

**COMPARATIVE ANALYSIS ON SERVICE QUALITY AND CUSTOMER
SATISFACTION IN MOTOR INSURANCE SERVICE: THE CASE OF
ETHIOPIAN INSURANCE CORPORATION AND AFRICA
INSURANCE COMPANY**

**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES IN
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ARTS DEGREE IN MARKETING MANAGEMENT EDUCATION**

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SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS EDUCATION
(Masters Program – Marketing Management Education)

COMPARATIVE ANALYSIS ON SERVICE QUALITY AND CUSTOMER
SATISFACTION IN MOTOR INSURANCE SERVICE: THE CASE OF
ETHIOPIAN INSURANCE CORPORATION AND AFRICA INSURANCE
COMPANY

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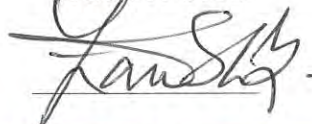


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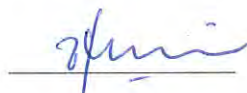


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Declaration

I, the undersigned declare that this thesis work is my original work; and has not been submitted for any degree/ Diploma in any University. All sources of material used for the thesis have been duly acknowledged.

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This thesis has been submitted for examination with my approval as a university advisor.

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Table of Contents

	Page
Statement of Declaration.....	i
Acknowledgements	ii
Table of Contents	iii
List of Tables	v
List of Figures	vi
List of Appendices	vii
Acronyms and Abbreviations	viii
Abstract	ix

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study	1
1.2 History of Insurance Industry in Ethiopia	3
1.2.1 Background of the Companies	4
1.3 Statement of the Problem.....	6
1.4 Objective of the Study	8
1.5 Purpose of the Study	8
1.6 Significance of the Study	9
1.7 Scope of the Study	9
1.8 Limitations of the Study.....	10
1.9 Organization of the paper.....	10
1.10 Operational Definition of terms.....	11

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction.....	12
2.2. Services	13
2.2.1 Definitions of Services.....	13
2.2.2 Characteristics of Services	14
2.3. Insurance–Defined	17
2.3,1 Auto Insurance	18

2.4 Service Quality	19
2.4.1 Determinants of Service Quality.....	21
2.5 Customer Satisfaction	22
2.6 The price-quality link	23
2.6.1 Price-quality cue utilization in financial services	24
2.7 The Relation ship between Image, Service Quality and Customer Satisfaction.....	25
2.8 Service Quality and Customer Satisfaction	28
2.9 Conceptual Framework.....	29

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design.....	34
3.2 Population and Sampling	34
3.3 Data Collection Instrument	36
3.4 Data Gathering Procedure.....	37
3.5 Measures	38
3.6 Data Analysis Approach	40

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Demographic Profile of Sample Respondents	42
4.2 Reliability Analysis.....	45
4.3 Mean Scores and T-values	46
4.4 Correlation Analysis	49
4.5 Regression Analysis.....	51
4.6 Findings	55

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary	57
5.2 Conclusions.....	59
5.3 Recommendations.....	60
5.4 Research implications	63
References	64

Appendixes



List of Tables

	Page
Table 1 EIC Sample Size Identification	35
Table 2 AIC Sample Size Identification.....	36
Table 3 Age Wise Distribution and Sex Composition of Sample claimants	42
Table 4 Educational Level and Occupation Wise distribution of claimants.....	43
Table 5 Monthly Income and duration as a customer in the company distribution of claimants	44
Table 6 Scale Reliability for Service Quality dimensions and for the total scale	46
Table 7 Means Scores and T-values for claimants rating on service quality dimensions, Overall service quality and satisfaction	47
Table 8 Pearson correlations among constructs for EIC.....	50
Table 9 Pearson correlations among constructs for AIC	50

List of figures

	Page
Figure 1 Grönroos model	31
Figure 2 Proposed model	33
Figure 3 Model based on Regression Analysis for EIC	52
Figure 4 Model based on Regression Analysis for AIC	53

List of Appendixes

- *Appendix I: Questionnaire*
 - Appendix I: A English Questionnaire*
 - Appendix I: B Amharic Questionnaire*
- *Appendix II: Demographic Profiles*
 - Appendix II: A EIC Demographic Profiles Result*
 - Appendix II: B AIC Demographic Profiles Result*
- *Appendix III: Reliability Analysis for EIC and AIC*
- *Appendix IV: Mean Score Result for EIC and AIC*
- *Appendix V T-tests Result*
- *Appendix VI Correlation Result*
 - Appendix VI: A Correlation Result for EIC*
 - Appendix VI: B Correlation Result for AIC*
- *Appendix VII Regression Result*
 - Appendix VII: A Regression Result for EIC*
 - Appendix VII: B Regression result for AIC*

Acronyms

AIC -	Africa Insurance Company
CB –	Collaborators
CIA-	Central Intelligence Agency
CLS-	Claims settlement
EIC -	Ethiopian Insurance Corporation
FUN-	Functional Quality
GDP-	Gross Domestic Product
IM-	Image
PP –	Premium price
OS –	Overall Satisfaction
OSQ -	Overall Perceived Service Quality
SERVQUAL –	Service quality dimensions
SPSS-	Statistical Package for Social Science

Abstract

This paper attempts to examine and compare EIC and AIC in relation to service quality and customer satisfaction. Grönroos' suggesting that service quality consists of three dimensions, technical, functional and image, and that image functions as a filter in service quality perception. However by taking the Gronroos model as a basis the researcher developed a proposed model by adding two new dimensions that is Premium price and collaborators. The results from insurance service sample revealed that the dimensions in the proposed model appropriate representation to estimate the overall service quality in the insurance industry. The findings of a survey obtained by the results of 265 questionnaires completed by claimants at the main branches of the two insurance companies (EIC and AIC) reported that evaluation of services received were higher in AIC than in EIC in all of the dimensions measured; the relative importance attached to each quality attribute was, however, of the same profile for the two sectors. The perception of the profile of services received was, however, different between the insurance companies, thus suggesting that they did deliver a different quality of service. The detail results of the questionnaire study were examined and, in conclusion, the implications and limitations of the study were discussed. Areas for further research were also suggested.

CHAPTER ONE

INTRODUCTION

This chapter indicates the flow of the research. Background of the study and statements of the problem are provided to describe the area of the study. Further, the general and specific objectives, significance of the study, purpose of the study, scope and limitation of the study are discussed. Finally, the organization of the thesis is presented.

1.1. Background of the Study

To achieve competitiveness, companies today strive to understand customer needs, and strive to provide services in an effective and efficient manner that satisfies these needs (Harris and Harrington, 2000). To evaluate how well their companies are meeting customer needs, managers often use measurements of service quality and customer satisfaction (Dabholkar, 1995). Therefore, service quality and customer satisfaction have received much attention from service marketers and academic researchers (Spreng and MacKoy, 1996). In addition, Taylor (1997) has noted that the two constructs (service quality and customer satisfaction) have become very important for marketing theory and practice, since many researchers have indicated their relationship to desirable consumer outcomes (Liljander and Strandvik, 1995; Taylor and Baker, 1994; Spreng and MacKoy, 1996; Zeithaml et al., 1996).

Customer satisfaction and service quality remain critical issues in most service industries, and are even more important for financial service providers that offer generally undifferentiated products. For example, in the insurance industry, the major approach to differentiation and the principal means by which one insurer can distinguish itself from another is service before and after the sale of the policy (Stafford and Wells, 1996). Otherwise, companies are generally unable to differentiate based on market offerings because insurance providers offer state-mandated standardized products. The recent emphasis on service quality and customer satisfaction in the insurance industry illustrates the increased importance insurance providers are placing on service quality and customer satisfaction. For example, the first Quality Insurance Congress in 1993 attracted

senior management from more than 80 insurance companies (Roberts, 1993), demonstrating the industry's commitment to increased service. Yet, despite the service emphasis and positive actions taken by the insurance industry, there is little existing research that evaluates individual perceptions of the service rendered by insurance providers.

Traditionally, the insurance industry utilizes the complaint ratio as a measure of service quality. This ratio is the number of complaints received divided by a measure of insurance business in force (Wells and Stafford, 1995), and is maintained by individual state departments of insurance. Although the complaint ratio is an objective tool for calculating a numerical percentage of complaints about a particular company, problems arise when companies rely solely on the ratio.

First, this number is based on the number of individuals who *actually complain* to the company, and fails to capture critical information such as feelings and perceptions of those individuals who did not complain (although these uncomplaining individuals may have been unhappy with one or more aspects of the service experience). In fact, insurance executives have acknowledged that a non-complaining customer is not necessarily a satisfied one (Rosenthal, 1991). Second, the complaint ratio is an *overall* indicator of service quality. Companies may be cognizant of their complaint ratio, but remain unaware of the individual problems that prompted particular complaints. This lack of *specific* knowledge about service shortfalls can result in companies overlooking critical problem areas.

As today's marketing philosophy emphasizes on identifying, anticipating and satisfying customer requirements profitably, companies have moved to customer-centered approach while maintaining better understanding of customer needs and wants, and then translated them into the capability to provide their customers what they really desire. Even though insurance companies delivering different services, building strong customer-focused relationships require understanding the needs of specific customers to ensure the firm's success in meeting these needs. As a result, measuring the satisfaction of customers with the service encounter becomes critical (Parasuraman et al., 1991).

This study was conducted on two Ethiopian Insurance companies. The first one is Ethiopian Insurance Corporation (EIC) which is the sole government insurance service provider. And the other is Africa Insurance Company (AIC), which is one of the private insurance companies.

1.2 History of Insurance Industry in Ethiopia

The introduction of insurance in its modern form is closely associated with the establishment of Bank of Abyssinia, the first bank in Ethiopia by the year of 1905. In that period the bank of Abyssinia was transacting marine and fire insurance by being the agent of foreign insurance company. The baloise set up a branch office in Addis Ababa and was soon followed by other foreign companies working on agency basis, until 1950; there was no locally incorporated insurance company. In 1952 the first national insurance company ,imperial insurance company started operation, during the period insurance business like any commercial activities was administered by the provision of the commercial code with the promulgation of proclamation no 281/1997.

Insurance council and insurance controller's office was set up so as to control and regulate insurance business in the company. At the end of 1975, there were 13 private insurance companies operating in the country. The Derg, socialist government in 1975 nationalized all insurance companies and by proclamation no 68/1975 established Ethiopian insurance corporation (EIC) which took all there asset and liabilities. Consequently, from the period 1976 to 1994 the insurance market was dominated by one state owned insurance company, EIC, which enjoyed a complete monopoly of all insurance business in the country.

A new paradigm of financial sector policy came in to being in 1994 when proclamation of supervision of private banks and insurance was enacted. This legislation allowed private insurance companies to be formed and compute with EIC. The Ethiopian insurance industry is currently composed of 10 private insurance companies along side one public owned insurance. These private insurance companies are Africa, Nib, Awash, Nyala, Nile, Nice, United, Global, Anbessa and Oromia.

Under the 86/1994 proclamation, the minimum capital requirement for a non life company is Eth Birr three million, while for a life company is four million and Eth Birr 7 million for a composite, currently no general insurance company in the market has a capital of less than Eth birr 8 million and no composite insurer has a capital less than Eth birr 25 million.

There is no local reinsurance company operating in Ethiopia inspire of the fact that EIC accepts inward reinsurance which accounts for insignificant of the premium, and most reinsurance placed externally. (Abudunasir, 2006)

1.2.1 Background of the Companies (Ethiopian Insurance Corporation and Africa Insurance Company)

Ethiopian Insurance Corporation (EIC) was established in 1976 by proclamation No.68/1975. The Corporation came into existence by taking over all the assets and liabilities of the thirteen nationalized private insurance companies, with Birr 11 million (USD 1.29 million) paid up capital with the aim of providing all classes of insurance business in Ethiopia and ensuring the insurance services reach the broad mass of the people.

EIC was operating the business for about nineteen years under protected monopolistic system as state owned-sole insurer. After the demise of the Marxist regime in mid-1991 a fundamental change has taken place and there was a shift in political, economic and social orientation. Therefore, EIC was re-established as public enterprise under proclamation number 201/94 with Birr 61 million (USD 7.13 million) paid up capital.

Upon re-establishment of the Corporation in 1994 as state owned enterprise, the law covers new objectives to the Corporation like engage in the business of rendering insurance services and Engage in any other related activities conducive to the attainment of its purposes.

Currently Ethiopian Insurance Corporation (EIC) has 6 main branches, 25 branches and 5 contact offices throughout the country. Out of these main branches and branches, the 6 main branches and five branches are located in Addis Ababa. (<http://www.eic.com.et>).

The EIC employees have different educational background. Both the management and staff of EIC are highly skilled professionals with outstanding academic achievements as well as professional insurance qualifications and many years of practical experience in the insurance industry.(ibid)

In order to upgrade the educational qualification of its employees, EIC proved its outstanding commitment in providing its staff with training programs both in the country and overseas.

EIC provides around 49 types of life; property and liability insurance covers. From the total classes of insurance, motor insurance constitutes 14% of the total share. (ibid)

On the other hand, Africa insurance company is formed with a priority objective of providing quality service and with basic tenets to protect its clients. The company's formation is in accordance with and as provided for in the licensing and supervision of insurance business proclamation No. 86/1994 and the commercial code of Ethiopia of 1960. Africa insurance company was established with an authorized capital of Birr 30,000,000 and paid up capital of Birr 15,000,000. Presently AIC's paid up capital has risen to Birr 30,000,000. Insurance transaction has international linkages and in order to conform with international insurance practices, Africa insurance company is reinsured with well reputed International Re-insurers with adequate securities. By combining its resources with strong security of its re-insurers, AIC is capable to provide adequate cover to its clients with large risks without any constraint. (*AIC Company Profile: 2009*)

Africa insurance company transacts more than 14 classes of insurance. Out of the total classes of insurance offered, motor insurance accounts more than 77% of the total insurance policies.

1.3. Statement of the problem

The concept of service quality is complex, diffuse, and abstract—largely due to three distinctive features of a service: intangibility, heterogeneity, and inseparability of production and consumption (Carman, 1990; Zeithaml, 1988; Parasuraman et al., 1985). If service quality is conceived from consumer perspective, it is usually linked to the levels of customer satisfaction, which gives the concept of a subjective nature (based on perceived quality), rather than an objective nature, based on technical or mechanical quality (Carman, 1990). In this regard, Parasuraman et al., 1988) defined perceived service quality as “a global judgment or attitude relative to the degree of excellence or superiority of service”.

Contemporary service sector firms are compelled by their nature to provide excellent service in order to prosper in increasingly competitive domestic and global marketplaces (Sultan and Simpson, 2000). As service firms find themselves in an increasingly competitive and complex business environment, they are inevitably driven to examine their service delivery processes critically. The focus of such internal analysis is ultimately about customer satisfaction, and how bottom-line results can be actualized through delivering quality services to customers via flawless interface platforms. This is not only the case in the private sector, but also increasingly in the public sector. Public sector firms are trying to make administration more efficient and more citizen-oriented (Scharitzer and Korunka, 2000).

Consumers have a key role in defining and evaluating service elements and it is imperative that service providers have a clear understanding of consumer expectation and perception. Parasuraman et al (1985) argued that perceived service quality is best seen as the degree and direction of the discrepancy between consumers' perception and expectation. Various studies have already been done on this matter. According to the researcher personal observation all these studies are related to African countries, European countries or US insurance industries. I have not come across with any of such study in Ethiopian context. Almost all the studies have been done on the relationship between service quality and customer satisfaction using a SERVEQUAL model. In fact,

there are varying factors that affect service quality and customer satisfaction in insurance industry which were not addressed previously like technical quality (out put), company image, premium price and collaborators.

Consequently, the researches did not show which service quality dimensions have a decisive and negative impact on the overall service qualities, is service quality contributes to customer satisfaction or not and there is a real question about doe's claimants of different insurance companies' has different level of satisfaction or not? There is no empirical study about the out come of service quality and satisfaction in Ethiopia case done by the combination of the above factors.

In order to understand the level of service quality and customer satisfaction in insurance industry is it necessary to measure the claimants' response using the proposed model dimensions.

In order to take the leading position in the service industry and satisfy their customers, an insurance company could compare their services with other firms in the industry. Because of the above reasons the student researcher was encouraged to compare the service quality difference offered by EIC and AIC companies and its impact on customer satisfaction.

Both EIC and AIC are attempting to deliver quality services to their customers and introduce different types of services to the market and undertake evaluation of their service performance for the past years. However, as service is different from company to company and customers become more aware of the services offered by other firms within the industry, there fore companies should have to explore the quality of the services offered by these companies.

Keeping this in mind, the study attempts to answer the following questions:

1. What is the overall level of customer satisfaction with EIC and AIC's service delivery practices?

2. Is there any significant difference between the two insurance companies on the part of service quality dimensions?
3. Do service quality dimensions, overall service quality and customer satisfaction associate with each other in EIC and AIC functioning?
4. What is the role of each service quality dimension in estimating corporate image and overall service quality in the targeted companies?

1.4 Objectives of the Study

The main objective of the study is to assess and compare the service quality and level of customer satisfaction in EIC and AIC in Addis Ababa (the capital city). The specific objectives include:

- To compute the overall level of customer satisfaction and service quality at EIC and AIC;
- To see the significance of the difference between the two companies along the service quality dimensions;
- To examine the association of service quality dimensions, overall service quality and overall customer satisfaction;
- To assess the role of service quality dimensions in estimating the corporate image and overall service quality.

1.5 Purpose of the Study

In light of the need to retain customers rather than merely sell them a single product or service line, insurance companies must focus on developing relationships that endure beyond the last sale. The purpose of this paper is to assess and compares the two insurance companies using the most critical determinants of perceived service quality and feelings of satisfaction in the auto insurance claims, using the proposed model to a group of consumers involved in filing motor insurance claims. More specifically, functional, claims settlement (technical), premium price, image and collaborators responses to metric measures of satisfaction and service quality were compared because the researcher is interested in comparing companies based on customer ratings, the researcher was also

seek to determine if customer ratings of these dimensions are consistent across competing insurance companies.

1.6 Significance of the Study

The research result is significantly important for EIC and AIC in particular and for all insurance companies in general, while shedding the light on the importance of studying service quality and customer satisfaction in retaining customers. It helps in understanding weakness and strengths of the companies under study on the part of service quality on offer and the level of satisfaction that customers maintain, therefore, will guide needed resources in the problem areas together with taking all the necessary measures to overcome lower level of satisfaction while improving service quality.

It will also help the researcher to acquire practical marketing knowledge about how service quality and satisfaction interact and why it is important to measure them by the companies. Hopefully, it will inspire other students to further deepen their research knowledge while opening the doors to investigate service quality and customer satisfaction in other sectors than insurance, and parallel to this, maintains contribution to the existing literature related to marketing of services in general and insurance sector in particular.

Generally, results reported here will aid in the understanding of the subtle distinctions between customer satisfaction and service quality in the motor insurance claims process by identifying those dimensions that contribute significantly to each of these critical evaluative components.

1.7 Scope of the Study

This study would be full-fledged if it covers the total insurance companies and their respective customers' perceptions of service quality and satisfaction. However, it incorporates only two insurance companies that are leading in terms of claims ratio in motor insurance as compared to other private insurance companies.

Since it is difficult to assess the service quality of all classes of services offered by EIC and AIC the research is delimited only to one service that is claimants of motor insurance. This is selected because of that motor class is characterized by relatively high share and high claim frequency. For these reasons, the researcher opted to assess and compare the targeted insurance companies' performance based on motor insurance customers perceived service quality and satisfaction. . In addition respondents were identified only from the main branches of Addis Ababa who purchase motor insurance policy in both EIC and AIC since these braches maintained largest number of policies.

1.8 Limitations of the Study

Some of the limitations noticed during undertaking this research are the following. Since the number of companies under this study is only two insurance companies, as a result of this it may not be possible to generalize for all Ethiopian case. In addition to the number of claims incurred in EIC and AIC is greater than other private insurance companies the management's friendly and responsiveness to the researcher's enquiries to get access to and collect the required data for this study encouraged the researcher to conduct this research at EIC and AIC.

The other limiting factor is that, the data available in the insurance companies is maintained in the "number of policy", and this number of policy does not indicate the number of customers or number of cars insured, because one policy may cover one car or more than one. There fore it is difficult to know the exact figure of the number of cars insured in the two insurance companies.

1.9 Organization of the paper

This research is organized into five chapters. The first chapter briefly discusses background of the problem area, and states the research problems, objectives of the study, and scope and limitations of the research. Chapter two Provides an overview of the literature Chapters three explains the methodology of the research followed by discussion the analysis and interpretation of the finding under chapter four. Chapter five summarizes main ideas and forwarded recommendations for future work.

1.10 Operational definition of terms

- **Insurance** can be defined as a social scheme which provides financial compensation for the occurrence of a misfortune.
- **Auto insurance** (also known as **Vehicle, Motor** or **Car insurance**) purchased for cars, trucks, and other vehicles, with primary use to provide protection against losses incurred as a result of traffic accidents and against liability that could be incurred in an accident.
- **Premium price** is the money paid to insurance companies at specified intervals to maintain cover.
- **Claim settlement** The payment, proceeds by an insurance company to the insured when a valid insurance claim is made to settle an insurance claim within the guidelines stipulated in the insurance policy.

CHAPTER TWO

REVIEW OF LITERATURE AND CONCEPTUAL FRAMEWORK

Service quality and Customer satisfaction are the concepts received great consideration in marketing literature due to their significant contribution to business sustainability in the competitive world. Moreover, measuring service quality from customer perspectives has been given increased attention in the recent years. This chapter explores the available literature on service quality and customer satisfaction. Finally, a model is proposed based on the identified relationship among these constructs.

2.1 Introduction

There is a growing importance of services in the world economy. Services contributed a total of 43% Ethiopian GDP in year 2009 and 66.3 per cent of world gross domestic product (GDP) in the year 2000. (CIA, 2009) The large contribution of services to the GDP stems mostly from the strong financial sector of Banks and Insurances.

Services are difficult to manage due to certain inherited characteristics such as intangibility, heterogeneity, inseparability and perishability. The complex nature of services, coupled with the growing prominence of the services sector has also increased the need for better service quality. Therefore, the topic of service quality is increasingly recognized as being one of the key strategic values of organizations in both the manufacturing and service sectors (Lewis, 1991). Service quality, allows the company to differentiate itself from its competitors by increasing sales and market shares, it results in the satisfaction and retention of customers and employees, thus reducing turnover rates, it leads to repeat purchase behavior and brand loyalty and furthermore, new customers are attracted through positive word-of-mouth, (Newman, 2001; Caruana, 2002; Wang et al., 2003).

Over the past decades, fundamental changes in the industry of financial intermediation, such as deregulation and advances in technology, had a visible impact on the provision of

financial services. Deregulation, in various parts of the world, has made flexible the provision of financial services and promoted competition among financial institutions. This is mainly due to the removal of significant restrictions that have previously hampered the horizontal and, to a greater extent, the vertical expansion of financial firms. Technological progress has also increased profitability and facilitated faster processing and monitoring of multiple activities at even lower costs (Berger and DeYoung 2006).

Banks and Insurance are an important part of the financial services industry (Mishkin, 2001). In line with the trend towards a more integrated global financial environment, many regulatory, structural and technological changes have taken place within the world financial industry (Angur et al., 1999). Financial sectors are expanding across borders, offering a diverse portfolio of competitive services and restructuring their services in order to make use of rapid technology and to meet the changing needs of customers.

2.2 Services

2.2.1 Definitions of services

Kotler and Armstrong (1996) defines services as an activity that one party offers to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

Gronroos (2001) defined it as follows:

A service is an activity or a series of activities of a more or less intangible nature that normally, but not necessarily, takes place in the interaction between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems.

Zeithaml, Bitner and Gremler (2006: 4) define services as all economic activities that take place in an interaction process for creating customer satisfaction, although this interactive consumption does not always lead to material possession.

Zeithaml and Bitner (1996), described services as including:

... all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser.

The conclusion derived from the above definition is that services deal with intangible components. The purchase of services does not necessarily result in physical transfer or ownership but still creates a bundle of benefits during or after the service interaction or experience.

2.2.2 Characteristics of Services

Services have a number of unique characteristics that make them different from products. (Kotler, 2003) They are:

1. Intangibility

Service is intangible that lacks physical existence. You, for example, pay fees for a term in college; you are paying for the benefit of deriving knowledge and education, which is delivered to you by teachers. When you buy a cake or soap, you can see, feel, touch and use it to check its effectiveness in cleaning. In contrast to the soap you can immediately check its benefits, there is no way you can do so in case of the teachers who are providing you the benefits. Teaching is an intangible service. Services cannot be felt, tasted, touched or seen in the same way as goods. However, there are always some tangible components, which help consumers, evaluate services. On a flight, for example the total service experience is an amalgam of many disparate components, such as the experience at the airport, the nature of the services, on board and the in-flight entertainment. Service comprises many tangible elements this is hardly comparable with physical product like television or a suit, where the total product can be seen, examined and evaluated. (ibid)

2. Inseparability

The most basic and universally cited, difference between goods and services is intangibility. Because services are performances, in most cases services cannot be

separated from the person or firm providing it. A person who possesses a particular skill provides Service. For example, a plumber has to be physically present to provide the service; the beautician has to be available to perform the massage. This is in direct contrast to products which can be produced in the factory today, stocked for the next two, three and more months and sold when an order is procured.

3. Heterogeneity

As services refer to performances and are frequently produced by humans, no two services will be precisely alike. The employees delivering the service are the service in the customer's eyes. However they may differ in their performance. Heterogeneity also results among service receivers as no two customers are precisely alike; each will have unique demands or experiences the service in a unique way. Thus, the heterogeneity connected with services is largely the result of human interaction between and among employees and customers and all of the vagaries that accompany it.

For example, a tax accountant may provide a different service experience to two different customers on the same day depending on their individual needs and personalities and on whether the accountant is interviewing them when he or she is fresh in the morning or tired at the end of a long day of meetings. The doctor who gave you his complete attention last visit may behave a little differently the next time. Airlines, restaurants, banks, hotels have a large number of standardized procedures. (ibid)

4. Perishability

Can you save the treatment given to you by your doctor? Obviously no, so it basically refers to the fact that services cannot be saved, stored, resold, or returned. A seat on an airplane or in a restaurant, an hour of a lawyer's time, or telephone line capacity not used cannot be reclaimed and used or resold at a later time. A car mechanic who has no cars to repair today, or spare berths on a train, unsold seats in a cinema hall represent service capacity, which is lost forever.

Apart from the fact that service is not fully utilized represents a total loss, the other dimension of this. There is a peak demand time for buses in morning and evening (office hours), certain train routes are always more heavily booked than others. This is in

contrast to goods that can be stored in inventory or resold another day, or even re-turned if the consumer is unhappy. Wouldn't it be nice if a bad haircut could be re-turned or resold to another consumer? Perish ability makes this an unlikely possibility for most services. (ibid)

5. Simultaneous Production and Consumption

All the goods are produced first, then sold and consumed while most services are sold first and then produced and consumed simultaneously. For example, an automobile can be manufactured in Detroit, shipped to San Francisco, sold two months later, and consumed over a period of years. But restaurant services cannot be provided until they have been sold, and the dining experience is essential produced and consumed at the same time. Frequently this also means that the customer is present while the service is being produced and thus views and may even take part in the production process. This also means that frequently customers will interact with each other during the service production process and thus may affect each others' experiences.

For example, just suppose strangers are seated next to each other in an airplane may well affect the nature of the service experience for each other. That passengers understand this fact is clearly apparent in the way business travelers will often go to great lengths to be sure they are not seated next to families with small children. Another outcome of simultaneous production and consumption is that service producers find themselves playing a role as part of the product itself and as an essential ingredient in the service experience for the consumer. When you buy a product you become its owner –be it a pencil, book, shirt, refrigerator, or car. In case of service, you may pay for its use but you never own it. In case of service the payment is not for purchase, but only for the use or access to or for hire of items or facilities. (ibid)

6. Variability

Services are highly variable, since they depend on persons who provide these services and when, where, and how they provide. For example, some doctors have excellent bedside manner; others are less patient with their patients. Some surgeons are every

successful in performing a certain operation and others are less successful. Service buyers are often aware of the variability and talk to others before selecting a service provider.

So as to improve the quality service firms can take three steps towards quality control.

1. The first is investing in good hiring and training procedures. Recruiting the right service employees and providing them with requisite training.
2. The second step is standardizing the service performance process throughout the organization; this is helped by preparing a service blueprint that depicts events and process in a flowchart; with objective of recognizing potential fail points.
3. The third step is monitoring customer satisfaction through suggestion and complaint systems, customer surveys, and comparison-shopping. (ibid)

2.3 Insurance—defined

Scholars and writers have given various definitions of insurance from different perspectives such as economic, social, legal, etc. three definitions are provided below cited in Hailu Z., (2007).

Pfeffer (1956) provides the following definition of insurance:

Insurance is a device for the reduction of the uncertainty of one party called the insured, though the transfer of particular risks to another party, called the insurer who offers a restoration, at least in part, of economic losses suffered by the insured.

Pritchett, et al (1996:52) provide the following definition of insurance:

Insurance is a social device in which a group of individuals (called 'insureds') transfer risk to another party (called the 'insurer') in order to combine loss experiences, which permits statistical prediction of losses and provides for payment of losses from fund contributed (premiums) by all members who transferred risk.

Article 654 (2) of the commercial code of the Empire of Ethiopia (1960:140) provides a legal definition of insurance as follows:

An insurance policy is a contract whereby a person called the insurer undertakes against payment of one or more premiums to pay to a person, called the beneficiary, a sum of money where a specific risk materializes.

All these definitions focus on the concept of risk pooling or group sharing of losses. That is, persons exposed to loss from a particular source combine their risks and agree to share losses on some equitable basis. Risk pooling, or what will later be called the "risk transfer," is at the very heart of the typical insurance arrangement. The provider of the insurance can be viewed as an insurance system, a term broad enough to include insurance companies and self-insured arrangements in the private sector, and the various kinds of social insurance in the governmental sector

The insurance industry plays an important role in insuring the economic well being of one country, but it does not have a high profile and therefore many people have little idea of the full role it plays. The insurance services provided to industry and individuals, has far-reaching benefits both for those who insure and for the country as a whole. It provides a form of peace of mind, or security, which is a vital importance in the industry and commerce. It also contributes to a general reduction in the economic waste, which follows from loss ((Harrington and Niehaus, 2004)

2.3.1 AUTO Insurance

Personal auto insurance, which protects against many losses associated with auto accident, is the largest line of property- liability insurance in terms of premium volume. The major loss exposures arising out of the automobile accident are: (1) legal liability for harm that you cause others as a result of your negligence, (2) bodily injury to you and members of your family, and (3) property damaged to and/or theft of your vehicle(s), there fore the insurance coverage that is available covers part or all of these losses. (Harrington and Niehaus, 2004)

The personal auto policy includes four main types of coverage: (1) "third party" liability coverage for liability to third parties harmed by negligence of an insured person; (2) "first

party” medical payments coverage for the insured, or in the states with no-fault or related laws, personal injury protection coverage for the insured’s medical expenses and loss of income; (3) uninsured and underinsured motorists coverage for losses caused to an insured by drivers without liability insurance and drivers with comparative low liability insurance limits; (4) coverage for physical damage to or theft of insured autos. This section provides a brief overview of these coverages.(*ibid*)

2.4 Service Quality

According to Vavra (1997), quality is consistently delivering products and services that fully meet consumer needs and expectations. Quality is the extent to which the service, the service process and the service organization can satisfy the expectations of the user. All service organizations recognize the importance of service quality because it affects customer loyalty and satisfaction. Thus, quality should be designed in a way that helps organizations to keep existing customers satisfied and retain them for long term relationship.

Various experts’ defined quality as ‘fitness for use’ (Juran, 1988) or as per the Japanese production philosophy, quality implies ‘zero defects’ in the firm’s offerings. American Society for quality control defined ‘‘quality is the totality of features and characteristics of product or service that bear on its ability to satisfy stated or implied needs’’

Though initial efforts in defining and measuring service quality emanated largely from the goods sector, a solid foundation for research work in the area was laid down in the mid-eighties by Parasuraman, Zeithaml and Berry (1985). They were amongst the earliest researchers to emphatically point out that the concept of quality prevalent in the goods sector is not extendable to the services sector. Being inherently and essentially intangible, heterogeneous, perishable, and entailing simultaneity and inseparability of production and consumption, services require a distinct framework for quality explication and measurement. As against the goods sector where tangible cues exist to enable consumers to evaluate product quality, quality in the service context is explicated in terms of parameters that largely come under the domain of ‘experience’ and ‘credence’ properties

and are as such difficult to measure and evaluate (Parasuraman, Zeithaml and Berry, 1985)

However, Parasuraman, Zeithaml and Berry (1988) were to provide a terse definition of service quality. They defined service quality as ‘a global judgment, or attitude, relating to the superiority of the service’, and explicated it as involving evaluations of the outcome (i.e., what the customer actually receives from service) and process of service act (i.e., the manner in which service is delivered). In line with the propositions put forward by Gronroos (1982), Parasuraman, Zeithaml and Berry (1985, 1988) posited and operationalized service quality as a difference between consumer expectations of ‘what they want’ and their perceptions of ‘what they get.’

In the seminal work of Grönroos (1982), service quality is defined as the outcome of an evaluation process where the consumers compare their expectations with their service they perceived they have received. Since that time, a voluminous amount of research has been conducted on the topic, principally due to its role as an input to customer satisfaction (Oliver, 1996) and an indicator of organizational performance (Lewis and Mitchell, 1990). Companies that have goods and services that are perceived as being of high quality typically have greater market share, higher return on investment, and higher asset turnover than firms which have goods and services perceived as being of low quality (Kim et al., 2004). In fact, in today's fiercely competitive global market, more than half of all corporate training dollars are spent on service quality issues (Babakus et al., 2004).

According to Chen and Dubinsky (2003), a consumer's perception of quality is different from objective quality which is determined by settled standards. Perceived quality is rather a higher-level abstraction, a global assessment, and highly subjective owing to the specific consumption setting. This is particularly true in the virtual setting, where consumers generally have no intrinsic attributes to generate objective judgment about the quality in the pre-purchase stage. As such, consumers perceive a lower level of tangibility because of the lack of demonstrable proof about the performance. Service quality is more difficult for consumers to evaluate than product quality; this is due to a

lack of tangible evidence associated with the service (Hong and Goo, 2004). This is particularly true for professional services because they are very people-based, which increases the level of variability in service quality.

2.4.1 Determinants of Service Quality

“Quality” is not a singular but a multi-dimensional phenomenon. It is not possible to ensure product or service quality without determining the salient aspects of “quality”. The genetic determinants of “service quality” suggested by different scholars are identified and discussed in this section. The utility value of these determinants is situation-dependent.

Five underlying dimensions of service quality were originally indicated in the SERVQUAL approach (Parasuraman et al., 1988): The original SERVQUAL instrument identified ten components of service quality. In a further study conducted by Parasuraman et al. (1988), these ten components were collapsed into five dimensions: reliability which is the ability to perform the service in an accurate and dependable manner; tangibles which refers to the appearance of physical factors such as equipment, facilities and personnel; empathy which involves providing individual attention and care to customers; responsiveness which is the willingness to provide help and prompt service to customers; and assurance which refers to the knowledge and courtesy of employees and their ability to convey trust and confidence. Four or five items are used to measure each dimension and the instrument is administered twice in different forms, so that both customer expectations and perceptions can be measured separately.

Gronroos (1990) describes the quality of service as having two dimensions - a technical or outcome dimension and a functional or process-related dimension. What customers receive is clearly important to them and to their overall evaluation of quality. This could be looked on as "product quality": what the customer is left with when the production process and the personal interactions are over. Frequently this dimension can be measured objectively because it represents the technical provision. The interactions between the customer and the service provider - constitute the "how" of the service

provision. This functional quality will have a major influence on the way the customer perceives the technical quality.

In addition, Gronroos identifies the corporate image dimension of quality. This image will be built up from the functional and technical quality of the services the organization offers, plus the effects of traditional marketing activities such as advertising, pricing and public relations.

Lehtinen and Lehtinen(1992) argue that in examining the determinants of quality it is necessary to differentiate between the quality associated with the process of service delivery and the quality associated with the outcome of the service. This is a useful separation and it is taken into account in reviewing the determinants of “service quality”. These attempts to identify the service quality determinants suffer from lack of sufficient detail. Their most significant contribution is to divide service “quality” into quality of process and quality of outcome.

2.5 Customer Satisfaction

Kotler (2000) defines customer satisfaction as follows: “Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations.” Brown et al (1992) defines customer satisfaction as: “The state in which customer needs, wants and expectations throughout the product or service's life are met or exceeded resulting in repeat purchase, loyalty and favorable worth-of mouth.”

Being able to successfully judge customers' satisfaction levels and to apply that knowledge are critical starting points to establishing and maintaining long term customer retention and long term competitiveness (Yuksel & Yuksel, 2002). Customer satisfaction brings many benefits.

Customer satisfaction should be the ultimate goal of all firms because both theoretical and empirical research links a firm's business performance to the satisfaction of its customers (Morgan et al., 2005). In fact, findings in a study by Homburg et al. (2005)

revealed the existence of a strong, positive impact of customer satisfaction on willingness to pay. Customers who have been very satisfied with a service in the past will not only seek out that service provider in the future, but will also be very willing to pay a premium price for that service.

Satisfaction is the consumer's response to the evaluation of the perceived discrepancy between prior expectations and actual performance (Tse and Wilton, 1988), with expectations viewed as predictions about what is likely to happen (Parasuraman et al., 1988). Satisfaction or dissatisfaction is not inherent in the product or service but, instead, is the consumer's perceptions of the attributes of the product or service as they relate to that individual (Boshoff and Gray, 2004). Hence, satisfaction is idiosyncratic and, as a construct, emerges from the interaction of perceptual interpretations of expectations of that service. Thus, different consumers will express varying levels of satisfaction for the same experience or service encounter.

2.6 The Price-Quality link

The price-quality link was first examined in by Scitovsky (1944) who suggested that price can serve dual roles in the consumers' decision process. Scitovsky noted that while a higher price may serve as a deterrent to consumer purchase as suggested by neo-classical economic thinking, it may also help motivate consumer purchase of the product through consumers' inference formation processes, whereby higher prices are interpreted by consumers as indicative of higher quality levels. Subsequent studies have examined how the relationship between price and perceived quality might be influenced by additional variables in the consumer environment. For example, Gardner (1970) showed that price-quality cue utilization will vary by the product category, with some categories showing high use of the price-quality cue while other categories exhibit little use of it by the consumer. It has also been shown that the direct relationship between price and objective quality becomes stronger as the product category matures. Therefore, as new products are introduced to the market and become more widely accepted in the marketplace, consumers' ability to utilize the price-quality cue with greater confidence increases (Curry and Riesz, 1988).

Consumer researchers typically quantify the extent of price-quality cue utilization by asking consumers how much they use this judgment strategy (e.g. Shiv and Ariely (2005) demonstrate that products at higher prices can be perceived by consumers to perform at higher levels, though their actual performance may be objectively equivalent to lower-priced items. Research has also shown that consumers' use of the price-quality cue may significantly vary from one consumer to the next and that some consumers may find price to be indicative of quality more so than other consumers would (Grewal et al., 1998; Richardson et al., 1996).

However, the impact of price and quality is likely to differ significantly across service categories and, accordingly, broad generalizations must be approached with caution. For example, Crane (1991) reports that consumers do not make a price-quality connection in the area of physician services. Further, in studies of insurance services (Retzliff, 1989) and automobile repair services (Fram and Dubrin, 1988), consumers seem unwilling to pay for additional (higher quality) services. An interesting distinction was noted for the product and service arenas through an American Society of Quality Control/Gallup survey (Ryan, 1988). Here, consumers did not object to paying higher prices for better product quality. However, these consumers did object to paying more for quality assurances covered by separate service contracts.

2.6.1 Price-quality cue utilization in financial services

As noted above, research on the price-quality link dates back several decades. While considerable research in recent years has been dedicated to quantifying consumer perceptions of service quality through instruments such as SERVQUAL and SERVPREF (Cronin and Taylor, 1994; Parasuraman et al., 1988), measuring consumer price knowledge (Estelami and Lehmann, 2001; Vanhuele et al., 2006), and examining the use of the price-quality cues (Lichtenstein and Burton, 1989;). The use of the price-quality cue has significant importance in the practice of pricing financial services. Price-quality cue utilization would imply that consumers would find higher priced financial services to be of higher quality and may therefore tolerate higher prices.

Examining the strength of the price-quality cue in a financial services context is also important since consumers' processing of complex decisions such as those encountered in financial markets is highly dependent on simplifying decision strategies which would utilize only a sub-set of the available information (e.g. brand name, price, retail location) at the time of the decision (Estelami, 2007 and Grewal et al., 1998). Several characteristics of financial services provide the specific conditions under which the price-quality cue tends to be used by consumers. Financial services are highly intangible. For example, the quality of an insurance product cannot be assessed unless one has to file claims or come into contact with customer service employees. As a result the quality of a financial product or service may be unobservable. This would encourage consumers to focus on other cues such as price in order to assess quality (Richardson et al., 1996).

In addition, some financial products tend to provoke little or no consumer involvement. The technical and numeric nature of certain categories of financial services can make them daunting for most consumers, and as a result the level of consumer involvement and knowledge is likely to be low, depending on the financial services category (Estelami, 2007; Harrison, 2000). This fact is further reinforced by the low purchase frequency associated with financial products. Financial transactions, such as the purchase of an insurance policy, investing in a mutual fund, or securing a mortgage occur with far lower frequencies than purchases of other services or goods. The infrequent nature of these financial services transactions can help reduce consumer engagement and interest, and is a contributing factor to consumers' overall lack of knowledge on certain financial matters, which has been well-documented in consumer research studies (Estelami, 2005 and Fox and Lee, 2005). It is therefore expected that consumers would rely on the use of the price-quality cue in financial services decisions to varying degrees. As a result, use of the price-quality cue may be prevalent in financial services, and may also considerably vary in strength from one financial services category to another:

2.7 The Relationship between Image, Service quality and Satisfaction

Numerous definitions of image are found in the psychological and marketing literature. On the company level, image has been defined as perceptions of an organization

reflected in the associations held in consumer memory (Keller, 1993), and Corporate image in the service marketing literature was early identified as an important factor in the overall evaluation of the service and the company (Bitner, 1991; Grönroos, 1984; Gummesson and Grönroos, 1988). In the Perceived Quality Model (Grönroos, 1988) perceived quality is a function of expected quality (generated from market communication, image, word-of-mouth, and customer needs) and experienced quality (generated from technical quality and functional quality). According to Grönroos “(corporate) image is a filter which influences the perception of the operation of the company”. Grönroos (1984) argues that image is of utmost importance to service firms and is to a great extent determined by customers’ assessment of the services they receive. Indeed, since services are intangible and based on performances, a better understanding of the components of image promises to help management improve the competitive performance of the firm. A prerequisite to image management is, therefore, the understanding of the process by which image is formed and the customers’ beliefs and attitude with regard to the firm’s product/service offering.

MacInnis and Price (1987), along with Yuille and Catchpole (1977), describe image formation as a procedure by which ideas, feelings and previous experiences with an organization are stored in memory and transformed into meaning based on stored categories. Salient facts, compatible with the customer’s attitudinal structure, are later retrieved to reconstruct image when the service firm is brought to mind.

Grönroos (1984) argues that corporate image is built mainly by technical quality i.e. what the customer receives from the service experience, and functional quality, the manner in which the service is delivered. Bitner (1990, 1992) proposes that cues from the physical environment are instrumental in communicating the firm’s purpose and image. Baker (1987), for her part, contends that atmospherics have considerable influence on employee motivation and the quality of the service encounter. Similarly, Crosby et al. (1990), note that the performance of contact personnel is indicative of the level of quality offered by the service firm. Interestingly, physical environment and contact personnel are integral parts of the service quality factors identified by Parasuraman et al. (1988). The

assumption is that customers who perceive service quality over repeated service encounters have an overall favorable image of the firm. Similarly, since customer satisfaction is described as a judgment made on the basis of a specific service encounter (Bolton and Drew, 1991; Cronin and Taylor, 1992), satisfaction levels derived from each service encounter are viewed as having an effect on image assessments. Image is, therefore, viewed as cumulative construct that is updated each time the customer experiences the service.

People develop knowledge systems (i.e. schemas) to interpret their perception of the company. Corporate image is believed to have the same characteristics as self-schema (Markus, 1977) with regard to influencing the buyers' purchasing decision, i.e. good corporate image stimulates purchase from one company by simplifying decision rules. In this context corporate image becomes an issue of attitudes and beliefs with regard to awareness and recognition (Aaker, 1991), customer satisfaction and consumer behavior (Fornell, 1992). Corporate image can be an extrinsic information cue for both existing and potential buyers and may or may not influence customer loyalty (e.g. willingness to provide positive word-of-mouth). Corporate image is consequently assumed to have an impact on customers' choice of company when service attributes are difficult to evaluate. Corporate image is established and developed in the consumers' mind through communication and experience. Corporate image is believed to create a halo effect on customers' satisfaction judgment. When customers are satisfied with the services rendered, their attitude toward the company is improved. This attitude will then affect the consumers' satisfaction with the company.

Hildebrandt, 1988; Mazursky and Jacoby, 1986 proposed that image will precede customer evaluations, rather than these evaluations being components of image. That is, image determines the nature of consumer expectations which, in turn, are a decisive influence on the formation of quality perceptions.

2.8 Service Quality and Customer Satisfaction

Service quality is the delivery of excellent or superior service relative to customer expectations (Zeithaml and Bitner, 1996). Service quality is recognized as a multi-dimensional construct. While the number of dimensions often varies from researcher to researcher, there is some consensus that service quality consists of three primary aspects: outcome quality, interaction quality, and physical service environment quality (Rust and Oliver, 1994; Brady and Cronin, 2001). Outcome quality refers to the customer's assessment of the core service which is the prime motivating factor for obtaining the services (e.g. claim settlement, hair cut, money received from ATM). Interaction quality refers to the customer's assessment of the service delivery process, which is typically rendered via a physical interface between the service provider, in person or via technical equipment, and the customer (Grönroos, 1984). It includes, for instance, the consumer's evaluation of the attitude of the service providing staff. The physical service environment quality dimension refers to the consumer's evaluation of any tangible aspect associated with the facilities or equipment that the service is provided in/with.

Service quality and customer satisfaction are distinct but related constructs (Spreng and Mackoy, 1996). Oliver (1997) defines satisfaction as "the consumer's fulfillment response", a post consumption judgment by the consumer that a service provides a pleasing level of consumption-related fulfillment, including under- or over-fulfillment. Service quality is an antecedent of the broader concept of customer satisfaction (Buttle, 1996; Zeithaml and Bitner, 1996; Lee et al., 2000). Most commonly, the nature of this service quality and satisfaction link is viewed as linear, indicating that higher levels of service quality lead to higher levels of satisfaction.

The sequential order of quality and satisfaction has also been a central issue in the literature debate, although there seems to be an evolving consensus on considering quality as an antecedent to satisfaction (DeRuyter et al., 1997; Lee et al., 2000). In a comprehensive review, DeRuyter et al., 1997 suggest that satisfaction should be treated as a super-ordinate construct to service quality. Cronin and Taylor (1992) undertook an empirical test of the reciprocity between satisfaction and quality across several service

industries. Using structural equation modeling, they found that service quality can be seen as a determinant of satisfaction.

In sum, satisfaction and quality seem like twin concepts, both revolving around expectation, experience, perception and evaluation of service as key variables. (ibid)

2.9 Conceptual Framework

Based on a bibliographical review of the literature, a model is developed after various alternative instruments were used to assess service quality, notable among these being the SERVQUAL diagnostic presented in 1988 and refined in 1991 by Parasuraman, Zeithaml and Berry, abbreviated as PZB. They conceptualized service quality (Q) as the difference between customers' perceptions (P) of services of a specific firm and their expectations (E) of services in this particular industry. The negative P-E difference is characterized as a "gap" or quality flaw. The following dimensions will be used to construct the 22-item SERVQUAL scale (Zeithaml et al., 1990).

- Tangibles – The appearance of physical facilities, equipment, personnel and communication materials.
- Reliability - The ability to perform the promised service dependably and accurately.
- Responsiveness - The willingness to help customers and provide prompt service.
- Assurance – The knowledge, competence, and courtesy of service employees and their ability to convey trust and confidence.
- Empathy - The caring individualized attention provided to customers.

The criticism of note to this study is the point that SERVQUAL focuses on the service delivery process and does not address the service-encounter outcomes (Grönroos, 1990; Mangold and Babakus, 1991). It is interesting to note that the developers of SERVQUAL initially suggested that service quality consists of functional (process) and technical (outcome) dimensions (Parasuraman et al., 1985). However, the SERVQUAL instrument does not include any measure of the technical quality dimension. Essentially, technical quality has been neglected in efforts to study and measure service quality.

Grönroos (1982) identified two service quality dimensions, the technical aspect ("what" service is provided) and the functional aspect ("how" the service is provided). The customers perceive what s/he receives as the outcome of the process in which the resources are used, i.e. the technical or outcome quality of the process. But s/he also and often more importantly, perceives how the process itself functions, i.e. the functional or process quality dimension. For some services the "what" (or technical quality) might be difficult to evaluate. For example, in health care the service providers' technical competence, as well as the immediate results from treatments, may be difficult for a patient (a customer) to evaluate. Lacking an ability to assess technical quality, consumers rely on other measures of quality attributes associated with the process (the "how") of service delivery.

Grönroos also emphasized the importance of corporate image in the experience of service quality, similar to the idea proposed by Lehtinen and Lehtinen (1982). Customers bring their earlier experiences and overall perceptions of a service firm to each encounter because customers often have continuous contacts with the same service firm (Grönroos, 2001). Therefore, the image concept was introduced as yet another important component in the perceived service quality model, so that the dynamic aspect of the service perception process was considered as well. A favorable and well-known image is an asset for any firm because image has an impact on customer perceptions of the communication and operations of the firm in many respects. If a service provider has a positive image in the minds of customers, minor mistakes will be forgiven. If mistakes often occur, however, the image will be damaged. If a provider's image is negative, the impact of any mistake will often be magnified in the consumer's mind. In a word, image can be viewed as a filter in terms of a consumer's perception of quality. The model created by Grönroos (1984), attempts to understand how the quality of a given service is perceived by customers. It divides the customer's perception of any particular service into two dimensions:

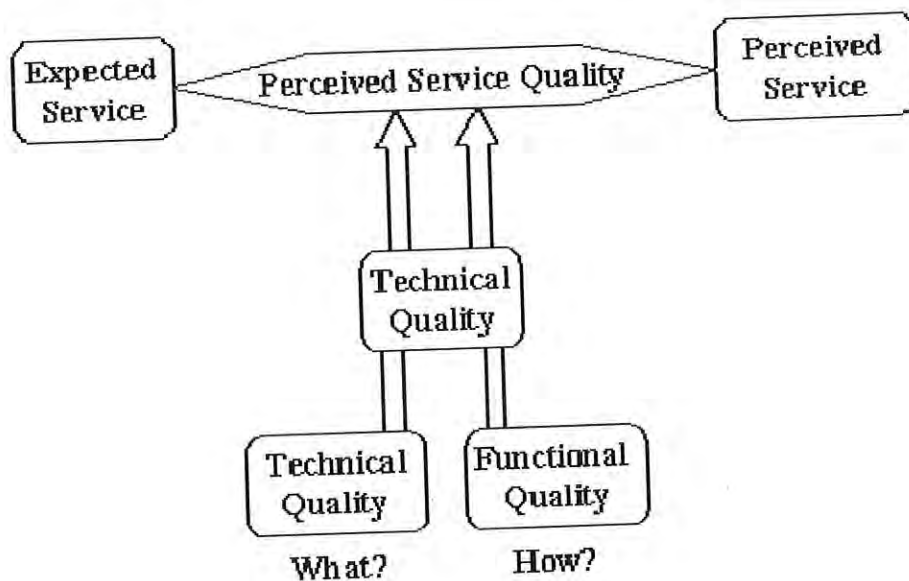
1. Technical quality - What the consumer receives the technical outcome of the process. In insurance service it is possible to conclude that the claims settlement

can be considered as the out put of the service. Since an individual or organizations purchases a policy by expecting the out come of the service.

2. Functional quality - How the consumer receives the technical outcome, what Grönroos calls the "expressive performance of a service" (Grönroos 1984).

Grönroos (1984b,) suggested that, in the context of services, functional quality is generally perceived to be more important than technical quality, assuming that the service is provided at a technically satisfactory level. He also points out that the functional quality dimension can be perceived in a very subjective manner (Fig. 1).

Fig. 1 Grönroos's Service Quality Model



Source: Grönroos (1984b)

Grönroos's model is important because it reminds us that service quality must include the manner in which it is delivered.

An adaptation of a model first proposed by Gronroos (1982), afford an overview of the relationship among the concepts of functional quality, technical (output) quality and image. Using a Gronroos model as a basis, the researcher proposed a model that highlights the effect of price and collaborators in addition to functional service quality,

technical quality and image on overall service quality and customer satisfaction. These dimensions are measured through set of attributes to compare customers' responses to metrics measures of satisfaction and service quality.

The study results of the insurance companies will aid in the understanding of the distinctions between customer satisfaction and service quality in claimants of motor insurance by identifying those dimensions that contribute significantly to each of these critical evaluative component.

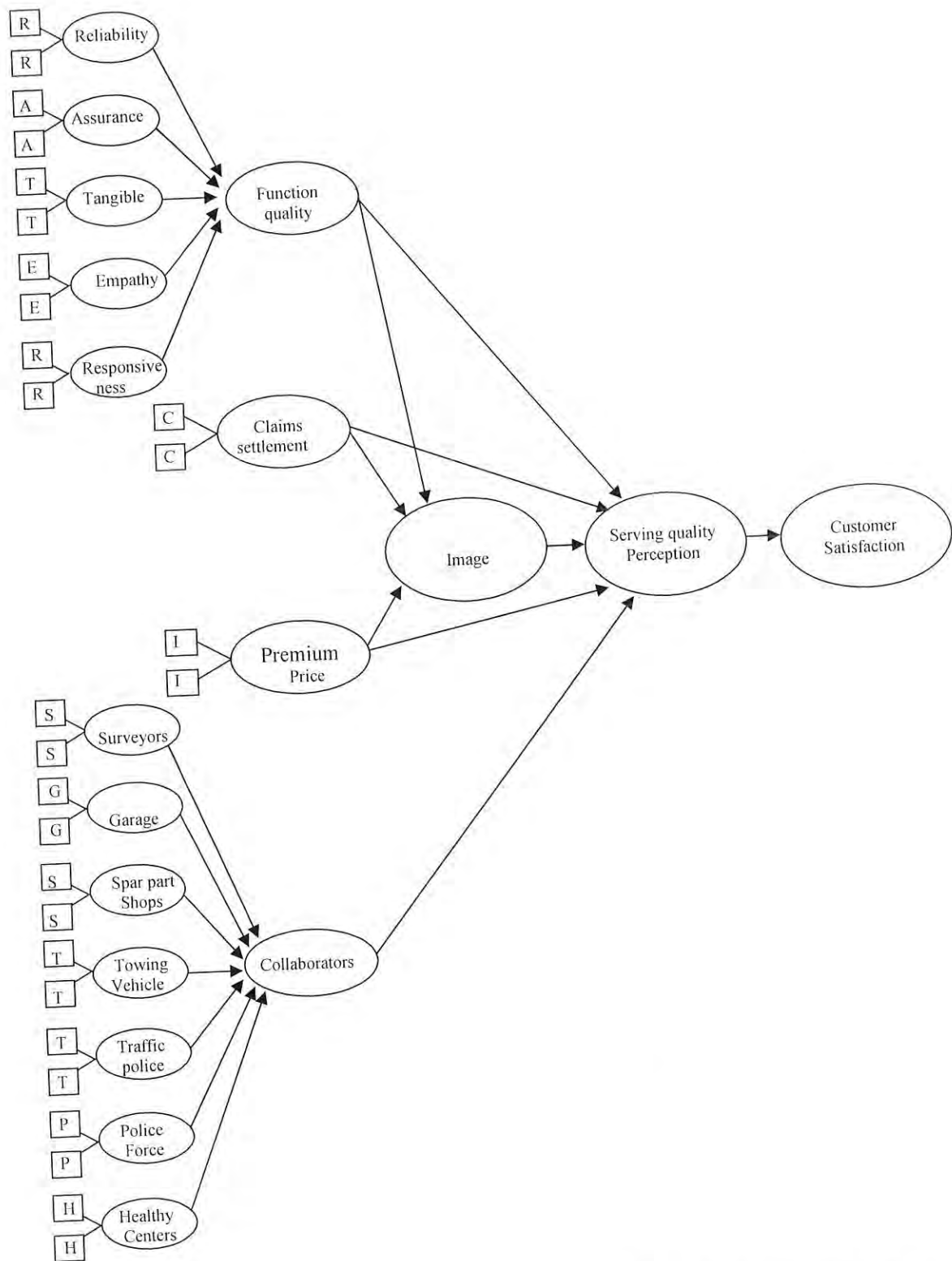


Figure 2 Conceptual model, which applies features of service quality to the insurance context.

CHAPTER THREE

RESEARCH METHODOLOGY

This section is devoted to research design, participants of the study, sampling method, data gathering instruments, procedures that were used to analyze the data and data analysis techniques that were employed to conduct this research are discussed here under.

3.1 Research Design

The study focuses on the comparative study of service quality and customer satisfaction in motor insurance in the EIC and AIC. Since the primary objective of the study is to compare and identify the difference of customer-perceived service quality and satisfaction between EIC and AIC, to accomplish this, both secondary and primary sources were explored. While primary source provided data regarding customers' perception of service quality, customer satisfaction and other background information, secondary sources, in the form of journal articles, internet and publications from the companies, books, magazines and company's websites provided an idea about their linkages, market share and businesses. Descriptive research approach was used in designing and implementing the study.

3.2 Population and Sampling

All the motor insurance policy holders of EIC and AIC, in Addis Ababa, consists a total of 9976 number of policies for the study (7856 from EIC and 2120 from AIC). However, required data were collected while approached to the claimants who are experienced in the process of purchasing motor insurance policy and made the claims in the last one year, and aware of what to be considered when assessing the service quality. Furthermore, to make the study manageable, policy holders from the main branches of the two insurance companies found in Addis Ababa region were selected, this is because the main branches have more number of policies than other branches in the two insurance

companies. Out of the total policies in each company, all the five main branches of EIC and all three main branches of AIC accounts 77% and 89% respectively.

As the customers of the two insurance companies are widely spread around Addis Ababa city, convenience sampling technique was applied to select the 320 claimants; 200 from EIC and 120 from AIC, based on the number of claimants' proportion in the two insurance companies. Additionally, those who filed a first party claims with their motor insurer were contacted and surveyed for the study. Third party claims were avoided as their adversarial nature could confound results. Therefore, only claimants were surveyed considering that the individuals without a claim may not have had any experience with their insurance provider in the past to assess the service and its quality together with their satisfaction. In fact, Schlesinger and Graf von der Schulenburg (1993) state, "a consumer might need to wait until an accident occurs and a claim is filed before he or she has sufficient information on a particular insurer's claims service. All respondents thus selected were 25 years of age or older, in order to ensure the representativeness of the sample, and had some service experience with their insurer.

In general, individuals were accepted in the sample under the conditions that:

- Customers should not be claimed for business, government and non-government organizations;(only individual customers)
- They held at least one auto insurance policy;
- They were over 25 years of age;
- They had insurance service experience at least for two years; and
- They have claimed in the last one year.

Table 1: EIC Sample Size Identification (EIC main branches)

Name of branches	No. of policies	Claims incurred	Sample taken
Eastern main branch	985	437	42
North eastern main branch	1092	320	31
North western main branch	1892	501	49
Southern main branch	1040	519	50
Western main branch	1052	287	28
Total	6061	2064	200

Source: EIC data base

Table 2: AIC Sample Size Identification (AIC main branches)

Name of branches	No. of policies	Claims incurred	Sample taken
Head office main branch	491	317	29
Ful wuha main branch	791	791	72
Yoseph main branch	607	210	19
Total	1889	1318	120

Source: AIC data base

3.3 Data collection Instrument

Structured questionnaire was designed by the researcher to evaluate service quality perception and satisfaction of the customers of the two insurance companies. The research instrument used in the study incorporates the items adapted from Groonros (1990) and designed additionally, by the researcher to focus on service quality and customer satisfaction with the dimensions of service quality provided by EIC and AIC, namely functional quality, claim settlement (out put), premium price, image and collaborators. Questions were formulated to tackle each dimension in view of the need to translate the questionnaire to Amharic and tailor to insurance service. The service functional dimension or scale integrated basic quality dimensions, including tangibility, reliability, assurance, empathy and responsiveness. The questionnaire also includes questions about claims settlement (output) and corporate image. Comprehensive assessment of quality needs to also assess if the service is efficient from collaborators and premium price side. Therefore, the new additional two dimensions were then incorporated in the questionnaire. Collaborator's scale touches on basic quality dimensions with seven sub-sections including surveyors, garages, spare part shops, tolling vehicles service, traffic police, police force, and healthy centers . All the items, thus designed were converted into statements and placed on a seven-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree).

In this way, the questionnaire with 58 items was first developed in English and then translated into Amharic by the researcher as suggested by McGorry (2000) and Aulakh and Kotabe (1993) in order to help respondents fill it with full understanding thereby, reducing the difficulty of comprehensive items that might arise and adversely affect the

quality of the research result. When necessary, making clarification deemed was done to ensure that the original meaning of the questionnaire statements was respected. During the preliminary survey as the part of research study, the researcher held discussions with officials of the selected insurance companies and customers as a result of this two factors was identified that influence service quality and level of customers' satisfaction in insurance sectors. 'Collaborators' and "premium price", consequently, the researcher was asked them to identify the factors that affect customers' service quality and satisfaction under the 'collaborators' dimension and they identify 7 sub-sections with 2 to 4 items each (surveyors, garages, spar part shops, tolling vehicle services, traffic police, police force and healthy centers) and a total of 18 items were developed under collaborators and 4 items under premium price.

The final version was then pre-tested to test its reliability and validity with 32 respondents, and found to be statistically reliable, consistent and valid with .964 alpha coefficients. Finally, the questionnaire was revised by correcting phrases and words and even changing some items so as to make them clear, relevant and feasible based on the feedbacks that were obtained through the pilot test.

After proper piloting, the extended questionnaire was used and given for data collection to "willing respondents" by visiting EIC and AIC main branches in Addis Ababa.

3.4 Data Gathering Procedures

Questionnaires were distributed to the main branches of EIC and AIC to the claims and underwriting departments. In the claims department customers who came to claim more than one were approached and in the underwriting department customers who claimed before but now who came to renew their motor insurance policy were provided to fill the questionnaire. First the personal file of the respondents was checked by the claims officer or underwriting clerk, to see if the respondent was claimed for the last year, if they were purchase insurance policy for personal, if they had made use of motor insurance services in the last two years. Participants who fulfill these criteria then be asked their willingness to fill the questionnaire. Respondents did not meet these criteria were rejected to participate in the study. The refusal rate was higher in Ethiopian Insurance Corporation

due to large number of business and government customers, due to this reason long time period was taken to obtain the filled out questionnaires from EIC.

The respondents were approached personally by the employees of the two insurance companies and the researcher and explained in detail about the survey (including its purpose, how they filled it, the meaning of the items and what is expected of the respondents). Questionnaires were given to the customers and they were instructed to rate each item on the level of their agreement on service quality delivered by the insurance company. The customers were also asked to indicate overall service quality and their level of satisfaction with the insurance company. Out of 320 distributed questionnaires, 265 as completely filled (157 from EIC and 108 from AIC) were obtained back, a response rate of about 82.81 per cent, and retained for data analysis. The high response rate may be attributed to the personal-contact approach facilitated by the researcher.

3.5 Measures

Seven constructs, functional quality, output quality (claim settlement), image, premium price, collaborators, overall service quality, and customer satisfaction, were operationalized in order to assess and compare the service quality and customer satisfaction. The items were modified and developed in English for insurance service, and then translated into Amharic. The final instrument was reviewed and approved by the advisor before distributing the questionnaires to insurance companies.

3.5.1 Functional (process) quality

The five SERVQUAL dimensions were modified and used to measure functional quality. Modification of the instrument for different service settings is supported by the developers of the instrument (Parasuraman et al., 1994). Following the suggestions made by Parasuraman et al. (1994), All 22 items of the scale are perception-performance statements. The instrument does not include any expectation battery, in contrast to the suggestions of other researchers (Parasuraman *et al.*, 1988; Carman, 1990). In support of the use of perception-performance measurements, Cronin and Taylor (1992) have found

that such measurements are a better indicator of overall service quality than expectation-performance measurements. In addition, Boulding *et al.* (1993) have found that only perceptions of the service directly influence overall service quality. These dimensions were tangibles, reliability, responsiveness, assurance and empathy. A seven-point Likert scale ranging from “Strongly Disagree=1” to “Strongly Agree=7” was used to measure the 22 items.

3.5.2 Claim Settlement (outcome quality)

The instrument to measure claims settlement was adapted from the work of, Kang and James (2004). Since the original items were developed for the cell phone service, it was necessary to modify the items to relate to insurance service. All five items were measured using 7-point scales anchored by “Strongly disagree” (1) and “Strongly agree” (7).

3.5.3 Premium price

Discussion with insurance users and service providers were conducted to generate items to assess the premium price in the current study. Four items developed by the researcher were measured using 7-point scales anchored by “Strongly disagree” (1) and “Strongly agree” (7).

3.5.4 Image

Although there are different levels of image (e.g. brand, product or company level) (Grönroos, 1990) a consumer may associate with a service provider, the respondents were asked to rate a company's overall image. Grönroos, suggested that rating a company's overall image would be more appropriate than measuring the brand or product image. The measures for organizational image were adapted from, Kang and James (2004), and modified specifically for this study by the researcher. Image of the service provider was measured by having insurance service users respond to seven items. Each item was measured using a 7-point scale anchored by “Strongly disagree” (1) and “Strongly agree” (7).

factors was computed to identify strong and weak points relating to that particular factor and to make comparison of the two companies easy. Along with the mean paired *T*-tests were executed to test for the significant difference between the two insurance companies.

Besides, descriptive statistical techniques were used to assess the respondents demographic profiles, correlations analysis was applied to see the relationship among the independent dimensions, overall service quality, and overall satisfaction. Multiple regression technique was used to see the impact of independent variables on dependent variable.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

In this part of the paper detail discussion and analysis of the study with findings are presented for comparative analysis on service quality and of the two companies and their claimant's satisfaction by the obtained questionnaires. The data were sorted by company, so that the analysis could be conducted for each individual claimant base. The analysis is presented in the following sequence, first the descriptive analysis for demographic profile followed by mean and T-value and finally the correlation and regression result for each companies were presented.

4.1 Demographic Profile of Sample Respondents

To analyze the respondent demographic profile Descriptive statistics were used and age, sex, educational background, occupation, monthly income and duration as customer in the organization of respondents were computed in terms of percentages and comparison between the two companies were presented as follows.

Table 3: Age Wise Distribution and Sex Composition of Respondents

Characteristics	Category	Percentage	
		EIC	AIC
Age	25-35	27.4	46.3
	36-45	41.4	25.0
	46-55	17.2	19.4
	>56	6.4	.9
	Not answered	7.6	8.3
	Total	100.0	100.0
Sex	Male	69.4	75.9
	Female	30.6	24.1
	Total	100.0	100.0

Source: Survey Data.

Out of the total sample size of 265 participants, 59.25% of the respondents were claimants of EIC and 40.75 % were claimants of AIC.

Table 3 shows that more than half of the respondents 69.4 % of EIC and 75.9 % of AIC were males and 30.6 % of EIC claimants and 24.1 % of AIC were females. A total of 27.4 % of EIC and majority of AIC 46.3 % respondents were found to be in the age range of “25-35”, and 41.4 % of EIC and 25 % of AIC were found in the ages-group of “36-45”. And 17.2 % of EIC and 19.4% of AIC were found in the age-group of “46-55” and 7.6 % of EIC and 8.3 % of AIC didn’t give answer to the question, the rest were older. Most of the respondents (Table 3) were males this indicates that the number of males who purchased motor insurance is greater than females. As it is observed from the data gathered, ‘not answered’ is found only in the age category, this is because of females’ low rate of response to age. From the not answered results, it is noted that, 91.67 % of EIC and 100 % of AIC were females. This may imply females are not willing to express their ages. As a result it may support the traditional sayings.

Table 4: Educational Level and Occupation Wise distribution of Respondents

Characteristics	Category	Percentage	
		EIC	AIC
Educational background	below 10 th grade	10.2	3.7
	from 10-12 grades	19.1	25.0
	College diploma	36.9	39.8
	first degree	28.0	27.8
	Second degree and above	5.8	3.7
	Total	100.0	100.0
Occupation	Government employee	19.7	5.6
	Private company employee	19.7	28.7
	Own business	46.5	54.6
	other	14.0	11.1
	Total	100.0	100.0

Source: Survey Data.

In terms of the academic rank of respondents, majority of the respondents had college diploma with 36.9 % and 39.8 % in EIC and AIC respectively. Out of the total

respondents EIC, 28.0 % and AIC, 27.8 % were university graduates and 5.8 % of EIC and 3.7% of AIC had postgraduate degrees. The remaining 29.2 % of EIC and 28.7 % of AIC were 12 grade completed and less than. Most of the insurance users completed higher education, this shows that as their educational level increase awareness to risk minimization also increases.

As for the occupational level of (table 4) reveals that the majority of the sampled respondents were self employed, 46.5 % of EIC and 54.6 % of AIC. The other area that the respondents engaged in government office and employed in private company offices is the same in EIC with 19.7 % for each. About 28.7 % and 5.6 % of AIC respondents indicated that they were employed in private companies and government offices respectively. The remaining 14.0 % of EIC and 11.1% of AIC were engaged in other activities. In both companies most of the insurance service users are the individuals who run their own business.

Table 5: Monthly Income and duration as a Customer in the organization

Characteristics	Category	Percentage	
		EIC	AIC
Monthly Income	<1000 Birr	6.4	7.4
	1001-2000 Birr	20.4	17.6
	2001-3000	29.3	13.0
	3001-5000	14.6	28.7
	5001-10000	20.4	20.4
	>10000	8.9	13.0
	Total	100.0	100.0
Duration as customer in the company (in year)	2-5	13.4	30.6
	5-7	24.8	25.0
	7-10	36.9	26.9
	above 10	24.8	17.6
	Total	100.0	100.0

Source: Survey Data.

The monthly income of the respondent profile (Table 5) implies 6.4% of EIC and 7.4 % of AIC earns less than ETB1000. 20.4 % of EIC and 17.6 % of AIC respondents belong to a monthly income between 1001-2000 Birr, majority of EIC 29.3 % and 13 % found in the range of 2001-3000 Birr, 14.6% of EIC and majority of AIC 28.7 % respondents were earned between 3001-5000 Birr, 20.4 % of EIC and 20.4 % of AIC respondents were earned a monthly income between 50001-10,000 birr, and the remaining 8.9 % of EIC and 13.0 % of AIC respondents earned greater than 10,000 ETB. With irrespective of the income range individual found in different income rang purchase motor insurance. One very surprising finding is that even these individuals who have a car and purchase motor insurance policy express their income as below one thousand birr.

As can we see from Table 5, 13.4 % of EIC and 30.6 % of AIC respondents spent between 2 and 5 years in the organization, 24.8 % of EIC and 25% of AIC spent between 5 and 7 years, 36.9 % of EIC and 26.9 % of AIC respondents spent between 7 and 10 years, while 24.8 % of EIC respondents and 17.8 % of AIC Respondents spent above 10 years in organizations. In both companies majority of the respondents spent more than 7 years as a customer and this implies that they are stayed for longer years because they may satisfied with the service delivery practice of the insurance companies with highly available competitive insurance sector.

4.2 Reliability Analysis

Reliability coefficients were computed for each dimension for each of the company, and internal consistency demonstrated through the composite reliability (coefficient alpha) scores showed a value of 0.975 for EIC, and 0.968 for AIC. To test the reliability of the five service quality dimensions, Cronbach alphas were computed shows a range from a low of 0.618 (premium price) to a high of 0.966 (functional quality), for EIC and a low of 0.632 (premium price) to a high of 0.946 (functional quality) for AIC, indicating reasonable levels of reliability across all companies. As, all the values appeared to be over 0.6 (threshold), the dimensions/constructs were found to be suitable for further analysis. Moreover, the added new dimensions of collaborators and premium price demonstrated internal consistencies as high and low with alpha coefficients of 0.913 and

0.618 for EIC and 0.912 and 0.631 for AIC respectively. As can be seen from the results presented in Table 6, these dimensions were considered to be claimants perceived service quality dimensions of insurance service delivery practices.

Table 6: Scale Reliability (Cronbach Alphas) for Service Quality dimensions and for the total scale

Dimensions	Alpha Coefficients for (EIC)	Alpha Coefficients for (AIC)
Functional Quality	.966	.946
Claims Settlement	.904	.880
Premium Price	.618	.632
Image	.911	.910
Collaborators	.913	.912
Reliability of the total scale	.975	.968

Source: Survey data

4.3 Mean scores and T-values

Performance Measure and Comparison using T-Value

Initially, the data were sorted by company, so that the analysis could be conducted for each individual claimant base. Next, for each of the service quality dimensions, overall service quality and customer satisfaction, mean scores were calculated. Consistent with the approach to the proposed model, next, a t-test was applied to see if there exists any significant difference between the two companies on the part of service quality dimensions, overall service quality and customer satisfaction.

The items in the questionnaire was stated positively with a seven point scale, with '1' being strongly disagree and '7' -strongly agree there fore, the higher the mean score

(more than middle value 4) implies the higher the respondents' agreement for the stated items and implies agreement which becomes strong as the scale approaches '7' point, the score below '4' for the items is interpreted toward disagreement, and '4' point implies the respondent do not know or want to stay neutral.

Table 7: Mean scores and t-values for Service Quality Dimensions, Overall Service Quality and Customer Satisfaction

Dimensions	EIC Mean	AIC Mean	Mean Difference	T-Value	Sig.(2- tailed)
Functional Quality	4.6346	5.7963	1.1617	8.239	.000
Claims Settlement	4.2561	5.5870	1.3309	8.664	.000
Premium Price	5.0939	5.8194	0.7255	5.886	.000
Image	5.4750	5.8796	0.4046	2.820	.005
Collaborators	4.5074	5.0468	0.5394	4.260	.000
OSQ	4.88	5.39	0.51	3.767	.000
CS	4.83	5.35	0.524	3.648	.000

Source: Survey Data.

The mean values for all the five dimensions of service quality, overall service quality and satisfaction are presented in Table 7. The obtained results were found to be satisfactory from both the companies participated in the study.

The respondents' personal perceptions about the corporate image for both the companies were found to be somewhat higher (5.4750) for EIC and (5.8796) for AIC. This means these insurance companies are reliable and responsible, care and show sincerity to their policy holders and operating in a large scale with good reputation in the insurance sectors, as maintaining above average values.

The mean scores for functional quality is also higher for AIC (5.7963) perception and for EIC approaching to agreement (4.6346). The ability to perform the promised service

dependably and accurately with knowledge, competence, and courtesy of service employees and their ability to convey trust and confidence in caring individualized attention and willingness to help customers and provide prompt service and provided to customers with good appearance of physical facilities, equipment, personnel and communication materials is highly perceived by AIC customers than EIC customers. There for, customers of EIC are not certainly sure about the functional quality aspect of their insurance provider like tangibility, reliability, responsiveness, assurance and empathy.

Claimants of AIC perceived higher in claims settlement process (5.5870). That is claimants get checked and inspected the accident at the right time and paid compensation equivalent to the cost at the right time successfully. By exceeding a bit from neutral level claimants of EIC perceived lower than claimants in AIC in claims settlements (4.2561).

Higher perception was also observed in premium price (5.0939) for EIC and (5.8194) for AIC indicating that the reasonableness of the price with making adjustment for payment of premium in installations bases and offering a no-claim bonus while they renew their policies to clients who have no made any claim before.

Again in Collaborators AIC (5.0468) performs better than EIC (4.5074). AIC claimants perceived higher in getting timely checking of the accident by surveyors and pick the car from the accident area to garage by tolling vehicle service providers, getting the car repaired on time with genuine spar parts by garages, obtaining traffic report with no delay, protected their cars from theft by police force and, facilitate healthy centers to give emergency treatment to injured persons during accident.

A mean scores of 4.88 and 5.39 for overall service quality, and 4.83 and 5.35 for overall customer satisfaction for EIC and AIC respectively, were obtained. Again claimants of AIC perceived higher in both overall service quality and customer satisfaction than EIC claimants

A comparison was then made between the level of scores with a view to test if customers of the two insurance sectors perceived quality to the same extent on the five listed

attributes in addition to overall service quality and customer satisfaction. A *t*-test was then applied on the differences between the means as Table 7 shows the *t*-test results between the two companies with 95% confidence level, claimants in the two companies felt differently in such factors as functional quality, claims settlement, premium price, image, collaborators overall service quality and customer satisfaction.

In all of the dimensions, claimants of AIC perceived receiving a higher level of quality than did those of the EIC claimants; when applying a *t* test on the mean scores of the two groups, it is noted that in four of the dimensions, overall service quality and customer satisfaction, the differences were statistically significant at ($P < 0.01$) and for image the significance level is at ($P < 0.05$).

As can be seen from Table 7, the *t*-test result indicates a high significant differences between EIC and AIC in five service quality dimensions (FUN, CLS, IP, IM and CB). The significance difference in the two companies is higher in and claim settlements ($t=8.664$) and functional qualities ($t=8.239$), followed by insurance price ($t=5.886$), and collaborators ($t=4.260$). The AIC (high-performer company) expressed significantly higher customer satisfaction than the (EIC) low-performer company, AIC claimants perceived significantly higher service quality in service encounters where performance was high in FUN, CLS, PP, and CB than did EIC. When looking at the results for service encounters where performance was low in FUN, CLS, IP, and CB significant differences are noted between AIC (the high-performer company) and EIC (low-performer company) even though the mean scores of all the dimensions, overall service quality and customer satisfaction of the two companies is greater than neutral (mean value of 4).

4.4 Correlation Analysis

As suggested by Croft (1983), it is essential to undertake correlation analysis between independent SERVQUAL dimensions and dependent variables (overall service quality, satisfaction and loyalty) before conducting regression analysis in developing a model. The size of the correlation coefficient can be used to quantitatively describe the strength of the association between two variables.

Correlation analysis helps to see whether the variables are associated with each other or not, if they are, then with what strength.

Table 8: Correlation analysis: EIC

	OSQ	OS	FUN	CST	PP	IM	CB
OSQ	1						
OS	.818**	1					
FUN	.742**	.761**	1				
CST	.564**	.600**	.638**	1			
PP	.557**	.632**	.649**	.371**	1		
IM	.725**	.750**	.780**	.679**	.677**	1	
CB	.801**	.684**	.720**	.613**	.600**	.739**	1

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

Source: Survey Data.

Note: OSQ =Overall Service Quality, OCS=Overall Customer Satisfaction, FUN=Functional Quality, CST=Claims Settlement (Out put quality), PP= Premium Price, IM=Image and CB=Collaborators

Table 9: Correlation Analysis: AIC

	OSQ	OS	FUN	CST	PP	IM	CB
OSQ	1						
OS	.841**	1					
FUN	.703**	.701**	1				
CST	.558**	.656**	.738**	1			
PP	.578**	.528**	.617**	.629**	1		
IM	.682**	.693**	.637**	.573**	.560**	1	
CB	.515**	.576**	.571**	.715**	.495**	.532**	1

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

Source: Survey Data.

Note: OSQ =Overall Service Quality, OCS=Overall Customer Satisfaction, FUN=Functional Quality, CST=Claims Settlement (Out put quality), PP=Premium Price, IM=Image and CB=Collaborators.

Pearson Correlation technique was used in order to check the association among the dimensions of functional quality, claims settlement, Premium price, image and collaborators in assessing service quality and claimants satisfaction. Results indicated that all the above dimensions are positively correlated and statistically significant at 0.01 level, for both the companies. Moreover the correlations are also reasonably high, thereby demonstrating high relationships between service quality and customer satisfaction. The results are tabulated in Table 8 for EIC and Table 9 for AIC.

It is necessary to compare the correlation leading to overall service quality to understand the role of each dimensions in the perception of service quality in the two insurance companies. That is, the correlation between the five service quality dimensions and overall service quality was reported as follows from higher to lower. A strong relationship was observed between overall service quality and collaborators (0.801) followed by functional (0.742), image (0.725), claim settlement (0.564) and Premium price (0.557) for EIC and for AIC a strong association was observed between overall service quality and Functional quality (0.703) followed by image (0.682), Premium price (0.578), clam settlement (0.558) and collaborators (0.515), There fore, while the role of collaborators for EIC is high where as functional quality scores higher for AIC in the perception of service quality than the other constructs in the two insurance companies. However, the highest correlation value (0.818) for EIC and for AIC (0.841) was obtained between overall service quality and customer satisfaction. Because a positive correlation among all five service-quality dimensions and overall satisfaction was found, a regression analysis was conducted to examine this relationship further.

4.5 Regression Analysis

Regression results can be helpful for identifying meaningful variables with respect to a target variable. A regression analysis is a statistical method used to estimate the strength of a relationship between one or more dependent variable and one or more independent variables. All the above results allow for further analysis to determine how well the measures underlying each construct and the conceptual factors relationship to each other. Therefore, regression analysis was undertaken hierarchically to test for significant impact

of the independent variable over dependent once. Individual dimension scores were then used as predictor variables in regression models to determine how the four constructs of the proposed model predict the corporate image and the other five constructs to the overall service quality were significantly related.

Three separate regression models were estimated for each of the two companies: The first regression model is considered for image to be dependent variable and the three service quality dimensions to be independent. Next, overall service quality to be the dependent variable, and the five service-quality dimensions to be independent variables. The same analysis was also conducted to see the effect of overall service quality on claimants satisfaction.

Figure 3. Modeling Image, Overall Service Quality, and Customer Satisfaction for EIC

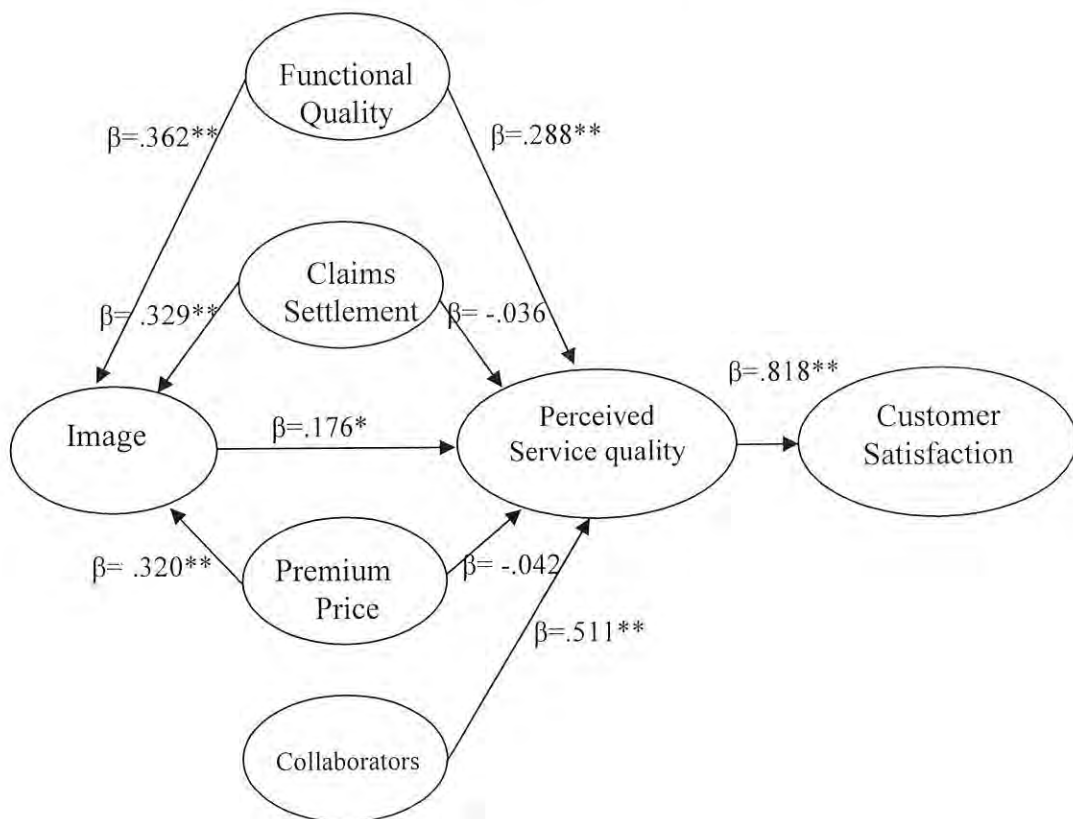


Figure 3: Computed Research Model for EIC

** Significant at the 0.001 level (2-tailed)

* Significant at the 0.05 level (2-tailed)

The first regression result in which image is considered as dependent (figure 3) revealed that, “functional quality” ($\beta=0.362, p < 0.001$), “claims settlement” ($\beta=0.329, p < 0.001$), and “premium price” ($\beta=0.320, p < 0.001$) were found to be significant in determining the “corporate image”. Moreover, for AIC (figure 4) “functional quality” ($\beta=0.392, p < 0.05$) and “premium price” ($\beta=0.231, p < 0.05$) were reported to be as significant contributors to “corporate image” however, “claims settlement” was found to be a non-significant estimator of corporate image. This suggesting that lower ratings of claims settlements might be related to lower level of perceived service quality.

Figure 4. Modeling Image, Overall Service Quality, and Customer Satisfaction for AIC

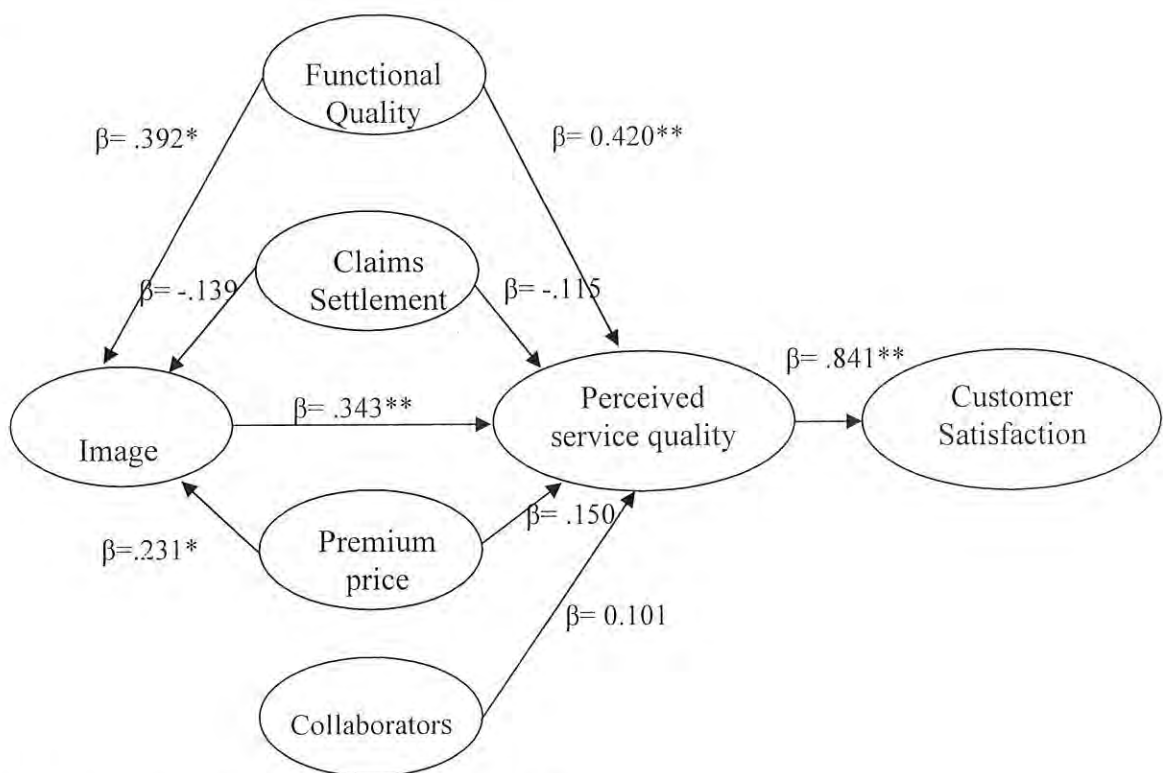


Figure 4: Computed Research Model for AIC

** Significant at the 0.001 level (2-tailed)

* Significant at the 0.05 level (2 tailed)

The second regression model drawn for overall service quality suggest that the dimensions of “functional quality” EIC ($\beta=0.288, p < 0.001$) and AIC ($\beta=0.420, p < 0.001$) and “image” EIC ($\beta=0.176, p < 0.05$) and AIC ($\beta=0.343, p < 0.001$) are

significantly related to overall service quality across the two companies. This suggests that “functional” quality and “image” exerted the strongest influence on overall service quality in both companies. In addition, “collaborators” ($\beta=0.511$, $p < 0.001$) for EIC was also indicated to be having significant impact in determining overall service quality. Therefore, while claimants of EIC use “Functional quality”, “image” and “collaborators”, in determining service quality, claimants of AIC use only functional quality and image. Moreover, none of the other elements of the proposed model was found to be significant for any of the two companies.

For EIC “claim Settlement” ($\beta= -0.036$) and “Premium price” ($\beta= -0.042$) and for AIC the “claims settlement” ($\beta= -0.155$) have found estimating insignificant negative association, suggesting that lower ratings of claims settlement and premium price elements might be related to lower levels of perceived service quality.(fig 3 and 4)

In fact, EIC claimants use three of the five elements to assess service quality and AIC claimants use only two dimensions. Thus results of this analysis suggest that, among two representative companies in the auto insurance sector, “functional” and “image” seems to be the key determinants of perceived service quality during the claims process, at least within the framework of the five dimensions of the proposed model. However, other elements may be useful and draw attention to when the study will be extended to more respondents or other companies in the insurance sector.

The last regression analysis presents results as to how service quality contributes to customer satisfaction. “Overall service quality” was reported as a significant ($p < 0.001$) contributor to estimate “customer satisfaction” in both the companies. The regression results (figure 3 and 4) shows that overall service quality for EIC ($\beta=0.818$, $p<0.001$) and AIC ($\beta=0.841$, $p<0.001$), contributed significantly to the overall satisfaction of insurance customers. The value of standardized coefficients also indicated the significant impact overall service quality maintained upon overall customer satisfaction in both companies. Therefore, overall service quality have indicated relatively very high predictive value for customer satisfaction as indicated by high values of regression coefficients (β , $p < 0.001$) and ($p < 0.001$) for EIC and AIC respectively.

4.2 Findings

The study discussed the dimensions and scale to measure the service quality and claimants satisfaction in motor insurance.

As can be seen from the result (Table 6) the proposed model modified from the Gronroos by adding two additional dimensions in the context of insurance were found successfully to measure the service quality and customer satisfaction in motor insurance sector. When the identified dimensions were assessed using Cronbach's coefficient (alpha). The reliability coefficients for most of the factors exceeded the value of 0.7 as recommended by scholars, except for premium price, which had a coefficient of 0.618 for EIC and 0.632 for AIC. The Cronbach's alpha value computed for the total scale also indicated a high level of reliability .975 for EIC and .968 for AIC of the final scale.

The respondents' general perception towards the service quality offered by the insurance companies was between a mean score of 5.4750 (image dimension) and 4.2561 (claims settlement) for EIC and 5.8796 (image dimension) and 5.0468 (collaborators dimension) for AIC. Thus, as can be inferred from the mean scores of each dimension, respondents put their level of "agreement" with most of the items. The mean results of the five dimensions, service quality and customer satisfaction indicates greater than the neutral (4) for both companies as measured on a 7-point scale (Table 7)

When claimants response on overall service quality and overall satisfaction analyzed, claimants in both companies perceived high service quality and they are satisfied by their insurance providers (Table 7). But the mean scores result shows AIC was found in delivering superior service quality in all the service quality dimensions and claimants in AIC perceived higher service quality and higher satisfaction than claimants of EIC.

Furthermore, the relationship among overall service quality dimensions, overall service quality and overall customer satisfaction, was examined by using Pearson Correlation technique in order to check the association. The correlation result shows that all factors

are positively correlated and statistically significant at 0.01 levels for both the companies (Table 8 and 9).

Regression analysis was also carried out hierarchically to test for significant interaction effects over and above the simple effects of the independent variables. In a standard regression analysis, the rating of overall service quality was regressed for each of the four dimensions together with image, and when all are allowed in the model, functional quality and image were found to be the most critical determinant factors in predicting overall service quality in the context of both insurance service. In addition, collaborator was also found to be predictor of service quality in EIC. Alternatively, the study reported that overall service quality was contributed significantly to overall customer satisfaction in both companies. (Figure 3 and 4)

The most important contribution of this research is that it provides new dimensions to be applicable in the assessment of perceived service quality and customer satisfaction in the context of insurance industry that is, Premium price and Collaborators.

CHAPTER-FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this part of the study major findings, conclusions with valuable recommendations based on the analysis made in the previous chapter, are summarized. Further, directions for future research are provided at the end.

5.1 Summary

- Two insurance companies, namely EIC and AIC were selected for the study to assess and compare the service quality and customer satisfaction of claimants because insurances and banks have the largest share in the service industry. In addition, motor insurance was selected due to its highest share from other types of classes of services offered in the two insurance companies. Finally, claimants were selected an individual without claim may not have any ground to evaluate the service quality of the company.
- Of the 320 (EIC: 200, AIC: 120) questionnaires distributed, 265 (157 from EIC and 108 from AIC) usable questionnaires were returned, providing a response rate of 82.81%. The high response rate is due to the personal-contact approach used.
- The demographic profile result shows, more than half of the respondents were males. And majority of the policy holders also run their own business. Inline with this one, as can be obtained from the demographic profile, some females respondents were less likely to express their age..
- Most of the respondents indicated that they were satisfied with their overall experience with the insurance service they receive (mean score of 4.83 and 5.35 by EIC and AIC were given respectively.) (Table 7)

- When overall mean scores for both companies were compared (Table 7), the mean scores of AIC were greater than EIC in all the five service quality dimensions, in addition to the mean score of overall service quality and customer satisfaction.
- The t-test result indicates that there was a significant difference in terms of all service quality dimensions (functional quality, claims settlements, premium price, image and collaborators) between EIC and AIC. And the highest discrepancies were observed in dimensions of 'claims settlement' and 'functional quality' with mean difference of (1.3309) and (1.1617) respectively. (Table 7).
- Among the service quality dimensions which have significant relationship with overall perceived service quality, collaborators and functional quality for EIC and functional quality and image for AIC found to be having the strong association with overall service quality. However, the strongest correlation was observed between customer satisfactions and over all service quality in both companies (0.818) for EIC and AIC and (841). (Figure 3 and 4.)
- The regression result (Figure 3 and 4) showed us functional quality, claims settlement and premium price have a significant effect ($P < .001$) in determining the corporate image of EIC, where as for AIC only functional quality ($P < 0.05$) have a positive impact in predicting the image of the company.
- Regression analysis revealed that the "collaborators ($\beta = 0.511$, $p < 0.001$) and functional quality ($\beta = 0.288$, $p < 0.001$), for EIC (figure 3), Functional quality ($\beta = 0.420$, $p < 0.001$) and "image" ($\beta = 0.343$, $p < 0.001$) for AIC (Figure 4) exerted strong influence in predicting overall service quality. In addition to functional quality and collaborators, Image ($\beta = 0.176$, $p < 0.05$) have an impact in determining service quality in EIC. It should be noted that "claims settlement" and "premium price" were found non significant in affecting overall service quality for both insurance companies. In addition to that 'collaborators' dimension was found to be insignificant in determining overall service quality for AIC.

- Among the service quality dimensions claim settlements ($\beta = -.036$), ($\beta = -.115$) for EIC and AIC respectively and premium price ($\beta = -.042$) for EIC have found maintaining insignificant negative association with service quality.
- The overall service quality scale had the highest impact in determining overall customer satisfaction in both companies ($\beta=0.837$, $p<0.001$). Therefore, a high service quality results in a high customer satisfaction (figure 3 and 4)

5.2 Conclusions

- Specifically, when performance was high, regardless of the five service quality dimensions, AIC expressed significantly higher perceived service quality and higher customer satisfaction than that of EIC. From this we can conclude that claimants of AIC receive better service than EIC's Claimants.
- When applying a *t* test on the differences between the mean scores of the two groups, it is noted that in all dimensions, the differences were statistically significant at the 5 per cent level. Customers of AIC thus perceive receiving a better quality of service than do those of EIC. It was noted that the results of the comparison did lead to statistically significant conclusions,
- From the regression analysis functional quality for EIC and AIC formed a strong correlation with Image, at the same time the regression results in which the perceived Service quality was used as a dependent variable, also indicated this dimension was found to play a crucial role in determining users' perception of service quality above all other variables. On the other hand, claim settlements, premium price levels are likely to result insignificantly lower levels of perceived service quality among other constructs. There fore, among the five service quality functional dimension is the determinant factor overall other dimensions in predicting service quality of insurance sector.
- Although Functional quality is a common dimension for both companies and the key determinant of both image and overall service quality in the auto claims

service process; other items (claims settlement, insurance price and collaborators) may also contribute to an individual's personal feelings of perceived satisfaction with the claims service process in other companies.

5.3 Recommendations

This research work is conducted mainly for academic purpose. However, it is the researcher's belief that the findings of the research will help initiate financial sectors to focus on service quality and customer satisfaction to gain competitive advantage in their industry. Moreover, the research work can contribute a lot towards a comprehensive study in this area in the future.

In the course of doing this study and on the basis of the findings of the research work, the researcher has come up with a sort of tasks that need more consideration in future work.

- In this respect, the results of the present research from motor insurance service supported previous theories that there is a strong relationship between perceived service quality and customer satisfaction. Also, as the overall perceived service quality is found to be the most significant determinant of claimants' satisfaction in insurance sectors, therefore, service providers can benefit from increased investment in quality improvements. While this study focused on the claimants on insurance sector, similar service industries may benefit from its insights.
- Since it is more expensive to find and attract a new customer than to retain an existing one (Schlesinger and Heskett, 1991), both insurance companies need to maintain their corporate image to one that emphasizes service quality by introducing standards for service excellence.
- Interactions between the customer and the service organization lie at the heart of service delivery. People who deliver the service are of key importance to both the customer they serve and the employer they represent (Yavas et al., 1997; Angur et al., 1999). Whether motor insurance providers are seeking to improve customer satisfaction or perceived service quality, results of the current study suggest that insurers should concentrate on providing superior levels of functional quality as it

is the highest determinant factor for corporate image and overall service quality. In short, if motor insurance company personnel are able to perform the promised service dependably and accurately, instill confidence in the customer about the way they handle transactions, provide prompt service and instill feelings of confidence in its customers regarding the way they handle customers' affairs have employees that are competent and always willing to help the customer and expect more professional looking insurance offices with modern materials, equipment and presentable staff. There fore care should be taken EIC as the mean value is lower than AIC.

- The study has shown that customers in EIC are looking for insurance that manages and controls claim settlement process and collaborators as the mean scores of the two factors are low in EIC. Claim settlement refers to maintain the car on time, payment of compensation equivalent to cost on time and settlement of claims successfully. Collaborators which represents surveyors, garages, spare part shops, towing vehicle service, traffic police, police force and health centers If all the this factors were maintained then levels of overall perceived service quality and feelings of satisfaction are likely to be strong.
- Looking at the results using the mean scores and T-values (Table 7) it is evident that a significance difference were observed between EIC and AIC. Since nowadays, the number of insurance companies is increasing from time to time and competition is getting intensive, EIC need have to improve its customer perceived services quality in all service quality determinant factors.
- Both EIC and AIC will be able to promptly recover service failures and also ensure that the service delivered is consistent with the service promised. This will result in high customer satisfaction and retention, extend the zone of customer tolerance for service failures, increase recommendations about the insurance to others and increase customer loyalty (Parasuraman et al., 1991b; Caruana, 2002; Reichheld, 1996) within the Ethiopia insurance industry.

- Service quality, as previously noted, can be considered to be "... a comparison to excellence ... by the customers" (Rust and Oliver, 1994). Therefore, if the aspiration is to "excellence", barely positive perceptions are not enough for managers. Insurance managers of the two insurance companies should make major improvements in almost all aspects of the service dimensions if they are to enhance customers' perceptions of service quality and should periodically track customers' perceptions of service quality. This kind of research can be undertaken once or twice a season, by sending questionnaires to motor insurance policy - holders, or by directly interviewing customers inside the insurance company.
- The findings of this survey suggest that insurances should be looking carefully at each one of the dimensions where customers perceive receiving a different service and consider the extent to which they should work on influencing perception. Identifying and addressing individual dimensions, however, might not achieve much in the long run; it could be that more fundamental approaches need to be considered (Hammer and Champy, 1994; Parasuraman et al., 1994), by EIC resulting in restructuring both the service offered by the insurances and how it is offered.
- Therefore, *Service companies need to think more* quality-improvement initiatives by the management should not just focus on improving customer satisfaction but also target on improving the customer perceptions of overall service quality by taking the above variables into consideration. In other words the service providers should try to continuously improve both service quality and customer satisfaction. In this era of intense competition, satisfying customers may not be sufficient. The veritable gains of a quality revolution come only from customer delight, which again to a very great extent depends on the customer's perceptions of overall service quality.
- The comparison of the results of the regression analysis models showed a different results Service dimensions that have an impact in determining service quality in EIC and AIC. This might be an indication that the combination of the

models could result in a better identifying of determinant factors affecting service quality.

5.4 Research Implications

This study has attempted to assess and compare the service quality and customer satisfaction in claimants of motor insurance. First, the current study adapted a proposed model to measure functional quality, claims settlement, premium price, image and collaborators. The five dimensions of the instrument did a good job of assessing the service delivery process and outcome. It is reasonable to consider, however, that future studies should include factors related to the word of mouth communication and role of insurance agents which might have an influence on the overall service quality and satisfaction of claimants. Continued study of research models in assessing service quality and customer satisfaction would also help to further illuminate the subject.

Second, the current study found that functional quality had a stronger influence on image and overall service quality relative to other dimensions of service quality in both insurance companies. Future research should consider the differential influence of functional, technical qualities, premium price and collaborators with respect to different insurance companies.

Some limitations of this study should be acknowledged, which can also be considered opportunities for future research. The focus of the study has been on EIC and AIC; It would be useful to replicate this study in other insurance companies to ensure that such findings are indeed generalizable across industries.

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Appendices

Based on your experiences as a holder of motor insurance policy of the company (you selected above), Please **circle the number** describing the extent of agreement/disagreement with the attributes that your service provider would possess.

Each number stands for:

- 1) Strongly disagree
- 2) Disagree
- 3) Slightly disagree
- 4) Neutral
- 5) Slightly agree
- 6) Agree
- 7) Strongly agree

Part 2: Functional Quality

Measurements of service quality		Level of agreement						
	Tangibility							
1	Modern looking equipments (Equipments like furniture, shelves,).	1	2	3	4	5	6	7
2	Physical facilities are visually appealing (facilities like building, office rooms, and all other equipment within the room).	1	2	3	4	5	6	7
3	Employees have a neat, professional appearance.	1	2	3	4	5	6	7
4	Materials associated with the service (such as pamphlets, magazines, newsletters, brochures, and etc) are Visually appealing.	1	2	3	4	5	6	7
	Reliability:							
5	The insurance company fulfills its compensation claim promise on time(claim issue)	1	2	3	4	5	6	7
6	Showing sincere interest in solving customers' problems (damage,)	1	2	3	4	5	6	7
7	Providing correct and accurate information about its service to the customer (terms and condition of the insurance policy, insurance price, extent of coverage, etc).	1	2	3	4	5	6	7
8	Issuing contracts, claim, statements receipts and other documents with clear, transparent and non ambiguous terms	1	2	3	4	5	6	7
9	providing services within the specified contract time limits (compensation, repair and maintenance)	1	2	3	4	5	6	7
	Responsiveness:							
10	Related services information can easily obtained (consultation)	1	2	3	4	5	6	7
11	Employees (underwriting, claim department and surveyor employees) can promptly serve you.	1	2	3	4	5	6	7
12	Employees (underwriting, claim department and	1	2	3	4	5	6	7

	surveyor employees) can always willing to help you.							
13	Employees in (underwriting and claim department) can promptly response to your request, even when they are busy.	1	2	3	4	5	6	7
	Assurance:							
14	The behavior of Employees inspires trust and confidence in you.	1	2	3	4	5	6	7
15	You feel safe to do business with the company.	1	2	3	4	5	6	7
16	Employees Consistently courteous to wards you.	1	2	3	4	5	6	7
17	Knowledgeable Employees to answer customers question.	1	2	3	4	5	6	7
	Empathy:							
18	Convenient operating hour's to all its customers (including launch time, holyday and week end).	1	2	3	4	5	6	7
19	The company gives individual attention to its customers.	1	2	3	4	5	6	7
20	Employees deal with customers in a caring fashion.	1	2	3	4	5	6	7
21	Employees have the customer's best interest at heart.	1	2	3	4	5	6	7
22	Employees who understand the needs of their customers.	1	2	3	4	5	6	7

Part (3) Claim settlement process

1	Checking and inspecting car accident on time.	1	2	3	4	5	6	7
2	The car is maintained and repair on time.	1	2	3	4	5	6	7
3	The insurance company pay the compensation at the right time	1	2	3	4	5	6	7
4	The insurance coverage/compensation that the company offers is sufficient to overcome with the cost (damage/loss etc.).	1	2	3	4	5	6	7
5	It is successful to settle a claim.	1	2	3	4	5	6	7

Part (4) premium price

1	The company provides good service at a reasonable price.	1	2	3	4	5	6	7
2	The company offers a No-Claim-Bonus for customers who have not claimed before (at the time of renewal of their policy).	1	2	3	4	5	6	7
3	The company adjusts premiums to be paid in installation basis.	1	2	3	4	5	6	7
4	I like to have price negotiations with the company.	1	2	3	4	5	6	7

Part (5) Image

1	The company is reliable for insurance service.	1	2	3	4	5	6	7
2	The company provides an excellent insurance service to customers.	1	2	3	4	5	6	7
3	The company shows sincerity to the policy holders.	1	2	3	4	5	6	7
4	The company shows its responsibility towards society.	1	2	3	4	5	6	7
5	The company has a good reputation in insurance sector.	1	2	3	4	5	6	7
6	The company maintains its operations at a large-scale.	1	2	3	4	5	6	7
7	The company cares for its customers.	1	2	3	4	5	6	7

Part (6) (collaborators)

Surveyors								
1	surveyor estimated the amount of loss or damage of cars correctly	1	2	3	4	5	6	7
2	Surveyors are free from any unethical practices	1	2	3	4	5	6	7
Garages or vehicle repairs								
3	The insurance company has selected a garage(s) that maintains required facilities and skilled staff (mechanics etc.)	1	2	3	4	5	6	7
4	My insurance company looks that there should not be any delays on the part of garages while repairing the car	1	2	3	4	5	6	7
5	To avoid any delay/misunderstanding in service, my insurance company suggests to repair the car with the garage selected by the company rather than by me.	1	2	3	4	5	6	7
6	Spare parts used by the garage are of good quality and best fit to the car	1	2	3	4	5	6	7
Spare part shops								
7	The insurance company deals with the vehicle dealers importing vehicles for spare parts in the situation when spares are not commonly available in the market	1	2	3	4	5	6	7
8	My insurance company asks the garage to contact many spare parts shops to buy the spares that are genuine	1	2	3	4	5	6	7
Towing vehicle providers								
9	Motor insurance company has connection with the providers of towing vehicles to support the client in accidental situation	1	2	3	4	5	6	7
10	The suppliers of towing vehicles (arranged by the insurance company) maintain less time to arrive	1	2	3	4	5	6	7

	in the accident area.							
11	Tolling vehicles arranged by the insurance company posses suitable services to all kinds of cars (irrespective of their size) to move from one area to another.	1	2	3	4	5	6	7
Traffics Police								
12	My insurance company makes traffic police to act fast in investigating accidental cause	1	2	3	4	5	6	7
13	My insurance company makes traffic police to act quickly in preparing report on accident committed	1	2	3	4	5	6	7
14	My insurance company asks traffic police to prepare a correct report in case of car accident	1	2	3	4	5	6	7
Policy force								
15	My insurance company ensures that during the loss of car or any part of it, the Police force investigates the problem as fast as possible	1	2	3	4	5	6	7
16	My insurance company asks Police force to perform quick actions to provide a remedy against any theft to its client	1	2	3	4	5	6	7
Healthy Centers								
17	My insurance company ensures a quick remedial action to the victims of accident, committed by the client, admitted to hospitals and clinics	1	2	3	4	5	6	7
18	My insurance company facilitates all accidental claims with any hospital/clinics	1	2	3	4	5	6	7

Part 7: Overall Service Quality and Customer Satisfaction

How do you rate the overall service quality of the company?	1	2	3	4	5	6	7
	Very poor,	Poor	slightly poor,	Average	slightly good	Good	Very good
Overall, how satisfied are you with the motor insurance service provided by the company?	1	2	3	4	5	6	7
	Highly dissatisfied	dissatisfied	Slight dissatisfied	Neutral	Slight satisfied	satisfied	Highly satisfied

አዲስ አበባ ዩኒቨርሲቲ
የድህረ ምረቃ ትምህርት ክፍል
የማርኬቲንግ ማኔጅመንት የድህረ ምረቃ ኘሮግራም

የኢንሹራንስ አገልግሎት ጥራትና የደንበኞችን እርካታን ለመለካት ለሞ ተር ኢንሹራንስ ደንበኞች የቀረበ መጠይቅ

ውድ የኢንሹራንስ ደንበኛ፤

የዚህ ጥናት አጥኚ በአዲስ አበባ ዩኒቨርሲቲ የድህረ ምረቃ ትምህርት የማርኬቲንግ ማኔጅመንት ትምህርት ተመራቂ ተማሪ ስሆን፣ ከዚህ የሚከተሉት ጥያቄዎች የኢንሹራንስ አገልግሎት ጥራትና የደንበኞችን እርካታን ለመለካት የቀረቡ ናቸው። ከጥናቱ የሚገኘው ውጤት ለትምህርት ምርምር የሚውልና ምላሾችም ሚስጥራዊነትን በጠበቀ ሁኔታ የሚያዙ ናቸው። በቅድሚያ ስለትብብርዎ እያመሰገንኩ የሚሰጡት ምላሽ ለጥናቱ መሳካት ከፍተኛ አስተዋጽኦ እንደሚያደርግ ላረጋግጥ እወዳለሁ።

አገልግሎት የሚያገኙበት የኢንሹራንስ ድርጅት ስም

ሀ/ ኢትዮጵያን ኢንሹራንስ ኮርፖሬሽን

ለ/ አፍሪካ ኢንሹራንስ ካምፓኒ

ክፍል (1): የጥናቱ ተሳታፊ ግለሰቦች ዝርዝር ሁኔታ.

እባክዎትን ለእያንዳንዱ ጥያቄ ያለዎትን ምላሽ በማክበብ ያሳዩ።

1) እድሜ

ሀ) ከ25-35አመት ለ) ከ36 — 45ዓመት ሐ) ከ46 — 55ዓመት መ) ከ56ዓመት በላይ

2) ያታ

ሀ) ወንድ

ለ) ሴት

3) የትምህርት ደረጃ

ሀ) ከ10 በታች

ለ) ከ10-12

ሐ) ኮሌጅ ዲግሎማ

መ) የመጀመሪያ ዲግሪ

ሠ) ሁለተኛ ዲግሪና ከዛ በላይ

4) የስራ ሁኔታ

ሀ) የመንግስት ተቀጣሪ

ለ) የግል ድርጅት ተቀጣሪ

ሐ) በግል ስራ ተዳዳሪ

መ) ሌላ ካለ (እባክዎ ይግለጹ) _____

5) የወር ገቢ (በኢት.ብር)

ሀ) ከ 1000 በታች

ለ) ከ 1001-2000

ሐ) ከ 2001-3000

መ) ከ 3001-5000

ሠ) ከ 5001-10000

ረ) ከ10000 በላይ

6) በድርጅቱ የመኪና ኢንሹራንስ ደንበኛ ሆነው ለምን ያህል ጊዜ ቆይተዋል?

ሀ) 2-5 ዓመት

ለ) ከ 5- 7ዓመት

ሐ) 7-10 ዓመት

መ) ከ10ዓመት በላይ

የሚከተሉት ዓረፍተ ነገሮች አንደ አንብራንስ አገልግሎት ደንበኝነትዎ የእርስዎን ስሜትና ልምድ የሚመለከቱ ናቸው። እባክዎ ለእያንዳንዱ ጥያቄ ያለዎትን ምላሽ የተገለጹትን የስምምነት መግለጫ ቁጥሮች በማክበብ ያሳዩ። ቁጥሮቹ የሚያመለክቱትም የስምምነት መጠን የሚከተለው ነው።

- 1) በጣም አልስማማም
- 2) አልስማማም
- 3) በመጠኑ አልስማማም
- 4) መልስ የለኝም
- 5) በመጠኑ እስማማለሁ
- 6) እስማማለሁ
- 7) በጣም እስማማለሁ

ክፍል (2) የአገልግሎት አሰጣጥ ሂደት (Functional Quality)

የአገልግሎት ጥራት መለኪያዎች		የስምምነት መጠን						
	ተጨባጭ ሁኔታ (Tangibility)							
1	የኢንቨራንስ ድርጅቱ ዘመናዊ መሳሪያዎችን ይጠቀማል	1	2	3	4	5	6	7
2	በኢንቨራንስ ድርጅቱ የሚታዩ መሳሪያዎች ለአይን የሚማርኩ ናቸው።	1	2	3	4	5	6	7
3	የኢንቨራንስ ድርጅቱ ሰራተኞች አምራውና ተውበው ይቀርባሉ	1	2	3	4	5	6	7
4	በኢንቨራንስ ድርጅቱ የመገልገያዎች አቀራረብ (pamphlets or statements) ለሚሰጠው የአገልግሎት እይታ አመቺ ነው	1	2	3	4	5	6	7
ታማኝነት (Reliability)								
5	የኢንቨራንስ ድርጅቱ ስለአገልግሎቱ የገባውን ቃል ተግባራዊ ያደርጋል	1	2	3	4	5	6	7
6	አንድ የኢንቨራንስ ደንበኛ ችግር ሲያጋጥመው ድርጅቱ ችግሩን ለመፍታት ይተጋል	1	2	3	4	5	6	7
7	የኢንቨራንስ ድርጅቱ ለደንበኞቹ ስለአገልግሎቱ ትክክለኛና የተረጋገጠ መረጃ ያቀርባል	1	2	3	4	5	6	7
8	የኢንቨራንስ ድርጅቱ አገልግሎትን የሚመለከቱ መዛግብቶችን /ፖሊሲዎችን፣ የካሣ ሰነዶችን፣ ደረሰኞችን ወዘተ/ በማሻሻልና ከስህተት ነጻ በማድረግ ይይዛል	1	2	3	4	5	6	7
9	የኢንቨራንስ ድርጅቱ አገልግሎቶችን በስምምነት በተገለጸው ትክክለኛ ጊዜ በአግባቡ ይሰጣል	1	2	3	4	5	6	7
ፈጣን ምላሽ (Responsiveness)								
10	የኢንቨራንስ ድርጅቱ ለደንበኞቹ አገልግሎቱ የሚከናወንበትን ጊዜ በትክክል ያሳውቃል	1	2	3	4	5	6	7
11	የኢንቨራንስ ድርጅቱ ሰራተኞች ለደንበኞች ቀልጣፋ አገልግሎት ይሰጣሉ	1	2	3	4	5	6	7
12	የኢንቨራንስ ድርጅቱ ሰራተኞች ደንበኞችን ለመርዳት ሁል ጊዜ ፍቃደኛ ናቸው	1	2	3	4	5	6	7
13	የኢንቨራንስ ድርጅቱ ሰራተኞች የደንበኞችን ጥያቄ በማንኛውም ሁኔታ በፍጥነት ለመመለስ ይችላሉ	1	2	3	4	5	6	7
ዋስትና (Assurance)								
14	የኢንቨራንስ ድርጅቱ ሰራተኞች ባህሪ በደንበኞች ውስጥ	1	2	3	4	5	6	7

	እምነት እንዲኖር ያደርጋል							
15	የኢንሹራንስ ድርጅቱ ደንበኛው በድርጅቱ ምንም አይነት ስግራት እንዳይኖር ያደርጋል	1	2	3	4	5	6	7
16	የኢንሹራንስ ድርጅቱ ሰራተኞች ዘወትር ለደንበኞች ትህትና ያሳያሉ	1	2	3	4	5	6	7
17	የኢንሹራንስ ድርጅቱ ሰራተኞች የደንበኛን ጥያቄ ለመመለስ እውቀት አላቸው	1	2	3	4	5	6	7
	ችግር ተካፋይነት (Empathy)							
18	የኢንሹራንስ ድርጅቱ ለአገልግሎት ደንበኞቹ ምቹ የሆነ የስራ ስአት ይጠቀማል	1	2	3	4	5	6	7
19	የኢንሹራንስ ድርጅቱ ለአያንዳንዱ ደንበኛ የግል ፍላጎት ትኩረት ይሰጣል	1	2	3	4	5	6	7
20	የኢንሹራንስ ድርጅቱ ሰራተኞች ደንበኞችን በእንክብካቤ ይይዛሉ	1	2	3	4	5	6	7
21	የኢንሹራንስ ድርጅቱ ሰራተኞች የደንበኞችን የግል ፍላጎት ይረዳሉ	1	2	3	4	5	6	7
22	የኢንሹራንስ ድርጅቱ ሰራተኞች የሁሉንም ደንበኞች ትክክለኛ ፍላጎት ተቀብለው ያስተናግዳሉ	1	2	3	4	5	6	7

ክፍል (3) የካሣ አፈፃፀም ሂደት (Claim settlement Process)

1	የኢንሹራንስ ድርጅቱ የመኪና አደጋው በሚደርስበት ጊዜ ችግሩን በፍጥነት አይቶ ይመረምራል	1	2	3	4	5	6	7
2	ድርጅቱ አደጋ የደረሰበትን መኪና በጊዜው እንዲሰራ ወይም እንዲጠገን ያደርጋል	1	2	3	4	5	6	7
3	ድርጅቱ በአደጋ ጊዜ ጠቅላላ ውድመት የደረሰበትን መኪና ግምት በአጭር ጊዜ ይከፍላል	1	2	3	4	5	6	7
4	ድርጅቱ የሚከፍለው ካሳ ከሚደርሰው ጉዳት(ጥፋት) ተመጣጣኝ ነው	1	2	3	4	5	6	7
5	የካሣ ይገባኛል ጥያቄዎችን የኢንሹራንስ ድርጅቱ በተሣካ ሁኔታ ያስተናግዳል	1	2	3	4	5	6	7

ክፍል (4) አረቦን (premium price)

1	ድርጅቱ ጥሩ አገልግሎት በተመጣጣኝ ዋጋ ይሰጣል	1	2	3	4	5	6	7
2	ድርጅቱ ከዚህ በፊት ምንም አይነት የይገባኛል ጥያቄ ላላቀረቡ ደንበኞች ውል በሚያድሱበት ጊዜ የዋጋ ቅናሽ ያደርጋል	1	2	3	4	5	6	7
3	ድርጅቱ የኢንሹራንስ ዋጋ ደንበኞቹ በተለያዩ ጊዜ እንዲከፈሉ ያመቻቻል	1	2	3	4	5	6	7
4	ድርጅቱ ጋር በዋጋ መደራደር እፈልጋለሁ	1	2	3	4	5	6	7

ክፍል (5)ገጽታ /Image/

1	ድርጅቱ አስተማማኝ የሆነ የዋስትና አገልግሎት ይሰጣል	1	2	3	4	5	6	7
2	ድርጅቱ እጅግ በጣም ጥሩ የሆነ እንሹራንስ አገልግሎት ለደንበኞቹ ይሰጣል	1	2	3	4	5	6	7
3	ድርጅቱ ለደንበኞቹ አክብሮት ያሳያል	1	2	3	4	5	6	7
4	ድርጅቱ ለሀብረተሰቡ ኃላፊነት ይሰማዋል	1	2	3	4	5	6	7
5	ድርጅቱ በኢንሹራንስ ንግድ ዘርፍ መልካም ስም እና ዝና አለው	1	2	3	4	5	6	7
6	ድርጅቱ መጠነ ሰፊ የኢንሹራንስ ሽፋን አለው	1	2	3	4	5	6	7
7	ድርጅቱ ለደንበኞቹ እንክብካቤ ያደርጋል	1	2	3	4	5	6	7

ክፍል (6)ተባባሪዎች (collaborators)

	ጥናት ክፍል							
1	የጥናት ክፍሉ ለተጎዳ(ለጠፋ)መኪና ትክክለኛ ግምት ይገምታል	1	2	3	4	5	6	7
2	የጥናት ክፍሉ ሰራተኞች አላስፈላጊ ከሆነ ስነ ምግባር የፀዱ ናቸው	1	2	3	4	5	6	7
	ጋራጅ ች							
3	የኢንሹራንስ ድርጅቱ የሚመርጣቸው ጋራጅች የተማላ መገልገያ እና ቸሎታ ያላቸው ሰራተኞች አሉት	1	2	3	4	5	6	7
4	ኢንሹራንስ ድርጅቱ መኪና በሚጠገንበት ጊዜ መጋተት እንዳይፈጠር ይከታተላል	1	2	3	4	5	6	7
5	መዘግየት እና አለ መግባባት እንዳይፈጠር የኢንሹራንስ ድርጅቱ የመረጠው ጋራጅ መጠቀም ከሌላ የተሻለ ነው	1	2	3	4	5	6	7
6	ገራጆቹን የሚጠቀማቸው መለዋወጫዎች ጥራታቸው የጠበቁና የበለጠ ለመኪናው ተሰማሚ ናቸው	1	2	3	4	5	6	7
	የመኪና መለዋወጫ እቃ አቅራቢዎች							
7	ድርጅቱ የመኪና መለዋወጫ እቃ የሌላቸው መኪና አስመጪዎች መለዋወጫ ጭምር እንዲያሰገቡ ይደራደራል	1	2	3	4	5	6	7
8	ድርጅቱ ጋራጆቹን ከተለያዩ አዲዲስ መለዋወጫ አቅራቢዎች እንዲገናኙ ይጠይቃል	1	2	3	4	5	6	7
	መኪና ጎታች አገልግሎት							
9	ድርጅቱ ባደጋ ጊዜ መኪናው ለማንሳት የምንጠቀሳቸው ጋር ግንኙነት አለው	1	2	3	4	5	6	7
10	በኢንሹራንስ ድርጅት የሚላኩልን መኪና ጎታች በአደጋ ጊዜ ፈጥነው ይደርሳሉ	1	2	3	4	5	6	7
11	ድርጅቱ የሚያዘጋጃቸው ጎታች መኪናው ለሁሉም አይነት ተሽከርካሪ ተሰማሚ አገልግሎት መስጫ አላቸው	1	2	3	4	5	6	7

	ትራፊክ ፖሊስ							
12	ድርጅቱ በመኪና አደጋ ጊዜ ትራፊክ ፖሊሱ ባፋጣኝ መንገድ የአደጋውን መንሰኤ እንዲመረምር ያደርጋል	1	2	3	4	5	6	7
13	ድርጅቱ በመኪና አደጋ ጊዜ ትራፊክ ፖሊሱ ባፋጣኝ መንገድ ያደገውን ውጤት እንዲያቀርብ ያደርጋል	1	2	3	4	5	6	7
14	ድርጅቱ በአደጋ ጊዜ ትራፊክ ፖሊሱ ትክክለኛ ውጤት እንዲያቀርብ ያደርጋል	1	2	3	4	5	6	7
	የፖሊስ ሃይል							
15	ድርጅቱ መኪናው (የመኪናው ክፍል) በጠፋው ጊዜ የፖሊስ ሃይሉ በአስቸካይ እንዲፈልግ ያደርጋል	1	2	3	4	5	6	7
16	ድርጅቱ የደንበኞች የመኪና ክፍሎች ሲጠፋ ወይም ሲዘረፍ ከፖሊስ ሀይል ጋር በመተባበር ፈጣን ምላሽ እንዲኖር ያደርጋል	1	2	3	4	5	6	7
	የጤና ተቋማት							
17	ኢንሹራንስ ድርጅቱ በደንበኞች ለሚደርሰው የመኪና አደጋ ተገቢዎች ከማናቸውም የጤና ተቋማት ግልጋሎት እንዲያገኙ ያመቻቻል	1	2	3	4	5	6	7
18	ኢንሹራንስ ድርጅቱ በደንበኞች ለሚከሰት የመኪና አደጋ ተገቢዎች በጤና ተቋም ሲገቡ ያለ ምንም ቅድመ ሁኔታ አፋጣኝ ግልጋሎት እንዲያገኙ ያደርጋል	1	2	3	4	5	6	7

ክፍል (7) አጠቃላይ የአገልግሎት ጥራትና የደንበኞች እርካታ (Overall service quality and overall customer Satisfaction)

1. የድርጅቱ የአገልግሎት ጥራት በጥቅሉ እንዲት ይገመግሙታል?	1 በጣም አነስተኛ	2 አነስተኛ	3 በመጠኑ አነስተኛ	4 መካከለኛ	5 በመጠኑ ከከፍተኛ	6 ከፍተኛ	7 በጣም ከከፍተኛ
2. ድርጅቱ በሚሰጠው አገልግሎት ምን ያህል ረክተዋል	1 በጣም አልረካሁም	2 አልረካሁም	3 በመጠኑ አልረካሁም	4 መካከለኛ	5 በመጠኑ ረክቻለሁ	6 ረክቻለሁ	7 በጣም ረክቻለሁ

Appendix II Demographic profile

Appendix II: A Demographic profile for EIC respondents

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-35	43	27.4	29.7	29.7
	36-45	65	41.4	44.8	74.5
	46-55	27	17.2	18.6	93.1
	>56	10	6.4	6.9	100.0
	Total	145	92.4	100.0	
Missing	System	12	7.6		
Total		157	100.0		

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Male		109	69.4	69.4	69.4
female		48	30.6	30.6	100.0
Total		157	100.0	100.0	

Educational background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 10th grade	16	10.2	10.2	10.2
	from 10-12 grades	30	19.1	19.1	29.3
	college diploma	58	36.9	36.9	66.2
	first degree	44	28.0	28.0	94.3
	second degree and above	9	5.7	5.7	100.0
Total		157	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government employee	31	19.7	19.7	19.7
	Private company employee	31	19.7	19.7	39.5
	Own business	73	46.5	46.5	86.0
	others	22	14.0	14.0	100.0
	Total	157	100.0	100.0	

Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1000 Birr	10	6.4	6.4	6.4
	1001-2000 Birr	32	20.4	20.4	26.8
	2001-3000	46	29.3	29.3	56.1
	3001-5000	23	14.6	14.6	70.7
	5001-10000	32	20.4	20.4	91.1
	>10000	14	8.9	8.9	100.0
	Total	157	100.0	100.0	

Duration as a customer in the company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-5 years	21	13.4	13.4	13.4
	5-7years	39	24.8	24.8	38.2
	7-10	58	36.9	36.9	75.2
	above 10 years	39	24.8	24.8	100.0
	Total	157	100.0	100.0	

Appendix II:B Demographic profile for AIC respondents

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-35	50	46.3	50.5	50.5
	36-45	27	25.0	27.3	77.8
	46-55	21	19.4	21.2	99.0
	>56	1	.9	1.0	100.0
	Total	99	91.7	100.0	
Missing	System	9	8.3		
Total		108	100.0		

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	82	75.9	75.9	75.9
	female	26	24.1	24.1	100.0
	Total	108	100.0	100.0	

Educational background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 10th grade	4	3.7	3.7	3.7
	from 10-12 grades	27	25.0	25.0	28.7
	college diploma	43	39.8	39.8	68.5
	first degree	30	27.8	27.8	96.3
	second degree and above	4	3.7	3.7	100.0
	Total	108	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government employee	6	5.6	5.6	5.6
	Private company employee	31	28.7	28.7	34.3
	Own business	59	54.6	54.6	88.9
	others	12	11.1	11.1	100.0
	Total	108	100.0	100.0	

Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1000 Birr	8	7.4	7.4	7.4
	1001-2000 Birr	19	17.6	17.6	25.0
	2001-3000	14	13.0	13.0	38.0
	3001-5000	31	28.7	28.7	66.7
	5001-10000	22	20.4	20.4	87.0
	>10000	14	13.0	13.0	100.0
	Total	108	100.0	100.0	

Duration as a customer in the company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-5	33	30.6	30.6	30.6
	5-7 years	27	25.0	25.0	55.6
	7-10	29	26.9	26.9	82.4
	above 10 years	19	17.6	17.6	100.0
	Total	108	100.0	100.0	

Appendix III: Reliability Statistics for service quality dimensions and for the total scale

Reliability Statistics EIC

Functional quality

Cronbach's Alpha	N of Items
.966	22

Claims settlement

Cronbach's Alpha	N of Items
.904	5

Premium price

Cronbach's Alpha	N of Items
.618	4

Image

Cronbach's Alpha	N of Items
.911	7

Collaborators

Cronbach's Alpha	N of Items
.913	18

Total scale

Cronbach's Alpha	N of Items
.975	56

Reliability Statistics AIC

Functional quality

Cronbach's Alpha	N of Items
.949	22

Claims settlement

Cronbach's Alpha	N of Items
.880	5

Premium price

Cronbach's Alpha	N of Items
.631	4

Image

Cronbach's Alpha	N of Items
.910	7

Collaborators

Cronbach's Alpha	N of Items
.912	18

Total scale

Cronbach's Alpha	N of Items
.968	56

Appendix IV: Mean scores for service quality dimensions, overall service quality and satisfaction for EIC and AIC

insurance companies		N	Mean	Std. Deviation	Std. Error Mean
FUN	AIC	108	5.7963	.88290	.08496
	EIC	157	4.6346	1.26888	.10127
CLS	AIC	108	5.5870	1.12716	.10846
	EIC	157	4.2561	1.29394	.10327
PP	AIC	108	5.8194	.84267	.08109
	EIC	157	5.0939	1.07321	.08565
IM	AIC	108	5.8796	1.13468	.10918
	EIC	157	5.4750	1.15642	.09229
CB	AIC	108	5.0206	.95172	.09158
	EIC	157	4.5198	.93230	.07441
OSQ	AIC	108	5.39	1.142	.110
	EIC	157	4.88	1.040	.083
OS	AIC	108	5.35	1.248	.120
	EIC	157	4.83	1.075	.086

Appendix VII : Correlation Result

Appendix VI: A Correlation result for EIC

Correlations

		OSQ	OS	FUN	CLS	PP	IM	CB
OSQ	Pearson Correlation	1	.818(**)	.742(**)	.564(**)	.557(**)	.725(**)	.801(**)
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	157	157	157	157	157	157	157
OS	Pearson Correlation	.818(**)	1	.761(**)	.600(**)	.632(**)	.750(**)	.684(**)
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	157	157	157	157	157	157	157
FUN	Pearson Correlation	.742(**)	.761(**)	1	.638(**)	.649(**)	.780(**)	.720(**)
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	157	157	157	157	157	157	157
CLS	Pearson Correlation	.564(**)	.600(**)	.638(**)	1	.371(**)	.679(**)	.613(**)
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	157	157	157	157	157	157	157
PP	Pearson Correlation	.557(**)	.632(**)	.649(**)	.371(**)	1	.677(**)	.600(**)
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	157	157	157	157	157	157	157
IM	Pearson Correlation	.725(**)	.750(**)	.780(**)	.679(**)	.677(**)	1	.739(**)
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	157	157	157	157	157	157	157
CB	Pearson Correlation	.801(**)	.684(**)	.720(**)	.613(**)	.600(**)	.739(**)	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	157	157	157	157	157	157	157

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

Appendix VI: B Correlation result for AIC

Correlations

		OSQ	OS	FUN	CLS	PP	IM	CB
OSQ	Pearson Correlation	1	.841(**)	.703(**)	.558(**)	.578(**)	.682(**)	.515(**)
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	108	108	108	108	108	108	108
OS	Pearson Correlation	.841(**)	1	.701(**)	.656(**)	.528(**)	.693(**)	.576(**)
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	108	108	108	108	108	108	108
FUN	Pearson Correlation	.703(**)	.701(**)	1	.738(**)	.617(**)	.637(**)	.571(**)
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	108	108	108	108	108	108	108
CLS	Pearson Correlation	.558(**)	.656(**)	.738(**)	1	.629(*)	.573(*)	.715(*)
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	108	108	108	108	108	108	108
PP	Pearson Correlation	.578(**)	.528(**)	.617(**)	.629(**)	1	.560(*)	.495(*)
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	108	108	108	108	108	108	108
IM	Pearson Correlation	.682(**)	.693(**)	.637(**)	.573(**)	.560(*)	1	.532(*)
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	108	108	108	108	108	108	108
CB	Pearson Correlation	.515(**)	.576(**)	.571(**)	.715(**)	.495(*)	.532(*)	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	108	108	108	108	108	108	108

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

Appendix VII: Regression Analysis Results

Appendix VII: A Regression analysis result for EIC

Relative importance of service quality dimensions in predicting image In EIC

Models	Unstandardized Coefficients		Standardize Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	.936	.252		3.708	.000
FUN	.330	.062	.362	5.350	.000
CLS	.294	.050	.329	5.930	.000
PP	.345	.060	.320	5.708	.000

a Dependent Variable: IM

Relative importance of service quality dimensions in predicting overall Service quality EIC

Models	Unstandardized Coefficients		Standardize Coefficients	t	Sig (p)
	B	Std. Error	beta		
1 (Constant)	.735	.256		2.871	.005
FUN	.236	.065	.288	3.654	.000
CST	-.029	.052	-.036	-.558	.578
PP	-.041	.063	-.042	-.647	.519
IM	.159	.078	.176	2.039	.043
CB	.558	.078	.511	7.154	.000

a Dependent Variable: OSQ

Relative importance of overall service quality in predicting overall satisfaction in EIC

Models	Unstandardized Coefficients		Standardize Coefficients	t	Sign.
	B	Std. Error	Beta		
1 (Constant)	.700	.238		2.940	.004
OSQ	.846	.048	.818	17.723	.000

a Dependent Variable: OS

Appendix VII: B Regression analysis result for AIC

Relative importance of service quality dimensions in predicting image In AIC

Models	Unstandardized Coefficients		Standardize Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	.373	.626		.595	.553
FUN	.503	.144	.392	3.502	.001
CLS	.140	.114	.139	1.228	.222
PP	.311	.131	.231	2.376	.019

a Dependent Variable: IM

Table11: Relative importance of service quality dimensions in predicting overall service quality AIC

Model s	Unstandardized Coefficients		Standardize Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	-.928	.560		-1.658	.100
FUN	.543	.132	.420	4.110	.000
CST	-.116	.114	-.115	-1.019	.311
PP	.203	.117	.150	1.740	.085
IM	.346	.087	.343	3.983	.000
CB	.120	.108	.101	1.111	.269

a Dependent Variable: OSQ

Relative importance of service quality in predicting overall satisfaction In AIC

Models	Unstandardized Coefficients		Standardize Coefficients	t	Sign.
	B	Std. Error	Beta		
1 (Constant)	.405	.317		1.278	.204
OSQ	.918	.057	.841	15.972	.000

a Dependent Variable: OS

