these limitations, the findings provide valuable markers for further study. A future study might look into how medical insurance companies (both public and private) perceive service quality and how it influences other factors such as satisfaction and behavior.

### **IX. CONCLUSION**

Insufficient research has been done in developing countries to investigate the sorts of relationships that exist between three essential constructs: service quality, customer satisfaction, and behavioral intentions in recent years. Most research has been conducted in industrialized countries and cannot be applied to the Indian setting. Furthermore, research in India is quite limited.

This study aimed to find dimensions and relationships between essential factors in private and public health care insurance: service quality, perceived prices of services, satisfaction, and behavioral intentions.

The combination of various viewpoints improves our comprehension of these concepts. The findings mentioned above offer a variety of consequences for research and management and important insights into different customers' views in health care settings.

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