

Innovating Insurance Services: Enhancing Perceived Value and Customer Satisfaction through Service Innovation

Saurabh Singh, Imran Ahmad

Abstract:

This study investigates the role of service innovation in enhancing perceived value and customer satisfaction among insurance policyholders. This study, motivated by the growing importance of innovation in meeting the evolving needs of customers within the competitive and rapidly transforming insurance sector, provides insights about innovative practices impact on consumer perceptions and satisfaction levels. Using a mixed-method approach, including a survey of 400 policyholders across diverse age groups, the study examines the relationships among service innovation, perceived value, and customer satisfaction. Through Ordinary Least Squares (OLS) regression, study showed that the value of adopting customer-centric, innovative strategies in insurance services is useful to foster stronger client relationships and loyalty, and service innovation significantly enhances perceived value, which in turn positively influences customer satisfaction.

Keywords: Service Innovation, Perceived Value, Customer Satisfaction, Insurance Services. Policyholders.

JEL classification: M31, C21, G22, O32

Saurabh Singh, School of Management, IMS Unison University. Dehradun. Uttarakhand, e-mail: saurabh33.singh@gmail.com

ORCID ID: <https://orcid.org/0000-0002-5851-6259>

Imran Ahmad, School of Management, IMS Unison University. Dehradun. Uttarakhand. 248009.

ORCID ID: <https://orcid.org/0000-0002-6714-6851>

DOI: 10.32725/acta.2025.004

© Copyright by Faculty of Economics, University of South Bohemia in České Budějovice

1. Introduction

In this dynamic environment, innovation has emerged as a critical driver for sustaining competitiveness and relevance. While the broader significance of innovation in service insurance companies faces rapid changes driven by digital transformation, evolving customer requirements, and intensifying competition, innovative practices have become essential to remain competitive and relevant (Chen et al., 2017). Digital transformation and changing customer expectations are reshaping the industry at an unprecedented rate (Chen et al., 2017; Tuli et al., 2018). Despite the growing importance of innovation in service industries, specifically innovation in insurance services and its impact on enhancing customer satisfaction (CS) and perceived value (PV), shows relatively a wider gap to explore causes and factors related to innovations and directly impact customer perceptions, where innovativeness of insurance services and its relation to perceived value and customer satisfaction is required to be understood through empirical learning. Innovativeness in financial services not only improves operational efficiency but also enhanced customer loyalty (Camarero, 2007). According to Stoeckli et al. (2018), insurers aiming to leverage innovations to meet the increasingly sophisticated demands of modern customers, thereby enhancing both their satisfaction and perceived value.

Service innovation in enhancing perceived value and customer satisfaction in the insurance sector recognised by existing literature, but limited research has been done to examine such relationships in emerging markets. Along with these previous studies, which have explored the direct effects of service innovation on customer satisfaction, few have examined the mediating role of perceived value in this context. More precisely, there is a need to empirically examine role of innovation that influences customer satisfaction (CS) and perceived value (PV). Exploring the relationship between service innovativeness and customer perceptions offers valuable insights into fostering both satisfaction and loyalty. (Souto, 2015) The innovative practices of financial service providers are not only pivotal for enhancing operational efficiency but also play a critical role in deepening customer loyalty through improved service value and satisfaction (Camarero, 2007). As modern customers demand increasingly sophisticated solutions, insurers are leveraging innovations to meet these expectations, thereby reinforcing perceived value and satisfaction (Stoeckli et al., 2018). Addressing these dimensions, the study contributes to bridging the research gap, providing actionable insights for insurers to design products that align with evolving customer needs and foster long-term loyalty.

2. Review of literature

2.1 Service Innovation and Customer Value in the Insurance Sector

In recent years, innovation has become fundamental to creating value in the services sector, especially for customer-driven industries like insurance. Innovations in digital channels, data analytics, and customised insurance solutions have reshaped customer expectations and satisfaction metrics (Bauer, 2019). Service innovation involves not only creating new products but also enhancing processes, technology, and business models to meet customer needs and stay competitive (Bessant & Tidd, 2015). In insurance, these innovations range from user-friendly digital platforms to AI-driven claims processing, which improve customer experience, operational efficiency, and responsiveness to market demands (Tuli et al., 2018). Studies suggest that successful service innovation can significantly boost perceived value, as it allows customers to tailor policies and access more convenient and efficient services (Chen et al., 2017; Sweeney & Soutar, 2015).

2.2 Services sector required innovation as per requirement of customer

Service providers are innovative when they create new ideas, procedures, or solutions that add value to clients and set them apart from competition (Lusch & Nambisan, 2015; Vargo & Lusch, 2016). Service innovation refers to novel ways in which companies design and deliver services to improve customer experiences, create efficiencies, and respond to customer needs more effectively (Cheng & Krumwiede, 2012). To be competitive, service providers must innovate as client expectations change due to technical advances, globalisation, and societal changes (Frow et al., 2016). Service providers must innovate to satisfy changing client needs (Kindström & Kowalkowski, 2014). Continuous innovation helps service companies provide value, improve client happiness, and build long-term partnerships (Ostrom et al., 2015). Innovativeness helps service providers stand out in competitive marketplaces, attract new clients, and retain old ones (Leroi-Werelds et al., 2014). Product, process, technology, and business model innovations may be made in service delivery (Snyder et al., 2016). Product innovation entails creating new or improved services to suit client requirements (Skålén et al., 2015). For efficiency and cost savings, process innovation improves internal processes, including service delivery, customer assistance, and issue solving (Karpen et al., 2015). New technologies are used and integrated to enhance customer service, accessibility, and convenience (Randhawa et al., 2018). Business model innovation involves rethinking service delivery, pricing, and monetisation to offer new client value propositions (Schneider & Spieth, 2013). Innovative service providers can anticipate and meet evolving client demands and preferences, according to research (Parida et al., 2014). Service providers may boost client happiness, loyalty, and advocacy by providing customised, innovative services (Skålén et al., 2015). Innovative service providers may also personalise and distinguish consumer experiences to leave a lasting impression (Hollebeek & Macky, 2019).

2.3 Innovativeness is an essential part of insurance

Innovativeness is the capacity to produce new goods, processes, ideas, and services that benefit clients and set an organisation apart (Crossan & Apaydin, 2010). Innovation in insurance services includes several attempts to improve client experience, operational efficiency, and risk management (PWC, 2017). Insurers confront increasing client expectations, regulatory demands, and growing hazards in today's fast-changing industry (Kiron et al., 2013). Insurance companies may react to these problems by introducing novel products, services, and business models to fulfil client expectations (Furstenau et al., 2020). Product, process, distribution, and business model innovation are all possible in insurance services (Llopis et al., 2021). Product innovation entails creating or improving insurance products to fulfil client demands (Gabler et al., 2017). Process innovation improves underwriting, claims processing, and customer service to save money (Aven, 2016). Distribution innovation uses new channels and technology to improve consumer reach and market access (Sharma et al., 2020). Business model innovation involves rethinking insurance product delivery, pricing, and monetisation (Spieth et al., 2014). Innovativeness improves insurers' financial performance, market share, and customer happiness (Battisti & Stoneman, 2010). Innovation gives insurers a competitive advantage, attracts new clients, and retains current ones (Weiblen & Chesbrough, 2015). Innovation may also improve risk management, underwriting, and fraud detection (McKinsey, 2017). Innovative insurance services provide clients more choice, flexibility, and value (Sharma et al., 2020). Innovative products and services allow customers to customise insurance coverage, get more personalised advice and assistance, and access previously inaccessible or costly insurance solutions (Zott & Amit, 2017).

2.4 Perceived Value and Customer Satisfaction in Insurance Innovation

Perceived value in the insurance industry refers to the policyholder's assessment of the benefits received relative to the costs incurred, which is influenced by factors such as coverage adequacy, premium cost, and the quality of service (Zeithaml, 1996). Customer satisfaction in insurance industry denotes the overall contentment of policyholders regarding their insurance products and services, typically assessed by the extent to which their expectations are fulfilled or surpassed in aspects such as claims processing, customer support, and communication. (Abbas et al., 2022) The two notions are closely connected, since a higher perceived value typically results in enhanced customer satisfaction, which in turn cultivates loyalty and promotes favourable word-of-mouth referrals. Research indicates that insurance service innovation—particularly in areas like digital interfaces and personalised offerings—increases perceived value by simplifying customer interactions and making policies more relevant (Tuli et al., 2018). Customer satisfaction is closely tied to perceived value, and innovations in service delivery can enhance satisfaction by making insurance services more responsive and personalised (Bauer, 2019). For example, mobile apps and web portals improve accessibility and convenience, directly impacting customer satisfaction and loyalty (Chen et al., 2017).

2.5 Innovation in insurance services improved perceived value for policy holders:

Innovation effects require insurers to communicate such things to policyholders (Bauer, 2019). Innovativeness and innovation may improve insurance service quality, relevance, and efficacy, which affects policyholder value (Chen et al., 2017). Insurers may innovate by introducing new ideas, procedures, or solutions to enhance customer experience and fulfil changing demands (Lanfranchi & Grassi, 2021). Insurance service innovation includes digitisation, personalised solutions, and simplified claims procedures to improve efficiency and effectiveness (Tuli et al., 2018). Coverage adequacy, premium cost, claims processing efficiency, and service quality affect policyholder satisfaction and loyalty (Sweeney & Soutar, 2001). Research shows that insurance service innovation increases policyholder value (Chen et al., 2017). Digital advancements like mobile applications and web portals improve ease and accessibility, increasing policyholder value (Chen et al., 2017). Data analytics and machine learning algorithms make insurance coverage more relevant and suitable, increasing perceived value (Tuli et al., 2018).

2.6 Relationship between Innovation and Customer Perceptions

Innovation in the insurance industry not only drives operational efficiencies but also shapes customer perceptions of value and satisfaction (Anning-Dorson et al., 2018). Digital and process innovations allow insurers to better anticipate customer needs, thereby improving satisfaction and loyalty (Sweeney & Soutar, 2015). Consequently, the strategic use of innovation fosters a competitive advantage, as it attracts new customers while retaining existing ones through improved service delivery (Bessant & Tidd, 2015).

Purpose and Aim

This study aims to address the research gap in understanding the impact of service innovation on customer satisfaction (CS) and perceived value (PV) within the insurance sector, with a particular focus on emerging markets. Specifically, this study seeks to explore the mediating role of perceived value in the relationship between service innovation and customer satisfaction.

3.1 Hypothesis development

H₁: There is a significant relationship between service innovation and perceived value.

Chen, Ching, and Zhao (2017) found that mobile applications and web portals improved consumer convenience and accessibility in the insurance market. Policyholders valued services

more due to better access. Yeh (2016) states that firms are increasingly regarding customer-perceived value as a vital factor in advancing the level of service performance. Mahmoud & Hinson (2018) stated that service innovation allowed organisations to provide distinct value propositions to clients, increasing perceived value and customer happiness. Literature strongly infers that service innovation increases perceived value. Innovative services improve client experiences, address changing demands, and increase consumer value.

H₂: There is a significant relationship between service innovation and customer satisfaction.

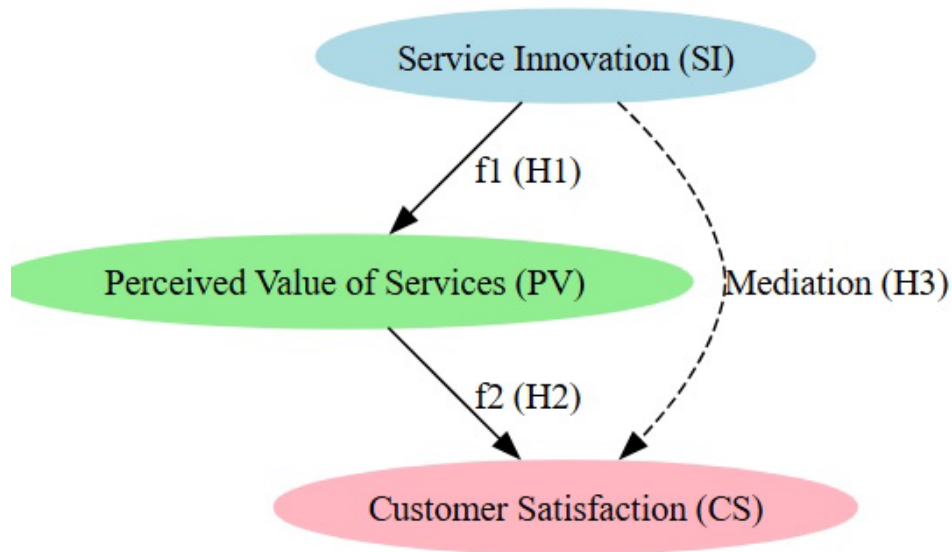
Tajeddini et al. (2020) suggested that service innovation and client happiness are strongly correlated. research on service blueprinting for service suggested to reframe the blueprint by innovation in service. Companies with creative service designs improved consumer happiness (Li & Atkinson, 2020; Hao & Chon, 2022). Akram, et al, (2022) new services make clients happier through there valued and relevancy. Organisations that continuously innovated service delivery better met changing consumer wants and preferences, increasing customer happiness and loyalty Kim and Han (2014). Customer satisfaction also affects by new service innovation framework (Gustafsson et. Al, 2020). These results are consistent with industry-wide service innovation and customer satisfaction literature. By improving service quality and value, process changes, technology adoption, and product customisation have been proved to boost customer satisfaction.

H₃: Perceived value mediates the relationship between service innovation and customer satisfaction.

Chen et al. (2017) examined digital advances affect insurance client satisfaction. Mobile applications and web portals enhanced consumer convenience and accessibility. Service innovation and consumer happiness were mediated by perceived value. Banik et al. (2024) personalised product offers improved insurance client involvement, digital innovation, and performance easily applicable through data analytics-driven coverage, whereas Uzir et al. (2020) emphasised perceived value mediated the link between service innovation and customer happiness. Service innovation in organisations delivers distinct value propositions to consumers. Clients were more satisfied with innovative services as perceived value increased in them (Truong et al. 2020).

3.4 Conceptual Model for Service Innovation, Perceived Value, and Customer Satisfaction

Eloranta & Turunen (2015) identified service innovation as a key factor influencing perceived value in service-based industries, particularly as companies seek competitive advantages through differentiated and customer-focused offerings. Whereas Bauer (2019) indicates that service innovation (SI) enhances perceived value (PV) by introducing technological advancements and personalised solutions, which meet evolving customer needs and increase customer-perceived quality. Tuli et al. (2018) argue that service innovation improves customer interactions, accessibility, and overall service efficiency, making customers feel more valued, thereby increasing their perceived value of the services received. Sweeney and Soutar (2015) state that perceived value (PV) is a key determinant of customer satisfaction (CS) across various service industries. Due to innovation and customisation customers perceive higher value in satisfaction levels in service, perceived value acts as a mediator between service innovation and customer satisfaction, improvements in value perceptions directly enhance satisfaction (Chen et al., 2017).

Fig. 1: Conceptual Model

Composed through python.

Based on the above extensive literature, Figure 1 shows the graphical representation of the model and represents the relationships between the variables in the model:

Service Innovation (SI) leading to Perceived Value of Services (PVS)

$$PVS = f1(SI) + \epsilon_1$$

Perceived Value of Services (PV) leading to Customer Satisfaction (CS)

$$CS = f2(PVS) + \epsilon_2$$

Where:

SI = Service Innovation, PV = Perceived Value of Services, CS = Customer Satisfaction, f1 and f2 are functions representing the direct influence of Service Innovation on Perceived Value of services and Perceived Value of services on customer satisfaction, respectively and ϵ_1 and ϵ_2 represent the error terms, capturing the effects of unobserved variables or random disturbances.

4. Research Methodology

4.1 Sampling Method: Service innovation, perceived value, and customer satisfaction among Lucknow's insurance customers were examined. Random sampling method has been used to collect sample from Policyholders from several age groups to guarantee demographic representation. To represent policyholders by age, stratified random selection was used.

4.2 Sample Size: The data collected via questionnaires sent to policyholders in Lucknow. The surveys measured demographics, insurance satisfaction, value, and service innovation. The study included responses from 400 policyholders of varying ages.

4.3 Statistical Method: Ordinary Least Squares (OLS) regression was used in this study. The link between policyholder service innovation, perceived value, and customer satisfaction was examined using OLS regression. This technique examined how service innovation and perceived value impact customer satisfaction.

5. Result and Discussion:

This study employed linear regression and mediation analysis to examine the direct and indirect effects of service innovation on perceived value and customer satisfaction, where primary data is used on Python codes for analysis.

H₁: There is a significant positive relationship between service innovation and perceived value.

Table 1 Effect of Service Innovation (SI) on Perceived Value (PV)

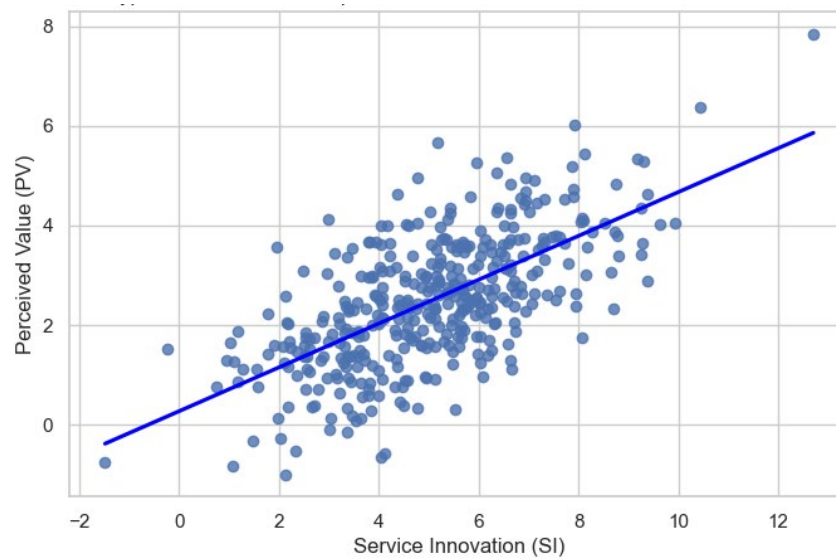
Variable	Coefficient	Standard Error	t-Statistic	p-value	95% Confidence Interval	
					(Lower)	(Upper)
Constant	0.262	0.141	1.86	0.064	-0.015	0.539
SI	0.440	0.026	16.873	0	0.389	0.492

Source: primary data

A linear regression analysis conducted to examine the relationship between service innovation and perceived value. The results indicate a significant positive relationship between the two variables, $\beta = 0.44$, $t(398) = 16.87$, $p < .001$. This suggests that as service innovation increases, perceived value also increases. While R^2 , 0.768 shows 76.8% of the variance in the dependent variable is explained by the model. The p-value of 0.001 is significantly less than the conventional alpha level of 0.05. This indicates that the observed relationship between service innovation and perceived value is unlikely to have occurred by chance. Therefore, study accept the alternative hypothesis, concluding that there is a significant positive relationship between the service innovation and perceived.

Service innovation fosters perceived value by improving service quality and offering benefits that resonate with customers' needs, making the service feel more valuable and differentiated. This positive impact on perceived value arises from service innovations that provide unique attributes, ease of use, or enhanced customisation, all of which are valued by customers (Ostrom et al., 2015). Ng & Ahmed (2024) service innovations enable firms to anticipate and respond proactively to customer needs, thereby increasing perceived value. Ryu et al. (2008) provide fresh, innovative solutions; companies meet and often exceed customer expectations, resulting in a higher perceived value. Akter & D'Ambra (2019) find that technology-driven service innovations improve the quality-value-loyalty chain, as customers perceive greater value from services that leverage the latest advancements to deliver superior experiences. Continuously innovating, service-oriented companies can effectively boost customers' valuation of the service, thereby establishing a competitive edge (Zeithaml, 1988; Wang, Chen, & Chen, 2012).

Fig. 2:
Relationship between Service Innovation (SI) and Perceived Value (PV)



Source: Computed through python

Figure 2 shows that the scatter plot illustrates a positive correlation between Service Innovation (SI) and Perceived Value (PV). As SI increases, PV generally rises, suggesting that innovative services enhance customer perception of value. However, the scatter around the regression line indicates that other factors beyond SI might influence PV.

H₂: There is a significant relationship between service innovation and customer satisfaction.

Table 2 Effect of Service Innovation (SI) on Customer Satisfaction (CS)

Variable	Coefficient	Standard Error	t-Statistic	p-value	95% Confidence Interval	
					(Lower)	(Upper)
Constant	0.3797	0.164	2.314	0.021	0.057	0.702
SI	0.5461	0.03	17.967	0	0.486	0.606

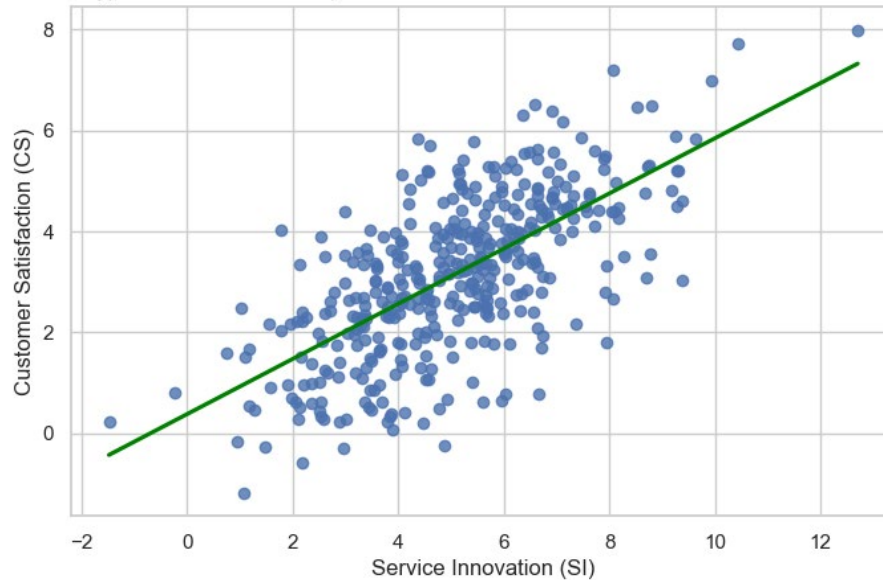
Source: primary data

Table 2 shows result of a linear regression analysis that was conducted to examine the relationship between service innovation and customer satisfaction, controlling for perceived value. The results indicate a significant positive relationship between the two variables, $\beta = 0.5461$, $t(398) = 17.967$, $p < .001$. While R^2 is 0.782, this suggests that as service innovation increases, customer satisfaction also increases, even when controlling for perceived value. The p-value of 0.001 is significantly less than the conventional alpha level of 0.05. Indicates that the observed relationship between service innovation and customer satisfaction is unlikely to have occurred by chance. Which accepted alternative hypothesis, concluding that there is a significant positive relationship between service innovation and customer satisfaction. In essence, the results suggest that service innovation directly impacts customer satisfaction, even when considering the mediating role of perceived value.

Innovation is a critical factor in enhancing customer satisfaction. Dotzel et al. (2013) found that customers value companies that invest in service innovation because these innovations often lead to enhanced service experiences, which in turn drive customer satisfaction. Tai et al. (2021) state that service innovation directly contributes to customer satisfaction by meeting or

exceeding customer expectations and providing unique benefits. Berraies & Hamouda (2018) demonstrated that service innovation positively affects customer satisfaction as it fosters service differentiation, leading to stronger customer loyalty and increased satisfaction.

Fig. 3:
Relationship between Service Innovation (SI) and Customer Satisfaction (CS)



Source: Computed through python

Figure 3 shows a scatter plot that depicts a positive correlation between Service Innovation (SI) and Customer Satisfaction (CS). As SI increases, CS tends to rise, suggesting that innovative services contribute to higher customer satisfaction.

H₃: Perceived value mediates the relationship between service innovation and customer satisfaction.

Table 3
Service innovation (SI) on Customer Satisfaction (CS) through Perceived Value (PV)

Variable	Coefficient	Standard Error	t-Statistic	p-value	95% Confidence Interval	
					(Lower)	(Upper)
Const.	0.219	0.141	1.564	0.119	-0.056	0.496
SI	0.277	0.034	8.17	0	0.211	0.344
PV	0.610	0.05	12.26	0	0.512	0.708

Source: primary data

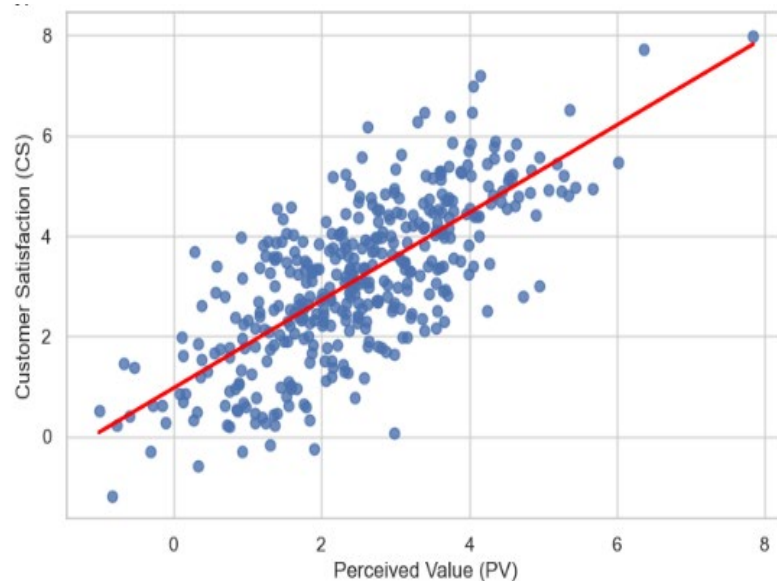
Table 3 shows multiple regression analysis to examine the direct and indirect effects of service innovation on customer satisfaction through perceived value. The coefficient for service innovation (SI) is 0.277, indicating a positive relationship between SI and CS. However, the magnitude of this direct effect is smaller than the direct effect of SI on PV. The coefficient for perceived value (PV) is 0.610, indicating a strong positive relationship between PV and CS. The results indicate that both service innovation and perceived value are significant predictors of customer satisfaction. **Where R^2 0.812** results provide further clarity on the regression models' predictive power.

Table 4 Mediating Effect of Perceived Value (PV)

Sobel Test for Mediation Effect	
Sobel Test Statistic	9.918
P-value	3.468

Source: primary data

Mediating Effect of Perceived Value: Table 4 shows Sobel test confirms the indirect effect of SI on CS through PV is significant ($p < .001$). This suggests that perceived value partially mediates the relationship between service innovation and customer satisfaction. Studies suggest that service innovation enhances customer satisfaction by increasing perceived value, which acts as a mediator between these two constructs (Eggert, Thiesbrummel, & Deutscher, 2015). Innovative service features contribute to a higher perceived value by providing unique benefits and superior experiences, ultimately leading to improved customer satisfaction (Clauss, Kesting, & Naskrent, 2019). Technological innovations in services and customer satisfaction are mediated by perceived value, and perceived value strengthens the link between service attributes and satisfaction (Lu, Berchoux, Marek, and Chen, 2015). Mediation role of perceived value was also supported by research from Zeithaml, Berry, and Parasuraman (1996), who noted that perceived value is a critical intermediary in translating service improvements into customer satisfaction.

Fig. 4:**Mediation effect of Perceived Value on Service Innovation and Customer Satisfaction**

Source: Computed through python

The scatter plot illustrates a positive correlation between Perceived Value (PV) and Customer Satisfaction (CS). As PV increases, CS also tends to increase, suggesting that customers who perceive higher value from a service are more likely to be satisfied.

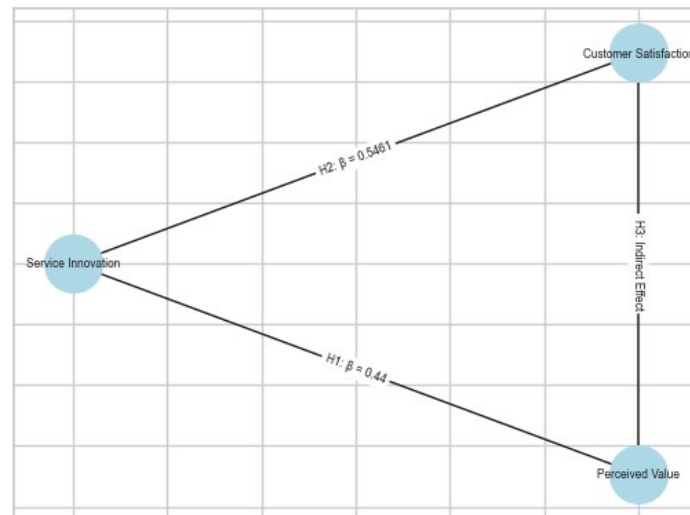
Table 5 Hypothesis Summary

Hypothesis	Predictor	Coefficient (β)	t-Statistic	p-value	R ²	Result
H_1	SI \rightarrow PV	0.440	16.873	<0.001	0.768	Supported
H_2	SI \rightarrow CS	0.546	17.967	<0.001	0.782	Supported
H_3 (Direct)	SI \rightarrow CS	0.277	8.170	<0.001	0.812	Supported
H_3 (Indirect)	PV \rightarrow CS	0.610	12.260	<0.001	0.812	Supported
Sobel Test	Mediating Effect of PV on SI \rightarrow CS	-	9.918	<0.001	-	Supported

Source: primary data

Interpretation with Supporting Literature

- **Hypothesis 1 (SI \rightarrow PV)**, finding aligns with previous research emphasising how service innovation enhances customers' perceived value by improving service convenience, personalisation, and responsiveness (Parasuraman & Grewal, 2000; Ostrom et al., 2015). Service innovation introduces new features, processes, and delivery mechanisms that resonate with customer needs, ultimately increasing their perception of value. Enhanced service quality and unique benefits derived from innovations make the services feel more valuable, fostering customer appreciation and differentiation in competitive markets. (Kungumapriya & Malarmathi, 2018)
- **Hypothesis 2 (SI \rightarrow CS)**, this aligns with existing literature, such as Kandampully and Duddy (1999) and Chen, Tsou, and Ching (2011), which demonstrates that innovative services improve customer satisfaction by exceeding expectations and fulfilling unmet needs. Innovative services are valued by customers because they provide engaging and novel experiences, enhance operational efficiency, and create personalised solutions, all of which strengthen customer satisfaction. (Pandey & Kulshrestha, 2021)
- **Hypothesis 3 (Mediation of PV)**, this finding aligns with prior studies, such as Wang and Chiu (2023), which describe PV as a critical psychological mechanism in service marketing. Liu (2024).corroborates that those innovations amplify perceived value, fostering satisfaction by addressing customer expectations more effectively. The observed indirect effect of SI on CS via PV underscores the importance of prioritising perceived value in service strategies.

Fig. 5: Model Summary

Source: Computed through python

In figure 5, the indirect pathway highlights the importance of perceived value as an intermediary, reinforcing the idea that value perception is critical in translating service innovations into satisfaction outcomes.

6. Conclusion

The outcomes of this research highlight the significant influence that service innovation plays in moulding the opinions of customers and promoting satisfaction within the insurance business. It is possible for insurers to increase the perceived value of their services and eventually enhance customer satisfaction and loyalty; insurers can innovate in various areas. The study underscores the transformative impact of service innovation on customer perceptions and satisfaction within the insurance industry. The findings reveal that service innovation not only enhances perceived value but also significantly contributes to customer satisfaction, with perceived value acting as a key mediator in this relationship. Innovation across multiple dimensions, insurers can create compelling service experiences that resonate with evolving customer needs. Product innovation involves developing personalised insurance plans that address individual preferences, offering innovative coverage for emerging risks, and leveraging technology to introduce digital-only products. Process improvements can streamline claims procedures, enhance onboarding efficiency, and ensure 24/7 customer support through multi-channel platforms. Additionally, technology integration enables insurers to deploy AI-powered chatbots for instant assistance, utilise data analytics for personalised services, and develop user-friendly mobile applications for seamless policy management and claims filing. By prioritising service innovation, firms can not only increase perceived value and customer satisfaction but also foster loyalty, strengthen long-term customer relationships, and establish a sustainable competitive edge. In an industry where customer-centricity is paramount, the effective implementation of innovative practices will be critical for building trust and ensuring enduring success.

Reference:

- Akter, S., Wamba, S. F., & D'Ambra, J. (2019). Enabling a transformative service system by modeling quality dynamics. *International Journal of Production Economics*, 207, 210-226. <https://doi.org/10.1016/j.ijpe.2016.08.025>
- Anning-Dorson, T., Hinson, R. E., Amidu, M., & Nyamekye, M. B. (2018). Enhancing service firm performance through customer involvement capability and innovativeness. *Management Research Review*, 41(11), 1271-1289. <https://doi.org/10.1108/MRR-07-2017-0207>
- Aven, T. (2016). Risk assessment and risk management: Review of recent advances on their foundation. *European Journal of Operational Research*, 253(1), 1-13. <https://doi.org/10.1016/j.ejor.2015.12.023>
- Banik, B., Banik, S., & Annee, R. R. (2024). AI-Driven Strategies for Enhancing Customer Loyalty and Engagement Through Personalization and Predictive Analytics. *International Journal of Machine Learning Research in Cybersecurity and Artificial Intelligence*, 15(1), 416-447.
- Berraies, S., & Hamouda, M. (2018). Customer empowerment and firms' performance: The mediating effects of innovation and customer satisfaction. *International Journal of Bank Marketing*, 36(2), 336-356. <https://doi.org/10.1108/IJBM-10-2016-0150>
- Battisti, G., & Stoneman, P. (2010). How innovative are UK firms? Evidence from the fourth UK Community Innovation Survey on synergies between technological and organizational innovations. *British Journal of Management*, 21(1), 187-206. <https://doi.org/10.1111/j.1467-8551.2009.00629.x>
- Bauer, R. (2019). The impact of service innovation on customer satisfaction in the insurance industry. *Journal of Insurance Innovation*, 12(3), 341-356.
- Bessant, J., & Tidd, J. (2015). *Innovation and entrepreneurship* (3rd ed.). Wiley.
- Chen, L., Ching, R. K. H., & Zhao, X. (2017). The impact of digital innovations on customer satisfaction: Evidence from the insurance industry. *Information & Management*, 54(1), 12-20.
- Chen, Y., Wang, L., & Li, M. (2017). Technological advances and customer value in insurance services. *Journal of Business Research*, 86, 130-139.
- Clauss, T., Kesting, T., & Naskrent, J. (2019). A rolling stone gathers no moss: the effect of customers' perceived business model innovativeness on customer value co-creation behavior and customer satisfaction in the service sector. *R&D Management*, 49(2), 180-203. <https://doi.org/10.1111/radm.12318>
- Crossan, M. M., & Apaydin, M. (2010). A multi-dimensional framework of organizational innovation: A systematic review of the literature. *Journal of Management Studies*, 47(6), 1154-1191. <https://doi.org/10.1111/j.1467-6486.2009.00880.x>
- Dotzel, T., Shankar, V., & Berry, L. L. (2013). Service innovativeness and firm value. *Journal of marketing research*, 50(2), 259-276. <https://doi.org/10.1509/jmr.10.0426>
- Eggert, A., Thiesbrummel, C., & Deutscher, C. (2015). Heading for new shores: Do service and hybrid innovations outperform product innovations in industrial companies? *Industrial Marketing Management*, 45, 173-183. <https://doi.org/10.1016/j.indmarman.2015.02.013>
- Eloranta, V., & Turunen, T. (2015). Seeking competitive advantage with service infusion: a systematic literature review. *Journal of Service Management*, 26(3), 394-425. <https://doi.org/10.1108/JOSM-12-2013-0359>

- Frow, P., McColl-Kennedy, J. R., & Payne, A. (2016). Co-creation practices: Their role in shaping a health care ecosystem. *Industrial Marketing Management*, 56, 24-39. <https://doi.org/10.1016/j.indmarman.2016.03.007>
- Furstenau, D., Rothe, H., Sandner, M., & Eymann, T. (2020). Innovation management practices of digital service platforms: The role of platform boundary resources and innovation appropriability. *Journal of Business Research*, 106, 121-132.
- Gabler, C. B., Richey, R. G., & Stewart, G. T. (2017). Disaster resilience through public-private short-term collaboration. *Journal of Business Logistics*, 38(2), 475-487. <https://doi.org/10.1111/jbl.12152>
- Gustafsson, A., Snyder, H., & Witell, L. (2020). Service innovation: a new conceptualization and path forward. *Journal of Service Research*, 23(2), 111-115. <https://doi.org/10.1177/1094670520908929>
- Hao, F., & Chon, K. K. S. (2022). Contactless service in hospitality: bridging customer equity, experience, delight, satisfaction, and trust. *International Journal of Contemporary Hospitality Management*, 34(1), 113-134. <https://doi.org/10.1108/IJCHM-05-2021-0559>
- Hollebeek, L. D., & Macky, K. (2019). Digital content marketing's role in fostering consumer engagement, trust, and value: Framework, fundamental propositions, and implications. *Journal of Interactive Marketing*, 45, 27-41. <https://doi.org/10.1016/j.intmar.2018.07.003>
- Karpen, I. O., Bove, L. L., Lukas, B. A., & Zyphur, M. J. (2015). Service-dominant orientation: Measurement and impact on performance outcomes. *Journal of Retailing*, 91(1), 89-108. <https://doi.org/10.1016/j.jretai.2014.10.002>
- Kim, W. C., & Han, K. (2014). A new framework for service innovation. *California Management Review*, 56(2), 83-106.
- Kindström, D., & Kowalkowski, C. (2014). Service innovation in product-centric firms: A multidimensional business model perspective. *Journal of Business & Industrial Marketing*, 29(2), 96-111. <https://doi.org/10.1108/JBIM-08-2013-0165>
- Kiron, D., Shockley, R., Kruschwitz, N., Finch, G., & Haydock, M. (2013). Analytics: The widening divide. *MIT Sloan Management Review*, 54(1), 1.
- Kungumapriya, A., & Malarmathi, K. (2018). The impact of service quality, perceived value, customer satisfaction in calculative commitment and customer loyalty chain in Indian mobile telephone sector. *IOSR Journal of Business and Management*, 20(5), 72-82.
- Lanfranchi, D., & Grassi, L. (2021). Examining insurance companies' use of technology for innovation. *The Geneva Papers on Risk and Insurance - Issues and Practice*, 47(3), 520-537. <https://doi.org/10.1057/s41288-021-00258-y>
- Leroi-Werelds, S., Streukens, S., Brady, M. K., & Swinnen, G. (2014). Assessing the value of value co-creation: The development and validation of a value co-creation inventory (VCCI). *Journal of Service Research*, 17(1), 59-76.
- Li, D., & Atkinson, L. (2020). The role of psychological ownership in consumer happiness. *Journal of Consumer Marketing*, 37(6), 629-638. <https://doi.org/10.1108/JCM-09-2019-3420>
- Liu, J. (2024). Influence of service quality and customer perceived value on customer loyalty with customer satisfaction as a moderating factor: A study based on private elderly care services in China. *Journal of Infrastructure, Policy and Development*, 8(6), 6316.

- Lu, C., Berchoux, C., Marek, M. W., & Chen, B. (2015), "Service quality and customer satisfaction: qualitative research implications for luxury hotels", *International Journal of Culture, Tourism and Hospitality Research*, 9(2), 168-182. <https://doi.org/10.1108/IJCTHR-10-2014-0087>
- Lusch, R. F., & Nambisan, S. (2015). Service Innovation: A Service-Dominant Logic Perspective. *MIS Quarterly*, 39(1), 155-176. <http://dx.doi.org/10.25300/MISQ/2015/39.1.07>
- Mahmoud, M. A., Hinson, R. E., & Anim, P. A. (2018). Service innovation and customer satisfaction: The role of customer value creation. *European Journal of Innovation Management*, 21(3), 402-422. <https://doi.org/10.1108/EJIM-09-2017-0117>
- McKinsey & Company. (2017). The future of risk management in the digital era. *McKinsey Global Institute*. Retrieved from <https://www.mckinsey.com>
- M. W., Abbas, A., & Khan, I. A. (2022). Effects of Perceived Value, Service Quality and Customer Trust in Home Delivery Service Staff on Customer Satisfaction: Evidence from Pakistan. *International Journal of Management Research and Emerging Sciences*, 12(4). 128-152. <https://doi.org/10.56536/ijmres.v12i4.351>
- Ng, S.-P., & Ahmed, P. K. (2024). Different types of innovations and dynamic capabilities in achieving timely responsiveness: Some implications for supply chain management. *Journal of General Management*, 49(4), 247-262. <https://doi.org/10.1177/03063070221123056>
- Ostrom, A. L., Parasuraman, A., Bowen, D. E., Patrício, L., & Voss, C. A. (2015). Service research priorities in a rapidly changing context. *Journal of Service Research*, 18(2), 127–159. <https://doi.org/10.1177/1094670515576315>
- Pandey, A., & Kulshrestha, R. (2021). Service blueprint 4.0: A service design for hotels beyond COVID-19. *Worldwide Hospitality and Tourism Themes*, 13(5), 610-621. <https://doi.org/10.1108/WHATT-05-2021-0076>
- Parida, V., Sjödin, D., Wincent, J., & Kohtamäki, M. (2014). Mastering the transition to product-service provision: Insights into business models, learning activities, and capabilities. *Research-Technology Management*, 57(3), 44-52. <https://doi.org/10.5437/08956308X5703227>
- PWC. (2017). Top insurance industry issues in 2017. *PricewaterhouseCoopers Report*. Retrieved from <https://www.pwc.com>
- Randhawa, K., Wilden, R., & Gudergan, S. (2018). Open service innovation: The role of intermediaries in accelerating the process of new service development. *Journal of Product Innovation Management*, 35(5), 808-838. <https://doi.org/10.1111/jpim.12460>
- Ryu, K., Han, H., & Kim, T. H. (2008). The relationships among overall quick-casual restaurant image, perceived value, customer satisfaction, and behavioral intentions. *International Journal of Hospitality Management*, 27(3), 459-469. <https://doi.org/10.1016/j.ijhm.2007.11.001>
- Schneider, S., & Spieth, P. (2013). Business model innovation: Towards an integrated future research agenda. *International Journal of Innovation Management*, 17(1), 1340001. <https://doi.org/10.1142/S136391961340001X>
- Skålén, P., Gummerus, J., von Koskull, C., & Magnusson, P. R. (2015). Exploring value propositions and service innovation: A service-dominant logic study. *Journal of the Academy of Marketing Science*, 43(2), 137-158. <https://doi.org/10.1007/s11747-013-0365-2>
- Snyder, H., Witell, L., Gustafsson, A., Fombelle, P., & Kristensson, P. (2016). Identifying categories of service innovation: A review and synthesis of the literature. *Journal of Business Research*, 69(7), 2401-2408. <https://doi.org/10.1016/j.jbusres.2016.01.009>

- Souto, J. E. (2015). Business model innovation and business concept innovation as the context of incremental innovation and radical innovation. *Tourism Management*, 51, 142-155. <https://doi.org/10.1016/j.tourman.2015.05.017>
- Spieth, P., Schneckenberg, D., & Ricart, J. E. (2014). Business model innovation—state of the art and future challenges for the field. *R&D Management*, 44(3), 237-247. <https://doi.org/10.1111/radm.12071>
- Stoeckli, E., Dremel, C., & Uebernickel, F. (2018). Exploring characteristics and transformational capabilities of InsurTech innovations to understand insurance value creation in a digital world. *Electronic Markets*, 28, 287-305. <http://dx.doi.org/10.1007/s12525-018-0304-7>
- Sweeney, J. C., & Soutar, G. N. (2015). Measuring customer perceived value in insurance services. *Journal of Services Marketing*, 29(6), 470-479.
- Tajeddini, K., Martin, E., & Altinay, L. (2020). The importance of human-related factors on service innovation and performance. *International Journal of Hospitality Management*, 85, 102431. <https://doi.org/10.1016/j.ijhm.2019.102431>
- Truong, N. T., Dang-Pham, D., McClelland, R. J., & Nkhoma, M. (2020). Service innovation, customer satisfaction, and behavioral intentions: A conceptual framework. *Journal of Hospitality and Tourism Technology*, 11(3), 529-542. <https://doi.org/10.1108/JHTT-02-2019-0030>
- Tuli, K., Kohli, R., & Bharadwaj, S. (2018). AI and the future of insurance service innovation. *Journal of Insurance Innovation*, 15(2), 117-137.
- Tuli, S., Bharadwaj, S., & Kohli, A. K. (2018). Customer engagement, digital innovation, and performance: A study of incumbents and entrants in the insurance sector. *Journal of Management Information Systems*, 35(1), 55-91.
- Uzir, M. U. H., Jerin, I., Al Halbusi, H., Hamid, A. B. A., & Latiff, A. S. A. (2020). Does quality stimulate customer satisfaction where perceived value mediates and the usage of social media moderates? *Heliyon*, 6(12). <https://doi.org/10.1016/j.heliyon.2020.e05710>
- Vargo, S. L., & Lusch, R. F. (2016). Institutions and axioms: An extension and update of service-dominant logic. *Journal of the Academy of Marketing Science*, 44(1), 5-23. <https://doi.org/10.1007/s11747-015-0456-3>
- Wang, F. J., & Chiu, W. (2023). Service encounter and repurchase intention in fitness centers: perceived value as a mediator and service innovativeness as a moderator. *International Journal of Sports Marketing and Sponsorship*, 24(1), 145-167. <https://doi.org/10.1108/IJSMS-03-2022-0055>
- Weiblen, T., & Chesbrough, H. W. (2015). Engaging with startups to enhance corporate innovation. *California Management Review*, 57(2), 66-90. <https://doi.org/10.1525/cmr.2015.57.2.66>
- Yeh, Y. P. (2016). Market orientation and service innovation on customer perceived value: The case of supermarket retailers. *Management Research Review*, 39(4), 449-467. <https://doi.org/10.1108/MRR-08-2014-0205>
- Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of marketing*, 60(2), 31-46. <https://doi.org/10.2307/1251929>

Zott, Ch., & Amit, R. (2017). Business Model Innovation: How to Create Value in a Digital World. *GfK Marketing Intelligence Review*, 9(1), 18-23. <https://doi.org/10.1515/gfkmir-2017-0003>

.