

Midocean University

College of Management

Department of Master of management



The Impact of Electronic Management on Customer Experience in Vehicle Insurance Companies within the Riyadh Region

Prepared by:

Nada Alharbi

Hanna Nassr

Ahlam Alshahrani

Supervised by:

Waleed Soliman

AL Faisal Abdulhameed

Year:

2023-2024

((وَآخِرُ دَعْوَاهُمْ أَنِ الْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ))

تجري الرياح كما تجري سفينتنا

نحن الرياح ونحن البحر والسفن

الحمد لله الذي ما نجحنا وما علونا ولا تفوقنا إلا برضاه الحمد لله الذي ما اجتزنا درباً ولا تخطينا جهداً إلا بفضلته وإليه ينسب الفضل والكمال والإكمال.

لنلناها وعانقنا اليوم مجداً عظيماً ، فعلناها بعد ان كانت مستحيلة ، كانت دروباً قاسية ، وطرقاً طويلة لكن "وصلنا" الحمد لله حباً وشكراً وإمتناناً ، الحمد لله الذي بفضلته أدركنا أسى الغايات و حلماً طال انتظاره ، تتحقق بفضل الله وأصبح واقعاً نفتخر به.

أسى الشكر والتقدير لجامعة ((ميدأوشن)) قسم ماجستير الإدارة ولأساتذتنا الكرام الدكتور/ وليد سليمان و الدكتور/ الفيصل عبدالحميد ، جهودكم ومساندتكم كانت داعماً لنجاحنا ووصولنا لما نحن عليه .

شكراً لعائلاتنا نبراس ايامنا ووهج حياتنا إلى من ظلت دعواتهم تضم أسماءنا دائما دون كلل . كانوا لنا درعاً حصين وجسراً متين لمواجهة الصعاب .

شكراً للدكتور / نائل زعبل ، امن بقدراتنا وراهن على نجاحنا وتفوقنا وذكرنا بمدى قوتنا واستطاعتنا .

شكراً لكل من كان عوناً وسنداً في هذا الطريق ، لأصدقاء ورفقاء السنين وأصحاب الشدائد والأزمات. و الشكر موصول لأنفسنا على الصبر والعزيمة والإصرار ، والتي كانت اهالاً للمصاعب .

وأخيراً من قال أنا لها "نالها" ونحن لها وإن أبت رغما عنها آتينا بها .

ها هو اليوم العظيم أتى بفضل الله وبمنه وكرمه ، فالحمد لله الذي ما تيقنا به خيرا واملأ إلا وأغرقنا سروراً ينسينا مشقتنا .

Content index:

Thanks 2

Contents 3

Tables 4

Abstract : 5

Chapter One 6

Introduction 7

Chapter Two

Chapter Three

Chapter Four

.....

Tables:

Abstract :

Chapter One

Introduction:

Saudi Arabia is not only an enabler of digital transformation, but has provided essential foundations for defining and redefining the essence of government duties. This is something that cannot be overlooked, as the world is currently witnessing technology developing dramatically and moving to new heights. In line with Vision 2030, the digital transformation of the Saudi government is an integrated, decisive and practical strategy aimed at enabling and accelerating government transformation efficiently and effectively. This transformation has been adopted through many e-government programs and projects, with the empowerment and support of various government institutions and bodies. It mainly aims to provide all government services digitally and make them easily accessible. The transformation strategy was designed and implemented in a way that maintains architecture alignment and keeps pace with the digital age, supported by digital skills, capabilities and tools. Vision 2030 provides an effective and well-planned transformation program known as the National Transformation Program, which aims to develop the necessary infrastructure and create an environment that enables the public, private, and non-profit sectors to achieve the goals of Vision 2030. Through the experience of the Corona pandemic, it became clear to everyone the importance of this digital transformation and the extent of its effectiveness. In serving communities in circumstances similar to this pandemic. Among the companies that have turned

to digital transformation are vehicle insurance companies in the Kingdom of Saudi Arabia.

Research scope:

This research was conducted on vehicle insurance companies within the Riyadh region in the Kingdom of Saudi Arabia.

Research Problem Statement:

In the dynamic landscape of the insurance industry, the research intends to explore and analyze the specific ways in which electronic management systems influence and shape the overall customer experience within vehicle insurance companies situated in the Riyadh region. By examining the adoption, implementation, and utilization of electronic management tools and processes, this study seeks to identify the key drivers that enhance customer satisfaction, efficiency, and service delivery in order to provide valuable insights for both insurers and customers in the context of Saudi Arabia's capital city.

Research Objectives:

1. Evaluating the extent of the spread and functionality of electronic management systems in vehicle insurance companies within the Riyadh region.

2 .Study the impact of applying electronic management systems on customer satisfaction, service quality, and the overall customer experience for vehicle insurance companies in Riyadh.

3 .Identify the main obstacles and potential benefits associated with the integration of electronic management systems in vehicle insurance companies in Riyadh.

Research Questions:

When we say Electronic Management in insurance companies, some questions come to mind:

1 .How can integrating advanced electronic management systems into vehicle insurance companies within Riyadh revolutionize the industry and redefine customer service standards?

2 .In what ways do innovative electronic management systems enable vehicle insurance companies in Riyadh to personalize customer interactions, leading to stronger relationships and increased customer loyalty?

Research Hypotheses:

- Null Hypothesis (H0): There is no significant relationship between the adoption of electronic management systems and customer satisfaction levels in vehicle insurance companies within the Riyadh region.

- Alternative Hypothesis (H1): There is a positive and significant relationship between the adoption of electronic management systems and customer satisfaction levels in vehicle insurance companies within the Riyadh region.
- Null Hypothesis (H0): The implementation of electronic management systems has no impact on improving service quality and customer experience in vehicle insurance companies within the Riyadh region.
- Alternative Hypothesis (H1): The implementation of electronic management systems positively impacts service quality and enhances overall customer experience in vehicle insurance companies within the Riyadh region.
- Null Hypothesis (H0): There are no significant challenges associated with the adoption of electronic management systems in vehicle insurance companies in Riyadh.
- Alternative Hypothesis (H1): There are identifiable challenges associated with the adoption of electronic management systems in vehicle insurance companies in Riyadh, which affect the enhancement of customer experience and satisfaction levels.

Theoretical Model:

The theoretical model proposed for the impact of electronic management on customer experience in vehicle insurance companies within the Riyadh region is based on the Service Profit Chain framework. The Service Profit Chain model emphasizes the interconnectedness of internal processes, employee satisfaction, service quality, customer satisfaction, and business performance. In the context of this research topic, the theoretical model can be adapted to focus specifically

on how the adoption of electronic management systems influences customer experience within the vehicle insurance industry in Riyadh.

Key Components of the Theoretical Model:

1- Internal Processes: Electronic management systems serve as a tool to streamline internal processes within vehicle insurance companies, including policy management, claims processing, customer communication, and data management. Efficient internal processes enabled by electronic systems are expected to lead to improved operational efficiency and service delivery.

2- Employee Satisfaction: The successful implementation of electronic management systems can enhance employee productivity, job satisfaction, and overall engagement. Empowered employees who have access to effective tools and systems are more likely to deliver high-quality services to customers, leading to improved customer experience.

3- Service Quality: Electronic management systems can contribute to enhancing service quality in vehicle insurance companies by enabling faster response times, accurate information processing, personalized customer interactions, and efficient problem resolution. Improved service quality is crucial for meeting customer expectations and building trust in the insurance provider.

4- Customer Satisfaction: Enhanced service quality and efficient processes supported by electronic management systems are expected to result in higher levels of customer satisfaction. Satisfied customers are more likely to renew their

policies, recommend the insurance company to others, and become loyal advocates of the brand.

5- Customer Experience: The culmination of efficient internal processes, employee satisfaction, service quality, and customer satisfaction lead to an enhanced overall customer experience. A positive customer experience encompasses all touch-points between the customer and the insurance company, from purchasing a policy to filing a claim and receiving support services.

6- Business Performance: Ultimately, a positive customer experience driven by the adoption of electronic management systems is expected to have a positive impact on the business performance of vehicle insurance companies within the Riyadh region. Higher customer satisfaction levels, increased customer loyalty, and improved operational efficiency can contribute to revenue growth, market competitiveness, and long-term sustainability.

The proposed theoretical model provides a framework for understanding the complex relationships between electronic management systems, internal processes, employee satisfaction, service quality, customer satisfaction, customer experience, and business performance in the context of vehicle insurance companies in Riyadh. By examining these interconnections, the research can uncover insights into how electronic management influences customer experience and shapes the success of insurance providers in the region.

Chapter Two

Literature Review:

The study of digital transformation has become the focus of interest for many researchers, especially in light of the presence of many electronic applications that serve the e-commerce and banking industries, which are less used in the insurance sector.

Many studies aimed to study the impact of this transformation and its quality on the service sector: banking, telecommunications and tourism. etc.) as a study (2018 Al-Weshah). Al-Bahi (2016), Tawahir Al-Hawari (2014), Siam (2014), and Haddad Gouda (2004). The study (Sahade & Purani, 2008) also identified privacy, the extent of service availability, advertising and promotion through the system, and processes. Employment) as basic variables for measuring electronic service quality.

The study also showed that those four dimensions that affect the quality of electronic service have a positive impact on customer satisfaction and loyalty. The study (Yen & L, 2008) identified efficiency, privacy, the extent of the company's commitment, and the availability of the system as important dimensions that link the quality of electronic service to customer satisfaction, and the study found (Zeithaml et al., 2002) both ease of navigation (navigation), flexibility, efficiency, and site design. Security is dimensions that have an impact on customer satisfaction. As well as the value of the service from the customer's perspective, and electronic fulfillment.

Durkin et al. (2008) studied satisfaction with banking transactions in the United Kingdom, assessing the relationship between customers' needs for complex products and their choice or preference for face-to-face or online service channels. Their findings represent a strong basis for this study, as these results showed that consumers who need simple products prefer the Internet over direct face-to-face interaction, and that if customers' reliance on using the Internet increases in completing their banking transactions and obtaining electronic services in general, it will increase. It directs them towards using the web to obtain combination products. Durkin et al.'s (2008) study also highlighted some of the factors that push consumers to use electronic services in the financial sectors, such as suitability, degree of security, and developed technology.

Siu & Mon (2005) proposed a set of dimensions to measure customer satisfaction, which were derived Based on Zeithaml et al.'s (2000, 2002) model for measuring the quality of service provided to bank customers via the Internet, it consists of four dimensions: credibility, efficiency, security, and the way of interacting with problems related to using the system.

Sohn & Tadisina (2008) designed a framework to measure customer satisfaction of financial institutions that provide their services over the Internet.

SERVERF and models (Cronin & Taylor, 1992-199), SERVQUAL (Parasuraman et al, 1985). As a model development, they built their hypotheses to explore how consumers evaluate electronic services, considering that service - not price - is the source of long-term competitive advantage in the digital age. The verified measurement contained five final dimensions (trust and communication with

customers, ease of use, website functioning, and the content available on it (Sohn & Tadisina, 2008).

The research (Vrechopoulos & Atherinos, 2009) confirmed - although it did not focus on measuring service quality. In general, the layout of the website in the banking sector greatly affects consumer behavior, and the trend towards using electronic banking services is greatly influenced by the structure of the site. Specifically, the web layout affects the user's acceptance of electronic banking services in terms of the benefit gained from using the website, ease of use, and the extent of technology acceptance. Ho & Lin (2010) tested a new tool to measure the degree of customer satisfaction with electronic services in the banking sector, and five dimensions were proposed: web design, customer service, reliability (the possibility of relying on it, and providing distinctive services.

Ho & Lin (2010) tested a new tool to measure the degree of customer satisfaction with electronic services in the banking sector. Five dimensions were proposed: web design, customer service, reliability (dependability), and providing distinctive services. And the availability of information, and this was consistent with the proposal of (2007, Cristobal et al).

Tarawneh (2012) proposed a framework that included factors of trust, website design, security level, and responsiveness. Customization and ease of use, which are positively related to customers' opinion of electronic banking services.

A group of studies also focused on studying the impact of electronic marketing on customer satisfaction, such as (Al-Halabi, 2017). And the study (Bani Youssef 2016) and the study (Al-Ajal (2016). These studies recommended

working to spread awareness of the importance of using electronic services, and the importance of supporting management to develop and improve the quality of electronic services. Many studies have studied electronic marketing and its impact on the insurance market. Some of these studies have found that early predictions of widespread adoption of the Internet as a marketing channel for insurance were inaccurate, and did not lead to the expected disappearance of independent agency systems and employee-led distribution channels, as Dumm & Hoyt (2002) showed that all private activities The marketing mix is practiced in the traditional manner, in addition to the fact that companies do not have an effective and advanced information system that meets all the requirements of e-marketing. Researchers attribute this to the modernity of e-marketing, as in the study of (Al-Zuhairi: Al-Baldawi (2013), the study of (Rabi' (2011), and the study of Abboud: Muhammad (2015). Others of them have concluded that the use of the Internet in various marketing activities affects life insurance sales and investment in general, as in the study of (Hossinpou et al., 2014), and the study of Al-Rubaie Jabbar (2014).

Abu Aara's study (2018) aimed to identify the extent of the impact of information technology in improving the performance of insurance companies, through its impact on sales growth, market share, customer satisfaction, creativity and education. The study also aimed to identify differences in the levels of application Information technology used by insurance companies according to demographic variables: academic qualification, job, number of years of experience, and company name. The study relied on distributing a questionnaire to cover the practical aspect and to answer the questions of the problem at hand. (98) questionnaires were distributed to the study sample,

which is represented in branches. Insurance companies in the city of Ramallah, Palestine. The study used the descriptive analytical approach using the statistical program (SPSS). The results of the study showed that insurance companies seek to provide the necessary computers and equipment for their employees. To carry out its work with the required speed and accuracy, and its interest in providing accurate and error-free databases, in addition to its endeavor to provide training workshops in order to raise the level of their performance and skills. The results also showed that insurance companies have effective communication networks to link all departments to each other, and to facilitate and facilitate the process of transferring information. It also seeks to develop communications networks on a regular basis and provide means of security and protection for its networks.

The study by Zayed et al., (2019) also aimed to explore as many factors as possible that influence the judgment of insurance applicants and policyholders on digital insurance services, the features or factors that the insurance company should pay attention to, and the factors that will encourage insurance customers to use repeatedly. The advantages of digital insurance, whether when purchasing insurance or managing the policy, and finally determining whether there are any standard practices that can be used to provide guidance in providing insurance services digitally. The study sample represented 32 insurance companies in the Kingdom of Saudi Arabia, and regression analysis methods were used and the impact was estimated. Using structural models and analysis of variance to test the study hypotheses, the results of the study showed that digital transformation in the provision of insurance services by Saudi insurance companies still needs major development in terms of

comprehensiveness and diversity of services, and the success of this is linked to the quality of electronic service as perceived by insurance customers.

The study (Abdelkader and Malika (2020)) aimed to know the impact of the new Corona virus (Covid-19) on insurance companies, by analyzing the most important causes of this waste, the direct and indirect factors of its occurrence, and the affected aspects, whether at the level of activities or structures in insurance companies, The sample of the study was the European insurance sector in general and its various branches, and despite the increase in insurance for people in light of epidemics and pandemics, in contrast, other insurance operations such as car insurance, air transport, construction, distribution networks, and others decrease. The study relied on the descriptive analytical approach, which is based to collect data for study and analysis, for the purpose of studying the subject in all its aspects, and for this purpose, many references and official websites specialized in the field of insurance that are related to the subject of the study were relied upon. The results of the study showed that the current controversy regarding coverage of epidemics against the backdrop of the current pandemic is a point A shift in all branches of insurance related to accidents and civil liability in insurance companies, as the risk of the pandemic emerging today represents a challenge to humanity, and it is a challenge that the world of insurance must support, especially reinsurance companies. It also showed that all insurance companies were affected by the very significant decline in demand for Insurance due to business interruption in light of companies' general expenses continuing at the same pace, in addition to a shortage in insurance company incomes that will result in a significant shortage of liquidity.

The study (Klonowska et al. 2020) aimed to identify the most important challenges facing the global insurance industry arising from the Corona (Covid-19) pandemic, as the study sample represented the insurance sector in Poland, and the study used the descriptive analytical approach to study the phenomenon of the outbreak of the epidemic in the long term. Long, and the study reached many results, the most important of which are: that the insurance business has been damaged by this epidemic, as well as the decrease in the volume of insurance policies sold to customers; This leads to lower profits and higher risks of inability to pay obligations represented in insuring the risks of the insured. However, in the long term, the study found a positive impact on insurance companies in terms of increasing awareness of the role of these companies in mitigating the negative effects of pandemics and epidemics.

The Babuna 2020 study aimed to show the impact of (Covid-19) on the insurance industry through a case study of the insurance sector in Ghana. The study period extended from March to June during a year where SARS-CoV (MERS) H1N1 (2020) and a parallel comparison with previous epidemics, such as the study by simulating the impact of the epidemic on the insurance industry. The study used personal interviews to estimate the impact of the epidemic. The results of the study showed that the current economic situation is heading towards recession with declining profits in addition to increasing claims due to partial and complete closure in various sectors in Ghana, the insurance industry has witnessed a loss currently estimated at 112 million, and in light of the results, the study recommended that insurance companies seek to adapt to indirect work from remote locations (digital insurance), training and equipping

employees to work under social distancing regulations, and enhancing information security protocols.

Al Mutrif Study 2020 This study aimed to investigate the extent of the possibility of digital transformation in public and private universities in the Kingdom of Saudi Arabia, in addition to monitoring the reality of digital transformation between them in light of global crises and disasters. The study found that there are statistically significant differences between public universities and private universities in the extent of the availability of the material elements necessary for digital transformation for the benefit of public universities. There are statistically significant differences between public universities and private universities in the extent of the availability of digital competencies among faculty members for the benefit of workers in the private sector. There are statistically significant differences between public universities and private universities in the possibility of digital transformation of education in light of crises in favor of private universities. It is clear from this that there is a significant effect of the difference in the university education sector on the extent of the possibility of digital transformation of education in light of the current crises.

Study by Al-Balushi et al, (2020) The study discusses the reality of digital transformation in the State of Oman, by knowing the extent of digital transformation within public institutions and evaluating it. The study relied on the descriptive approach and interviews to obtain data. The study concluded the great effort made by those institutions in spreading the culture of transformation among Beneficiaries to increase usage.

Study (Derbala 2020) The study aimed to present a complete unified model for the digital transformation process with the aim of supporting the Egyptian government's efforts in digital transformation, and building a common unified standard among all government agencies and associations responsible for digital transformation, and thus unifying the common concepts used in the digital transformation process, and unifying A methodology for studying, planning and implementing these initiatives to ensure that they achieve the objectives set for them.

Study by Ahmed Abu Zakaria (2016) The study dealt with the level of service performance and its impact on customer satisfaction. The problem of the study was to answer the following question: What is the effect of service quality on customer satisfaction? The study mainly aimed to identify the level of service performance in service institutions in achieving beneficiary satisfaction. The study reached results, the most important of which is that the quality of services positively affects customer satisfaction. There is also a positive relationship between the dimensions of service quality (responsiveness, tangibility and guarantee). The study concluded with: A set of recommendations, the most important of which is for the organization to provide more accurate and clear services with continuous development of the service and the establishment of training programs for employees.

Study (2010) (Jun & M) The study aims to test the relationship between the level of service performance in its dimensions and internal work satisfaction. The study reached a set of results, the most important of which is that internal customer satisfaction is a motivation for external customer satisfaction, and that the empathy factor is the most influential factor in achieving the level of

customer satisfaction. Internal service performance and internal customer satisfaction, in addition to friendly dealing and continuous improvement of the team's work.

Study (Bello 2008) The study aimed to identify the impact of the level of performance of internal services on the behavior of service providers to customers. It was conducted on first-line employees in banks in Greece. The study concluded that workers in those banks prefer to improve their efficiency and general behavior more than others. In order to achieve further improvement in the level of internal services, and when the level of performance of internal services increases, employees improve their overall performance, which helps the organization achieve external quality of services and achieve external customer satisfaction.

Digital transformation (Amin, 2018) Investing in thought and behavior change to bring about a radical transformation in the way of working by taking advantage of technical development to obtain wider and better service. Digital transformation provides huge potential for building effective, competitive and sustainable societies by achieving a radical change in services for various parties, including employees and beneficiaries, while improving their experiences and productivity through a series of proportionate processes, accompanied by reformulating the necessary procedures for activation and implementation.

The level of service performance (Ahlam, 2013) is a set of activities and processes with a utilitarian content inherent in the tangible and intangible elements provided by the service provider that are perceived by the beneficiaries through its utilitarian features and values, which constitute a

source of satisfying their current and future needs and desires. It also represents a source of the company's profits from During the exchange relationship between the two parties.

An applied study on the Saudi insurance sector (2019) Digital insurance: It is a digital transformation, that is, the conversion of all insurance services provided by insurance companies to all customers into digital, that is, a commercial company for insurance and speed services. As the draftsman is the use of computers based on robots or controllers and software in various industrial, commercial and service days in order to ensure the progress of work procedures in an automated, accurate and sound manner and with the least possible error.

Chapter Three

Research Methodology

Introduction:

This chapter outlines the research methodology employed in this study to investigate the impact of electronic management on customer experience in vehicle insurance companies within the Riyadh region. It encompasses the research design, target population, sample characteristics, sample size determination, data collection procedures, and method of analysis.

Research Design:

This study adopts a quantitative research design, utilizing a survey questionnaire to collect data from a representative sample of customers of vehicle insurance companies in the Riyadh region. The quantitative approach allows for the collection of numerical data that can be statistically analyzed to test hypotheses and draw conclusions.

Population of the Study:

The target population for this study comprises 60 customers of vehicle insurance companies operating within the Riyadh region. The population is vast and diverse, including individuals and businesses of varying demographics and insurance needs.

Sample Characteristic:

The sample for this study will be drawn from the target population using random sampling. This sampling method ensures that the sample is representative of the population in terms of key characteristics, such as age, gender, and type of insurance policy.

Sample Size Determination:

The sample size will be determined using the formula for sample size estimation with a confidence level of 95% and a margin of error of 5%. Based on previous studies and the expected variability in the data, a sample size of 384 respondents is deemed appropriate.

Data Collections procedures:

Data will be collected through a self-administered online survey questionnaire. The questionnaire will be designed to capture information on customer demographics, insurance policy details, experiences with electronic management systems, and overall customer satisfaction. The survey will be distributed via email and social media platforms to reach a wide range of potential respondents.

Method of Analysis:

The data collected will be analyzed using SPSS statistical software. Descriptive statistics will be used to summarize the data and provide an overview of the sample characteristics and key findings. Inferential statistics, such as

correlation and regression analysis, will be employed to test hypotheses and determine the relationships between electronic management and customer experience.