



**INSTITUTE OF HUMAN RESOURCE ADVANCEMENT**

***University of Colombo***

**HIGHER DIPLOMA IN SERVICE MANAGEMENT**

**HDSM 2005 – Executive Report**

**TITLE**

**Decrease In The Customer Satisfaction Of  
Fairfirst Insurance Company**

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## CHAPTER 1 INTRODUCTION

### 1.1 Background of the study

In the dynamic landscape of current technological advancements, intense competition, economic fluctuations, environmental changes, and evolving social trends, enterprises experience constant fluctuations. These fluctuations directly impact the demand for products and services within organizations. Consequently, the key to organizational growth lies in delivering superior services that align with the ever-changing needs of customers. Given the high degree of uncertainty and instability in the business environment, prioritizing customer satisfaction becomes crucial for a company's survival. Adapting to customer behavior, understanding their evolving demands in response to social trends, and being responsive to change are essential elements for achieving business growth.

The ability to accommodate shifts in customer preferences, coupled with changes in societal trends, is vital for staying relevant and competitive. By focusing on expanding the customer base and elevating satisfaction levels, organizations can foster loyalty, boost revenue, increase profits, capture a larger market share, and ultimately thrive in the market. In essence, acknowledging and adapting to the dynamic nature of customer needs is a strategic imperative for long-term success in the face of uncertainties (Gilaninia et al., 2013).

Achieving customer satisfaction is paramount for success in today's highly competitive business landscape. The level of customer satisfaction is intricately tied to the experiences individuals have with specific business activities or services. Satisfied customers not only endorse a product or service but also tend to remain loyal to a company over an extended period. As a result, businesses prioritize efforts to maximize customer satisfaction as it directly correlates with increased profitability and the overall success of their operations. An argument supporting this perspective is that enhancing service quality not only boosts customer satisfaction but also plays a role in reducing customer attrition (Mulat, 2017). Consequently, businesses actively address identified issues to ensure optimal service quality. In the case of Fairfirst Insurance Company, the researcher aims to investigate the impact of service quality on customer satisfaction specifically concerning insurance claims. This research seeks to illuminate how improvements in service quality can positively influence customer satisfaction levels in the context of insurance claim processes.