



ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT
POST GRADUATE PROGRAM

**THE IMPACT OF SERVICE QUALITY ON CUSTOMER
SATISFACTION:
THE CASE OF NIB INSURANCE COMPANY (S.CO)**

BY: MAHDER GELETA

**RESEARCH PAPER SUBMITTED TO THE DEPARTMENT OF
MARKETING MANAGEMENT IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE DEGREE OF MASTERS OF ART
IN MARKETING MANAGEMENT.**

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EXAMINERS:

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EXTERNAL EXAMINER

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DATE

Declaration

I, the under signed, declare that this thesis is my original work and has not been presented for any degree in this or any other University and that all sources of materials used for the thesis have been duly acknowledged.

Mahder Geleta

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Signature and Date

Abstract

This study investigated the Impact of Service Quality on Customer Satisfaction in the case of Nib Insurance Company (S.Co.) branches in Addis Ababa city. In this research, the SERVQUAL instrument developed by (Graham, K.R., Evangelos T. & Simy M., 2004) and Parasuraman et al., (1988), has been applied in designing the questionnaire by using the five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. The study was limited to corporate customers of 16 branches of the company, which are found in Addis Ababa. A total of 243 corporate customers was selected from each branches proportionately and a self administered questionnaire was distributed by using accidental sampling method at the time of service delivery. The data collected through questionnaire was analyzed by using frequency and percentage values. In addition, the mean score, standard deviation and paired sample t-test was used to see the gap between perceived and expected service quality. Moreover, Pearson correlation was applied to see the relationship between service quality dimensions and customer satisfaction. Whereas, multiple linear regression analysis was employed to explore the impact between service quality dimensions and customer satisfaction. Findings of the results revealed that, among the five SERVQUAL dimensions reliability, empathy, assurance, tangibles are significantly determine customer satisfaction. where as, responsiveness doesn't have a significant impact on customer satisfaction in NIC. Also, the negative gap between customers' perceptions and expectations of each service quality dimensions revealed that, NIC failed to deliver the expected service quality, where by reliability and tangibles are appeared to be the two dimensions with the highest negative gaps. Thus, NIC should pay due attention to these dimensions in order to increase the level of service quality and associated with customer satisfaction.

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Table of Contents

Abstract.....	i
Acknowledgment.....	ii
Table of Contents.....	iii
List of Tables	vii
List of Figures.....	viii
Acronyms	x

CHAPTER ONE:- INTRODUCTION

1.1 Background of the Study.....	1
1.2 Background of the Organization.....	3
1.3 Statement of the Problem.....	4
1.4 Research Questions	5
1.5 Objectives of the study	5
1.5.1 . General Objectives	5
1.5.2 . Specific Objectives.....	5
1.6 Significance of the Study	6
1.7 Scope of the Study	6
1.8 Definition of Terms	7
1.8.1 . Conceptual Definition.....	7
1.8.2 . Operational Definition of Terms.	8
1.9 Organization of the Research Report	9

CHAPTER TWO:- LITRATURE REVIEWS

2.1 Theoretical Framework	10
2.1.1 . Service Characterstics	10
2.1.2 . Quality.	12
2.1.3 Service Quality	12

2.1.4	Customer Expectations, Perceptions & Satisfaction.....	14
2.1.4.1	Customer Expectations..	14
2.1.4.2	Customer Perceptions..	15
2.1.4.3	Customer Satisfaction.....	16
2.1.4.3.1	Determinants of Customer Satisfaction	17
2.1.5	Service Quality Model	18
2.1.5.1	Gap Model..	18
2.1.5.2	SERVQUAL	21
2.1.5.3	Criticisms of SERVQUAL.....	22
2.2	Emperical Reviews	24
2.2.1	Customer Satisfaction in Insurance Industry.....	24
2.2.2	Relationship between Service Quality and Customer Satisfaction.....	24
2.2.3	Service Quality and Customer Satisfaction in Insurance Industry. ...	26
2.3	Conceptual Framework and Hypothesis	27

CHAPTER THREE:- RESEARCH METHODOLOGY

3.1	Research Paradigm	29
3.2	Research Methods	29
3.3	Research Design.....	30
3.4	Population and Sample Size.....	31
3.4.1	Population.....	31
3.4.2	Sample Size.....	31

3.5 Data Collection Approach.....	33
3.5.1 Questionnaire Development and Pre- Testing.....	33
3.5.2 Quantitative Administration.....	33
3.5.3 Data Analysis Tools.....	33
3.6 Reliability and Validity.....	34
3.6.1 Reliability	34
3.6.2 Validity	35
3.7 Ethical Considerations.....	35

CHAPTER FOUR:- DATA ANALYSIS AND INTERPRETATION

4.1 Profile of Responding firms.....	36
4.2 Descriptive Statistics.....	38
4.2.1 Gap Analysis	38
4.2.2 Overall Customer Satisfaction	46
4.3 Correlation Analysis.....	47
4.4 Regression Analysis.....	49
4.4.1 The Impact of Service Quality Dimensions on Customer Satisfaction.....	50
4.4.2 The Impact of Overall Service Quality on Overall Customer Satisfaction.....	52

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Major Findings.....	55
5.2 Conclusion.....	57
5.3 Recommendation.....	59
5.4 Major Limitation and Direction for Future Research.....	61
5.5 References.....	62

Appendix.....

Appendix ISPSS Out Put.

Appendix II-English Version Questionnaire

Appendix III-Amharic Version Questionnaire.

LIST OF TABLE

Table 3.1 Sample distribution of each branches	32
Table 3.2 Reliability test of each service quality dimension	34
Table 4.1 Nature of Buisness Catagory	36
Table 4.2 Respondents Service Experiance	37
Table 4.3 Respondent Annual Premium	38
Table 4.4 Descriptive statistics of Tangibles	39
Table 4.5 Descriptive statistics of Reliability	40
Table 4.6 Descriptive statistics of Responsiveness	42
Table 4.7 Descriptive statistics of Assurance	43
Table 4.8 Descriptive statistics of Empathy	44
Table 4.9 Overall Gap Analysis of SERVQUAL dimensions	45
Table 4.10 Overall customer satisfaction frequency distribution	46
Table 4.11 Correlation between SERVQUAL dimensions and customer satisfaction	48
Table 4.12 Multiple linear regression Analysis	51
Table 4.13 The relationship between overall service quality and customer satisfaction	53
Table 4.14 Summary of Hypothesis results	54

LISTS OF FIGURES

Fig 2.1 Factors that influence customer expectations of service	15
Fig 2.2 The Gap Model	20
Fig 2.3 Conceptual Frame Work of the Study	27

ACRONYMS

NIC – Nib Insurance Company (S.Co)

VIF – Variance Inflation Factor

CHAPTER ONE

INTRODUCTION

This chapter introduces the reader to the study of the Impact of service quality on customer satisfaction in the case of Nib Insurance Company (S.Co), Branches in Addis Ababa. It goes on to look at the Background to the study, Background of Nib Insurance Company (S.Co), statement of the problem, research questions, objectives of the study, conceptual definition of terms, significance of the study, and Scope of the study and Organization of the research report.

1.1 Background of the Study.

The Ethiopian economy continued to register remarkable growth. This remarkable growth was mainly attributed to service sector i.e (51.7%) (NBE annual report, 2013). Insurance industry is one of the service entity that plays a significant part for the growth of countries Gross Domestic Product (GDP). The insurance sector in Ethiopia is currently growing as the current law facilitate for private insurance companies to enter in the market.

In addition to this, the views of the societies perception toward insurance has also changed from the thought of an instrument of saving to a risk-hedging tool. This change has been facilitated by the emergence of a range of new insurance products suiting diverse needs of consumers (Bodla & Chaudhary, 2012).

Insurance business in Ethiopia start early twentieth century European entrepreneurs who came from Great Britain, Italy, France and others saw a significant interest in insurance industry and foreign investors owned the lion share of the investments (Hailu, 2007: 41-47). Jointly owned by the Emperor, his supporters and foreign companies, the first domestic insurance company, namely, Imperial Insurance Company started issuing policies in fire, life and general accident since 1951. It also underscored a turning point in the history of

insurance business that ended in the issuance of the Commercial Code of Ethiopia in 1960 (Hailu, 2007: 41-47).

Later, Proclamation No. 86/1994 ushered a new era in the history of insurance business in which 'Ethiopian insurance market has become an arena where the public and private insurance companies contest to grab a large chunk of the market'. The provisions in the legislation and the bold actions taken subsequently have certainly transformed the Insurance Service industry.

In the service sector, the quality of service, one of the most dominant themes of research in services, has become a strategic instrument for firms since 1990s (Fisk *et al.*, 1993; Donnelly *et al.*, 1995).

Every organization strives to make its customer remains satisfied with its products and services. Customer satisfaction is surely a very critical element towards retaining profitable business relations with the customers. The combined effect of a high retention rate and the enhanced profitability of loyal customers can lead not only to higher profit, but to a better 'quality of earnings', as the Customer base is less volatile (Waker & Baker, 2003). Customer satisfaction and perceived service quality are also very interlinked constructs.

The service quality concept plays a central role in understanding customer satisfaction and retention (Parasuraman *et al.*, 1985). Further more, to remain competitive, service providers must render quality service to their customers. Moreover, understanding and meeting customers' expectations and subsequently being different from competitors are important in order to survive in the today world of globalization.

One of the determinants of success of a firm is how the customers perceive the resulting service quality, as the perceived service quality is the key driver of

perceived value (Collart, 2000). It is the perceived value, which determines customer satisfaction. Many firms including Insurance industries begin to track their customers' satisfaction through measuring their level of service. The most widely used model to measure perceived service quality known as SERVQUAL was developed by Parasuraman et al. (1985, 1988).

Therefore, the researcher use the above method in finding the impact of service quality on customer satisfaction in the case of Nib Insurance Company (S.Co.)

1.2 Background of the Organization.

Nib Insurance Company (S.Co.), is one of a Private Insurance Companies which was established in 2002 by 658 Shareholders, with a paid up capital of birr 14 million, and a subscribed capital of birr 30 million as a sister company to Nib International Bank. The company is currently rendering its general insurance and life assurance services through its 28 branch offices situated in different parts of the country with in and outside of Addis Ababa.

According to the annual report of NIC (2014), NIC which from the outset emerged as a strong competitive private insurance Company is developing a sound portfolio which is demonstrated by a prudent underwriting. Accordingly, it has managed to increase its efficiency and expand its services over the past twelve years. The Gross Written premium for the general insurance has increased from Birr 20.63 million in 2002/03 to Birr 336.9 million in 2013/14 and that of the Life Assurance increased from Birr 1.1million in 2007/08 to Birr15.3 million in 2013/14. According to the companies' profile, NIC currently stands 2nd in its market share from the private companies operating in the Ethiopian Insurance Service sector.

1.3 Statement of the Problem

Globalization and open market system have created the complex competitive environment not only for the manufacturing sector but also for the service sector. Recent developments in global economy have led the service companies

especially the insurance companies to plan and execute their strategies towards increasing customer satisfaction through improved service quality.

In a competitive market place, understanding customer needs become an important factor. As a result, companies has to move from product centric to customer centric.

In Ethiopia, the insurance sector is growing at a fast pace, recently, new insurance companies are joined the market to increase the level of competition. Therefore, this fast growth can have both challenges and opportunities to the existing firms.

The growth in the sector benefits the customer in offering the opportunity to choose from one firm service to another one. Like wise, these also broden the levels of the customer expectation from time to time, which creat a complexity for the firms to depend on the existing service performance.

On the other hand, the growth has also a challege for each firms as there is a high comptition between firms become stiffer than before . As a result, this forces each firms to assess their services quality and the levels of customer satisfaction in order to be competitive and stay in the market. Further more, according to Hazlina (2011), service quality is a magnificent tool to measure the customer satisfaction. Empirical findings demonstrate that customer satisfaction can be measured through an outcome of service quality (Anderson et al., 1994).

Therefore, in order to determine the satisfaction levels of customer, service quality study should be eximined, as Service quality has a strong correlation

with customer satisfaction, (Cronin *et al.*, 2000; Wong *et al.*, 2008). Although many research works are conducted in the financial sector more with banks, there remained scarcity of studies in insurance sector.

Thus, this study attempted to examine the impact of service quality on customer satisfaction the context of Nib Insurance Company (S.Co.)

1.4 Research Questions

- Does NIC customer experience the expected service quality?
- What is the level of satisfaction of NIC customer?
- Is there any significant relationship between service quality and customer satisfaction in the NIC?
- Which service quality dimensions significantly contribute to determine customer satisfaction?

1.5 Objectives of the Study

1.5.1 General objective

The general objective of this study was to examine the impact of service quality on customer satisfaction in Nib Insurance Company (S.Co.).

1.5.2 Specific Objectives

The specific objectives include:-

- To examine the gap between customers' perceptions and expectations of service quality in NIC.
- To assess the level of customer satisfaction in NiC.
- To examine the impact of service quality on customer satisfaction.

1.6 Significance of the Study

The researcher believe that, the finding of this study will help the company marketing department to see and align their marketing strategy if their is a need

for adjustment regading companies service quality performance and it will further add value for the department to see the dimensions of service quality in the insurance industry . More over, the study Provide an emperical reference for the Board members and the managment team, to make the right decision where the appropraite resources could be assigned effectively and efficently . Further more, this research will assist each share holders of the company, to know the current levels of the companies service performance as well as the customers perception toward the company service delivery. And this assist the managment to make a strategic decision and strength the sustainablity of the company in the market . Last but not least , the finding will add value to the literature on the impact of percieved service quality on customer satisfaction in Insurance sector for a future reference to other researchers.

1.7 Scope of the Study

The study is limited to service quality, customer satisfaction and establish if there is a relationship between them. Due to cost and time constraints, the study is geographically limited to branches found in Addis Ababa . Currently, the total number of companies branches are reaching 28 and out of 28 around 18 branches are found in Addis Ababa and the remaining found outoff Addis Ababa region.

In addition ,in order to collect a reliable data, the study exclude a newly opened branches like Kera, and Gerji as the sample focused on those customer who do have more than two years of experiance with the company. As a result, the sample were taken only from 16 branches of the company which have been operated in the market more than two years.

Besides, as the large sum of data is collected from Addis Ababa, the researcher believe that, the findings will, to some extent, reflect the views of outlaying branches customer. In addition to this, the study is limited to corporate clients for the facts that, the companies 51% of their production is collected from corporate clients.

Thus, the study took a samples from a corporate customers of non life/General insurance section, whose premiums are above birr 50,000.00 and have been insured more than two years with in the company.

1.8 Definition of Terms

1.8.1 Conceptual Definition of Terms

Service: - service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production. (Lovelock & Wright, 2001).

Service quality: - Service quality has been defined in terms of key dimensions that customers use while evaluating the services (Lewis & Booms, 1983).

Customer expectations: -are what customers think a service provider should offer rather than what might be on offer (Parasuraman *et al.*, 1988).

Customer perception: - is the actual level of service the customers received. Perceived service quality is a component of customer satisfaction. Perceived service quality has been defined as the discrepancy between what the customer feels that a service provider should offer and his or her perception of what the service firm actually offers Parasuraman *et al.*, (1988).

Customer satisfaction: -Satisfaction as a person's feelings of pleasure or disappointment resulting from the comparison of product's perceived performance in reference to expectations is customers' evaluation of performance of an offering to date (Kotler & Armstrong, 2010).

1.8.2 Operational Definition

- **Non life Insurance**

Also called property and General insurance, is a type of coverage that is very common and covers business and individuals, It protects them,

monetarily, from disaster by providing money in the event of a financial loss. [2-definition-non-life-insurance.html](#).

- **Underwriting**

Underwriting is the process of assessing the eligibility of a customer in receiving equity. An insurance underwriter evaluates the risk and exposures of potential clients. He/she decides of the risk of an applicant seeker on behalf of the insurance company; by determine if the particular insurance package would be of beneficial to the applicant as well as the insurance company. (<http://www.my-insurance-guide.co.nz/roles-in-insurance.php>).

- **Claims**

Claims are request made formally to an insurance company in returns for payment base on the terms of an insurance policy. They are carefully evaluated and given the needed attention, by claims staffs that examine the policy, interview the claimant and those involved in getting evidence to support claim.

(<http://www.my-insurance-guide.co.nz/roles-in insurance.php>).

1.9 Organization of the Research Report

This research report is organized in five chapters. Chapter 1 includes introduction which contain background of the study, background of the organization, statement of the problem, basic research questions, and objective of the study, significance and Scope of the research and definition of terms. Chapter 2 will contain all the relevant literatures reviewed with respect to service, service quality and customer satisfaction. Chapter 3 will explains methodology of the research including different tools of sampling and sampling

design employed in the study and methods of data collection and analysis used in the research. In Chapter 4 findings and results of the study are discussed. Chapter 5 contains summary of the study, conclusions and possible recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

This chapter presents the review of literature related to service quality and customer satisfaction. The researcher discusses issues on service; service quality and customer satisfaction and defines relevant concepts and form a conceptual model in order to enhance the researcher understanding on the topic and provide answers to the research questions.

2.1 Theoretical Framework

2.1.1 Service characteristics

Service are processes of activities aiming to provide a solutions to customers' Problems, with most other characteristics of services being consequences of their process nature (Gronroos, 2000).

Where as according to (Kotler, 1999), service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything.

The main characteristics of services in which any company must consider when designing a marketing programmes are :-

- **Intangibility**

Service intangibility means that senders cannot be readily displayed, so they cannot be seen, tasted, felt, and heard or sine lied before they are bought. A buyer can examine in detail before purchase the color, features and performance of an Audio hi-fi system that he or she wishes to buy. (Kotler, 1999).

- **Inseparability**

Physical goods are produced, then stored, later sold and still later consumed. In contrast, services are first sold, then produced and consumed at the same time and in the same place. Service inseparability means that services cannot be separate from their providers, whether the providers are people or machines. (Kotler, 1999),

- **Variability**

As services involve people in production and consumption, there is considerable Potential for variability. Service variability means that the quality of services depends on who provides them, as well as when, where and how they are provided. As such, service quality is difficult to control. (Kotler, 1999),

- **Perishability**

Service perishability means that services cannot be stored for later sale or use. In the case of insurance, service can only last until the period of insurance expires. (Kotler, 1999),

- **Lack of ownership**

When customers buy physical goods, such as cars and computers, they have Personal access to the product for an unlimited time. They actually own the Product. They can even sell it when they no longer wish to own it. In contrast, Service products lack that quality of ownership. The service consumer often has access to the service for a limited time. For example, an insurance policy is yours only when you have paid the premium and continue to renew it. (Kotler, 1999),

2.1.2 Quality

Some of the definition of quality by different authors are stated below;

- (Crosby, 1979, p27) defines quality as “conformance to requirements”.
- Quality is a subjective term for which each person has his or her own definition (Feigenbaum, 1983),
- According to Parasuraman,) quality is Zero defects-doing it right the first (Zeithaml and Berry,1985).

2.1.3 Service quality

Service quality has received a great deal of attention from both academicians and practitioners (Negi, 2009), and has been widely used to evaluate the performance of financial industries (Cowling and Newman, 1995). The prominent role of service quality to companies is emphasized here is the fact that, it provide a competitive advantage to companies to win in the market and assist them to improve it and to bring customer satisfaction.

Moreover, in this study, service quality can be defined by different scholars in different way as stated below;

- ✓ Parasuraman et al. (1985, 1988): service quality is determined by the difference between customers expectations of service providers performance and their evaluation the service they received.
- ✓ According to Asubonteng et al . (1996) service quality can be defined as “the difference between customers expectations for service performance prior to the service encounter and their peception of the service received”.
- ✓ Service quality is a measure of how well the service level delivered matches customer expectation. Delivering quality service means conforming to customer expectation on a consistent basis lewis and booms (1983).

- ✓ Gefan (2002) also defined service quality as the subjective comparison that customers make between the quality of the service that they want to receive and what they actually get.

- ✓ Service quality can also be defined as “a judgment about a service’s overall excellence or superiority” (Schneider & White, 2004, p. 51).

Having said the above definition, Gronroos classify service quality in two types, these are ; technical quality and functional quality.

- Technical quality involves what the customer is actually receiving from the services and Gronroos (1982).

- Functional quality , which involves the manner in which the service is delivered Gronroos, (1982).

According to Negi (2009) customer-perceived service quality has been given increased attention in recent years, due to its specific contribution to business competitiveness and developing satisfied customers . In this study, the researcher is not only interested in learning more about the factors associated to a quality Service perceived by customers and how service quality is determined but also to give feedback for quality service enhancement in order satisfy customers and to show the prominent role service quality dimension to customer satisfaction.

2.1.4 Customer Expectations, Perceptions and Satisfaction

2.1.4.1 Customer expectations

Customer expectations are beliefs about a service that serve as standards against which service performance is judged Zeithaml *et al.*, (1988). The customer's personal philosophy about a particular service, by promises (staff, advertising and other communications), by implicit service promises (such as price and the tangibles associated with the service), by word-of-mouth communication (with other customers, friends, family and experts), as well as by past experience of that service Zeithaml and Bitner,(1996).

Customer expectations are internal standards that customers use to judge the quality of a service experience. Customers' expectations about what constitutes good service vary from one business to another. Customer expectations embrace several different elements, including desired service, adequate service, predicted service, and a zone of tolerance that falls between the desired and adequate service levels. Lovelock and wright, (1999).

- **Desired service:** the "wished for" level of service quality that a customer believes can and should be delivered.
- **Adequate service:** the minimum level of service that a customer will accept without being dissatisfied.
- **Predicted service:** the level of service quality a customer believes a firm will actually deliver.
- **Zone of tolerance:** the range within which customers are willing to accept variations in service delivery. The inherent nature of services makes consistent service delivery difficult across employees in the same company and even by the same service employee from one day to another. The extent to which customers are willing to accept this variation is called the **zone of tolerance** A performance that falls below the adequate service level will cause frustration and dissatisfaction,

whereas one that exceeds the desired service level will both please and surprise customers, creating the "customer delight" that we discussed

earlier in this chapter. Another way of looking at the zone of tolerance is to think of it as the range of service within which customers don't pay explicit attention to service performance. When service falls outside this range, customers will react either positively or negatively.

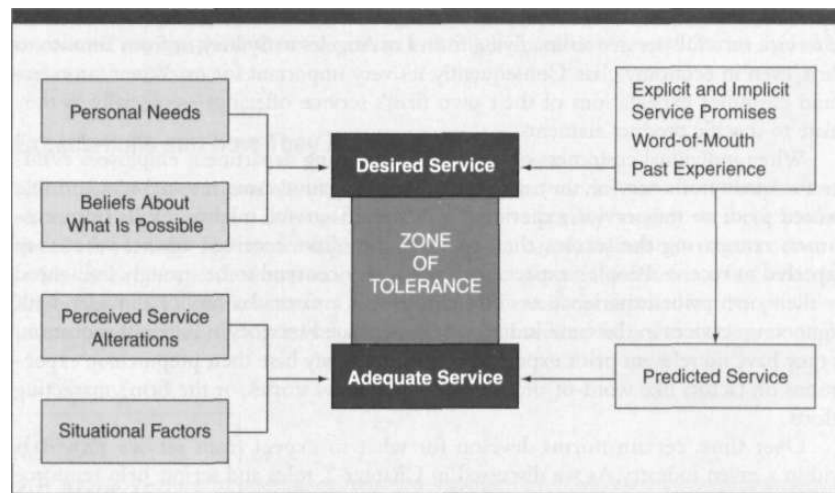


Fig 2.1 Factors That Influence Customer Expectations of Service
(Source: Parasuraman et al., 1993)

2.1.4.2 Customer perceptions

Customer perceived service quality can be defined as a global judgment or attitude relating to the superiority of a service relative to competing offerings Parasuraman et al., (1988) as cited on Zhilin, Minjoon, Robin (2004). It is argued that the key to ensuring good service quality perception is in meeting or exceeding what customers expect from the service. Thus, if perception of the actual service delivered by the supplier falls short of expectation, a gap is created which should be addressed through strategies that affect the direction either of expectations or perceptions, or both Parasuraman *et al.*, (1988).

2.1.4.3 Customer satisfaction

Customer satisfaction is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market (Anderson, Fornell, and Lehmann, 1994; Gro'nroos, 1984).

In line with Tsoukatos and Rand (2006), customer satisfaction is a key to long-term business success. To protect or gain market shares, organizations need to outperform competitors by offering high quality product or service to ensure satisfaction of customers.

The concept has been variously defined by many author. In proportion to Magesh (2010), satisfaction means a feeling of pleasure because one has something or has achieved something. It is also an action of fulfilling a need, desire, demand or expectation. Customers compare their expectations about a specific product or services and its actual benefits. As stated by Kotler & Armstrong, (2010), satisfaction as a person's feelings of pleasure or disappointment resulting from the comparison of product's perceived performance in reference to expectations. Customer's feelings and beliefs also affect their satisfaction level. Along with Zeithaml (2009), satisfaction or dissatisfaction is a measure or evaluation of a product or service's ability to meet a customer's need or expectations. Razak *et al.* (2007) also reported that overall satisfaction is the outcome of customer's evaluation of a set of experiences that are linked with the specific service provider.

Satisfaction can be related to attribute-specific and overall performance. It is attribute specific where it relates to a specific product or service (Cronin & Taylor, 1992). For example, with NIB Insurance Company, satisfaction can be related to a specific attribute such as: Non motor Insurance /General insurance

product like:- Comprehensive Insurance, Third Party Insurance, Marine all risk Insurance, Professional Indemnity, Group personal Insurance, Money , Fidelity or satisfaction with all service processes among others. On the other hand, customer satisfaction can be related to the overall performance of a product/service or the overall performance of an organization's products/services (Cronin & Taylor, 1992). The present study relates customer satisfaction to the overall performance of services delivered by NIB Insurance Company (S.Co) in order to generalize the findings for managerial implications.

2.1.4.3.1 Determinants of customer satisfaction

The followings are some of the determinants of customer satisfaction (Zeithaml, Bitner, p-87, 2003). These are

- **Product and service features:** Customer satisfaction with a product or service is influenced significantly by the customer's evaluation of product or service features. Customers of services will make trade – offs among different service features depending on the type of service being evaluated and the criticality of the service.
- **Customer emotions:** Customer's emotions can also affect their perceptions of satisfaction with products and services. These emotions can be stable, pre-existing emotions.
- **Attributions for service success or failure:** Attributions – the perceived causes of events – influence perceptions of satisfaction as well. When they have been surprised by an 18 outcome (the service is either much better or much worse than expected) consumers tend to look for the reasons, and their assessments of the reasons can influence their satisfaction.

- **Perceptions of equity or fairness:** Customer satisfaction is also influenced by perceptions of equity and fairness. Customers ask themselves: have I been treated fairly compared with other customers? Did other customers get better treatment, better prices, or better quality service? Did I pay a fair price for the service? Was I treated well in exchange for what I paid and the effort I expended?
- **Other customers, family members and coworkers:** In addition to product and service features and one's own individual feelings and beliefs, consumer satisfaction is often influenced by other people like other customers, family members and co-workers.

2.1.5 Service quality model

2.1.5.1 Gap model:

Parasuraman et al. (1985) proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. They developed a service quality model based on gap analysis. The various gaps visualized in the model are:-

Gap 1: *Consumer expectation - management perception gap/ the position gap/*

Service firms may not always understand what features a service must have in order to meet consumer needs and what levels of performance on those features are needed to bring deliver high quality service. This results to affecting the way consumers evaluate service quality.

Gap 2: *Management perception - service quality specification gap /the gap specification*

This gap arises when the company identifies the consumers want but the means to deliver to expectation does not exist. Some factors that affect this gap could be resource constraints, market conditions and management indifference. These could affect service quality perception of the consumer.

Gap 3: *Service quality specifications – service delivery gap/ the delivery gap/*

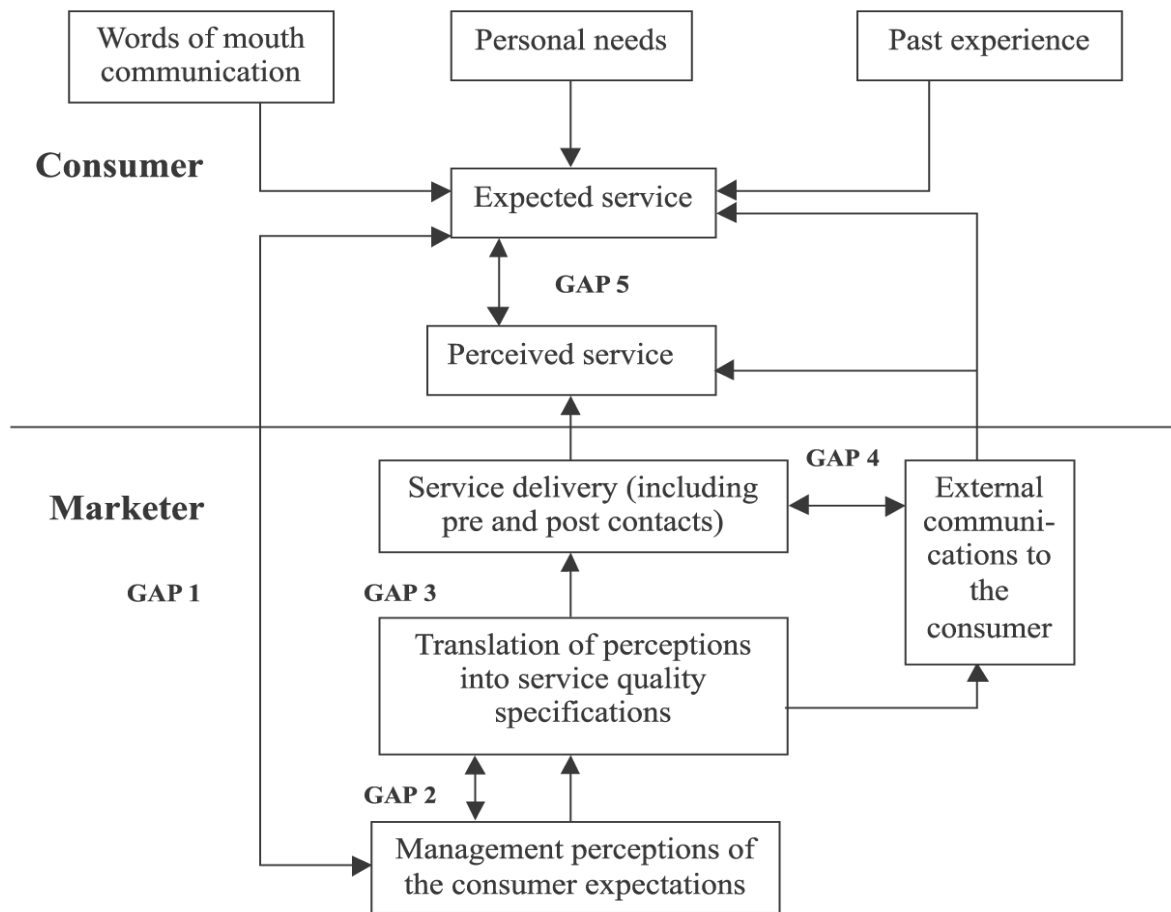
Companies could have guidelines for performing service well and treating consumers correctly but these do not mean high service quality performance is assured. Employees play an important role in assuring good service quality perception and their performance cannot be standardized. This affects the delivery of service which has an impact on the way consumers perceive service quality.

Gap 4: *Service delivery – external communications gap/ the communication gap/*

External communications can affect not only consumer expectations of service but also consumer perceptions of the delivered service. Companies can neglect to inform consumers of special efforts to assure quality that are not visible to them and this could influence service quality perceptions by consumers.

Gap 5: *Expected Service – perceived service gap/ the perception gap/*

From their study, it showed that the key to ensuring good service quality is meeting or exceeding what consumers expect from the service and that judgment of high and low service quality depend on how consumers perceive the actual performance in the context of what they expected.



Source: Parasuraman *et al.* (1985)

Fig 2.2 the gap model

Gaps 1-4 are within the control of an organization and need to be analyzed to determine the cause and changes to be implemented which can reduce these four gaps emerge from an executive perspective on a service organization's design, marketing and delivery of service.

They, in turn, contribute to another gap, mentioned earlier; gap 5 which is the discrepancy between customers' expected services and the perceived service actually delivered. Thus, this study is mainly focuses on this gap, the difference between customers' expectations and percived service quality of Nib insurance Company (S.Co) .

2.1.5.2 SERVQUAL

After the gap model, a SERVQUAL model which is a multi item scale was developed to assess customer perceptions of service quality in service industries. Parasuraman et al., (1988).

SERVQUAL was created to measure service quality and is based on the view that, customer's assessment of service quality is a paramount. It is operationalized in terms of the relationship between expectations and outcomes (Gilmore, 2003, pp 40). SERVQUAL represents service quality as the discrepancy between a customer's expectations for a service offering and the customer's perceptions of the service received, requiring *respondents* to answer questions about both their expectations and their perceptions. Parasuraman et al., (1988)

SERVQUAL is a concise multiple item scale with good reliability and validity that retailers can use to better understand the service expectations and perception of consumer and, as a result, improve service. The instrument has been designed to be applicable across a broad spectrum of services. Parasuraman *et al.*, (1985) revealed ten dimensions viz., tangibles, reliability, responsiveness, competence, courtesy, credibility, security, communication, understanding, and access in the original model of service quality. But in the subsequent study of Parasuraman *et al.*, (1988), these ten dimensions were condensed into five viz., tangibles, reliability, responsiveness, assurance, and empathy. This led to the development of a 22-item SERVQUAL scale for measuring service quality.

Even though there is no one universally accepted measurement model of service quality that is applicable for all types of services, there are two most popular models namely SERVQUAL and SERVPERF. SERVPERF Cronin and Taylor, (1992) is purely a Performance based approach to the measurement of service quality. However, SERVQUAL is the most frequently used model to measure service quality and made to be used by services organizations or industries to improve service quality (Parasuraman *et al.*, 1988).

2.1.5.3 Criticisms of SERVQUAL

According to *Buttle (1995)* notwithstanding its growing popularity and widespread application, SERVQUAL has been subjected to a number of theoretical and operational criticisms which are detailed below:

(1) Theoretical:

- ✓ Paradigmatic objections: SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm; and SERVQUAL fails to draw on established economic, statistical and psychological theory.
- ✓ Gaps model: there is little evidence that customers assess service quality in terms of P – E gaps.
- ✓ Process orientation: SERVQUAL focuses on the process of service delivery, not the outcomes of the service encounter.
- ✓ Dimensionality: SERVQUAL's five dimensions are not universals; the number of dimensions comprising SQ is contextualized; items do not always load on to the factors which one would a priori expect; and there is a high degree of inter correlation between the five RATER dimensions.

(2) Operational:

- ✓ Expectations: the term expectation is polysomic; consumers use standards other than expectations to evaluate SQ; and SERVQUAL fails to measure absolute SQ expectations.
- ✓ Item composition: four or five items cannot capture the variability within each SQ dimension.
- ✓ Moments of truth (MOT): customers' assessments of SQ may vary from MOT to MOT.
- ✓ Polarity: the reversed polarity of items in the scale causes respondent error.

- ✓ Scale points: the seven-point Likert scale is flawed.
- ✓ Two administrations: two administrations of the instrument cause boredom and confusion.
- ✓ Variance extracted: the over SERVQUAL score accounts for a disappointing proportion of item variances.

Despite of the above drawbacks, there have been several emperical studies of (Stafford et al., 1998; Leste and Vittorio, 1997; Westbrook and Peterson, 1998; Mehta et al., 2002; Evangelos et al., 2004; Goswami, 2007; Gayathri et al., 2005; Siddiqui et al., 2010) have confirmed that the applicability of SERVQUAL, of the five dimension model in insurance industry.

As a consequence, the researcher used SERVQUAL instrument to measure the levels of services provided in NIC by using a SERVQUAL five dimensions;

This dimensions are:-

- 1. Reliability**:- The ability to perform the promised service dependably and accurately.
- 2. Assurance** :-The knowledge and courtesy of employees and ability to trust and confidence.
- 3. Tangiblelity**:-The appearance of physical facilities Equipment Personnel and communication materials
- 4. Empathy** :- The provision of caring, individualize Attention to customers.
- 5. Responsiveness**:-The willingness to help customers and provide prompt service.

2.2 Empirical Reviews

2.2.1 Customer satisfaction in insurance industry

Gronroos (1984) suggested that consumers usually rely on extrinsic cues like brand image to ascertain and perceive service quality. Crosby and Stephens (1987) & Johnston *et al.* (1984) explained that the outcomes of insurance purchase are often delayed, and thus do not allow immediate post-purchase valuation. Sherden (1987) expressed that high quality service (defined as exceeding “customers’ expectations”) is rare in the insurance industry but increasingly demanded by customers. Toran (1993) points out that pure service like insurance may, therefore, call up different expectations than that of services that include tangible products and quality should be at the core of what the insurance industry does. Walker and Baker (2000) suggested those understanding consumers’ expectations of insurance service is crucial as expectations serve as standards or reference points against which service performance is assessed.

2.2.2 Relationship between service quality and customer satisfaction

Since customer satisfaction has been considered to be based on the customer’s experience on a particular service encounter, (Cronin & Taylor, 1992) it is in line with the fact that service quality is a determinant of customer satisfaction, because service quality comes from outcome of the services from service providers in organizations.

Regarding the relationship between customer satisfaction and service quality, Oliver (1993) first suggested that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific. Some researchers have found empirical supports for the view of the point mentioned above (Fornell *et al.* 1996; Spreng & Macky 1996); where customer satisfaction came as a result of service quality.

In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service. (Wilson et al., 2008, p. 78).

Some authors have agreed to the fact that service quality determines customer satisfaction. Parasuraman et al., (1985) in their study, proposed that when perceived service quality is high, then it will lead to increase in customer satisfaction. Some other authors did comprehend with the idea brought up by Parasuraman (1995) and they acknowledged that “Customer satisfaction is based upon the level of service quality that is provided by the service providers” (Saravana , p. 436, Lee et al., 2000, p. 226). More evidence of this relationship has been proven by past researches.

Su et al., (2002) carried a study to find out the link between service quality and customer satisfaction, from their study, they came up with the conclusion that, there exist a great dependency between both constructs and that an increase in one is likely to lead to an increase in another. Also, they pointed out that service quality is more abstract than customer satisfaction because, customer satisfaction reflects the customer’s feelings about many encounters and experiences with service firm while service quality may be affected by perceptions of value (benefit relative to cost) or by the experiences of others that may not be as good.

(Wang & Hing-Po, 2002 p. 50-60) This study blended the study of customer satisfaction and service quality with customer value which added more weight to the linkage between customer satisfaction and service quality because value is what customers look in an offer.

2.2.3 Service Quality and Customer Satisfaction in Insurance Industry

Research has shown that the quality of services and the achievement of customer satisfaction and loyalty are fundamental for the survival of insurers. Taylor (2001) concluded that the quality of after sales services can lead to very positive results through customer loyalty, positive WOM, repetitive sales and cross-selling. Lawrence A. Crosby, Nancy Stephens (1987) explained that insurance consists largely of credence properties & insurance providers should engage themselves in relationship-building activities that emphasize buyer-seller interaction and communication. Leonard L. Berry (1995) said that because of the amount of money that is typically invested in an insurance policy, customers seek long-term relationships with their insurance companies and respective agents in order to reduce risks and uncertainties. Raj Arora, Charles Stoner, (1996) on their research found that perceived service quality has a significant effect on the attitude towards obtaining insurance. Westbrook and Peterson (1998) also found that professional customers evaluate the quality of services in the same way as retail customers.

Overall, the causal relationships between service quality and customer satisfaction have been examined by a number of studies, in service settings around the world. A review of literature revealed that the earlier studies on measurement of customer perceived service quality were very few for insurance and banking industry, more so in the Ethiopian context. The topic therefore needs to be investigated. This is a literature gap that this research attempts to narrow by reporting its findings.

2.3. Conceptual Frame Work and Hypothesis

This study is designed to determine the impact of Overall perceived service quality on customer satisfaction and assess if there is a relationship between service quality dimensions with customer satisfaction. Fig 2.3 below presents the conceptual frame work of this study.

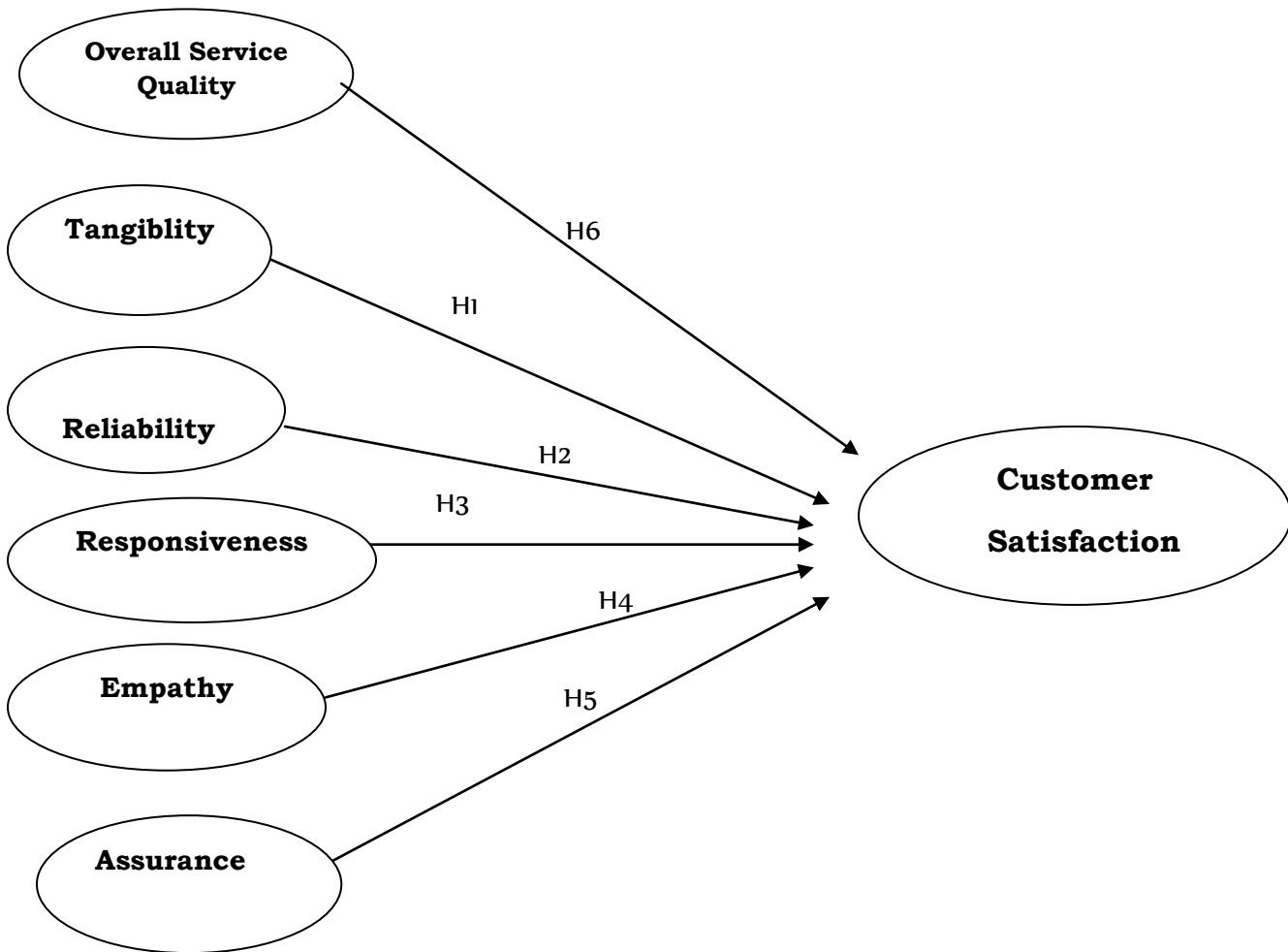


Figure 2.3 Conceptual Frame Work

In line with the above mentioned research frame work the following hypothesis are formulated.

H1: Tangeblity is significantly and positively related to customer satisfaction.

H2: Reliablity is significantly and positively related to customer satisfaction.

H3: Responsiveness is significantly and positively related to customer satisfaction.

H4: Empathy is significantly and positively related to customer satisfaction.

H5: Assurance is significantly and positively related to customer satisfaction.

H6: Overall service quality is significantly and positively related to customer satisfaction.

CHAPTER THREE

RESEARCH METHODOLOGY

The methodology adopted in this study provided a design that empirically addresses the identified research problem and recaps how the study results can be replicated, generalized and employed in prediction for effective decision making. The methodology adopted describes the population, sampling procedure, instrumentation and data collection approach used. It allowed for description of the influence of service quality on customer satisfaction.

3.1 Research Paradigm

Research philosophy is the underlying assumptions and intellectual structure upon which research in a field of inquiry is based. Sobh and Perry (2006) posit that the paradigm employed by a researcher is antecedent to the choice of research methodology and the types of questions to be asked. Guba and Lincoln (1994) identified three elements of a paradigm; ontology, epistemology and methodology. Essentially, ontology is “reality”, epistemology is the relationship between the reality and the researcher and methodology is the technique used by the researcher to discover that reality. The key ontological feature under the positivist paradigm is that the researcher and reality are separate. The term epistemology comes from the Greek word episteme meaning knowledge.

3.2 Research Methods

Researchers are overly concerned with the choice a quantitative methodology. Essentially, quantitative researchers use numbers and large samples to test theories, while qualitative researchers use words and meanings in smaller samples to build theories (Easterby-Smith et al., 1991). Consistent with the positivist approach, this study adopted quantitative research in examining the

Variable and in testing the relationship between service quality, and customer satisfaction.

This study adopted a positivist paradigm with an epistemological element because this approach allowed for reporting of findings as observed, explanation of the new knowledge discovered and assured of independence of the researcher from the study.

3.3 Research Design

The research purpose is a broad statement of what the research hopes to achieve. According to purpose, research could be broadly divided into descriptive, exploratory and explanatory (Saunders et al., 2000, & Schindler 2004). Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. (Kothari, 2004). It involves formalizing the study with definite structures in order to better describe or present facts about a phenomenon as it is perceived or as it is in reality.

An explanatory research tries to establish relationship that exists between variables. It aims at identifying how one variable affects the other; it seeks to provide an empirical explanation to the causality and causes and effects relationship between one or more variables (Saunders *et al.*, 2000, & Malhotra 2006). They are also used when the purpose of the study is to answer ‘why’ in a given context. Lastly, research may be exploratory where a study is conducted to explore and find out what is happening or to seek new insights about a phenomenon in a new light” (Robson, 2002). Mostly, it is used when a researcher wants to have a deeper understanding of a situation or a problem, or where the area of study is so new or vague that it becomes critically important to examine unknown variable that may affect a particular phenomenon. It, therefore, involves the use of methods like searching for library materials, asking for expert’s opinion, and conducting a focus group interviews.

This study employe a quantitative techenics and use both explanatory, and descriptive purposes. Firstly, the study is descriptive as it seeks to describe in detail the state of customer satisfaction and service quality in NIC. Secondly, an explanatory method is selected since it seek to determine the relation ship between the service quality variable with customer satisfaction and how service quality dimension affect the overall customer satisfaction in NIC.

3.4 Population and Sample Size

3.4.1 Population

The target population of this study is focused on the exsiting coorporate customers of non life section. According to the annual reports of Marketing and Development Department, as of September 2014, the company has 747 existing corporate clients with a premium amount of more than 50,000.00 birr per year in across all branches.

Out of the total population, 620 corporate customer were found in Addis Ababa .

3.4.2 Sample Size

Participants of the study were all corporate client of Addis Ababa branches have been insured more than two years . The study focused on corporate client, because of , the majority of companies production i.e (51%) is collected from a corporate clients specifically from Non Life/ General Insurance Sector. In addition to this, in order to make a representative data, the researcher use only those having two years experiance with the company.

A total of 243 corporate clients were taken as the study sample by using the formula proposed by Yamane (1967).

$$n = \frac{N}{1 + N (e)^2} = \frac{620}{1 + 620(0.05)^2}$$

From the above formula, n was the sample size, N was the population size and e was the confidence level (0.05). Using N = 620 in the formula, the resulting sample size (n) was 243 and distributed to the branches as shown in Table 3.1 below.

Table 3.1 Sample distribution of each branch

Branch	No. of customer	Annual premium in (birr)	No of sample	Percentage
1. Main	174	53,564,804.42	68	27.98
2. Genet	47	11,755,285.43	19	7.81
3. Ras	45	9,179,270.31	18	7.40
4. Urael	41	6,849,779.86	16	6.58
5. Megenagna	21	11,410,960.07	8	3.28
6. Tired	26	3,724,975.75	10	4.11
7. Tana	31	4,099,000.00	12	5
8. Piassa	24	10,841,147.74	9	3.7
9. N.Silk	41	7,536,054.81	16	6.58
10. Lideta	39	7,116,345.12	15	6.14
11. Bole	31	9,470,101.58	12	4.9
12. A.Ketema	11	3,143,328.02	4	1.64
13. Gotera	26	5,442,144.59	10	4.11
14. Lebu	14	2,804,803.90	6	2.46
15. G.Shola	24	3,405,627.26	10	4.11

16. Meshualekia	25	3,691,211.16	10	4.11
Total	620	154,034,845.02	243	100

(Source: Company report, 2014)

The study took a sample from all Addis Ababa branches , except for two newly opened branches as the study scope exclude those having less than two years experiance. Thus, a total of 243 corporate customers were selected proportionatly from the above listed branches and based on each branches sample size, a self administered questionnaire was proportionaltely distributed by using accidental sampling method at the time of service delivery.

3.5 Data Collection Approach

Both secondary and primary data is used for this study. The primary data was collected through a pretested structured questionnaire with five point likert scale and Secondary data were collected from companies' websites, published articles etc.

3.5.1 Questionnaire Development and Pre-testing

The questionnaire is used to collect data from respondents. The questionnaire items were adopted from previous studies (Graham, K.R., Evangelos T. & Simy M., 2004) and Parasuraman et al., (1988). The questions were modified to suit the insurance industry context in Ethiopia, and sought respondents' feelings about overall customer satisfaction and the impact of service quality on customer satisfaction and evaluation of each service quality dimensions in insurance sector.

Specifically, the questionnaire has three main parts: Background Information, Service Quality and Overall Service Quality and Customer Satisfaction of NIC.

3.5.2 Quantitative Administration

After the items are refined, the questionnaire was administered to the target population through personal contact by the researcher and with the help of front desk officer of each branch representative.

This was completed from the periods of April 11, 2015 up to April 15, 2015.

3.5.3 Data Analysis Tools

The Data was analyzed with the help of Statistical Package for Social Sciences (SPSS). The data gathered from respondents was summarized using a descriptive statistic method through tables, frequency counts, percentages, and to test the gap between perceived and expected service quality a mean score, standard deviations and a paired sample t test were used to offer a condensed data.

In addition, pearson correlation analysis, was used to explore the relationship between service quality dimensions and customer satisfaction. Where as, a multiple linear regrassion analysis was used to find out the impact of independent variables on the dependent .

3.6 Reliability and Validity

In order to reduce the possibility of getting the answer wrong, attention need to be given to the : reliability and validity, (Saunders et al., 2003).

3.6.1 Reliability

Internal consistency reliability is a measure of consistency between different items of the same construct. If a multiple-item construct measure is administered to respondents, the extent to which respondents rate those items in a similar manner is a reflection of internal consistency. Hence, a multiple-item measurement scale internal consistency method is used to the study. A sample of 30 questionnaires was used for a pilot test whether the questionnaires are reliable or not. According to George & Mallery, (2003) a cronbach alpha coefficient greater than 0.9 implies

excellent, greater than 0.8 is good, greater than 0.7 is acceptable, greater than 0.6 is questionable, greater than 0.5 is poor, and less than 0.5 is unacceptable”.

Accordingly, the reliability test of each dimension is described here under (Table 3.2).

Table 3.2 Reliability test of each service quality dimension

SERVQUAL dimensions	Number of items	Cronbach's Alpha Based on Standardized Items
Tangibles	4	0.937
Reliability	7	0.929
Responsiveness	4	0.746
Assurance	4	0.885
Empathy	5	0.89
Overall items used	24	0.937

(Source: Survey data, 2015).

Table 3.2 above indicates that the cronbach alpha of each service quality dimensions is between 0.746 and 0.937, which is in line with the above guid line . Thus the study is reliable.

3.6.2 Validity

Validity describes the extent to which data collection method or methods accurately measure what they are intended to measure (Saunders et al., 2003). The validity of scientific study increases using various sources of evidence (Yin, 1994). The researcher used a content validity, as it asses how well a set of scale items match with the relevant content domain of the construct that it is trying to measure.

Thus a number of different steps are taken to confirm the validity of the study, as follows:

- Questioner has been developed based on different literature review and a frame of reference.
- Questionnaire has been pre tested by the respondent before distributing all the sample to the respondent. A pilot test has been made from 30 respondent.
- The collected data was collected from a reliable source, from corporate clients , having more than two years of experiance with the company service.
- Data has been collected for one week, and no new event has been observed related with the topic.

3.7. Ethical Considerations

All information obtained from the respondents were treated with confidentiality without disclosure of the respondents' identity. Moreover, no information was modified or changed, hence information was presented as collected and all the literatures collected for the purpose of this study were appreciated in the reference list.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

In this chapter a Respondent profile, A gap analysis, descriptive analysis, correlation analysis, regression analysis and summery of findings are discussed.

The questionnaire was planned to distribute to NIC corporate customer of 16 branches which is found in addis Ababa based on the criteria that is mentioned in the methodology section.

A total of 220 out of 243 questionnaires (90% of the response rate) were collected back and used for data analysis purpose.

4.1 Profile of Responding Firms

The demographics characters include Buisness catatgory; number of experiance with the company, and amount of annual premium. The analysis of each is given on table 4.1, 4.2 and 4.3.

TABLE 4.1 Nature of buisness catagory

Buisness Type	Frequency	Percent
Government	9	4.1
NGO	36	16.4
Private limited company	113	51.4
share company	62	28.2
Total	220	100.0

(Source: survey data, 2015)

As can be observed from Table 4.1 of 220 respondents 9 (4.1%) of are government Organization, 36 (16.4%) were NGO's, where as 113 (51.4%) respondents are

private limited company's and the remaining 62 (28.2%) of the respondents were share company.

This indicates that most of the respondents were Private Limited companies and the lowest portions of the respondent were covered by Governments institution.

In order to understand the Customers' experience with the insurance service, the responses are collected. It can be noted from the below table that 43 (19.5%) of the respondents have used the insurance service for more than 2 years, 50 (22.7%) used the the insurance service between four to seven years, and 61 (27.7%) & 66 (30%) have used the insurance service between 7 to ten years, and greater than ten year respectively. Thus from the above data we can learn that most of the respondents have a good experience in using the companies service.

TABLE 4.2: Respondents' service experience

Experiance in (Year)	Frequency	Percent
2-4	43	19.5
4-7	50	22.7
7-10	61	27.7
More than 10 years	66	30.0
Total	220	100.0

(Source: survey data, 2015)

TABLE 4.3: Respondents' annual premium

Range of Annual Premium in (Birr)	Frequency	Percent
50,001-250,000	35	15.9
250,001-350,000	38	17.3
351,000-450,000	54	24.5
above 450,000	93	42.3
Total	220	100.0

(Source: survey data, 2015)

Accordingly, about 35 (15.9%) of the respondents are paying an annual premium ranging from birr 50,001-250,000.00, from birr 250,001-350,000.00 are 38 (17.3%), where as a respondent whose premium covered from birr 351,000.00-450,000.00 are 54 (24.5%) and the rest 93 (42.3%) are above birr 450,000.00.

This shows that, from the overall sample size the majority of the respondents are those who have been generating a higher income to the company, i.e more than 450,000.00 Birr.

4.2 Descriptive Statistics

4.2.1 Gap Analysis

The overall SERVQUAL score is the result of average perception score minus the average expectation score derived from the SERVQUAL instruments. Table 4.4 Shows the service quality gap on the over all items of each dimension for NIC.

The minimum and maximum responses of this study are ranging from 1 to 5 for all the variables used in the descriptive statistics section , the mean value represents the average of all customer response on certain dimensions while, standard deviation shows how diverse the responses of the respondents are meaning, if the standard deviation shows smaller number it indicates that the response of the respondents shows close opinions and when the standard deviation is high it indicates the response of the respondents shows high variation.

TABEL 4.4 Descriptive statistics of tangibles

Attributes	N	Expectation (E)		Perception (P)		Gap (P-E)
		Mean	Std. deviation	Mean	Std. deviation	Mean
NiC has visually appealing physical facilities	220	4.50	.616	3.21	1.092	-1.29
Has up to date equipment and technology.	220	4.51	0.755	2.72	1.183	-1.79
The employees of NIC are neat in their appearance	220	4.58	.595	3.32	1,064	-1.26
Materials associated with the service are visually appealing at NIC.	220	4.56	.533	3.24	1.020	-1.32
Overall Tangebiles average mean.		4.5386		3.1216		-1.417

average mean for the perception of tangibles indicates that the customers of NIC Corporate believes that, the tangibles aspects of the service provided by NIC are satisfactory but when we see their expectation it was high which is (4.54) but their perception average mean was (3.12) which indicates that, even if their

perception of service quality with respect to tangible dimension are above neutral , customers expectations were higher than their perception and when customers' expectations exceed their perception they become dissatisfied. More over, among the four items used to measure the tangible dimensions of service quality the part where the 'employees of NIC are neat in their appearance ' shows the smallest gap when we compare it to others. In addition to this, an attribute of 'NIC has up to date equipment and technology' implies the highest gap which make it the least contributor for customer satisfaction.

TABEL 4.5 Descriptive statistics of Reliability Dimension

Attributes	N	Expectation (E)		Perception (P)		Gap (P-E)
		Mean	Std. deviation	Mean	Std. deviat ion	Mean
keeping promises when promise to do something by a certain time	220	4.56	.533	2.68	1.279	-1.88
Issuing Insurance contracts with clear, transparent and non ambiguous terms	220	4.65	.621	2.79	1.202	-1.85
Settles claims easily and with no unnecessary delays	220	4.58	.564	2.97	1.162	-1.6
Show sincere interest in solving customers problems	220	4.68	.478	3.35	1.098	-1.33
Employees show dependability in handling Service	220	4.56	.683		1.150	-1.52

problem.				3.04		
Issuing error free bills, statements, receipts, contracts, claims and other documents	220	4.60	510	3.10	1.133	-1.5
Performs its service right the first time without unnecessarily discomfoting customers	220	4.54	0.552	2.91	1.129	-1.62
Overall average mean Reliability		4.5935		3.1201		-1.47

As it shown on table 4.5 Reliability dimension has an average gap score of -1.47. This illustrates, corporate customers do not perceive the NIC service to be consistent. More specifically, the attribute “keeping promises when promise to do something by a certain time” and “Issuing Insurance contracts with clear, transparent and non ambiguous terms” has a high gap score of -1.88 and -1.85 respectively. This demonestrate, NIC fails to meet its explicit or implicit service promises, and the roughness of policy by itself, contribute for having such a gap in the minds of customers . In veiw of the above, a further negative gap is seen at attribute ‘Performs its service right the first time without unnecessarily discomfoting customers’ and ‘Settles claims easily and with no unnecessary delay’ scores a the second and third negative gap . i.e -1.62 and -1.6 respectively.

Thus, according to this study the NIC service reliability, in general, is in unsatisfactory.

TABEL 4.6 Descriptive Statistics of Responsiveness

Attributes	N	Expectation (E)		Perception (P)		Gap (P-E)
		Mean	Std. deviation	Mean	Std. deviation	Mean
Employees of Nic will never be too busy to respond to customers requests .	220	4.48	.705	3.46	.856	-1.01
Tell customers exactly when services will be performed	220	4.53	.552	3.65	.840	-0.88
Employees Will always be willing to help customers	220	4.54	.622	3.77	.893	-0.76
Are accessible, listen to and provide prompt honest responses to customers' inquiries	220	4.58	.521	3.72	.933	-0.86
Overall Responsiveness average mean.		4.53		3.64		-0.88

Responsiveness has an average gap score of -0.88. All the attributes in this dimension have a low gap score except the attribute of 'Employees of Nic will never be too busy to respond to customer's requests', which has a score of -1.01 showing a deficiency on this attribute.

TABEL 4.7 Descriptive Statistics of Assurance

Attributes	N	Expectation (E)		Perception (P)		Gap (P-E)
		Mean	Std. deviation	Mean		
The behavior of employees at NIC will instill confidence in customers .	220	4.57	0.604	3.70	.913	-0.88
Customers feel safe in transactions .	220	4.59	.521	3.69	.889	-0.90
Employees are consistently courteous with customers	220	4.59	.502	3.67	.898	-0.92
Employees and agent have a requisite knowledge to give professional service to customers.	220	4.60	.544	3.19	1.127	-1.41
Overall Assurance average mean.		4.59		3.56		-1.03

Assurance as a dimension of service quality has a gap score of -1.03. The “Employees and agent have a requisite knowledge to give professional service to customers.” attribute has the largest negative gap score among the attributes in this dimension i.e. -1.41 which shows, the staff and the agent are not able to

answer all customers' questions. The other attributes which have a relatively lower value and more specifically "The behavior of employees at NIC will instill confidence in customers" attribute indicates that, customers are less concerned with the behaviour of employee in instiling confidence in their minds.

TABEL 4.8 Descriptive Statistics of Empathy

Attributes	N	Expectation (E)		Perception (P)		Gap (P-E)
		Mean	Std. deviation	Mean	Std. deviation	
Employees have consistently customers' best interest at heart	220	4.52	.527	3.57	.794	-0.95
NIC give customers individual attention	220	4.49	.652	3.62	.827	-0.87
Employees of NIC do Know the needs of their customer	220	4.51	.630	3.72	.777	-0.79
Have operating hours convenient to all.	220	4.58	.539	4.20	.843	-0.37
NIC has employees who give customers personal service.	220	4.42	.674	3.66	.738	-0.76
Overall Empathy average mean.		4.50		3.75		-0.8

The last dimension Empathy has an average gap score of -0.8 (Table 4.8) indicating the corpoptate customer were neutral with this dimension as the overall empathy perception is score 3.75. Thus ,even if they are neural, there still seen a

gap between customer perception and expectation, which result a dissatisfied customers.

Among all the above empathy attributes, a high gap is scored specifically in the attribute of , ‘Employees have consistently customers best interest at heart’ and ‘Staff giving customers Individual attention’ attribute with a gap score of -0.95 and 0.87 respectively. Conversely, the item that score highest in customer peception of service quality with low standard deviation or having a respondent close opinion in their agreements are, ‘NIC have operating hours convenient to all’ with an average a gap score of -0.37. This reflects a positive side of the company in having a convenint working hours.

TABLE 4.9 Overall Gap analysis of SERVQUAL dimensions

Service quality dimensions	Mean		Gap (P-E)	Rank
	Perception	Expectation		
Overall Tangible	3.12	4.54	-1.42	2
Overall Reliability	3.12	4.59	-1.47	1
Overall Responsiveness	3.65	4.53	-0.88	4
Overall Assurance	3.56	4.59	-1.03	3
Overall Empathy	3.75	4.50	-0.75	5
Overall average mean	3.44	4.55	-1.11	

(Source: Survey data, 2015)

As it is shown on table 4.9. Among the five dimension of SERVQUAL, reliability dimension has the highest score with a gap of (-1.47) followed by tangibles (-1.42), Assurance (-1.03), responsiveness (-0.88) and Empathy(-0.75) in descending orders.

In addition, all the gaps across SERVQUAL dimensions are found to be statistically significant with ($p < 0.01$).

The above data reveal that, overall perception of service quality of the five dimensions customers are more neutral about the levels of the overall perceived service quality, scores a medium value of (3.34).

Though the customers feel neutral about the levels of service quality, there is still a gap between customer's perception and expectation of service quality in NIC.

This further indicates that, the customers' perceptions fall short of their expectations with a gap score of -1.11. In other words, the levels of service quality that the customers receive are lower than their minimum tolerable expectation, i.e. there is a certain degree of dissatisfaction in NIC. Thus NIC should give due emphasis to reliability, tangibility and Assurance as they contribute higher value to customer dissatisfaction. Moreover, the other dimension like empathy and responsiveness shall not be left over as it contributes less to customer dissatisfaction rather the company should further exceed their clients' needs in order to consistently satisfy their needs.

4.2.2 Overall Customer Satisfaction Analysis

TABLE 4.10 Overall customer satisfaction frequency distribution.

Overall satisfaction				
	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	6	2.7	2.7	2.7
Dissatisfied	40	18.2	18.2	20.9
Neutral	80	36.4	36.4	57.3
Satisfied	70	31.8	31.8	89.1
Highly satisfied	24	10.9	10.9	100.0
Total	220	100.0	100.0	

(Source: Survey data, 2015)

The above table shows, the overall levels of satisfaction with respect to the service quality provided by NIC are, the cumulative percentage of 20.9 % are dissatisfied whereas, 57.3 % of them were indifferent about the service quality while, 89.1 % of them were satisfied.

These shows that, the overall levels of NIC is performing not so bad but still it have a lots of things to improve on the indifferent corporate clients Since, they are neither satisfied nor dissatisfied about the current levels of service quality.

4.3 Correlation Analysis

Correlation analysis is one of the most widely used and reported statistical method in summarizing scientific data (Tyler, 1990), Correlation can be either negative or positive (Greasley, 2008) as presented here under:

- Positive correlation: an increase in values for one variable is associated with an increase in values for the other variable,
- Negative correlation: an increase in values for one variable is associated with a decrease in values on another variable .

The strength of a correlation is indicated on a scale ranging from -1 to +1 As a general guideline, a value ranging from 0.1 to 0.4 would be classed as a weak correlation, and anything above 0.5 would be regarded as a strong correlation (Cohen, 1988).

A value approaching zero indicates the absence of any relationship between two variables, in other words no correlation (Greasley, 2008). , a correlation of 1.0 indicates a perfect positive correlation, and a value of -.01 indicates a perfect negative correlation. Further more, (Cohen, 1988) suggests the following as guidelines:

$r = 0.01$ to 0.029 or $r = -.010$ to -0.029 , Small
 $r = 0.030$ to 0.049 or $r = -0.030$ to -0.049 , Medium
 $r = 0.050$ to 1.0 or $r = -.050$ to -1.0 , Large

Pearson correlation analysis is used to determine whether there is a positive or negative relationship among the five dimensions of SERVQUAL and Customer Satisfaction having such analysis enable us to see the significance of each dimension with one another with the presense of the dependent value i.e Customer satisfaction.

Accordingly, the correlation of each servqual dimension is depicted under table 4.11.

TABLE 4.11 Correlation between a SERVQUAL dimensions and Customer Satisfaction.

Correlations

Dimension	Tangibility	Reliability	Responsiveness	Assurance	Empathy	Customer satisfaction
Tangibles	1					
Reliability	.727**	1				
Responsiveness	.484**	.705**	1			
Assurance	.547**	.775**	.754**	1		
Empathy	.397**	.550**	.548**	.600**	1	
Overall satisfaction	.649**	.809**	.645**	.729**	.591**	1

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

(Source: survey data, 2015)

The results in the above table 4.11 indicate that, there is positive and strong relationship between overall tangibles and reliability where ($r = 0.727$, $P < 0.01$) which tells, an increase in the value for overall tangibles is associated with an increase in the values for the overall reliability, like wise, overall tangibles has a strong positive relation ship with overall assurance and overall satisfaction as ($r = 0.547$, $p < 0.01$), ($r = 0.649$, $p < 0.01$).

where as, a relation ship between overall tangibles with overall responsiveness and overall empathy, is a positive but it is a week relation since ($r = .484$, $P < 0.01$) and ($r = 0.397$, $P < 0.01$), respectively .

Overall reliability has a strong positive relation with overall responsiveness, assurance, empathy, customer satisfaction since ($r = 0.705, P < 0.01$), ($r = 0.775, P < 0.01$), ($r = 0.55, P < 0.01$) and ($r = 0.809, P < 0.01$) respectively, and an increase in the value of overall reliability will increase the value of the overall responsiveness, assurance and empathy and customer satisfaction.

As shown in table 4.10 overall responsiveness has also a strong positive correlation with overall assurance, overall empathy and customer satisfaction with a correlation value of ($r = 0.754, P < 0.01$), ($r = 0.548, P < 0.01$) ($r = .645, P < 0.01$) respectively.

overall assurance has a strong positive relation with empathy and customer satisfaction as ($r = 0.600, P < 0.01$) and ($r = .729, P < 0.01$). Which means an increase in the levels of overall empathy will increase in the level of overall customer satisfaction. Lastly, Overall empathy has a strong correlation with customer satisfaction since, ($r = .591, P < 0.01$).

The result show that, all the independent variables have correlation with the dependent variables.

4.4 Regression Analysis

- **Linear regression:-** is a method of estimating or predicting a value on some dependent variable given the values of one or more independent variables. Like correlations, statistical regression examines the association or relationship between variables. Unlike with correlations, however, the primary purpose of regression is prediction. For example, insurance adjusters may be able to predict or come close to predicting a person's life span from his or her current age, body weight, medical history, history of tobacco use, marital status, and current behavioral patterns (Marczyk, Dematteo & Festinger, 2005).

There are two basic types of regression analysis: simple regression and multiple regressions. In simple regression, we attempt to predict the dependent variable with a single independent variable. In multiple regressions, as in the case of the

insurance adjuster, we may use any number of independent variables to predict the dependent variable (Marczyk, Dematteo & Festinger, 2005).

4.4.1 The Impact of Service Quality Dimensions on Customer Satisfaction.

The main aim of the study was to examine the extent service quality dimensions contribute to determine customer satisfaction.

To investigate the relationship between SERVQUAL dimensions and customer satisfaction, a multiple linear regression model was applied. By taking each SERVQUAL dimensions as independent variables and overall Customer satisfaction as a dependent variable.

The beta coefficients indicated that, how and to what extent SERVQUAL dimensions such as tangibles, reliability, responsiveness, assurance and empathy influence customer's satisfaction of the NIC Non life section.

The mathematical representation of the above relationship is displayed as;

$$Y = \alpha + \beta_1(\text{TAN}) + \beta_2(\text{REL}) + \beta_3(\text{RES}) + \beta_4(\text{ASS}) + \beta_5(\text{EMP})$$

Where, Y= Overall Customer Satisfaction

α = Constant

Tan, Rel, Res, Ass, Emp = Dimensions of the service quality

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Beta Coefficients of each dimension

TABLE 4.12 Multiple Linear Regression analysis

Service Quality Dimension	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co linearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.423	.244		-1.736	.084		
Tangibles	.139	.055	.137	2.538	.012	.469	2.131
Reliability	.464	.075	.462	6.197	.000	.247	4.049
Responsiveness'	.042	.073	.034	.576	.565	.386	2.587
Assurance	.203	.080	.174	2.547	.012	.296	3.379
Empathy	.256	.077	.159	3.346	.001	.609	1.641

R= .840 R² = .699 F=102.609

Dependent Variable: Overall Customer satisfaction

***Significance at 0.05 level**

Before interpreting the beta coefficient it is important to evaluate the model in terms of the issue of multicollinearity. The issue has been addressed by the outcome of both the variance inflation factor (VIF) and the tolerance level. If the tolerance values less than 0.10 may merit further investigation where as if the VIF value is greater than 10 may merit further investigation. As it can be seen from the table this requirements are not invalidated in our results and there is no issue of multicollinearity.

The above table demonstrate that, about 69.9% (R²=0.699) of the variance in the overall satisfaction is explained by overall Service quality dimension. This in fact, is a strong explanatory power of regression. More over, the results further demonstrate that, there is positive and statistically significant (p<0.05, F=102.60) relationship between the SERVQUAL dimensions and overall customer satisfaction.

In addition, the reliability ($\beta=0.462$, $P<0.05$), Empathy ($\beta=0.159$, $P<0.05$), tangibles ($\beta=0.137$, $P<0.05$) and assurance ($\beta=0.174$, $P<0.05$) of the service quality dimensions have statistically significant and positive relationship with customer satisfaction having $P<0.05$. Among these dimensions reliability is the most significant one due to its highest beta standard coefficient which is ($\beta=0.462$, $P<0.01$).

Thus, H1, H2, H4 and H5 are supported.

The Regression Model is

$$\text{Customer Satisfaction} = -0.423 + 0.137(\text{TAN}) + 0.462(\text{REL}) + 0.34(\text{RES}) + 0.174(\text{ASS}) + 0.159(\text{EMP})$$

From the result shown in the above table, Reliability with (beta =0.462, $t=6.197$, $P<0.05$) have the highest influence or significant impact on customer's satisfaction when we compare it with other dimensions.

From this, NIC should give due emphasis on those dimension which have a statistical significance i.e ($P< 0.05$) and a higher Beta value.

4.4.2 The impact of Overall Service Quality on Overall Customer Satisfaction.

To analyze the relationship between overall service quality and customer satisfaction a simple linear regression was applied. The following table 4.13 shows the impact of overall service quality of NIC None life section and customer satisfaction.

TABLE 4.13 The relationship between overall service quality and customer satisfaction

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.241	.078		3.105	.002		
	Overall service quality	.931	.023	.941	41.192	.000	1.000	1.000
R= 0.941^a R² = .886 F=1696.75								
Dependent Variable: Overall Customer Satisfaction								

(Source: survey data, 2015)

The result on table 4.13 indicates that about 88.6% ($R^2=0.886$) of the variance in the overall Customer Satisfaction is explained by the overall service quality. In addition, the result demonstrate that, there is a positive and statistically significant ($p<0.05$) relationship between overall service quality and overall customer satisfaction. This will further explain, when the levels of service quality increase the customer become satisfied.

Therefore, NIC should focus on service quality since it has significant and positive relationship with customer satisfaction.

Thus, H6 is supported.

Based on the findings of the study, the result of the formulated hypothesis whether it is supported or not are summarized under table 4.14.

TABLE 4.14 Summary of hypothesis results.

Hypothesis	Statement of the hypothesis	Method of Analysis used	Result Supported /Failed
H1	Tangeblity is significantly and positively related to customer satisfaction.	Linear Regression	Supported
H2	Reliability is significantly and positively related to customer satisfaction.	Linear Regression	Supported
H3	Responsiveness is significantly and positively related to customer satisfaction.	Linear Regression	Failed
H4	Assurance is significantly and positively related to customer satisfaction.	Linear Regression	Supported
H5	Empathy is significantly and positively related to customer satisfaction.	Linear Regression	Supported
H6	Overall service quality is significantly and positively related to customer satisfaction.	Linear Regression	Supported

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

In this chapter conclusion about the study are formulated and based on these conclusion a possible recommendations are drawn.

5.1 Summary of Major Findings

The primary objective of the study was to examine the impact of service quality on customer satisfaction in Nib Insurance Company (S.Co). To achieve this objective, data was collected by using accidental sampling method from 16 branches of the company.

Then, after the data collected, a t paired sample test, correlation and regression methods were employed. After that, the data further analyzed by SPSS , version 20 software.

Accordingly, the following finding from the analysis is stated hereunder;

- ✚ The demographic characteristics of respondents at the 16 branches show that, the majority of their respondents are Private Limited Company (51.4%). Share Company (28.2%), NGO's (16.4%) and Government Institution (4.1%).
- ✚ Also most of the respondents are relatively have well experianced with the company as 30% of the majority respondents do have > 10 years of relation with the company.
- ✚ Regarding the annual premium, 42.3% of the corporate customers are contributes more than 450,000.00 br per year.
- ✚ The dimension of Tangibles has a gap score of -1.417 with an attribute of ‘ has up to date equipment’ has highest negative score (-1.79).

- ✦ The study also reveals that, NIC has relatively worrisome Reliability score as judged by the respondents' average score of the attribute "keeping promises when promise to do something by a certain time" has a gap score of -1.88
- ✦ Responsiveness has a gap score of -.88% among the attributes "Employees of Nic will never be too busy to respond to customers requests" has a higher gap score -1.01.
- ✦ The Assurance dimension at NIC has a score average mean of -1.03, and the attribute 'Employees and agent have a requisite knowledge to give professional service to customers' has a highest gap score of -1.41.
- ✦ And the last dimension Empathy has a gap score of - 0.80 and the attribute of "Employees have consistently customers best interest at heart" has a gap score of -0.95.
- ✦ And the highest service quality gap is found for Reliability (-1.47) followed by Tangibles (-1.42). The remaining dimension is more or less has a lower gap scores.
- ✦ All the five SERVEQUAL dimensions are positively correlated with each other with the existence of the dependent variable and no multicollinearity exist.
- ✦ The overall satisfaction of corporate clients with the existing service quality results shows that, a cumulative value of 70 (89.1%) were comfortable with the service quality . Hence 80(57.3) of the respondent were indifferent about the current service quality of NIC.
- ✦ Except responsiveness, all dimensions of service quality have significantly positive relation with customer satisfaction.

- ✚ Overall customer satisfaction has positively influenced by overall Service quality. About 88.6% of the variance in overall customer satisfaction is due to overall service quality.

5.2 Conclusion

Delivering customer satisfaction is at the heart of every service provider. The most important aspect of the relationship between service provider and customer is that there is a disconnect between what customers want and what service providers offer. This is particularly true in case of services like insurance. This study has been undertaken to determine the impact of service quality on customer satisfaction and to measure the Gap between the perception and expectation of service quality .

In analyzing the impact of service quality on Customer satisfaction. As said by Wilson et al. (2008), service quality is a focused evaluation that reflects the customer's perception of reliability, assurance, responsiveness, empathy and tangibility. The study established, the combination of each dimension i.e tangibility, reliability, responsiveness, assurance and empathy to reflect the impact of service quality in determining whether it have a significant relation with customer satisfaction or not. The findings of this research brought answers to the pre-stated research questions. Thus, the following conclusion is forwarded in line with the research questions.

RQ₁: Does NIC Customer experiance the expected service quality?

According to the research result, the highest gap is seen in overall perceived quality is from reliablity dimension with a gap score of -1.47, which contribute the highest gap of all dimensions. An Emperical study which is conducted in Greek and Kenya insurnace Company also explored that reliablity creates a higher gap in the perceived service quality (Tsoukatos, Marwaa, & Rand 2004). Thus, reliablity dimension is crucial in determining the gap between perceived and expected service quality.

RQ₂: What is the level of satisfaction of NIC customers?

The research result reveal that, a cumulative value of 89.1% respondent were satisfied with the service rendered at NIC, where as, 57.3% of them were indifferent and 20% are dissatisfied with the service.

Thus, Nic service quality is some what satisfactory . How ever, since 57.3% of the respondent were nuetral, the company should maintain an assessment on their service expectation.

RQ₃: Is their any relationship between service quality and customer satisfaction in NIC?

Regarding this research question, the objective is to determine wheather there is a relationship between service quality and customer satisfacion. Accordingly, the result revealed that, overall service quality has significantly positive relationship with customer satisfaction. Concerning the relationship between customer satisfaction and service quality, some researchers have found empirical supports for the the finding mentioned above (Anderson & Sullivan, 1993; Fornell et al 1996; Spreng & Macky 1996); where customer satisfaction came as a result of service quality. Thus, regarding this research question, the result obtained by present research is in accordance with the findings of the previous researchers.

RQ₄: Which Service quality dimensions contribute significantly to determine customer satisfacion?

In this research, all service quality dimensions except, responsiveness have significantly contribute in determining customer satisfacion. Reliability followed by Assurance, Empathy and Tangebles are significantly influence customer satisfaction in decending order.

Furthermore, empirical research done on the impact of Service Quality on Customer Satisfaction of private sector banks in Bangladesh, it is observed that, out of five service quality dimensions, Tangible is having a high Mean score and the bank should concentrate on Responsiveness as it has the least mean score. In addition, The study establish the combination of tangibility, reliability, responsiveness, assurance and empathy together have significant effect on customer satisfaction (Karim & Chowdhury, 2014).

Therefore, service quality has positive effect on customer satisfaction. These two variables should work hand in hand to ensure success and survival of the private sector banks. The study accomplished that quality service is an important factor to satisfied customer satisfaction.

5.3 Recommendation

Based on analysis of the data and findings, the following recommendations are drawn:

- According to the finding, the highest and least percentage of the respondent are from Private limited companies with (51.4%) and Government institution (4.1%) respectively. Thus, NIC should adjust their marketing strategy to expand their business relation with all types of firms in order to be sustainable in the market. In addition further research should be conducted on the expected value of public institution toward NIC.
- The respondent service experience with NIC ranges from 2-4 year (19.5%) to more than 10 years (30%). From this, NIC should maintain an appreciation mechanism to uphold sustainability of long term business relationship.
- From the study, NIC lack to use an up to date technological equipment, So, the company should strive to acquire technological capacity that will enable them to provide a wide array of Insurance service promptly and efficiently to their customers. like wise Nic Physical facility is not as such

an eye catching thus, the management especially the marketing and development department should give due emphasis on the visually appealing of each service encounter so that it will enhance the levels of service quality.

- One of the worst score of NIC is reliability, NIC fail to give a reliable service to customer, thus, the employees of the company should work on keeping their promises when promise to do something by a certain time, show a sincere interest in solving client problem, inform users of the time required to perform transaction, and perform service right the first time and should maintain a strategy to settle claims easily with unnecessary delay . Furthermore, the companies should give the policy terms and condition with easy ,understandable terms and even should be delivered/interpreted in a local language.
- According to the findings, 88% among other attributes of responsiveness “Employees of Nic will never be too busy to respond to customers requests”. Thus, Nic should hire the required number of employee, who are self motivated, enthusiastic employees who will like to deal with customer and will try to solve customer complaints and other issues in an effective manner. Only then the insurer can render customer services efficiently and enjoy the benefit in the long run.
- From the finding assurance and empathy have score a gap of -1.03 and -0.80 from the attributes of “Employees and agent have a requisite knowledge to give professional service and “Employees have consistently customers’ best interest at heart” respectively. As a result, NIC should provide a training programs for front line employees, so that they become confident enough to handle customer requests. In addition, among the
- attributes of empathy “NIC have operating hours convenient to all” score the least gap of -.37. This shows, the positive implication to NIC as, the company set the working hours convenient to all customer.

- According to the findings Reliability dimensions score the highest gap of all (-1.47) followed by tangibles (-1.42). Therefore, since there is a need to fix service quality leakages in the two dimension, NIC should prioritized deployment of resources to these dimensions as they have the potential to positively impact the overall service quality .
- Furthermore, all the five service quality dimension are positively correlated with each other, thus, NIC should see the effects /behaviour of each dimension to one another while making a strategic decision as each of them are strongly correlated. In addition, the study presents, except responsiveness all the five dimensions of service quality, have significantly positive influence on customer satisfaction. Therefore, Nic should further give attention to those dimensions having significantly positive relation to customer satisfaction.

5.4 Major Limitation and Direction for Future Reseach

The focus of the study is assessing the impacts of service quality on customer satisfaction, a future study can be conducted in the area of service quality for Life products and expand its horizon in determining service quality for areas outside addis ababa branches. In addition, as employees are important in the area of service quality it will be a potential issue to research service quality from the employee perspective in the organization. Further more, as the study use a quantitative research method, it become bases for future researcher to see the implication of the result in qualitaive or using both methodologies. Last but not least, future research shall also be conducted by exploring other service quality

dimension which might have a higher potential in determining customer satisfaction.

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APPENDIXES

Appendix I

Statistical out put

1. Reliability test

- Reliability test of tangibility

Cronbach's Alpha	N of Items
.0937	4

- Reliability test of reliability

Cronbach's Alpha	N of Items
.929	7

- Reliability test of responsiveness

Cronbach's Alpha	N of Items
.746	4

- Reliability test of assurance

Cronbach's Alpha	N of Items
.885	4

- Reliability test of empathy

Cronbach's Alpha	N of Items
0.89	5

- Reliability test of overall items

Cronbach's Alpha	N of Items
.937	24

2. Regression Out put of each dimensions

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co linearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-.423	.244		-1.736	.084		
Overall Tangibility	.139	.055	.137	2.538	.012	.469	2.131
Overall Reliability	.464	.075	.462	6.197	.000	.247	4.049
Overall Responsiveness	.042	.073	.034	.576	.565	.386	2.587
Overall Assurance	.203	.080	.174	2.547	.012	.296	3.379
Overall Empathy	.256	.077	.159	3.346	.001	.609	1.641

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.840a	.706	.699	.538	1.985

a. Predictors: (Constant), Overall Empathy, Overall Tangibility, Overall Responsiveness, Overall Assurance, Overall Reliability

b. Dependent Variable: Overall satisfaction

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	148.329	5	29.666	102.609	.000 ^b
	Residual	61.871	214	.289		
	Total	210.200	219			

a. Dependent Variable: Overall satisfaction

b. Predictors: (Constant), Overall empathy, Overall Tangibility, Overall Responsiveness, Overall Assurance, Overall Reliability

3. Correlations out put

Correlations

		Tangibles	Reliability	Responsiveness	Assurance	Empathy	Overall satisfaction
Overall Tangibility	Pearson Correlation	1	.727**	.484**	.547**	.397**	.649**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	220	220	220	220	220	220
Overall Reliability	Pearson Correlation	.727**	1	.705**	.775**	.550**	.809**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	220	220	220	220	220	220
Overall Responsiveness	Pearson Correlation	.484**	.705**	1	.754**	.548**	.645**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	220	220	220	220	220	220
Overall Assurance	Pearson Correlation	.547**	.775**	.754**	1	.600**	.729**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	220	220	220	220	220	220
Overall Empathy	Pearson Correlation	.397**	.550**	.548**	.600**	1	.591**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	220	220	220	220	220	220
Overall satisfaction	Pearson Correlation	.649**	.809**	.645**	.729**	.591**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	220	220	220	220	220	220

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