



**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE**

**THE EFFECTS OF SERVICE MARKETING MIX ELEMENTS ON  
REPURCHASE DECISION: THE CASE OF SELECTED PRIVATE  
INSURANCE COMPANIES IN ADDIS ABABA**

**BY**

**HALIMA TESHALE**

**JUNE 2021**

**ADDIS ABABA**

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**HALIMA TESHALE**

**ADVISOR: MESFIN WORKNEH (Ph.D.)**

**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ADDIS  
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**APPROVAL SHEET**

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**APPROVED BY BOARD OF EXAMINERS**

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**Advisor**

-----

**Signature & Date**

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**Internal Examiner**

-----

**Signature & Date**

-----

**External Examiner**

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**Signature & Date**

## DECLARATION

I, the undersigned, declare that this thesis "**The Effects of Service Marketing Mix Elements on Repurchase Decision: The Case of Selected Private Insurance Companies in Addis Ababa**" is my original work, prepared under the guidance of **Mesfin Workneh (Ph.D.)**. All sources of materials used for this thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of earning any degree.

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Name

Addis Ababa University, Addis Ababa

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Signature

June 2021

## STATEMENT OF CERTIFICATION

This is to certify that **Halima Teshale** has carried out her research work on the topic entitled "THE EFFECTS OF SERVICE MARKETING MIX ELEMENTS ON REPURCHASE DECISION: THE CASE OF SELECTED PRIVATE INSURANCE COMPANIES IN ADDIS ABABA" is her original work and suitable for submission for the award of Masters degree in marketing management.

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Advisor

Addis Ababa University, Addis Ababa

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Signature

June 2021

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## **ABBREVIATION AND ACRONYMS**

|                |  |
|----------------|--|
| <b>CIM</b> -   | Chartered Institute of Marketing -     |
| <b>NBE</b> -   | National Bank of Ethiopia              |
| <b>NICE</b> -  | National Insurance Company of Ethiopia |
| <b>VIF</b> -   | Variation Inflation Factor             |
| <b>ANOVA</b> - | Analysis of Variance                   |

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## ABSTRACT

*The aim of this study was to investigate the effects of service marketing mix elements on repurchase decision in the case of selected private insurance companies in Addis Ababa. To achieve the study objectives, explanatory research design along with quantitative approach was applied. A sample of 315 customers of five private insurance companies namely Nyala, Nib, Awash, United (aka Hibret) and National Insurance Company of Ethiopia, were selected and contacted through convenience non-probability sampling method. Survey questionnaire was used to collect the primary data and a total of 241 valid responses were obtained for analysis. Using SPSS 20.0 statistical application software, both descriptive and inferential analysis were conducted for multiple linear regression analysis to attain the intended objectives. The results showed that all the seven dimensions of marketing mix elements namely product, price, place, promotion, people, process and physical evidence, had positive and significant effect on repurchase decision. Price had relatively the highest effect ( $B=0.288$ ) followed by place ( $B=0.192$ ) and product ( $B=0.130$ ) at  $p$ -value  $< .05$ . Whereas, physical evidence ( $B=0.094$ ) and promotion ( $B=0.056$ ) showed the least effect. Therefore, the results of this study findings revealed that that marketing mix elements have positive and significant effect on repurchase decision of insurance customers at the selected private insurance share companies. Further improvement on service marketing mix strategies of the insurance companies should require to enhance repurchase decision of the existing policyholders.*

**Keywords:** Marketing Mix Element, Policyholder, Private Insurance Company, Repurchased Decision, Insurance Premium, Claim Settlement.

# CHAPTER ONE

## INTRODUCTION

### 1.1. BACKGROUND OF THE STUDY

Competition in each business line faced by companies today is increasingly stringent, so the management is called to be more careful in determining their competitive strategies to win the competition. The company management is required to be able to design and implement a marketing strategy that is able to create, maintain, improve its number of consumers and keep the profitable relationship for a long time. Consumer response is the ultimate test of whether a marketing strategy will succeed (Solomon, 2017). Company can set the marketing mix to adjust with its target market and company objectives.

Marketing is the management process in charge of identifying, anticipating, and meeting the needs of customers in a profitable manner (Chartered Institute of Marketing - CIM, 2009). It refers to the activities undertaken to promote the purchase or sale of a product or service. According to Kotler and Armstrong (2012), marketing is the management of profitable customer relationships. Furthermore, the dual goal of marketing is to attract new customers by promising superior value and to retain and grow current customers by providing satisfaction. Marketing, according to Singh (2016), is a complex set of marketing mix solution variables used by businesses seeking to sell their goods and services. Marketers employ a variety of tools in order to elicit the desired responses from their target markets. These tools comprise a marketing mix, which describes the variety of marketing decision elements that must be balanced for maximum impact.

Effective marketing mix depends upon addressing a number of key issues which constitutes what goods or service to provide; what a company is going to charge; how it is going to deliver its products or services to the consumer; and how it is going to tell its consumers about its products and services. Traditionally, these considerations were known as the 4Ps which stands for product, price, place and promotion. As marketing became a more sophisticated discipline, Mahmood & Khan, (2014) considered the service marketing mix as a tool and postulated that marketers try to shape customer perception towards their firm to influence their purchasing decisions by implementing various controllable elements of marketing mix aka 7Ps i.e., product, price, place, promotion, people, process, physical evidence.

Most of the times, the marketing mix influences the marketing decision process of the consumer in relation to the final purchase. According to the theory of consumer decision making model which has three distinct but interlocking stages such as input-, process- and output-stage. The input stage comprises of exposure for marketing mix elements; the process stage incorporates need recognition, pre-purchase search and evaluation of alternatives; and the output stage that demonstrates post decision behavior including purchase and post purchase evaluation (Leon & Leslie, 2010). It implies that this model relates marketing mix elements with consumer purchase decision.

In this regard, research on customer behavior has undergone tremendous developments in the last three decades. Scholars gave prominence to customer satisfaction as the primary determinant of consumer behavior (Oliver, 2009; Leon, 2010; Mahmood, 2014). However, more recently marketing studies have expanded the horizon of behavioral research beyond satisfaction in to the realms of customer decision making processes and factor affecting their purchase decisions (Garbarino& Johnson, 1999) and customer loyalty (Oliver, 2009; Berry, 1995). This new interest is underscored by the long-held view that mere acquisition of new customers and getting them satisfied cannot guarantee sustained business and that a loyal customer base emanated from redundant purchase is the only assurance firms have against possible losses (Berry, 1995).

A new frontier of competition whereby companies not only seek to acquire new customers, but also worry about the looming threat of losing their customers to competitors has emerged. According to Oliver (2009), a paradigm shift to the pursuit of customer repurchase decision as a strategic business goal is becoming prominent. Berry (1995) supports this viewpoint by arguing that attracting new customers should only be viewed as an intermediate step in the marketing process and that business managers should strive for long-term customer relationships.

Customer repeat purchases ensure positive publicity with greater value in terms of dependability; it also leads to a slew of other significant benefits such as cross-buying intentions, exclusive and priority-based preference for the company and its services, increased share of wallet, and so on, all of which provide the company with a competitive advantage. Owing to these discernible and some other latent outcomes of customer loyalty such as favourable attitude towards company's business policies, marketing communication, new products and customer service initiatives, greater tolerance in the event of service failure and lower resistance to price ups, etc. (Bloemer, 2016; Caruana, 2016; Asuncion, 2014; Keaveney, 2017). Companies are hugely interested in a systematic and well-

assisted development of loyalty behaviors among their customers. Terblanche (2016) agreed that comprehending the precursor of repurchase decision is a requisite if a firm wants to attain the maximum benefits of repeated purchase. Hence, there is a pressing need for deeper exploration into repurchase decision.

Insurance companies as a service industry, their sustainability utterly depends on the renewal of policy-holders' contract every year rather than emergent of new customers (Ndubisi, 2015). At present, there are seventeen (17) insurance companies operating in Ethiopia of which the top five performing insurance companies namely Nyala, National Insurance Company of Ethiopia (NICE), Hibret (aka United), NIB and Awash insurances S.C.s at Addis Ababa are general (motor) insurance services providers (National Bank of Ethiopia, 2020). The companies suffer from stiffed competitive pressures intensified by its strategic competitors. According to the annual report of the company on 2020, amongst 20,000 new customers (policy-holders) emerged to the market annually, these five companies attain around 34% of the share. However, they couldn't achieve their targeted number of customers. Besides, they couldn't achieve target sales growth due to customers switch over to other insurance companies every year. Ndubisi (2005) and Pfeifer (2005) argue that if customers don't get something of value with their current insurance company, they could easily switch to other competitors if it costs less.

Thus, insurance companies should give due attention to customer repurchase decision in terms of the service marketing mix strategy implemented in order to survive and succeed in this competitive insurance market. Therefore, this paper focused on investigating the effect of marketing mix practices on repurchase decision taking five top performing insurance companies based on financial performance/ profitability namely Nyala, NIB, Awash, Hibret (aka United) and NICE Insurance S.C. in Addis Ababa as a case.

## **1.2. STATEMENT OF THE PROBLEM**

The insurance industry in Ethiopia is at its infancy stage with inefficiently exploited market opportunities despite various challenges. The continuous and fastest growing economic development, inflow of foreign direct investment in different sectors, government protection from foreign insurance investment in the country, law enforcement of compulsory vehicles insurance against third party proclamation, nearly a million of existing policyholder and the induction of around 30,000 new motor vehicles every year in the transportation system make the industry more

attractive for investment (National Bank of Ethiopia, 2020). This implies that the escalation of business transactions promotes properties and liabilities to be insured and create lucrative market for insurance companies. However, the industry suffers from lack of sound service provision lagging way behind customers' expectation (Temesgen, 2015).

It is a common thing to hear people remarking that insurance companies are quicker to receive premium but slower in other services such as claims settlement in particular. There are also complaints of misleading information in their insurance policy flooded with full of legal jargons in favour of the company (Emanuel, 2016). As a result, clients are lured into buying policies they do not understand or contents not well explained during the contract. But once the insured claims indemnity, the customer could easily identify or understand that insurance companies are literally bureaucratic to settle the claims and deduct from 15% - 25% of the total coverage for irrational reasons, though stated on the insurance policy. According to Surman (2019), such practices are common in almost all developing countries' insurance industry in particular. Such misunderstandings push policyholders to revise their decision to stay to same insurance company or switch to other insurer easily.

Many previous studies have been conducted on marketing mix strategies of insurance companies to mitigate issues of customers' complaints regarding claim settlement. Auboin & Engemann (2013), in their study, tried to show the most important thing in insurance industry were how to sell the product with the suitable price, the best way to promote it and the strategic place of the service outlet and needs to know how customer's reaction to the main offices/ branches' locations whether the outlets will work efficiently and sufficiently. Similarly, Surman & Mrqash (2017) conducted a study on the importance of service marketing mix in improving insurance services. It aimed at shading the light to the importance of marketing in insurance companies in the light of liberating insurance marketing from competition between public and private insurance companies. However, Monday (2011) argued that insurance companies in developing countries are working for seller market which underestimates the openness of competitive market. This made insurance companies develop the methods of promoting and providing their services in a similar fashion rather than giving due consideration for increasing marketing efforts according to customers' actual demands.

Same token, Ethiopian private insurance industry is not as such different from other similar companies in developing countries. Aynalem (2017), on his study on the effective marketing mix

strategies on purchase intention, the findings revealed that insurance companies usually spent huge investment on media advertising and offering lower premium service charge to attract new customers and retain the existing ones. However, inconsiderable service charges, congested different insurance offices at similar neighbourhood, unappealing media advertising and undifferentiated service offerings could be taken as a lack of due consideration for effective marketing mix strategy implemented by insurance companies so as to address the actual needs and wants of the customers (Mandil, 2008). However, Sahin (2019) argued that insurers often focus merely on traditional 4Ps rather than relying on strong relationships with loyal customers to help them compete that requires a strong focus on the basics of effective marketing.

According to Niharika (2017), marketing mix elements are a group of controllable marketing variables that a company uses in a target market to elicit a desired reaction. Determining the marketing mix elements that have a significant influence on policyholder purchase decisions is critical for insurance marketers to design and implement an effective service marketing mix strategy as a competitive advantage to exceed customer expectations. Because Insurance products are 'credence goods', the quality of which cannot be fully established at the time of purchase as well as consumers often struggle to purchase the correct coverage (Shameem& Gupta, 2012). As a result, customer feedback after first purchase could be repurchase or not can lead to revise and work on the controllable marketing mix elements strategy and hence affect customer repurchase decision.

It can be viewed as a conceptual framework that identifies the primary decisions that marketers make in configuring their offerings to meet the needs of their customers, which ultimately influences their purchase intention and decision. Furthermore, Booms and Bitner (2019) modified and expanded the traditional marketing mix elements from 4Ps (product, price, promotion, and placement) to 7Ps (people, process, and physical evidence) by adding three new Ps. These new marketing variables are critical marketing variables for any service company's success. Therefore, this study seeks to investigate the impact of both normal (4Ps) along with extended marketing mix elements (3Ps) on customer repurchase decision taking selected top performing private insurance companies in Addis Ababa. This helps to identify which marketing mix element has the highest influence on customer's repurchase or renewal of insurance policy annually. In doing so, companies would have the opportunity to attract new customers and retain the loyal ones.

### **1.3. OBJECTIVES OF THE STUDY**

#### **1.3.1. General Objective**

The general objective of the study is to investigate the effect of service marketing mix on repurchase decision in the case of selected top five performing private insurance companies in Addis Ababa.

#### **1.3.2. Specific Objectives**

The main objective of this study addressed through achieving the following research objectives specifically intended to:

- i. Investigate the effect of product in choosing insurance service on repurchase decisions
- ii. Analyze the influence of premium (price) on repurchase decisions of insurance policy
- iii. Assess the influence of promotion on repurchase decisions in choosing insurance service
- iv. Assess the effect of service outlet (place) on repurchase decision of insurance policy
- v. Investigate the influence of staff on purchase decisions in choosing insurance product.
- vi. Analyze the effect of delivery process on repurchase decisions of insurance policy.
- vii. Investigate the effect of physical evidence on repurchase decision of insurance policy

### **1.4. SIGNIFICANCE OF THE STUDY**

Insurance is a critical component of a country's economic development because it enables some financial activities that protect against financial risks (Arkel, 2011). Starting with that, the researchers hope that the findings of this study will help them achieve important goals in the future, such as identifying service marketing mix dimensions and their impact on attracting and retaining customers as an application on Ethiopian insurance companies.

The findings of this study may help an insurance company understand the service marketing mix elements that influence insurance repurchase decisions. Furthermore, being able to be customer oriented by focusing on the needs and requirements of customers is essential. As a result, to devise feasible or effective marketing strategies for broadening the business's reach. Furthermore, it will assist in determining which factors are more important and focusing on those factors in order to satisfy existing and potential customers and remain profitable.

Furthermore, the findings from this study will serve as an input for those who need to get information which insurance services are more important in their day-to-day life. That means, customers will benefit from better service provision.

Finally, it will provide insight for other researchers and the findings of the study will be used as a reference to conduct research in similar or related fields.

## **1.5. SCOPE OF THE STUDY**

The scope of this study was delimited geographically, conceptually and methodologically to manage it within the existing resources (time, finance, COVID-19 debacles).

Geographically the scope is delimited to Addis Ababa as almost all insurance private insurance companies are located in the capital city. Due to the homogenic nature of the insurance service in the country, taking Addis Ababa city the place where all insurance companies' head-offices are located. Since insurance policyholders in the city accounts for 76% of the total population of insurance policyholders in the country. Other customers out of Addis Ababa or other regional states were excluded intentionally as they would be represented by policyholders in the capital city.

Similarly, there are a number of other factors that affect customer or policyholder's repurchase decision in the private insurance service industry. For instance, factors that potentially affect policyholder's purchase decision are previous reputation of the insurance, corporate brand image, customer satisfaction, demography and the likes. But, in this study, the scope was also conceptually delimited as only service marketing mix elements in terms of product, place, price, promotion, people, process and physical evidences are taken as an independent variable that accounted for variation in customer purchase decision.

Finally, referring methodological delimitation, this study also targeted only five top performing private insurance companies namely Nyala, NICE, Awash, United (aka Hibret) and NIB Insurance S.C. despite there is a governmental and other private owned insurance companies operate in the city. The unit of measurement was data taken from policyholders for at least once claimed indemnity or compensation of motor (general insurance) in the selected five companies. Other policyholder such as marine, life and other insurance service were excluded intentionally as they were out of the scope of this study.

## 1.6. DEFINITIONS OF KEY TERMS

Brief explanation for each 7Ps marketing mix dimensions is:

- **Service Elements** - defined as an act or performance offered by one party to another that creates benefits for customers by bringing about a desired change (Lovelock and Wright, 2001).
- **Price Elements** - defined as the amount of money charged for a product or services (Kotler and Armstrong, 2005).
- **Distribution Elements** - defined as involving the distribution channel, distribution coverage, outlet locations, inventory levels, and location (Kotler, 2000).
- **Promotion Elements** - mean all of the tools available to the marketer to transform their message about the product strategy to the target market (Al-Dmour, 2013).
- **People Elements** - defined as all participants that have role at the service delivery process (Al-Dmour, 2013).
- **Physical Evidence Elements** - is the setting in which the service is provided, as well as any tangible goods that aid in the performance and communication of the service (Booms and Bitner, 1980).
- **Process Elements** - defined as the procedures, mechanism and flow of activities by which a service is acquired and about how a service is delivered to customers (Booms, 1980).

## 1.7. ORGANIZATION OF THE STUDY

This study is organized into five main chapters. The first chapter refers introduction of the study which includes the background, the problem statement, the research objectives, significance and scope of the study. The second chapter focuses on literature review. It contains relevant theories, conceptual and empirical discussions leading to identification of research gaps and the conceptual framework. The third chapter presents the research design, target population, sampling methods, sample size, data collection instruments to be used as well as method of data analysis and presentation. The fourth chapter presents demographic characteristics, descriptive and inferential statistics analysis, findings and their interpretations. The last chapter consists summary of major findings, conclusions and recommendations of the research study.

## **CHAPTER TWO**

### **REVIEW OF THE RELATED LITERATURE**

This chapter analyzes the existing literature on service marketing mix elements and customer's repurchase decision. Hence, on the basis of the existing literature, this chapter expands theoretical, empirical and conceptual frameworks which will be tested by this research.

#### **2.1. Theoretical Review**

##### **2.1.1. Marketing Mix**

Marketing is a set of steps that deliver value that customers will remember and that can build a relationship with customers while also providing benefits to the organization (Armstrong & Kotler, 2011). Bay, Petrizzi, and Gill (2008) confirmed that when organizations use marketing mix in their business, it helps to increase sales and profits, allowing them to meet their marketing goals. Elements of the marketing mix, namely product, price, place, and promotion (4P's), are controllable tools that influence customers' purchase decisions and satisfaction after consumption (Shankar & Chin, 2011, Sable, 2013).

There are several elements in marketing that become the foundation of every company. "The Marketing Mix is the collection of tactical marketing tools - Product, Price, Promotion, and Place - that a company uses to generate the desired response in its target market" (Kotler and Armstrong: 2005). McCarthy classified various marketing activities into marketing-mix tools of four broad types, which he called the four Ps of marketing: product, price, place, and promotion, according to the book edited by Kotler and Keller (2012).

Each firm strives to build up such a composition of 4P's, which can create highest level of consumer satisfaction and at the same time meet its organizational objectives. They are connecting to each other. One element's lost then a company can't even continue the business, having problem while doing the business, or even start the business. The example is the product that is ready to sell to the market, the price is already set that suitable and reasonable to the market, the place is already done but not a strategic place, and unfortunately less of promotion so the product will have a problem to deliver it from producer to consumer. Authors such as Stanton, Etzel & Walker (1991); McCarthy & Perreault (1995); and Kotler & Armstrong (1997) agree that the traditional marketing

mix has been defined as a set of controllable instruments for managing the uncontrollable and dynamic marketing environment, and that it consists of four major elements ("Ps"): price, product, promotion or marketing communication, and place (distribution). McCarthy's original classification (of the 4Ps) is, on the other hand, particularly useful from a pedagogical standpoint. "However, the feeling persists that some other classification, yet to be born, will develop better conceptual distinctions among the wide range of marketing decision variables" (Kotler, 1989).

### **2.1.2. Criticism Against McCarthy's 4P-Model**

McCarthy's 4P-model has also been criticized. The 4Ps, according to Liswood (1987) and Grönroos (1994), are concerned with consumer acquisition. Acquisition is important, but the marketing emphasis must shift to consumer retention and customer loyalty management - an important application to service marketing is that consumers may be aimed at increasing loyalty.

According to Donath (1991), there is an overemphasis on price and product as marketing instruments, while place and promotion are underemphasized. As a result, there is a risk that organizations will misallocate organizational resources among the four marketing mix instruments. McCarthy's 4Ps were acceptable in the past, but increasing criticism necessitates a review and extension of McCarthy's model (Waterschoot & Bulte, 1992). They assessed McCarthy's 4Ps and proposed a new classification that can be used more effectively for theoretical development, empirical research, and management decision-making.

Their basic findings are that the marketing mix consists of a basic mix (product, price, distribution, and communication). A promotion mix consists of a product promotion mix, a price promotion mix, a distribution promotion mix, a mass communication promotion mix, a personal promotion mix, and a publicity promotion mix. These opinions show some dissatisfaction with McCarthy's 4Ps model. One possibility is that the Ps should be expanded to allow management to respond more quickly to a rapidly changing environment.

### **2.1.3. A New Paradigm in Marketing**

Kotler (2005) coins the idea of "a new paradigm" in marketing - he emphasises that organisations need to practice "wrap-around marketing", which encompasses both getting and retaining customers. Organisations should therefore build stronger relationships with their profitable customers. Grönroos (1994) strengthens Kotler's suggestions by arguing that trends in business and

modern research into industrial marketing, services marketing and customer relationship economics, demand a relationship-oriented approach to marketing. These views could be of relevance to service marketing.

Pruden (1995) recently stated that retention marketing has yet to progress beyond the realm of articles and speeches. Customer service and long-term relationship building appear to be the primary focus of the additional 3Ps. An examination of previous editions of basic marketing texts such as Kotler (2005), Marx & Walt (1990), and Kotler & Armstrong (1990) reveals that authors previously focused on integrating the four basic marketing instruments through an acquisition focus. Kotler (2005) and McCarthy & Perreault (1995) have included chapters and sections on relationship marketing since the mid-1990s (retention focus).

It consists of the various marketing program elements that must be considered in order to successfully implement the marketing strategy and positioning in the company's market. It is the important internal elements or ingredients that comprise a company's marketing program (Payne, 1993). Booms and Bitner (2019) changed and expanded the traditional marketing mix elements from 4Ps to 7Ps by including three new Ps: people, process, and physical evidence. These new marketing variables are critical marketing variables for any service company's success.

#### **2.1.3.1. Elements of the Extended Marketing Mix**

Because of the rapid development of other marketing applications, new dimensions such as services marketing have emerged that should not be overlooked. The 4P-model should not only apply to product and/or production organizations, but it should also apply to, or be modified to address, non-product activities such as services and sports. Another application that comes to mind when revisiting the marketing mix is retail marketing strategy and practices - there is no real agreement in marketing texts on whether a different mix exists in retail marketing strategy and practices.

It should be noted that a marketing application field is regarded as a subset of the traditional marketing approach. The marketing of services, for example, is a derivation of traditional marketing, but the focus of marketing strategy has been adapted to fit the specific characteristics of services, such as intangibility and heterogeneity. The same holds true for sport marketing, where the marketing situation differs from that of services marketing but many similarities exist, such as sport's relative intangibility as a product.

According to Mitchell (1991), "marketers have been groping toward a larger whole - they increasingly cross over into other functional specialisms." This could be one of the reasons why marketing texts differ in terms of the exact composition of the marketing communication mix. Mitchell (1991) adds that marketers are increasingly concerned with how the entire organization presents itself to its various stakeholders. As a result, it is reasonable to expect that corporate and brand image will be important sponsorship objectives, and that the functional cross-over between marketing and public relations will become more pronounced.

Because additional marketing mix instruments have been developed in many application fields to suit strategy implementation and to make the application of marketing strategy more suitable to the specific marketing situation in a given field or industry, this "groping" contributed to the proliferation of a conglomerate of "Ps." In an attempt to define a service marketing mix, Mullin (1993) has added promotional licensing to the promotion mix and public relations as a separate "P" to the four traditional "Ps." Collier (1991) warns though, that any additional Ps should have to broaden management perspectives towards a wider spectrum of service delivery and product augmentation.

Newer marketing concepts are forcing marketers to recognize that traditional marketing methods are no longer as effective as they once were, and the search for new and more appropriate methods is underway. According to the growing number of research reports in reputable academic journals, Internet marketing and relationship marketing are two of the most talked about "new concepts." According to Shani and Chalasani (1993), the 4P-model appears to be out of date.

The lack of agreement on the marketing mix's composition, as well as the fact that it was developed for tangible products, are significant factors that have most likely resulted in the proliferation of a large number of additional marketing mix elements (e.g., people, process and physical evidence for services marketing). To determine the existence of a possible service marketing mix, a literature review was conducted. If such a mix existed, the contextualisation should be examined to determine relevance to a specific marketing thought and to serve as a foundation for applied research..

#### **2.1.3.1.1. People**

People refer to an organization's service provider (Kotler, 2004). People, according to Zeithaml and Bitner (1996), are all humans who play a role in service delivery and influence customer

perceptions. People are the service delivery employees (front-line staff), the service company's general staff, and the other customers who participate in the service production and delivery process. Personnel are critical to providing customers with services. Customer orientation cannot be achieved if there is no cooperation from the personnel (Judd, 2001). The term service encounter is used to denote person-to-person interactions between a customer and an employee of an organisation during the purchase of a service (Bitner, 1994).

#### **2.1.3.1.2. Processes**

These are the activities that take place during the use of a service. Furthermore, Zeithaml and Bitner (1986) defined process as the actual procedure mechanisms and flow of activities through which a service is delivered. They also classified a process based on its length, duration, and logistical effectiveness. Zeithaml and Bitner (1986) defined length as the number of steps that participants must take in order to affect service delivery, duration as the time that elapses between the first and last activity of the service delivery process, and logistical effectiveness as the degree of smoothness in the flow of the steps of the service delivery process. The delivery of the service can be done in-person or through electronic gadgets like machines, phones and others. It is important that the service provider offers the best to the customers because a negative delivery of a process may affect the overall effectiveness of the process.

When it comes to creating a competitive advantage through efficient and effective processes, an insurance company must be robust enough to automatically send reminders to customers when premiums are due and policies are due for renewal. All services must be supported by well-defined and efficient processes. This will help to avoid confusion and promote consistent service. In other words, processes imply that everyone is aware of what to do and how to do it (Stead, 2010). In the insurance industry, the process should be customer-friendly, simple, and convenient. The speed and accuracy of payment are critical. To provide high levels of service quality and thus create value for customers, service organizations must explain how their services are delivered and ensure the successful implementation of the actual plan. As a result, good planning and effective implementation of developed delivery plans are critical components of service delivery systems..

#### **2.1.3.1.2. Physical Evidence**

The tangibles and intangibles that services provide to a customer are referred to as physical evidence. Physical evidence is defined by Lovelock and Wright (2001) as the environment, appearance of buildings, staff members, materials, and other visible cues that all provide tangible evidence of a firm's service style and quality. According to Boom and Bitner (1981), physical evidence is relevant to retailers or those who maintain premises from which a service is sold or delivered. In conclusion, the researchers may state that physical evidence are the tangibles of a service, those that have an impact on the effectiveness of the service, which may include the environment used, in this case, the building in which the insurance business operates. Physical evidence is something that customers can easily associate with the product. Ideally, service companies should create physical evidence to create environments that appeal to pleasure and arousal states while avoiding creating environments that create submissiveness. (Hoffman, 2006).

#### **2.1.4. A comparison of Product vs. Service Marketing**

Most physical and tangible products are accompanied by several service elements as part of the product's offer. Hotels are classic examples in this case. A hotel's rooms offer a kind of service and customers also eat food and use hotel's cafe. A large part of our discussion concerns net services. Net services are defined as intangible activities and advantages which satisfy customers' demands without owning a service or product. this definition includes services like insurance policies, stock brokers and so on. We, intentionally, emphasize on net services as we want to understand special features of services so that we can conduct marketing activities in a better manner (Parsons, 2000).

Products and objects marketing activities are tangible and marketing mix elements (product, price, place and promotion) are conducted in market environment and customers satisfy their needs after they know about products and firms supply. However, service or software marketing activities is not limited to the above activities and requires more factors. This is because a product is a tangible object while this is not true about services. Secondly, a product passes special stages and its pricing system is clearer but services don't have clear criteria or units for measurement. Thirdly, marketing flow in products is demand side and marketing flow for services is supply side. Therefore, in addition to the mentioned elements in product marketing mix, there is another factor called interaction in the center of the above factors which in fact plays a communication role and these factors are particularly important in banks and insurance companies.

In most service firms like banks, hotels, insurance companies, aviation corporations and ..., employees' service quality, their training, their commitment to providing service for customers and things like that are more important than other factors like price, advertisements, information and other features in development and success of the firms. In such firms, mutual relationship between employees and customers causes customer satisfaction, purchase repetition and increase in corporate profitability. This, in the long run, brings competitive advantage for the service company and increases competitive power (Tehrani, 2007).

#### **2.1.5. Consumer Buying Decision**

The process of making common decisions often involves a number of decisions. A decision involves choosing between two or more alternatives to the actions or behavior that will be carried out and the decision of the government to require a choice between several different behaviors. According to Kotler (2005), consumer interest is a behavior of consumers and wants consumers to want to buy or choose a product, based on their experience in selecting, using, and consuming or wanting to make a product. According to Nugroho (2008), decision making for consumers is the process of integrating knowledge to evaluate two or more alternative behaviors and choosing one of them. According to Tjiptono (2011), there are 4 stages in the process of doing the introduction of decision problems or needs, information retrieval, evaluation and use of decision alternatives. According to Kotler and Armstrong (2005) in the model of customer decision process black box use of consumers affected by stimulus marketing mix.

Kotler and Keller (2005) stated there are four types of buying decision behavior based on the degree of buyer involvement and the degree of differences among brands: Complex buying behavior, consumers undertake complex buying behavior when they are highly involved in a purchase and perceive significant differences among brands. Dissonance-reducing buying behavior, this type occurs when consumers are highly involved with an expensive, risky purchase, but see little differences among brands. Habitual buying behavior, this type occurs under conditions of low consumer involvement and little significant brand differences. Variety-seeking buying behavior, consumers undertake this type in situation characterized by low consumer involvement but significant perceived brand differences.

McDaniel, Lamb & Hair (2011) stated that consumer buying decision generally fall along a continuum of three broad categories: Routine response behavior, consumer buying frequently

purchase, low-cost goods and services; require little search and decision time. Limited decision making, requires a moderate amount of time for gathering information and deliberating about an unfamiliar brand in a familiar product. Extensive decision making, used when buying an unfamiliar, expensive, or an infrequently bought item.

#### **2.1.6. Marketing Mix and Repurchasing Decision**

Based on previous studies explanation, then there is an opportunity to conduct further research to integrate the marketing mix variable, the variable purchase decision, and variable customer satisfaction as an intervening variable. Satisfaction becomes a very important role in the purchase of a products and services made by consumers.

These current findings also add support to the previous studies by Amelia (2015) which the product, price, promotion, distribution channel variables and purchase decision process have positive and significant effect on customer satisfaction. It can be concluded from these definitions that customer satisfaction is influenced by purchasing decisions. After consumers know the product, price, distribution channels and promotion that's when purchase decisions are made after actually making a purchase then the new consumer satisfaction.

Based on previous studies explanation, then there is an opportunity to conduct further research to integrate the marketing mix variable, the variable purchase decision, and variable customer satisfaction as an intervening variable. Satisfaction becomes a very important role in the purchase of a products and services made by consumers. According Martin (2008) explained that consumer satisfaction is one important factor to predict consumer behavior and more specifically the repeat purchase. The decision process performed by irrational because it is based on an understanding of information that can't be trusted, in the end the results are not satisfied, (Dapkevičius, 2009)

#### **2.1.7. Repurchase Decision**

Repurchase Decision can occur after some experiences are achieved by customer due to post purchase behaviour. This post purchase behaviour is post purchase dissonance which is a feeling of uncertain about whether one made the correct choice after making an acquisition, consumption, or disposition decision (Hoyer and MacInnis, 2008). In order to avoid this doubt marketers work on train sales people to help minimize negative emotions of customers and advertisements that

emphasize the fun and positive emotions of the decision outcomes. Marketers also create incentives that encourage customers to continue purchase (Hawkins and Mothersbaugh, 2010).

Customers experience dissatisfaction if the service or benefits of the product falls short of expectations, customers experience satisfaction, if the service or chosen product benefit meets expectations and delighted if the service or product benefit exceeds their expectation (Kotler and Keller, 2005). Hawkins and Mothersbaugh (2010) states that marketers work on satisfying customer expectations by creating fair expectations via promotional efforts and maintaining consistent quality so that fair expectations are fulfilled.

As a result of satisfaction, customers would have a higher tendency of purchasing the service or product again and probably tends to say good things about the chosen brand to others. The repeat purchase due to satisfaction is an important driver of customer loyalty (Cristiana, 2009).

## **2.2. Empirical Review**

Some related researches have been conducted in Ethiopia and in different parts of the world, very few were concerning the effects of service marketing mix on the customer repurchase decision. Here below some of the researches which have been conducted in Ethiopia and in other countries are reviewed.

### *The effect of Product on Repurchase Decision*

The data analysis by Yiswa(2015) shows that partially product has significant influence on consumer purchase decision. The product is something that can be offered to the market to get attention, to be purchased, used or consumed which can fulfill a desire or need. In his conclusion, Product affect significantly towards consumer purchase decisions in choosing insurance product on Prudential Life Assurance Manado Area. When the company can make the product that can satisfy customer need, then the product itself will be the reason for customer to do purchase. Khan and Indumathi (2015) on their study found that, the most important product factor for customer is comfort followed by Quality, Brand, Health & Environment safety and Taste. Product factors also impact of purchase decision. Customers who prefer quality and health purchase the product.

A research conducted by Tekletsion (2019) revealed that the relationship between product and consumer buying behavior by taking its weighted average mean and accordingly the outcome shows that there is a positive effect of product on consumer buying behavior at ( $\beta=0.346$ ,  $P=.000$ ) of selected Addis Ababa Sub City Small and Medium Enterprises. Product packaging and product quality is mentioned on Demessie (2018) study, which can be generalized as product. The analysis reveals consumer agree with the influence of product packaging through its attributes; like color, size, shape, design and the information depicted there on, on their buying decision in purchasing Awash wine products. The same is true for product quality which is an intrinsic wine product dimension through attributes; pleasure, test, aroma and drinkability has influenced consumers buying decision in purchasing Wine products with (mean=3.92, standard deviation= .512). Hence the empirical reviews depict and theoretical literatures suggest that there is a significant role of product/service on purchase decision. Based on this notion, the following hypothesis is proposed:

***H1 - Product has a positive and significant effect on insurance repurchase decision.***

#### ***The effect of price on Repurchase Decision***

Demessie (2018) assert that price is an important marketing mix that may influence consumers in their buying decision through offering a competitive and reasonable price hence the study found that although the influence of price is less as compared to product quality and packaging as the overall mean score falls under possibly influences consumers buying decision. The influence of price on wine consumers buying decision, price possibly influences consumers buying decision in purchasing wine products with (mean=3.73 and Standard deviation=.609. Yiswa (2015) discusses, in insurance product, price has become the main important beside the product itself. Price is a redeemable value for consumers with the benefits of owning or using a product or service whose value is set by buyers and sellers through bargaining, or set by the seller for the same price to a buyer. If this variable is a very expensive, consumers in choosing a product in the marketing process will greatly be affected.

The price is significantly important in determining the choice of consumer behavior on transaction. It is because price is usually considered as an indicator in interpreting a quality of a product, in other words price is directly proportional to product quality. Hence the researcher concluded, price significantly affects towards consumer purchase decisions in choosing insurance product on Prudential Life Assurance Manado Area. When the price is set on the right position which are

match with the income of the customer, then the customer will be able to purchase the Insurance product. Khan and Indumathi (2016) also assert price factors also impact of purchase decision. Therefore, the empirical reviews portray and theoretical literatures lead that there is a significant role of price on purchase decision. Based on this notion, the following hypothesis is proposed:

***H2 – Price has a positive and significant effect on insurance repurchase decision.***

#### ***The effect of Promotion on Repurchase Decision***

Promotional activity is an activity to persuade and educate the market with the purpose of having a positive response or action from buyers. Promotional activities contain, namely advertising, personal selling, sales promotion and publicity (public relations) (Yiswa, 2015). According to the study of Yiswa (2015), promotion significantly affects consumer purchase decisions in choosing insurance product on Prudential Life Assurance Manado Area. When the promotion strategies become better, then the number of sales will automatically increase. Emphasis is given to personal selling for the insurance product since one of the key factors leading to success. Tekletsion (2019) found that there is a positive and significant effect of promotion on dependent variable (consumer buying behavior at  $\beta=.534$ , with  $p\text{-value}=.000$ ) of selected Addis Ababa Sub city small and medium enterprises. Demessie (2018) also found that promotion is an important marketing mix that has a significant influence on consumers in their buying decision through its different promotional mix. As a result, the empirical reviews depict and theoretical literatures suggest that there is a significant importance of promotion on purchase decision. Based on this notion, the following hypothesis is proposed:

***H3 – Promotion has a positive and significant effect on insurance repurchase decision.***

#### ***The effect of Place on Repurchase Decision***

Tekletsion (2019) in his analysis concluded there is a positive and significant effect of place on dependent variable (consumer buying behavior) at ( $\beta=.146$ , with  $P\text{-value}=.000$ ) of selected Addis Ababa sub city small and medium enterprises. Demessie (2018) realize availability of products or place is an important marketing mix that has a significance influence on consumers buying decision in purchasing wine products. The statistical results also depict consumers agree with the influence of accessibility/ availability of Wine products on their buying decision in purchasing Awash wine products. Place factors impact purchase decision (Khan and Indumathi, 2016). The study shows that

customers preferring location and the stores selling only organic product. Thus, the empirical reviews depict and theoretical literatures suggest that there is a significant importance of place/accessibility on purchase decision. Based on this notion, the following hypothesis is proposed:

***H4 – Place has a positive and significant effect on insurance repurchase decision.***

#### ***The effect of People on Repurchase Decision***

People are one variable that has a significant influence on consumer purchase decision of Prudential Insurance. This factor is the most dominant element since it is the personal approach, where both the ranks of front office, back office (administrative staff), sales marketing, supervisors, and managers, are required to serve customers optimally (Yiswa, 2015). The analysis reveals people significantly affect consumer purchase decisions in choosing insurance product on Prudential Life Assurance Manado Area. The quality of service depends on the ability of the staff. That is why it is important to keep the good quality of people in the company. Mathur and Tripathi (2014) in their conclusion stated customers take in to account factors like, responsiveness and guidance by the staff members, reputation of the company while making decision. As a result, people have impact on choice for the insurance company selection. Thus, the empirical reviews describe and theoretical literatures imply that there is a significant importance of people/staff on purchase decision.

According Zeithami and Bitner (2005) understanding of people is, the person (People) all the actors who play a role in the presentation of services so that it can affect the perception of the buyer. Elements of the people are employees of companies, consumers, and other consumers in environmental services. All the attitudes and performance of employees have some impact on consumer perceptions and successful delivery of services (Service encounter). The success of the service company is closely related to the selection, training, motivation, and management of human resources. The importance of human resources in the marketing of services has led to a greater emphasis on internal marketing. Internal marketing services firms are increasingly recognized in determining the success of marketing. Based on this notion, the following hypothesis is proposed:

***H5 – People has a positive and significant effect on insurance repurchase decision.***

#### ***The effect of Process on Repurchase Decision***

These are the activities that occur during the consumption of a service. Process significantly affects consumer purchase decisions in choosing insurance product on Prudential Life Assurance Manado

Area. When the process (buy, claim, etc) become clear and easier customer will satisfy with the services and become the loyal customer (Yiswa, 2015). Customers take in to account of technological advancement like computerization while making decision (Mathur and Tripathi, 2014). The empirical reviews and theoretical literatures imply that there is a significant importance of process on purchase decision. Based on this notion, the following hypothesis is proposed:

***H6 – Process has a positive and significant effect on insurance repurchase decision.***

### ***The effect of Physical Evidence on Repurchase Decision***

Mathur and Tripathi (2014) on their study found that physical evidence with a statement of use of modern equipment and infrastructure of the insurance companies have impact on insurance company selection. Though the empirical review is few it implies that there is significant importance of physical evidence on purchase decision and theoretical literatures suggest same.

Lovelock and Wright (2001) conducted a study on the effect of people, process and physical evidence on repurchase decision in the case of Hill Insurance company in California. They found out that physical evidence are environment, appearance of buildings, staff member, materials and other visible cues all provide tangible evidence of a firm's service style and quality. They explained that physical evidence is of relevance to the retailers or to those who maintain premises from which a service is sold or delivered. Conclusively, the researchers confirmed physical evidence are the tangibles of a services, those that have an impact on the effectiveness of the service which might include the environment used that is the building in which insurance business operates in the case on the research. Thus, physical evidence can be considered as an element that can be easily associated with the product by the customers. Ideally, service companies should create physical evidence to build environments that appeal to the pleasure and arousal states, and stay away from creating atmosphere that create submissiveness (Hoffman, 2006). Based on this notion, the following hypothesis is proposed:

***H7 – Physical Evidence has a positive and significant effect on insurance repurchase decision.***

### **2.3. Conceptual Framework**

Based on the above discussion, it can be concluded that product, price, promotion, place, people, process and physical evidence are related to consumer's repurchase decision of insurance services. In this study, the dependent variable is customer repurchase decision while independent variables

are product, price, promotion, place, people, process and physical evidence as presented in figure 2.1. Therefore, based on the reviewing empirical literatures and the findings of previous researchers, the following conceptual framework (research model) is developed.

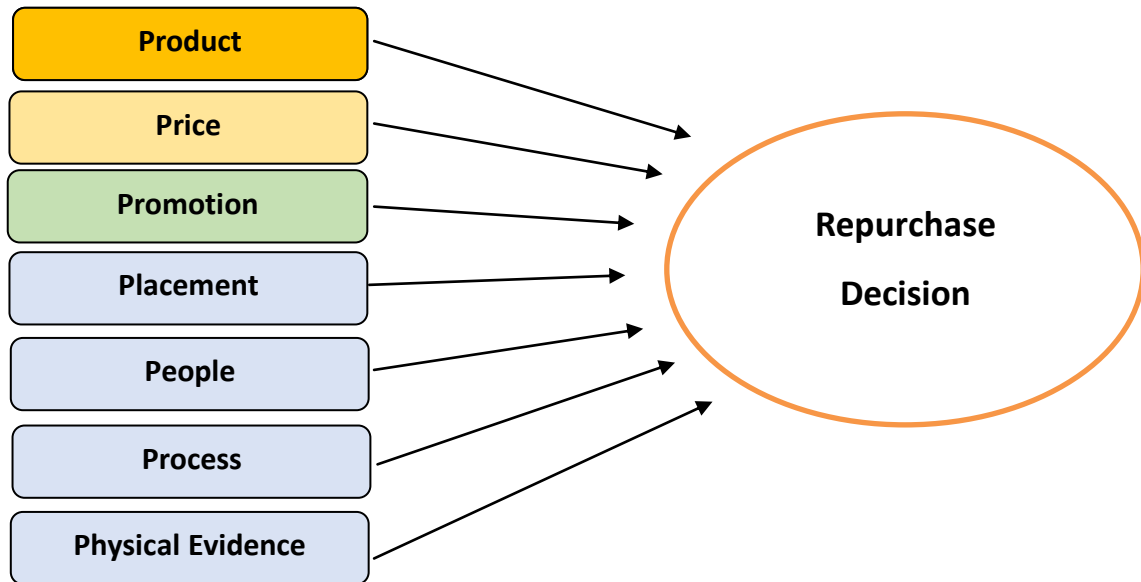


Figure 1: Conceptual Framework of the Study ((Source: Hameed& Dina, 2015)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This chapter comprises of topics related to how the research is carried out with respect to research design and methodological arenas. It begins by laying out the research design and approach for the research and follows in topics of sampling technique, tools used to collect the data, the procedure used to collect the data and methods of analysis. The reliability and validity of the research and ethical considerations are also addressed in this chapter

#### **3.1. Research Approach**

There are two basic research approach, quantitative and qualitative research approaches. In this study, quantitative approach is applied for investigating the relationship of service marketing mix elements with repurchased decision. Quantitative research explains phenomena by collecting numerical data that are analyzed using mathematically based methods to analyze the data and identify the relationship between dependent and independent variables so as to test hypothesis forwarded as well as test the correlation between independent variables (Aliaga & Gunderson, 2010). Thus, adoption of quantitative research approach is appropriate as it describes the relation between service marketing mix variables and customer repurchase decision, and how the service marketing mix elements affect policyholders repurchase decision.

#### **3.2. Research Design**

The three basic types of research design are descriptive, exploratory and explanatory researches. Explanatory research is used to establish cause-and-effect relationships between variables. Causal analysis is concerned with the study of how one or more variables affect changes in another variable. It is thus a study of functional relationships existing between two or more variables (Kothari, 2004). This study adopted explanatory or causal research design as it describes the variables of interest in the claim settlement service marketing mix elements and repurchase decision measurement along with evaluating the relations between the constructs.

### **3.3. Population**

A total of 17 insurance companies are currently operating in Ethiopia of which 16 companies are private owned that holds only 59.83% of the total market share. The rest is dominated by the state-owned company named Ethiopian Insurance Corporation (NBE, 2017). According to National Bank of Ethiopia, based on their financial performance of 2017 E.C., out of 17 private insurance companies the top five best performed private insurance companies are namely, Awash, Hibret (United), NIB, NICE (National Insurance Company of Ethiopia) and Nyala Insurances. For this study, thus, customers of these five insurance companies are considered. There are about 34,000 estimated active motor (general) policyholders are enrolled. Since only head offices are mandated to handle and process insurance claims, the study targets the population of all active policyholder who claimed compensation at least once. As insurance is a yearly renewable contract, the period of renewal varies based on customer's preference, only active policy holders during the period of data collection (April – May, 2021) were eligible for this study.

### **3.4. Sampling Procedure**

There are a number of sampling methods to select the representative sample size from sampling frame. However, they are categorized under three different sub-categories namely probabilistic, non-probabilistic and mixed sampling. Probabilistic sampling is impractical in this case as getting the complete list of corporate customers of every insurance company is utterly difficulty to get it for some reasons even if list of customers exists in NBE's database. Therefore, the non-probabilistic sampling procedure with the method of convenience sampling was applied to select the required sample size from the targeted study population even though generalizability of the findings is affected to some extent. Convenience sampling method was used since customers were contacted those of easily accessible at head offices of those five insurance companies.

### **3.4. Sample Size**

Sampling is the process of selecting a number of study units from a defined study population. According to Reporter (2019), the population size of the aforementioned five insurance companies throughout the country was roughly estimated about 34,000. Because of the absence of a sampling frame in the authorities and the accessibility of the selected respondents within a specified time period, non-probability sampling was used even though sampling bias (error) incurred would affect

the credibility of the study to some extents (Abiy, 2009). As to the sample size determination, from among different methods, the one which has developed by Carvalho (1984) was applied. The method is preferred because it is a well-known for many researches and journals (e.g., International Journal of Food Microbiology and Oxford Journals). The method is presented below in Table 3.1.

*Table 1: Sampling determination method*

| Population Size | Sample Size |            |       |
|-----------------|-------------|------------|-------|
|                 | Small       | Medium     | Large |
| 501- 1200       | 23          | 80         | 125   |
| 1201- 3200      | 50          | 125        | 200   |
| 3201- 10000     | 80          | 200        | 315   |
| 10001- 35000    | 125         | <b>315</b> | 500   |
| 35001- 150000   | 200         | 500        | 800   |

Source: (Carvalho, 1984)

Since a sample size of 315 respondents is believed to be enough for medium scale study, a total of 63 respondents were selected from each five insurance companies as convenience of the student researcher.

### 3.5. Source of Data

The source of data for this study is basically primary data source. According to Saunders (2010), the primary data are those which are collected afresh and for the first time, and thus happen to be original in character. Data that have been observed, experienced or recorded close to the event are the nearest one can get to the truth, and are called primary. Thus, primary source of data, that was collected from individual's (customer/policyholder) responses of five private insurance companies was used in this research for analysis.

### 3.6. Data Collection Instrument

Questionnaire as a survey instrument was used for collecting the primary data. As suggested by (Kothari, 2004), administering questionnaires allows the researcher to collect data with low cost even when the universe is large and is widely spread geographically, respondents would have

adequate time to give well thought out answers, respondents who are not easily approachable can also be reached conveniently and large samples can be made use of and thus the results can be made more dependable and reliable.

The questionnaire has three sections. The first section covered the demographic profile of the participants. The second section is structured on a Likert scale of 1-5 to show their degree of agreement or disagreement to the sentences about the constructs under study (service marketing elements and repurchase decision).

The questionnaire is adopted from a previous study by Hameed & Dina (2015) about the same construct under study and a bit modified to the insurance sector without modifying the concepts in the construct. According to their research framework, the service marketing elements comprise product, price, promotion, place, people, process and physical evidence; while repurchase decision in terms of creating trust long-term relationship with customers.

### **3.7. Data Collection Procedure**

The research was conducted in person and it's been done for the fulfillment of academic requirement. A total of 63 questionnaires was distributed to respective head offices of the five (Nib, Awash, NICE, United and Nyala) insurance companies. Volunteer respondents filled the questionnaires accordingly after having their full consent and briefed the purpose of the study clearly.

### **3.8. Validity and Reliability of The Study**

Validity is concerned with whether the findings are really about what they appear to be about (Sounders, 2003). Construct validity refers to the degree to which inferences of this type can legitimately be made. The content and construct validity should be checked to ensure the quality of the research design. The researcher has established the questionnaire in its final version, after highlighting some previous studies related the subject of this study. Then it was judged through reviewing it by some specialist in scientific research. Their comments and recommendations were taken into consideration to modify the questionnaire to have its final shape.

To evaluate the research instruments, reliability is one of the major criteria. Reliability estimates the consistency of the measurement or simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects. (John, 2007).

In this research Cronbach's alpha was used to test the reliability of the measures. Cronbach's alpha is an index of reliability associated with the variation accounted for by the true score of the underlying construct. Construct is the hypothetical variable that is being measured (Hatcher, 1994). Alpha coefficient ranges in value from 0 to 1, may be used to describe the reliability of factors extracted from dichotomous (that is, questions with two possible answers) and/ or multi point formatted questionnaires or scales (that is, rating scale: 1= poor, 5=excellent). The higher the score, the more reliable the generated scale is. Nunnaly (1978) suggests 0.7 to be an acceptable reliability coefficient.

As shown on Table 3.2., the reliability of the questionnaire was tested by conducting a pilot test. The calculated Cronbach's Alpha for all independent (service marketing mix) and dependent (repurchase decision) variables' reliability test was ( $r = 0.916$  on average). This indicates the stability and suitability of the results for this study.

*Table 2: Reliability Test Results*

| Measurement                     | Number of items | Cronbach's alpha |
|---------------------------------|-----------------|------------------|
| Product                         | 5               | .779             |
| Price                           | 5               | .805             |
| Place                           | 4               | .808             |
| Promotion                       | 5               | .850             |
| People                          | 5               | .733             |
| Process                         | 5               | .822             |
| Physical evidence               | 5               | .784             |
| Repurchase decision             | 5               | .838             |
| <b>Reliability of all items</b> | <b>39</b>       | <b>.916</b>      |

Source: Own Survey, 2021.

### 3.9. Data Analysis and Presentations

Both descriptive and inferential statistics were used to analyze the quantitative data gained through structured questionnaire. All the variables were coded and entered into the SPSS to analyze data obtained through questionnaires. Descriptive statistics is used to describe the usefulness of the data set and examine relationships between variables. In order to describe the data, preliminary descriptive statistics such as frequency, percentages, and mean scores would be computed. To view the internal consistency of the scale items, Cronbach coefficients (alpha) are computed. Multiple regression analysis is performed using the five selected claim settlement service marketing mix dimensions as independent variable and the repurchase decision as dependent variable. The basic aim is to see the extent to which the repurchase decision is affected by the service marketing mix elements dimensions in terms of coefficient of determination ( $R^2$  value). When  $R^2$  is found to be large enough, it can determine the variation on dependent variable due to the set independent variables. The regression coefficient (Beta coefficient) which determines a one unit change of an independent variable keeping other things constant on dependent variable will be Beta coefficient value and the P-values for the significance of each relationship is to show whether to reject the Null Hypothesis and accept the alternative hypothesis based on the significance value to be less than 1%, 5% or 10%.

**Model Specification** - Regression analysis is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the value of dependent variable, given the value of the independent (Kothari, 2004). The basic aim is to see the extent to which the service marketing mix practices affect the overall repurchase decision in terms of coefficient of determination ( $r^2$  value), the regression coefficient (beta coefficient) and the p-values (ANOVA Test) for the significance of each relationship.

Before conducting the regression analysis, regression assumption tests (multi-collinearity, homoscedasticity, linearity and normality) tests were carried out; and correlation coefficients was used to quantitatively describe the strength of the association between the variables. According to Hair (2016), the Pearson correlation coefficient measures the degree of linear association between two variables. It varies between -1.00 to +1.00, with 0 representing absolutely no associate b/n them.

Empirical model which was used in this study is formulated in such a way that a multi-regression analysis model for investigating individual effect of each independent variable. To do so, the relationship between the variables is formulated as:

- The effect of service marketing mix elements on repurchase decision

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + e$$

Where: Y = Overall Repurchase Decision;  $x_1$  = Product;  $x_2$  = Price;  $x_3$  = Promotion;  $x_4$  = Place;  $x_5$  = People;  $x_6$  = Process;  $x_7$  = Physical Evidence; e = error term;  $\beta_0$  = constant, term;  $\beta_{1,2,3,4,5,6,7}$  = coefficient terms of the corresponding listed variables

### **3.10. Ethical Considerations**

Confidentiality of their response of the respondents is maintained at a high level to make the respondents feel comfortable so that their responses were considered non-biased and believed to reflect the truth about the situation in question. Their voluntariness to participant in this was also confirmed before conducting the main survey. In this study, there are descriptive questions about the respondent's' demographic profile but this information was not enough to identify the person in particular. The second ethical principle was considered was to avoid lack of informed consent. The participants had received as much information needed to make a decision whether to participate or not. In this study the survey contained information about the research and contact details for further inquiries. The third ethical concern was the invasion of privacy. The respondent might find some questions too private and did not want to make the answer public; in this case the respondent had granted the opportunity to skip the question if it was judged sensitive. Furthermore, this study was not of a sensitive nature which enhances the respondents' willingness to answer. The fourth issue refers to deception which occurred if respondents had been led to believe that a research was about something else than what is actually. Thus, avoided voice recording techniques. After taking these ethical principles into considerations and fully living up to the requirements, this study could be classified as ethical.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATIONS**

The data collected through self-administered questionnaire featured personal information of the respondents, seven dimensions of service marketing mix and repurchase decision in the case of selected five private (Nyala, NICE, Nib, Awash and United) insurance S.C. in Addis Ababa.

The data collected through self-administered questionnaire, featured personal information of the respondents, seven dimensions of service mix marketing and a repurchase decision attributes. After distributing 315 questionnaires to the targeted customers of the aforementioned companies, 307 questionnaires were collected. The response rate accounted for 97.5% of the total distributed questionnaires, then, further screened the collected questionnaires for missing data and other inconsistency, and it was found 241 valid and usable questionnaires for statistical analysis.

#### **4.1. Descriptive Statistics**

The descriptive statistics is used to describe the demographic characteristics of the respondents and the summary of each study variables based on their responses.

##### **4.1.1. Demographic Characteristics of the Respondents**

The first part of the questionnaire consists of the demographic characteristics of respondents. This part of the questionnaire requested a limited amount of information related to personal and demographic status of the respondents. Accordingly, the following variables about the respondents were summarized and described in the subsequent table. These variables include; sex, age, education, income and experience of the respondents.

Referring Table 4.1, male respondents constituted the highest percentage 136(56.4%) while their female counterparts shared the rest 105(43.6%). With the scope and the sample size of this study, it would be premature to make conclusive remarks as to what this gender discrepancy means, other than the sampling diversity. Perhaps, further endeavors with specific focus to gender might explore this venue from a gender-related perspective.

Table 3: Demographic Characteristics of Respondents

| Category          |             | Frequency | Percent |
|-------------------|-------------|-----------|---------|
| <b>Gender</b>     | Male        | 136       | 56.4    |
|                   | Female      | 105       | 43.6    |
|                   | Total       | 241       | 100     |
| <b>Age</b>        | 18-30       | 34        | 14.1    |
|                   | 31-45       | 114       | 47.3    |
|                   | 46-60       | 57        | 23.7    |
|                   | >60         | 36        | 14.9    |
|                   | Total       | 241       | 100     |
| <b>Education</b>  | High school | 26        | 10.8    |
|                   | Degree      | 125       | 51.9    |
|                   | Master's    | 90        | 37.3    |
|                   | Total       | 241       | 100     |
| <b>Income</b>     | <5000       | 55        | 22.8    |
|                   | 5000-10,000 | 103       | 42.7    |
|                   | >10,000     | 83        | 34.4    |
|                   | Total       | 241       | 100     |
| <b>Experience</b> | 1-5 years   | 37        | 15.4    |
|                   | 6-10 years  | 106       | 44.0    |
|                   | >10 years   | 98        | 40.7    |
|                   | Total       | 241       | 100     |

(Source: Own Survey, 2021)

In terms of age, majority 114(47.3%) was found to be within the age range of 31-45 years followed by 57(23.7%) within 46-60 years. Whereas those respondents whose age fall within 18-30 years and above 60 years old belonged to 14.1% and 14.9% respectively. This finding is positive in its indication that insurance companies' policyholders were from all age groups, adolescents all the way to the elderly. Of course, it is noteworthy to acknowledge that this phenomenon is largely due to the nature of the service category, as insurance is a utilitarian service as it gets, appealing to people from regardless of age. However, it would be interesting to cross reference this finding with findings regarding other variables and see if there's valuable insight to arrive at.

Regarding the educational background of the respondents, the majority 125(51.9%) has first degree but the rest 90(37.3%) has master's holders and 26(10.8%) were high school. Thus, the result implies that the majority of the respondents possessed a high level of education and they have knowledge to evaluate the brand equity as well as to fill the questionnaire.

Again, those who earned monthly income 5000-10000 birr represents relatively the highest share 103(42.7%) followed by 83(34.4%) from >10000 birr and the rest 55(22.8%) represents who earned below<5000 birr. These also implicated that the respondents were capable of purchasing vehicle insurance policy in Ethiopian context, and thus can be taken as relevant to participate in this study.

It was also found that more than half, 106(44.0%), of the respondents have 6-10 years of experience while 98(40.7%) from >10 years and the rest 37(15.4%) served for 1-5 years. The results also illustrated that majority of the respondents had experience of insurance service/ claim settlement/ to judge the service quality of their respective insurance companies.

#### **4.1.2. Description of Study Variables**

To compare the respondents' perception towards the variables, descriptive statistics of mean and standard deviation are used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. According to Best (1987), the scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.60; neither agreed nor disagreed within 2.61 - 3.40; agreed if it is in the range of 3.41 – 4.20; while strongly agreed when it falls within 4.21 – 5.00. In addition, standard deviation shows the variability of an observed response. Below, the results are discussed in detail.

##### **4.1.2.1. Service marketing mix elements**

###### **4.1.2.1.1. Product**

Referring Table 4.2, the respondents believed the insurance provide guaranteed objective and attention with mean scored value of 3.95 and 4.19 respectively. However, they neither agreed nor disagreed on policy understandability and willingness to adjust the policy with mean scored value of 3.02 and 3.22 respectively. These imply that majority (mean 3.48) believed that the overall product/ service of management of the insurance companies exerted more effort to provide better insurance service to their customers.

*Table 4: Descriptive Statistics of Product*

| <b>Descriptive Statistics</b>                                       |     |      |                |
|---|-----|------|----------------|
|   | N   | Mean | Std. Deviation |
| The Insurance policy easy to understand                             | 241 | 3.02 | 1.468          |
| Objective guarantees at the time of insurance policies purchase     | 241 | 3.95 | 1.501          |
| The company is willing to revise or adjust the policy when demanded | 241 | 3.22 | 1.380          |
| The Service provision is beyond my expectation                      | 241 | 3.06 | 1.609          |
| The staff gives due attention to my insurance service               | 241 | 4.19 | 1.424          |
| Product   | 241 | 3.49 | 1.077          |
| Valid N (listwise)  | 241 |      |                |

(Source: Own Survey, 2021)

#### **4.1.2.1.2. Price**

The results, Table 4.2, shows that the respondents disagreed on the idea that premium (price) reasonable, premium is fair enough to the service provided with mean scored value of 2.78 and 2.79 respectively. But they slightly agreed on the price that it suits the quality of the service with mean scored value of 3.39. This implies that majority of the respondents perceived almost had either doubts on lack of consensus regarding the fairness of the price suits the quality of the insurance services that they receive. However, their perception in this regard were considerably vary the standard deviation (1.027) was found to be greater than 1(one). This implies that the low mean with considerable variation implies less emphasis is given to price element with customers perception.

*Table 5: Descriptive Statistics of Price*

| <b>Descriptive Statistics</b>  |     |      |                |
|--|-----|------|----------------|
|  | N   | Mean | Std. Deviation |
| The insurance premium is fair enough                                 | 241 | 3.75 | 1.491          |
| The price suits the quality of the insurance services                | 241 | 3.39 | 1.157          |
| The Premium (price) deserves compared to the benefits of the service | 241 | 3.80 | 1.633          |
| The premium (price) is reasonable                                    | 241 | 2.78 | 1.283          |
| The insurance premium is fair enough when compared to the service    | 241 | 2.79 | 1.231          |
| Price  | 241 | 3.30 | 1.027          |
| Valid N (listwise)   | 241 |      |                |

(Source: Own Survey, 2021)

#### 4.1.2.1.3. Place

The respondents agreed that about the company has branches near to their customers, sufficient service outlets, use agents to deliver service easily to their customers with mean values of 3.53, 3.54 and 3.49 respectively. But, on average, they had indifferent stand regarding the relation with other insurances (mean 3.20) even though there was considerable variation in their perception (std. 1.419). The result illustrated that place of branch offices or service outlets had less influence on the repurchase decision of the insurance policy holders in the context of the selected insurance companies' customers in Addis Ababa.

*Table 6: Descriptive Statistics of Place*

| <b>Descriptive Statistics</b>  |     |      |                |
|--|-----|------|----------------|
|  | N   | Mean | Std. Deviation |
| The insurance company has branches nearby my place                               | 241 | 3.53 | 1.855          |
| The company has sufficient service outlets                                       | 241 | 3.54 | 1.742          |
| The company uses agents to deliver the service easily                            | 241 | 3.49 | 1.703          |
| The insurance has good relation with other insurances to facilitate its services | 241 | 3.20 | 1.826          |
| Place  | 241 | 3.44 | 1.419          |
| Valid N (listwise)   | 241 |      |                |

(Source: Own Survey, 2021)

#### 4.1.2.1.4. Promotion

The respondents strongly agreed on the company informed its customer with mean value of 4.24. they also agreed that advertise its brand, use different events and contact to pursue with mean value of 3.70, 3.80 and 3.46 respectively. But they were indifferent regarding to printed materials with mean value of 3.36. this also indicated that the promotional activities of the insurance companies were perceived positively as the grand mean was found to be 3.71. However, considerable variation in their perception was evidenced (std. 1.361). This implies that although respondents receive messages about brands through different means of communicative promotional activities the activities neglected use of printed materials.

*Table 7: Descriptive Statistics of Promotion*

**Descriptive Statistics**

|   | N   | Mean | Std. Deviation |
|---|-----|------|----------------|
| The insurance company advertises its brand or logo aggressively   | 241 | 3.70 | 1.780          |
| The company uses different events to promote its services   | 241 | 3.80 | 1.704          |
| The company utilizes my personal contact (phone, email, mail...) to inform me its new or updated services | 241 | 4.24 | 1.469          |
| The company uses different printed materials to disseminate information                                   | 241 | 3.36 | 1.816          |
| The company contact me in person to pursue me to repurchase its service Promotion                         | 241 | 3.46 | 1.819          |
| Valid N (listwise)  | 241 | 3.71 | 1.361          |

(Source: Own Survey, 2021)

**4.1.2.1.5. People**

The respondents strongly agreed that the insurance always handle customer queries with mean value of 4.27. On the other hand, they agreed that the staff have sufficient knowledge and prompt service with mean value of 3.63 and 3.50 respectively. But the respondents neither agreed nor disagreed on understand customer need and concerning individual needs of its customers with mean value of 3.33 and 3.39 respectively. This implies that the respondents perceived positively as it is measured with mean. They have positive attitude towards the people that the employees are more or less willing to serve their clients, build smooth relationship and but there is gap in understanding what their customers are in need of.

*Table 8: Descriptive Statistics of People*

**Descriptive Statistics**

|  | N   | Mean | Std. Deviation |
|--|-----|------|----------------|
| Sufficient product knowledge by employees        | 241 | 3.63 | 1.671          |
| Always available to handle customer Queries      | 241 | 4.27 | 1.237          |
| Always provide prompt services to solve problems | 241 | 3.50 | 1.481          |
| Understood customer needs                        | 241 | 3.33 | 1.588          |
| Sympathetic to individual needs                  | 241 | 3.39 | 1.572          |
| People   | 241 | 3.43 | 1.055          |
| Valid N (listwise)                               | 241 |      |                |

(Source: Own Survey, 2021)

#### 4.1.2.1.6. Process

The results revealed that majority of the respondents agreed that provided complaints are handled, error free service, effective communication and convenient operating hours with mean value of 4.05,4.07,3.47 and 3.41 respectively. On the other hand, the respondents neither agreed nor disagreed on that the excellent service delivery with mean value of 3.36 which implicated that claim settlement handling and other subordinate services were handled or delivered through facilitated process as the grand mean was found to be 3.68 along with considerably high variation in their perception (std. 1.174). The process of complaint handling, provision of recording with minimal errors, and ease of communication influenced the respondents' decision for the renewal of their insurance policy in respective insurance companies.

*Table 9: Descriptive Statistics of Process*

| <b>Descriptive Statistics</b>               |     |      |                |
|---|-----|------|----------------|
|   | N   | Mean | Std. Deviation |
| Complaints are constructively handled       | 241 | 4.05 | 1.555          |
| Provides error free records and service     | 241 | 4.07 | 1.569          |
| Customer service delivery is excellent      | 241 | 3.36 | 1.648          |
| Communication is effective                  | 241 | 3.47 | 1.375          |
| Operating hours are convenient to customers | 241 | 3.41 | 1.520          |
| Process                                     | 241 | 3.68 | 1.174          |
| Valid N (listwise)                          | 241 |      |                |

(Source: Own Survey, 2021)

#### 4.1.2.1.7. Physical Evidence

*Table 10: Descriptive Statistics of Physical Evidence*

| <b>Descriptive Statistics</b>                 |     |      |                |
|---|-----|------|----------------|
|   | N   | Mean | Std. Deviation |
| Exterior of organization is well maintained   | 241 | 4.20 | 1.451          |
| Interior of organization is attractive        | 241 | 3.45 | 1.828          |
| Offices have modern equipment                 | 241 | 3.85 | 1.658          |
| Staff look attractive professional or elegant | 241 | 3.68 | 1.623          |
| Adequate parking space                        | 241 | 3.28 | 1.937          |
| Physical Evidence                             | 241 | 3.69 | 1.250          |
| Valid N (listwise)                            | 241 |      |                |

Majority of the respondents were satisfied with the exterior, interior, modern equipment and attractive professionals with mean value of 4.20, 3.45, 3.85 and 3.68 respectively. However, they had doubt on the parking space of the company (mean 3.28).

#### 4.1.2.2. Repurchase Decision

Results of the findings, Table 4.6, revealed that the respondents agreed that they get enough information, analyze information, choose better alternative, decide to purchase and evaluate the service with mean value of 3.42, 4.04, 4.02, 3.44 and 3.49. This illustrates that majority of the respondents were found decide to repurchase. The respondents' move towards collecting relevant information, analysing, selecting and evaluating their consequences affected their purchase decision. The result had an implication of following purchase decision making process.

*Table 11: Descriptive Statistics of Respondents Regarding to Repurchase Decision*

| Descriptive Statistics  |     |      |           |
|---|-----|------|-----------|
|   | N   | Mean | Std. Dev. |
| I gather enough information about the insurance service before purchasing             | 241 | 3.42 | 1.385     |
| I use to analyse the insurance information before making purchase decision            | 241 | 4.04 | 1.024     |
| I choose the best alternative of the insurance information I gathered                 | 241 | 4.02 | .790      |
| I decide to purchase insurance policy based on my information analysis                | 241 | 3.44 | 1.387     |
| I do evaluate the insurance service I have purchased to revise my repurchase decision | 241 | 3.49 | .764      |
| Repurchase Decision   | 241 | 3.64 | .860      |
| Valid N (listwise)  | 241 |      |           |

(Source: Own Survey, 2021)

## 4.2. Inferential Statistics

Inferential statistics uses sample measurements of the subject and make generalization about the larger population. It comprises different test such correlation analysis among variables and assumption of data test for their suitability or fitness to the intended regression analysis model namely normality, collinearity, linearity and homoscedasticity. Finally, the multiple regression analysis in terms of model summary, ANOVA test and determination of beta coefficients are conducted to address the objectives of this study.

### 4.2.1. Multiple Regression Assumption Tests

Multiple regression is an analysis that assesses whether one or more predictive variables explain the dependent (criterion) variable. The regression assumptions are Multicollinearity, Multivariate Normality, Linearity and Homoscedasticity.

#### 4.2.1.1. Multicollinearity

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are Multicollinearity, there is “overlap” or sharing of predictive power. Thus, the impact of Multicollinearity is to reduce any individual independent variable’s predictive power by the extent to which it is associated with the other independent variables.

Table 12: Collinearity Diagnostics

| Model |     | Coefficients <sup>a</sup> |       |
|-------|-----|---------------------------|-------|
|       |     | Collinearity Statistics   |       |
|       |     | Tolerance                 | VIF   |
| 1     | PRO | .641                      | 1.560 |
|       | PRI | .457                      | 2.190 |
|       | PLA | .661                      | 1.514 |
|       | PRM | .877                      | 1.140 |
|       | PPL | .597                      | 1.675 |
|       | PRS | .713                      | 1.403 |
|       | PHY | .738                      | 1.355 |

a. Dependent Variable: Repurchase Decision

“Tolerance” and “variance inflation factors” (VIF) values for each predictor is a means of checking for Multicollinearity. Tolerance value below 0.1 and VIF value above 10% indicate a Multicollinearity problem, (Robert, 2006). Since all values of VIF is within the specified range, it can be concluded that there is no problem of multicollinearity issue in the present study.

#### 4.2.1.2. Homoscedasticity

The normal Q-Q chart plots the values one would expect to get if the distribution were normal (expected values) against the values actually seen in the data set (observed values). The expected

values are a straight diagonal line, whereas the observed values are plotted as individual points. If the data are normally distributed, then the observed values (the dots on the chart) should fall exactly along the straight line (meaning that the observed values are the same as you would expect to get from a normally distributed data set). Any deviation of the dots from the line represents a deviation from normality. Therefore, the Q-Q plot of the all variable considered in this study looks like a straight line with a wiggly snake wrapped around it, then it showed little deviation from normality.

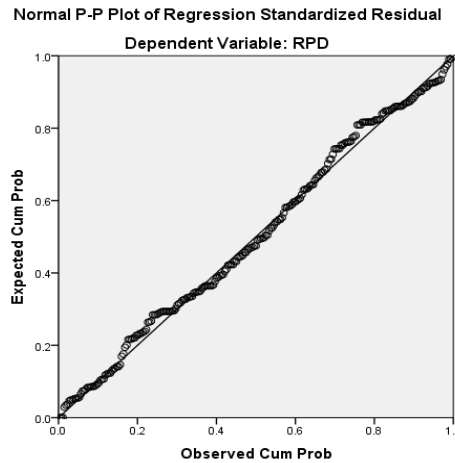


Figure 2: Homoscedasticity Test

#### 4.2.1.3. Multivariate Normality

To check that a distribution of scores is normal, it needs to look at the values of Kurtosis and Skewness. Both of which have an associated standard error. The values of skewness and kurtosis should be zero in a normal distribution. Positive values of skewness indicate a pile-up of scores on the left of the distribution, whereas negative value indicates a flat distribution. The further the value is from zero, the more likely it is that the data are not normally distributed. Both of which have an associated standard error. However, the actual value of skewness and kurtosis are not, in themselves, informative. Instead, it needs to take the value and convert it to a z-score. The z-score is simply a standardize score from a distribution that has Mean of 0 and standard deviation of 1.0. As presented in Table 4.9, all service marketing mix elements was found to be within acceptable range (skewness within -2.0 to 2.0; and Kurtosis within -3.0 to 3.0).

Table 13: Normality Test

| Descriptive Statistics |           |           |            |           |            |
|------------------------|-----------|-----------|------------|-----------|------------|
|                        | N         | Skewness  |            | Kurtosis  |            |
|                        | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| PRO                    | 241       | -.725     | .157       | -.300     | .312       |
| PRI                    | 241       | -.387     | .157       | -1.274    | .312       |
| PLA                    | 241       | -.579     | .157       | -1.029    | .312       |
| PRM                    | 241       | -.712     | .157       | -.865     | .312       |
| PPL                    | 241       | -.195     | .157       | -.835     | .312       |
| PRS                    | 241       | -.822     | .157       | -.528     | .312       |
| PHY                    | 241       | -.618     | .157       | -.878     | .312       |
| RPD                    | 241       | .076      | .157       | -1.342    | .312       |
| Valid N (listwise)     | 241       |           |            |           |            |

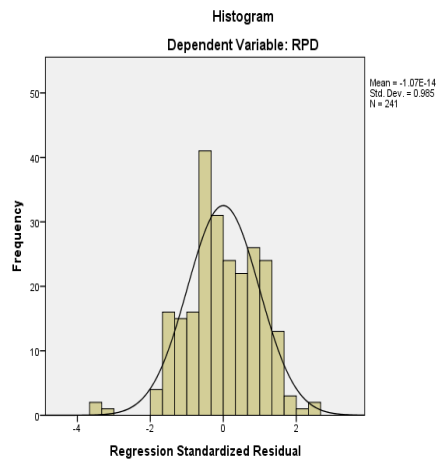


Figure 3: Normal P-P Plot

#### 4.2.2. Correlation Analysis

This study employs correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo &Festinger, 2005).

Table 14: Pearson Correlation Matrix

| Correlations  |        |        |        |        |        |        |        |     |
|---|--------|--------|--------|--------|--------|--------|--------|-----|
|   | PRO    | PRI    | PLA    | PRM    | PPL    | PRS    | PHY    | RPD |
| Product - PRO   | 1      |        |        |        |        |        |        |     |
| Price - PRI   | .548** | 1      |        |        |        |        |        |     |
| Place - PLA   | .385** | .300** | 1      |        |        |        |        |     |
| Promotion - PRM   | .136   | .181** | .281** | 1      |        |        |        |     |
| People - PPL  | .368** | .592** | .203** | .204** | 1      |        |        |     |
| Process - PRS   | .264** | .484** | .310** | .212** | .370** | 1      |        |     |
| Physical Evidence - PHY                                       | .170** | .129*  | .440** | .255** | .269** | .223** | 1      |     |
| Repurchase Decision -RPD                                      | .601** | .720** | .642** | .358** | .587** | .553** | .443** | 1   |
| ** . Correlation is significant at the 0.01 level (2-tailed). |        |        |        |        |        |        |        |     |
| * . Correlation is significant at the 0.05 level (2-tailed).  |        |        |        |        |        |        |        |     |

(Source, Own Survey, 2021)

To interpret the direction and strengths of relationships between variables, the guidelines suggested by Field (2005) were followed. His classification of the correlation coefficient (r) refers 0.1– 0.29 is weak; 0.3 – 0.49 is moderate; and  $\geq 0.5$  is strong. Based on this scale, the responses of the respondents are summarized as follows. Table 4.10 indicate that, there is positive and strong relationship between Price and repurchase decision ( $r = 0.720, < 0.01$ ), Place and repurchase decision ( $r = 0.642, < 0.01$ ), Product and repurchase decision ( $r = 0.601, < 0.01$ ), People and repurchase decision ( $r = 0.587, < 0.01$ ), Process and repurchase decision ( $r = 0.553, < 0.01$ ). on the other hand, there is moderate positive correlation among physical evidence and repurchase decision ( $r = 0.443, < 0.01$ ) and also Promotion and repurchase decision ( $r = 0.358, < 0.01$ ).

#### 4.2.3. Regression Analysis

Multiple regression analysis in this research was used to model the value of the construct variable (repurchase decision) based on its linear relationship to two or more predictors (product, price, place, promotion, people, process and physical evidence). In order to indicate the impact that each predictor has on the construct variable, the unstandardized coefficients are checked.

Table 15: Model Summary

| Model Summary |                   |          |                   |                            |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1             | .898 <sup>a</sup> | .807     | .801              | .38326                     |

a. Predictors: (Constant), PHY, PRI, PRM, PRS, PLA, PRO, PPL

As indicated in the model summary of the analysis on Table 4.11a, above, the value of R (.898) indicated relations of the seven independent variables with the dependent one which are accounted for approximately 80.7 % ( $R^2$ ) of the variation in repurchase decision. However, the remaining percent (19.3%) was explained by other variables not included in this study.

*Table 16: ANOVA Analysis*

| Model        | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|--------------|----------------|-----|-------------|---------|-------------------|
| 1 Regression | 143.242        | 7   | 20.463      | 139.310 | .000 <sup>b</sup> |
| Residual     | 34.225         | 233 | .147        |         |                   |
| Total        | 177.467        | 240 |             |         |                   |

a. Dependent Variable: RPD

b. Predictors: (Constant), PHY, PRI, PRM, PRS, PLA, PRO, PPL

As indicated in Table 4.11b of ANOVA test, F value of 139.310 is significant at  $p < 0.001$ . Therefore, it can be inferred that with 80.7 % of variance (R Square), marketing mix element is significant and the model appropriately measured the dependent variables – repurchase decision. In short, the regression model predicts repurchase decision and has been significantly explained by the seven independents (service marketing mix elements).

*Table 17: Estimated Regression Coefficients*

| Model      | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|------------|-----------------------------|------------|---------------------------|-------|------|
|            | B                           | Std. Error | Beta                      |       |      |
| (Constant) | .265                        | .123       |                           | 2.148 | .033 |
| 1 PRO      | .130                        | .029       | .162                      | 4.517 | .000 |
| PRI        | .288                        | .036       | .344                      | 8.086 | .000 |
| PLA        | .192                        | .021       | .317                      | 8.943 | .000 |
| PRM        | .056                        | .019       | .089                      | 2.906 | .004 |
| PPL        | .124                        | .030       | .152                      | 4.095 | .000 |
| PRS        | .102                        | .025       | .139                      | 4.084 | .000 |
| PHY        | .094                        | .023       | .136                      | 4.072 | .000 |

a. Dependent Variable: RPD

The table shows the constant, beta, and significance level of each variable. It indicates that the seven variable which are product, price, place, promotion, people, process and physical evidence influence repurchase decision significantly at 95% confidence interval with a  $p < .05$  sig. level.

Based on the results of Table 4.11c, substituting the results in the model yields:

$$RPD = .265 + .130PRO + .288PRI + .192PLA + .056PRM + .124PPL + .102PRS + .094PHY$$

Where:

RPD = Repurchase Decision, PRO = Product, PRI = Price, PLA = Place, PRM = Promotion PPL= People, PRS= Process and PHY = Physical evidence.

The regression analysis show that all service marketing mix elements have positive and significant effect on repurchase decision. Price has relatively the highest effect ( $\beta = .288$ ) on repurchase decision followed by Place ( $\beta = .192$ ), product ( $\beta = .130$ ), people ( $\beta = .124$ ), process ( $\beta = .102$ ). but Physical evidence ( $\beta = .094$ ) and Promotion ( $\beta = .056$ ) have relatively lower contribution to the prediction model. The regression model from the above table shows that keeping other variables constant, a one-unit increase in price will bring a 0.288-unit increase in repurchase decision and the same are for other service marketing mix elements.

And also, since, p- value of product, price, place, promotion, people, process and physical evidence is less than 0.05 we can reject the null hypothesis and accept all marketing mix elements has positive effect on repurchase decision.

### **4.3. Discussion**

This part elaborates the findings of the results in line with the objectives of the study. This study sought to investigate the effect of service marketing mix practices on repurchase decision of customers at selected private insurance companies in Addis Ababa. The discussion focuses on the major findings of product, price, promotion, place, people, process and physical evidences and their relationship with overall customer repurchase decision of the selected five private insurance companies.

Product has also relatively higher positive and significant effect on repurchase decision ( $B = .130$ ). Enhancing the exact service that customers would receive, and providing exact service customers

expect would affect the repurchased decision of insurance policy..The findings also revealed that Price ( $B = .288$ ) has relatively the highest significant and positive effect on repurchase decision. When the price is set on the right position which are match with the income of the customer, then the customer will be able to purchase the Insurance product. This finding supported by Rajkumar (2014) that product and price are affecting consumer repurchase decision.

The results also revealed the existence of relatively lower effect of promotion ( $B = .056$ ) on consumer preference. Use different promotional activities and inform their customers through communication mechanisms to shape customer's perception in brand selection. This finding supported by Khan & Indumathi (2016) that information from the internet and advertising are affecting consumer repurchase decision.

Place has also relatively higher positive and significant effect on repurchase decision. ( $B = .170$ ).availability of products or place and service outlets is an important marketing mix that has a significance influence on consumers buying decision.

People also relatively higher positive and significant effect on repurchase decision. ( $B = .124$ ). responsiveness and guidance by the staff members, reputation of the company while making decision. Mathur and Tripathi (2014) people have impact on choice for the insurance company selection. It is also supported by Mathur (2014) that professionalism and credibility of staff are affecting consumer purchase decision. Also supported by Rajkumar (2014) that persuasive skill of agent is affecting consumer purchase decision.

Process also relatively higher positive and significant effect on repurchase decision. ( $B = .102$ ). Customers are interested to get serviced with simple and friendly process. In the insurance industry, the process should be customer friendly, easy and convenient to the customers, as suggested by Stead (2010).On the other hand, Physical evidence ( $B = .094$ ) has relatively lower effect on repurchase decision. This finding is in line with the finding of Mathur & Tripathi (2014) on their study found that physical evidence with a statement of use of poor equipment and infrastructure of the insurance companies have lower impact on insurance company selection. This finding is also in line with the findings of Mohammad, (2012), who found that physical evidence significantly affect insurance repurchase decision.

Table 18: Summary of the Research Hypothesis Test Result

| Hypothesis  | Findings                 |                      | Result           |
|---|--------------------------|----------------------|------------------|
| <b>H<sub>1</sub> - Effect of Product on Repurchase Decision</b>           | $\beta = 0.130; p < .05$ | Positive Significant | <i>Supported</i> |
| <b>H<sub>2</sub> - Effect of Price on Repurchase Decision</b>             | $\beta = 0.288; p < .05$ | Positive Significant | <i>Supported</i> |
| <b>H<sub>3</sub> - Effect of Place on Repurchase Decision</b>             | $\beta = 0.192; p < .05$ | Positive Significant | <i>Supported</i> |
| <b>H<sub>4</sub> - Effect of Promotion on Repurchase Decision</b>         | $\beta = 0.056; p < .05$ | Positive Significant | <i>Supported</i> |
| <b>H<sub>5</sub> - Effect of People on Repurchase Decision</b>            | $\beta = 0.124; p < .05$ | Positive Significant | <i>Supported</i> |
| <b>H<sub>6</sub> - Effect of Process on Repurchase Decision</b>           | $\beta = 0.102; p < .05$ | Positive Significant | <i>Supported</i> |
| <b>H<sub>7</sub> - Effect of Physical Evidence on Repurchase Decision</b> | $\beta = 0.094; p < .05$ | Positive Significant | <i>Supported</i> |

Source: SPSS output, 2021

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter of the study, summary of the major findings, conclusion and recommendations of the study is presented.

#### 5.1. SUMMARY OF MAJOR FINDINGS

The primary objective of this study was to investigate the effect of service marketing mix elements on insurance repurchase decision in the case of selected five private (Nyala, NICE, NIB, Awash and United) Insurance companies in Addis Ababa.

To address the intended research objectives, seven factors were considered namely product, price, place, promotion, people, process and physical evidence to investigate their significant effect on repurchase decision. A sample size of 241 respondents was selected using convenience sampling technique from customers of the selected five insurances. Based on the theoretical framework and objectives of the study, a questionnaire with 39 items were provided in a 5-point Likert scale to be filled by the respondents. The gathered data was analyzed by descriptive and inferential statistics. The major findings are summarized and presented as below:

- The correlation between the seven service marketing mix elements and repurchase decision. The results indicate that, there is positive and strong relationship between Price and repurchase decision ( $r = 0.720, < 0.01$ ), Place and repurchase decision ( $r = 0.642, < 0.01$ ), Product and repurchase decision ( $r = 0.601, < 0.01$ ), People and repurchase decision ( $r = 0.587, < 0.01$ ), Process and repurchase decision ( $r = 0.553, < 0.01$ ). on the other hand, there is moderate positive correlation among physical evidence and repurchase decision ( $r = 0.443, < 0.01$ ) and also Promotion and repurchase decision ( $r = 0.358, < 0.01$ ).
- As per the regression analysis result, service marketing mix elements are accounted for 80.0% variation in repurchase decision. All the service marketing mix elements have significant effect on repurchase decision.
- Finally, Price has relatively the highest effect ( $\beta = .288$ ) on repurchase decision followed by Place ( $\beta = .192$ ), product ( $\beta = .130$ ), people ( $\beta = .124$ ), process ( $\beta = .102$ ). but Physical evidence ( $\beta = .094$ ) and Promotion ( $\beta = .056$ ) have relatively lower contribution to the

prediction model. And also, since, p- value of product, price, place, promotion, people, process and physical evidence is less than 0.05 the null hypothesis can be rejected and support all marketing mix elements has positive effect on repurchase decision.

## **5.2. CONCLUSION**

Overall objective of the study was to examine the effect of the seven dimensions of marketing mix elements on Insurance repurchase decision in the case of five selected private insurance companies. Using multiple regression analysis, it was found that all of the marketing practices have positive and significant effect on repurchase decision. From this study one can conclude that repurchase decision plays an important role in providing long-term benefits to the insurance and hence, Insurance managements efforted, resourced and committed to build effective marketing mix elements based on customer's needs and wants.

As the results of the findings explained, customers complained the policy terms are ambiguous, not the file materials are well interpreted in local language. It is reasonable to believe that the underwriting evidence may show the coverage intent of the policy drafters. Customer handling staffs are expected to have appropriately defined and clearly explain during the contract/underwriting files as the insured has failed to identify an ambiguity. The premium price charged by the company perceived negatively regarding to the fairness of the price equals the quality of the insurance services and reasonability of premium (price) that suits the quality of the service. The lack of promotional mix to communicate effectively the benefits of its services to its customers, for instance, printed materials are not used it promoting the company to deliver to its information affects the influence of promotion on repurchase decisions of the customers. The results of this study are supported by previous research conducted by Arumi (2016) that indicates the promotion variable has a positive and significant influence on consumer repurchasing decisions. The competency of the employees shows low mean regarding to understand individual customer needs. The process used by the company is poor service delivery quality. Whereas, place refers to insurance activities whereby their services are placed at the disposal of users in the right place and at the right time. It has less attention in the insurance relationship with other insurances. there is gap in Physical evidence finding indicates that physical evidence has gap in parking space.

The overall repurchase decision of the selected insurance companies, despite the influence of other factors, were affected by the service marketing mix elements which played significant and positive

role in contributing values to the company. In this regard, based on the results of the findings, price partially has relatively the strongest significant effect on repurchase decision of the respondents. Policyholders admitted that the premium charged by the companies were perceived negatively regarding to the fairness of the price proportionate to the quality of the insurance services and reasonability of premium that suits the quality of the service. It is strengthened by previous research conducted by Pariyanto (2012) indicates that the price variable significantly influenced the consumer purchasing decisions.

In summary, from the results of this study, it can be concluded that service marketing mix plays an important role in providing long-term benefits to the insurance by assuring the repurchase intention of its customers resulted in promoting its sales performance. And hence, insurance management should invest their time, effort, resource and commitment to build sound and effective service marketing mix elements.

### **5.3. RECOMMENDATION**

Based on the major findings of the results, the following recommendations have been forwarded:

- Product/ insurance policy has significant and positive effect on repurchase decision of the company. Ease of understanding the policy and improvement of the claim settlement service enhances the sales volume of the company. Thus, managements of the insurance companies should improve the contents and the clarity of the policy. This can be achieved through revising, paraphrasing or translating it into local languages of the country accordingly.
- Premium or price set by insurances has significant and positive effect on repurchase decision of the insurance policy. To improve the sales volume and attain the sales target, the managements should seriously be setting reasonable fair market price or premium that match quality of service.
- The physical environment wasn't the concern of the respondents as it had least significant effect on the repurchase decision of the policy. However, managements shall work on physical evidences of their main and branches offices shall influence the purchase intention of customers. Thus, the company needs to improve its physical environment so as to escalate their sales performance and market share at large.

- People affect significantly towards sales performance of the insurance companies under study. The quality of service depends on the ability of the staff and employee. It would be mandatory to keep the good quality of people in the company. Continuous skill and development training should be given to employees, management and sales agents in providing the service. The insurance companies should understand individual needs customer. These would definitely help in improving the quality of service that staffs of the company could provide to the customers.
- Process affects significantly the consumer repurchase decisions in choosing insurance product from insurance companies in Addis Ababa. When the process (buy, claim, etc) become clear and easier customer would satisfy with the services and leads them to be loyal customer. This could be achieved through upgrading better or smart technology that makes the process of payment & services rendered at the insurance convenient.

#### **5.4. LIMITATIONS AND SUGGESTION FOR FURTHER RESEARCH**

The limitation of this study is mostly respondent of this research is general insurance policyholders. Respondent of this research limited only specific consumer, there are policyholders of life, marine, travel, etc. insurance offered by the insurance companies under study. Based from this limitation, if any other researcher wants to continuously study about this topic, student researcher suggests inclusion or consideration of respondents/ users of the aforementioned insurance services. So, the research can cover by many consumers characteristic and the result can be more comprehensive.

Finally, based on value of determination of service marketing mix element to repurchase decision was found to be around 81%, its mean that there is other element outside of service marketing mix element that can explain repurchase decision compared with element on this study. The last suggestion is that future research can use those other elements, so the result can be more comprehensive that could help companies to make more competitive strategy to gain more share on the market.

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# APPENDICES

## APPENDIC – I



**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE**

### **Survey Questionnaire**

#### **Questionnaire to Be Filled by Respondents**

**Dear Respondent,**

My name is Halima Teshale, a postgraduate student of Addis Ababa University School of Commerce. I am conducting a study to assess the effect of service marketing mix elements on repurchase decision taking top five performing insurance companies in Addis Ababa. The purpose of this questioner is to gather data regarding how the service marketing mix elements in terms of price, product. Promotion, place, people, process and physical evidence affect repurchase decision of insurance policy. Your honest and sincere responses for this questionnaire will play a great role in making the research successful. I assure you that all the responses will be treated confidentially and only be used for academic purpose. Participation is purely voluntary and no need to write your name.

I thank you in advance for offering your golden time and if you have any question, please feel free to contact me by the below contact:

HalimaTeshale

Phone: +251 911538833

Email: [hanimotesh@gmail.com](mailto:hanimotesh@gmail.com)

## **I. General Information**

Please mark [X] in the appropriate box to indicate your choice

1. Sex             Male         Female
2. Age (Years)    18 – 30     31 – 45     46 – 60     > 60
3. Education      High School                     Degree     Masters  
 Others, please specify \_\_\_\_\_
4. Income         < 5,000 Birr                     5,000 – 10,000 Birr         >10,000 Birr
5. Experience     1 – 5 years     6 – 10 years     > 10 years

## **II. Questions regarding Study Variables**

Here under the questions with regard to the service marketing elements and repurchase decision, therefore, you are kindly requested to put “X” mark on the box which represents your degree of agreement.

**5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree, 1 = strongly disagree.**

| Statements  | Scale    |          |          |          |          |
|---|----------|----------|----------|----------|----------|
|   | 1        | 2        | 3        | 4        | 5        |
| The Insurance policy easy to understand                             |          |          |          |          |          |
| Objective guarantees at the time of insurance policies purchase     |          |          |          |          |          |
| The company is willing to revise or adjust the policy when demanded |          |          |          |          |          |
| The staff gives due attention to my insurance service               |          |          |          |          |          |
| The Service provision is beyond my expectation                      |          |          |          |          |          |
|   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| The insurance premium is fair enough                                |          |          |          |          |          |
| The price suits the quality of the insurance services               |          |          |          |          |          |
| The Premium price deserves compared to the benefits of the service  |          |          |          |          |          |

|   |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| The premium price is reasonable   |          |          |          |          |          |
| The insurance premium is fair enough when compared to the service   |          |          |          |          |          |
|   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| The insurance company has branches nearby my place  |          |          |          |          |          |
| The company has sufficient service outlets  |          |          |          |          |          |
| The company uses agents to deliver the service easily   |          |          |          |          |          |
| The insurance has good relation with other insurances to facilitate its services                          |          |          |          |          |          |
|   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| The insurance company advertises its brand or logo aggressively   |          |          |          |          |          |
| The company uses different events to promote its services   |          |          |          |          |          |
| The company utilizes my personal contact (phone, email, mail...) to inform me its new or updated services |          |          |          |          |          |
| The company uses different printed materials to disseminate information                                   |          |          |          |          |          |
| The company contact me in person to pursue me to repurchase its service                                   |          |          |          |          |          |
|   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Sufficient product knowledge by employees   |          |          |          |          |          |
| Always available to handle customer Queries   |          |          |          |          |          |
| Always provide prompt services to solve problems  |          |          |          |          |          |
| Understood customer needs   |          |          |          |          |          |
| Sympathetic to individual needs   |          |          |          |          |          |
|   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Complaints are constructively handled   |          |          |          |          |          |
| Provides error free records and service   |          |          |          |          |          |
| Customer service delivery is excellent  |          |          |          |          |          |
| Communication is effective  |          |          |          |          |          |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| Operating hours are convenient to customers   |   |   |   |   |   |
|   | 1 | 2 | 3 | 4 | 5 |
| Exterior of organization is well maintained   |   |   |   |   |   |
| Interior of organization is attractive  |   |   |   |   |   |
| Offices have modern equipment   |   |   |   |   |   |
| Staff look attractive professional or elegant   |   |   |   |   |   |
| Adequate parking space  |   |   |   |   |   |
|   | 1 | 2 | 3 | 4 | 5 |
| I gather enough information about the insurance service before purchasing             |   |   |   |   |   |
| I use to analyze the insurance information before making purchase decision            |   |   |   |   |   |
| I choose the best alternative of the insurance information I gathered                 |   |   |   |   |   |
| I decide to purchase insurance policy-based on my information analysis                |   |   |   |   |   |
| I do evaluate the insurance service I have purchased to revise my repurchase decision |   |   |   |   |   |

Many thanks!!!

**APPENDIC – II**

**አዲስ አበባ ዩኒቨርሲቲ  
የቢዝነስ እና ኢኮኖሚክስ ኮሌጅ  
የንግድ ሥራ ት/ቤት**

**የዳሰሳ መጠይቅ**

መጠይቁ በመልስ-ሰጪዎች የሚሞላ ይሆናል።

**ውድ መልስ-ሰጪ**

ስሜ ሐሊማ ተሻለ ይባላል፤ በአዲስ አበባ ዩኒቨርሲቲ የንግድ ሥራ ት/ቤት የድህረ-ምረቃ ተማሪ ነች። በአዲስ አበባ ትልልቅ አፈጻጸም ያላቸው አምስቱ የኢንፎርሜሽን ድርጅቶችን በመውሰድ የሰርቪስ ገበያ ውህድ አካላት በመልሶ መግዛት ውሳኔ ላይ ያላቸውን ተጽዕኖ ጥናት እያካሄደኩ እገኛለሁ። የዚህ መጠይቅ ዓላማም የሰርቪስ ገበያ ውህድ አካላት ማለትም በዋጋ፣ ምርት፣ ማስታወቂያ፣ ቦታ፣ ሰራተኞች፣ ሂደቶች፣ እንዲሁም ገፅታ በኢንፎርሜሽን ፖሊሲ ግዢ ላይ ያላቸው ተጽዕኖ ምን ይመስላል በሚለው ዙሪያ መረጃን ለመሰብሰብ ነው። ለዚህ መጠይቅ የሚሰጡ ትክክለኛና እውነተኛ ምላሽ ለጥናቱ ስኬታማነት ትልቅ ሚና የሚጫወት ሲሆን ሁሉም መልሶች በሚስጥር የሚያዙና ለትምህርታዊ ዓላማ የሚውሉ መሆኑን ላረጋግጥልዎ እፈልጋለሁ። ተሳትፎዎ ሙሉ በሙሉ በፈቃደኝነት ላይ የተመሠረተ ሲሆን ስምዎን መጻፍ አስፈላጊ አይደለም።

ወርቃማ ጊዜዎን ለመስጠት ፈቃደኛ በመሆንዎ ከወዲሁ እያመሰገንኩ ማንኛውም ጥያቄ ካለዎ በሚከተሉት የግንኙነት አድራሻዎች ሊያገኙኝ ይችላሉ።

ሐሊማ ተሻለ

ስልክ:- +251 911 538833

ኢ-ሜይል:- hanimotesh@gmail.com

1. አጠቃላይ መረጃ

ምርጫዎን ለማሳወቅ በትክክለኛው ሳጥን ውስጥ የ[X] ምልክት ያድርጉ።

- 1. ፆታ  ወንድ  ሴት
- 2. ዕድሜ (በዓመት)  18-30  31-45  46-60  ከ60 በላይ
- 3. የት/ት ደረጃ  ሁለተኛ ደረጃ ት/ት  ዲግሪ  ማስተርስ  
 ሌላ ካለ ይግለጹ \_\_\_\_\_
- 4. ገቢ  ከ5,000 ብር በላይ  5,000 - 10,000 ብር  ከ10,000 ብር በላይ
- 5. ልምድ  1-5 ዓመታት  6-10 ዓመታት  ከ10 ዓመት በላይ

2. የጥናቱን ተለዋዋጮች (ቫሪያብሎች) የሚመለከቱ ጥያቄዎች

ከዚህ በታች የአገልግሎት ገበያ ክፍሎችና የመልሶ-ግዥ ውሳኔ የሚመለከቱ ጥያቄዎች ቀርበዋል፤ ስለዚህ እርስዎ የሚስማሙበትን ደረጃ የሚገልጸውን ምርጫ ለማሳወቅ በትክክለኛው ሳጥን ውስጥ የ[X] ምልክት እንዲያደረጉ በአክብሮት እጠይቃለሁ።

1 = በጣም አልስማማም 2 = አልስማማም 3 = ገለልተኛ 4 = እስማማለሁ 5 = በጣም እስማማለሁ

| መለኪያዎች-   | ደረጃ |   |   |   |   |
|---|-----|---|---|---|---|
|   | 1   | 2 | 3 | 4 | 5 |
| የመድሀን ፖሊሲውን ለመረዳት ቀላል ነዉ.                             |     |   |   |   |   |
| የመድሀን ዉሉ አስተማማኝ ነዉ.                                   |     |   |   |   |   |
| ኩባንያዉ በሚፈለጉበት ጊዜ የመድሀን ዉሉን ለማስተካካል ወይም ለማሻሻል ፈቃደኛ ነዉ. |     |   |   |   |   |
| የኩባንያ ዉሰራተኞች ለእኔ የመድሀን አገልግሎት አስፈላጊዉን                 |     |   |   |   |   |

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| ትኩረት ይሰጣሉ  |   |   |   |   |   |
| የአገልግሎት አሰጣጡ እኔ ከጠበኩት በላይ ነው                           |   |   |   |   |   |
|  | 1 | 2 | 3 | 4 | 5 |
| የመድሀኑ አርቦን ወይም ክፍያ ሚዛናዊ ነው                             |   |   |   |   |   |
| የመድሀን አገልግሎት ዋጋወ. ከአገልግሎት ጥራቱ ጋር ይስማማል                 |   |   |   |   |   |
| የአርቦኑ ዋጋ ከአገልግሎት ጥቅሙ ጋር ሲነጻጸር የሚገባ ነው                  |   |   |   |   |   |
| የአርቦን ዋጋ ምክኒያታዊ ነው                                     |   |   |   |   |   |
| የመድሀን አርቦኑ ከአገልግሎቱ አንጻር ሲነጻጸር በሚገባ መልኩ የሚጣጣም ነው        |   |   |   |   |   |
|  | 1 | 2 | 3 | 4 | 5 |
| የመድሀን ኩባንያው ለእኔ በሚቀርብ ቦታ ቅርንጫፎች አሉት                    |   |   |   |   |   |
| ኩባንያው በቂ የሆኑ የአገልግሎት መስጫ አወታደሮች አሉት                    |   |   |   |   |   |
| ኩባንያው አገልግሎቱን በቀላሉ ለማቅረብ ወኪሎችን ይጠቀማል                   |   |   |   |   |   |
| ኩባንያው አገልግሎቱን ለማገዝ ከሌሎች የመድሀን ኩባንያዎች ጋር ጤነኛ ግንኙነቶች አሉት |   |   |   |   |   |
|  | 1 | 2 | 3 | 4 | 5 |
| የመድሀን ኩባንያው ብራንድ እና ሎጎውን ለማስተዋወቅ በቁርጠኝነት ይሰራል          |   |   |   |   |   |
| ኩባንያው አገልግሎቱን ለማስተዋወቅ የተለያዩ መርሃ ግብሮችን ይጠቀማል            |   |   |   |   |   |

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| ከባንያው አዲስ ወይም የተሻሻሉ አገልግሎቶችን ለእኔ ለማሳወቅ የግል የግንኙነት አድራሻዎቼን (ስልክ፣ ኢሜይል፣ ሜይል የመሳሰሉትን) ይጠቀማል |   |   |   |   |   |
| ከባንያው አገልግሎቱን ለማሰራጨት የተለያዩ ህትመት መሳሪያዎችን ይጠቀማል  |   |   |   |   |   |
| ከባንያው አገልግሎቱን በድጋሚ እንድገዛ ሊያሳምነኝ በአካል ያገኘኛል   |   |   |   |   |   |
|  | 1 | 2 | 3 | 4 | 5 |
| የከባንያውን ምርቶች ሠራተኞቹ በሚገባ ያወቃሉ   |   |   |   |   |   |
| ሁልጊዜም የደንበኞችን ጥያቄ ለመመለስ ይገኛሉ   |   |   |   |   |   |
| ሁልጊዜም ችግሮችን ለመፍታት አፋጣኝ ምላሽ ይሰጣሉ  |   |   |   |   |   |
| የደንበኞችን ፍላጎት ይረዳሉ  |   |   |   |   |   |
| ለግለሰብ ፍላጎቶች ሃዘኔታ/እንደራስ ይሰማቸዋል  |   |   |   |   |   |
|  | 1 | 2 | 3 | 4 | 5 |
| ቅሬታዎች ገንቢ በሆኑ መንገዶች ይስተናገዳሉ  |   |   |   |   |   |
| ከስህተት የጸዱ መዝገቦችን እና አገልግሎቶችን ያቀርባሉ   |   |   |   |   |   |
| የደንበኞች አገልግሎት አቅርቦት እጅግ ጥሩ ነው  |   |   |   |   |   |
| ሥነ-መግባቦቶች ላይ ፈጣን ናቸው   |   |   |   |   |   |
| የሰራ መጀመሪያ ሰዓታቸው ለደንበኞች ምቹ ነው   |   |   |   |   |   |
|  | 1 | 2 | 3 | 4 | 5 |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| የኩባንያው ወጭያዊ ክፍሎች ምቹ በሆኑ መልኩ የተያዙ ናቸው            |   |   |   |   |   |
| የኩባንያው ወስጠዊ ክፍሎች ማራኪ ናቸው                        |   |   |   |   |   |
| ቢሮዎቹ ዘመናዊ መሳሪያዎች አሏቸው                           |   |   |   |   |   |
| የኩባንያው ሰራተኞች ሙያዊ አሰባሰብ ወይም ማራኪ ገጽታ አላቸው         |   |   |   |   |   |
| በቂ የሆነ የፓርኪንግ (የመኪና ማቆሚያ) ስፍራ አላቸው              |   |   |   |   |   |
|   | 1 | 2 | 3 | 4 | 5 |
| የመድሀን አገልግሎቱን ከመግዛቴ በፊት በቂ መረጃዎችን እሰበስባለሁ       |   |   |   |   |   |
| የመድሀን አገልግሎት ግዢ ከማከናወኔ በፊት የመድሀን መረጃዎችን እመረምራለሁ |   |   |   |   |   |
| ከሰበሰብኩት የመድሀን መረጃ የተሻለውን የመድሀን ኩባንያ መርጫለሁ       |   |   |   |   |   |
| የመድሀን ውል ለመግዛት የወሰንኩት በሰበሰብኩት መረጃ ላይ ተመስርቼ ነው   |   |   |   |   |   |
| የድጋሚ ግዢ ወሳኔዬን ለማስተካከል የገዛውትን የመድሀን አገልግሎት እሰካለሁ |   |   |   |   |   |