

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,
KUMASI.
INSTITUTE OF DISTANCE LEARNING

EVALUATION OF CUSTOMERS PERCEPTION OF INSURANCE
BROKING SERVICES IN THE KUMASI METROPOLIS

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CERTIFICATION

I hereby declare that this thesis is my own work towards the award of the Commonwealth Executive Masters in Business Administration and to the best of my knowledge, it does not contain any material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due knowledge has been made in the text.

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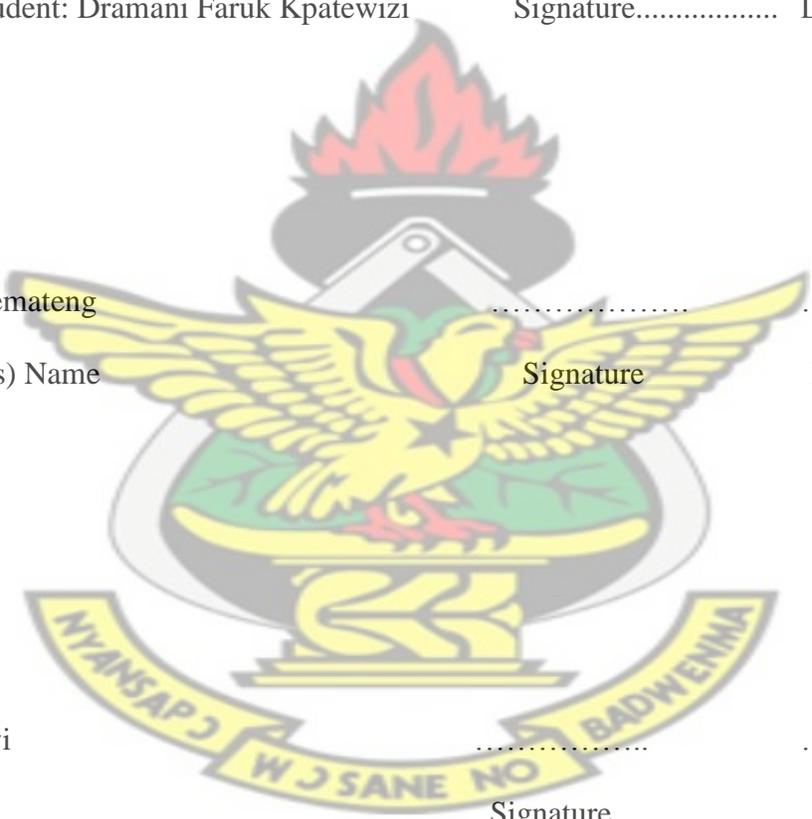
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DEDICATION

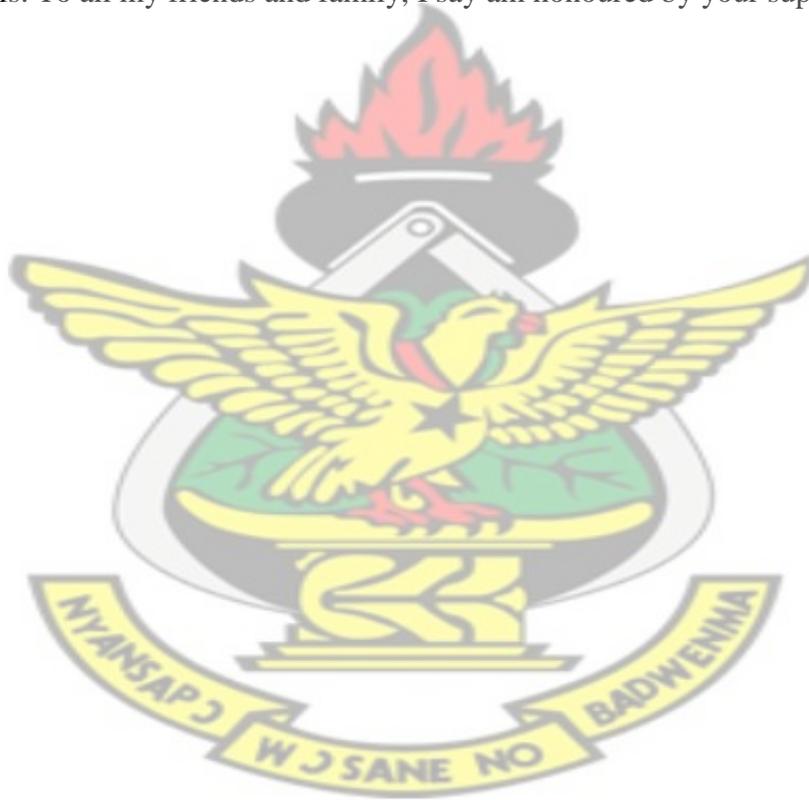
This work is dedicated to Mr Emissah of UCC, Mr Patrick Banchani (retired) of Damongo Senior High School, my Wife and my most beloved son, Jayden Dramani Wisdom

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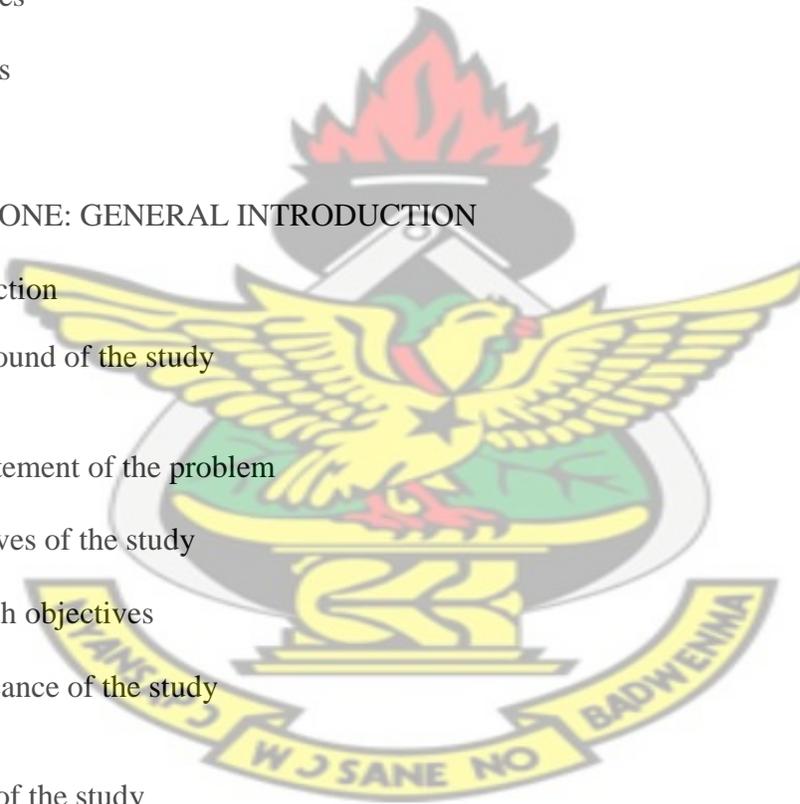
ABSTRACT

The insurance industry is said to be of great significance and contributes very much to the Ghanaian economy. The concept of Insurance Brokerage is deemed to be very crucial to the survival of the industry. The work of the Broker is purely customer services and adding more flavour and satisfaction to customers who take insurance policies. The main objective of the study is to evaluate the customer perception of Insurance Broking services in Kumasi Metropolis. The study made use of both primary and secondary data. A sample size of 117 made up 33 staff of insurance Brokerage companies and 84 customers were used for the study. The analysis of the questionnaire and survey which is the main research instrument revealed that insurance Brokers have contributed tremendously to a successful insurance market in the Kumasi Metropolis leading to high levels of customer satisfaction. The analysis shows evidently that, as staff of the brokerage firms were of the perception that, they were providing a better service delivery for the reliability dimension, it was found from the side of the customers that, it was not actually so. The survey also finds that, the satisfaction level of customers' brokerage firms was very high in the sense that approximately 15.48 percent of customers indicated that they were highly satisfied and rated it as excellent with the services, while 48.81 percent of them were satisfied and rated it as good and 22.62 percent also rated it as satisfactory. In all 86.91 percent of the customers were satisfied with the quality of service they received from the brokerage firms. Recommendations made at the end of the study include improvement in service quality, public education and further study in insurance Brokerage. Others are the merger of smaller broking firms, regular supervision of broking firms by the NIC, and the review of entry requirements for broking firms.

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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This Introductory chapter looks at the background of the study, the statement of the problem and its objectives. It also looks at the significance of the study and organization of the study.

1.1 Background of the Study

The extent of competition in today's globalized economy has risen to its fiercest level thus, resulting to the point that it becomes more difficult for products and services to be differentiated from other offerings than ever before. Not only is the number of competitive offerings rising due to globalisation of production, sourcing, logistics and access to information.

Many products and services face new competition from substitutes and from completely new offerings or bundles from industries outside. Since product differences are closed at an increasing speed and many companies try to win the battle for customers by price reductions, products and services tend to become commodities. Conversely, customer behaviour becomes more hybrid; with customers becoming increasingly price sensitive and searching for bargains at marketplaces like eBay or buying groceries at discount markets on one hand, while, they enjoy branded and luxury goods on the other (Recklies, 2006).

Currently, customers have a wider choice of often less distinguishable products and are much better informed. For many offerings the balance of power shifts towards the customer. Customers are widely aware of their greater power, which raises their expectations on how companies should care for them. In summary, it becomes ever more difficult to differentiate a product or service by traditional categories like price, quality, functionality etc.

In this situation the development of a strong relationship between customers and a company could likely prove to be a significant opportunity for competitive advantage. This relationship is no longer based on features like price and quality alone. Today it is more the perceived experience a customer makes in his various interactions with a company (e.g. how fast, easy, efficient and reliable the process is) that can make or break the relationship. Problems during a single transaction can damage a so far favourable customer attitude (Recklies, 2006).

The consequence for companies is that they have to adapt their ways of competing for customers. Traditionally, companies have focused their efforts of customer relationship management on issues like customer satisfaction and targeted marketing activities like event marketing, direct marketing or advertising. Although doubtless necessary and beneficial, these activities are no longer enough. They narrow the relationship between company and customer down to a particular set of contacts in which the company invests its efforts. Most likely this will produce not more than a satisfied customer who is well aware of the company's offerings and has a positive attitude towards them. However, a satisfied customer is not necessarily a loyal one (Krell, 2005).

In the insurance sector customers are not that loyal to one particular insurer or broker (agent), especially when they are not receiving value for money kind of service. Hence, contemporary companies are forced to consider how to create a loyal customer base that will not be eroded even in the face of fierce competition. Therefore, the insurance broker must realize the necessity of studying and understanding various antecedents (viz. service quality, switching cost, trust, corporate image, and customer satisfaction) of the customer loyalty which might help them to develop a loyal customer base (Sharp & Sharp, 1997).

This work is therefore an exploratory study to unearth the perception that customers have about insurance broking based on the quality service in the delivery of quality customer service and to channel future research in customer perception in the Kumasi Metropolis

1.2 The Statement of the Problem.

Albrecht (2003) indicated that the art of marketing is the ability to differentiate products and services in a way that attracts and retains customers. In order to do this well, “having a handle on” how the customer thinks and feels is essential. There is no substitute for gauging how customers think and feel than by assessing customer perception through intelligently designed and unbiased initiatives.

The problem statement is that the negative perception of insurance broking services by customers leads to low performance of broking services hence low market share and its negative impact on profitability and growth in order to achieve competitive advantage and efficiency, the insurance institutions have to seek profitable ways to differentiate themselves by adopting prudent strategies to reach success; and the delivery of excellent service quality has highly been recommended, especially, during this era of turbulent competition in the

sector. The intensified focus has made customer satisfaction as a business objective where service quality is a key success factor that can bring about the much sought after strategic competitive edge. It is therefore opportune to examine the customer perception of the brokers in insurance.

1.3 Objectives of the Study

Service quality and customer satisfaction is a considerable part of business, which makes it important to properly and correctly assess its effectiveness and efficiency. It is upon this premise that the general objective to evaluate the perception that customers of insurance brokers in Kumasi metropolis within the Ghanaian insurance industry was adopted.

The specific objectives of the study;

- 1 To identify the factors that influence customer perception of service and the relationships among customer satisfaction, service quality and individual service.
- 2 To determine ways to improve service delivery of brokers within Kumasi metropolis
- 3 To ascertain methods of maintain customer loyalty and trust of brokers within Kumasi metropolis
- 4 To determine which dimensions of service quality is significant to the insurance brokers in Kumasi.
- 5 To make relevant recommendations and suggestions to management of insurance brokers to improve customers' perception on their respective services.

1.4 Research Questions

In order to attain the main objective of the study the following research questions were posed.

- 1 What factors influence customer perception of service provided by insurance broking firms in Kumasi?
- 2 In what ways can service delivery be improved in the insurance industry in Kumasi?
- 3 How can insurance broking firms in Kumasi maintain customer loyalty and trust?
- 4 Which dimension of service quality is significant to the insurance brokers in Kumasi?
- 5 What is the best way to improve the services of insurance brokers in Kumasi metropolis.

1.5 Significance of the Study

The purpose of this study could be outlined below:

Academic purpose: The output of this study will contribute to knowledge and literature in the subject area under investigation; and serve also as a base for further research for students, teachers, researchers and consultants interested in the topic who want to conduct similar studies into other related fields.

Management of Insurance Brokers in Ghana: it will also provide a framework for handling customers' perception and offering quality services to their clients' satisfaction.

Policy makers: It is expected that the study will help the government especially the national Insurance Commission (NIC) in regulating the activities of the insurance brokers in the area

of quality services to clients. The study could also inform national and corporate policies. The results would be of relevance to the major insurance institutions assessing their customers' perception on quality of service and will serve as a guide on what strategies to adopt in customer satisfaction and loyalty.

1.6 Scope of the Study

The study was conducted within the framework of evaluating customers' perception of quality service delivery in the insurance industry. The study was carried out in the seven insurance brokers operating within the Kumasi Metropolis. It is a case study approach of the seven insurance brokers and did not cover other brokers outside of Kumasi Metropolis to reflect the entire industry approach to customers' perception of quality service delivery. Hence the result was not generalized but its findings placed it in the relevant context of the brokers studied.

1.7 Limitation of the Study

The study is limited to the customers' perception of the performance of the insurance brokers at Kumasi. This research has identified among others the following limitations that the study could encounter.

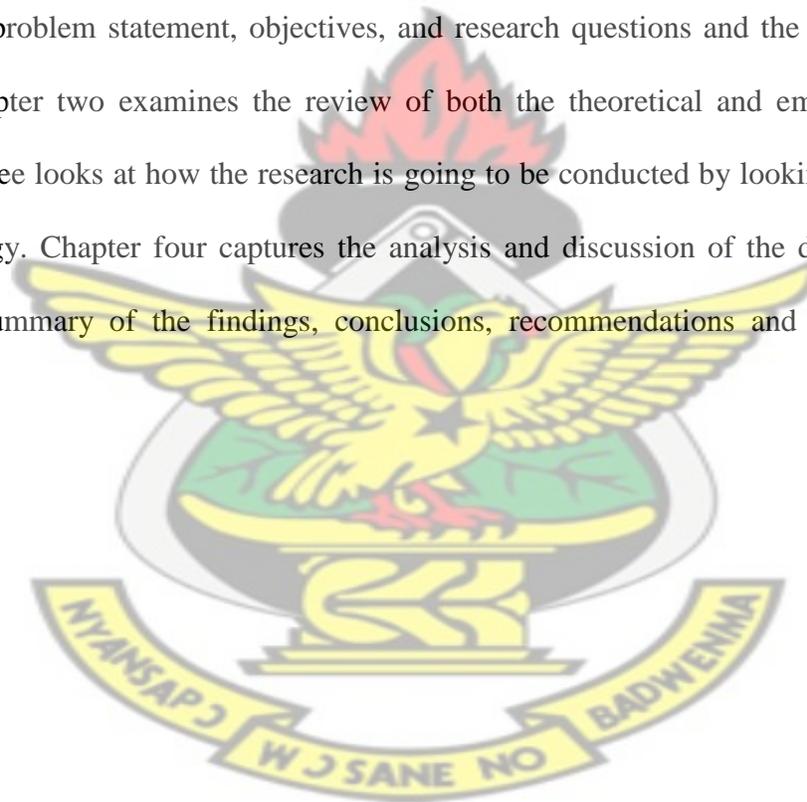
1. The unwillingness of management and staff of the seven brokers to release information which will enrich the study and also establish a strong validity and reliability.
2. Even though insurance brokerage nationwide study would have been more appropriate, there are constraints of financial resources and unavailability of

data and time as well as materials which will make it possible to undertake a study of such magnitude.

3. Moreover, costs in terms of printing, photocopying, binding as well as opportunity cost would be incurred without the requisite bursary from government which would be provided at a much later date.

1.8 Organizational Structure

The study is structured into five main chapters: Chapter one captures the background of the study, the problem statement, objectives, and research questions and the significant of the study. Chapter two examines the review of both the theoretical and empirical literature. Chapter three looks at how the research is going to be conducted by looking at the research methodology. Chapter four captures the analysis and discussion of the data. Chapter five looks at summary of the findings, conclusions, recommendations and areas for further research.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is devoted to the literature review on service quality for the purpose of orderly presentation; the study reviewed related literature such as those which impinged on the research problem, definition and measurement of service quality, customers' perception, cost of poor service quality and its management and improvements.

Literature Review provides the foundation upon which the research is built to confirm, compliment, counter or establish any new trends that possibly might have emerged. This research proceeds accordingly to review literature that is relevant to the research topic

2.1 The Concept of Service Quality

Service quality is an important antecedent of consumer assessments of value. Value assessments in turn have been found to influence consumer satisfaction and motivate behavioral intentions (Zeithaml, 1988; Babakus and Boller, 1992). Notable examples of behaviors motivated by a favourable service quality assessment are repurchasing intentions, loyalty and word of mouth. Recent research also suggests that the causal order of this means-end value chain (i.e. service quality-satisfaction-behavioural intentions) is robust across national borders and as such has utility for international marketers (Brady and Robertson, 2001).

The phenomenal acceleration of changes in the nature of financial institutions in recent times in Africa brought about by the entry of new aggressive competitors, deregulation, globalization and automation, customers now have a wide array of choices in insurance

services (Owusu-Frimpong, 1999; Opoku et al 2009; Mehta & Tambe, 1997). Shook & Hassan (1988) suggested that in the developing countries, only those commercial banks that are able to apply effective consumer oriented marketing management will grow and prosper.

When individual purchase a service, they are influenced by the service provider and the quality of the experience they have with the service provider. There is no quality in the customer contact. If the transaction is done poorly, the organization ends up with a dissatisfied customer. Such customers may not only take their business elsewhere but also share their negative experiences with others (Burke, Graham & Smith, 2005).

It is important to understand how service employees feel about the quality of service they provide to clients since some previous research has shown that these assessments have positive correlation with client perception of service offered (Burke, Graham & Smith, 2005). Conversely, researchers in Ghana revealed a significant difference between the perceptions of service quality among management and employees when compared to the external customers. The customers believed that the level of service quality is low whereas employees think high of their service quality.

The implication of this dichotomy where employees hold a higher view of their product in comparison to external perceptions is that employees feel a reduced to improve quality (Opoku et al 2009). Knowledge of insurance services and procedures is an absolute precondition for quality of service. An employee's knowledge can be assessed by the level of their understanding of their changing work environment and will depend on their ability to implement insurance procedures, policies, products and services. Employee attitude relates to the reaction, response or behaviour displayed by employees towards their jobs.

There is positive attitude and effectiveness of Customer Relationship Management (Rootman, Tait and Bosch, 2008). Investment in training has intangible benefits such as improved attitudes and increased skills that may presage higher levels of service quality, customer satisfaction, and loyalty. Training also provides organizational members with values and culture cherished by the organization and communicates the organization's commitment to employee's careers development (Bansal et al, 2001)

2.2 Definition and Concept of Services

According to www.businessdictionary.com, (2010) service is defined as a valuable action, deed, or effort performed to satisfy a need or to fulfill a demand. It further explained that intangible products that are not goods (tangible products), such as accounting, banking, cleaning, consultancy, education, insurance, know how, medical treatment, transportation. Sometimes services are difficult to identify because they are closely associated with a good; such as the combination of a diagnosis with the administration of a medicine. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.

The International Standardization Organization (ISO) defines service as part of the total production concept. A product is the result of a production process. To produce means to create an added value. That is, the created value is larger than the sum of resources expended during the production process.

2.2.1 Intangibility in Services

The literature highlights intangibility as one of the key characteristics of services. Regan (1963) introduced the idea of services being “activities, benefits or satisfactions which are offered for sale, or are provided in connection with the sale of goods”. The degree of intangibility has been proposed as a means of distinguishing between products and services (Levitt, 1981). Darby and Karni (1973) and Zeithaml (1981) highlight the fact that the degree of tangibility has implications for the ease with which consumers can evaluate services and products. Other studies suggest that intangibility cannot be used to distinguish clearly between all products and services. Bowen (1990) and Wyckham, Fitzroy and Mandry (1975) suggest that the intangible-tangible concept is difficult for people to grasp. Bowen (1990) provides empirical evidence to support this view.

Onkvisit and Shaw (1991) feel that the importance of intangibility is over-emphasised. They believe that the service provider’s offer is their “productive capacity” and not the intangible nature of the offer.

2.2.2 Inseparability of Services

Inseparability is taken to reflect the simultaneous delivery and consumption of services (Regan 1963; Wyckham *et al* 1975; Donnelly 1976; Grönroos 1978; Zeithaml 1981; Carman and Langeard 1980; Zeithaml *et al* 1985; Bowen 1990 and Onkvisit and Shaw 1991) and it is believed to enable consumers to affect or shape the performance and quality of the service (Grönroos, 1978; Zeithaml, 1981).

2.2.3 Heterogeneity of Services

Heterogeneity reflects the potential for high variability in service delivery (Zeithaml *et al* 1985). This is a particular problem for services with a high labour content, as the service performance is delivered by different people and the performance of people can vary from day to day (Rathmell, 1966; Carman and Langeard, 1980; Zeithaml, 1985; Onkvisit and Shaw, 1991). Onkvisit and Shaw (1991) consider heterogeneity to offer the opportunity to provide a degree of flexibility and customisation of the service. Wyckham *et al* (1975) suggest that heterogeneity can be introduced as a benefit and point of differentiation.

2.2.4 Perishability of Services

The fourth characteristic of services highlighted in the literature is perishability. In general, services cannot be stored and carried forward to a future time period (Rathmell, 1966; Donnelly, 1976; and Zeithaml *et al*, 1985). Onkvisit and Shaw (1991) suggest that services are “time dependent” and “time important” which make them very perishable. Hartman and Lindgren claim that the “issue of perishability is primarily the concern of the service producer” and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service.

2.3 Customer Satisfaction

Customer satisfaction is recognized as being of great importance to all commercial organizations because of its influence on repeat purchase behavior and word-of-mouth recommendations (Berkman and Gilson 1986). In general terms, customer satisfaction is seen as the essential determinant of business success (Moore *et al.*, 1998).

On the other hand, as competition has increased, customer satisfaction has been identified as a determinant of market share, return on investment and cost reduction (Burch et al., 1995).

Nauman (1995) referred to several studies that had found that it costs about four times as much in time, money and resources, to attract a new customer as it do to retain an existing customer. This creates the challenge of maintaining high levels of service, awareness of customer expectations and improvement in services and products.

Satisfaction reinforces positive attitudes toward the product/service, leading to a greater likelihood that the same product/service will be purchased again and that dissatisfaction leads to negative product/service attitudes and lessens the likelihood of using the same product/service again (Assael, 1987).

2.4 Dimensions of Customer Satisfaction

Sureshchandar, et. al., (2002), emphasized in a study that customer satisfaction is a multi dimensional construct as in quality. Taylor and Baker (1994) also concluded that service quality and customer satisfaction are separate constructs. Whilst satisfaction indicates the state of a customer's psyche, quality refers to the state of a business' resources and efforts. Whiteley, (1991) differentiated product and service quality by defining the former as "What you get" and the latter as "How you get it". This is in agreement with Grönroos'(1990) two-dimensional aspects of service quality (technical quality – the quality of what is delivered; and the functional quality – the quality of how the service is delivered). Whereas customer satisfaction could be seen as the outcome of the difference between customer's perception and expectation of service quality, it should not be forgotten that factors such as price, packaging and situational factors such as the service encounter, would also influence satisfaction.

2.4.1 Tangibility Dimension

Tangibility refers to the appearance of physical facilities, personnel dress, equipment, communication materials, the staff's outward appearance, exterior design, location and its accessibility that are tangibles and can be felt or touched as well as all kinds of tools that are used for providing service.

2.4.2 Reliability Dimension

The capability to perform the promised service dependably and accurately, reliability involves in consistency of performance and dependability.

2.4.3 Responsiveness Dimension

Responsiveness refers to the willingness to help customers and provide prompt service; responsiveness concerns the willingness or readiness of employees to provide service. A willingness to react and reaction speed play a vital role in the service responsiveness.

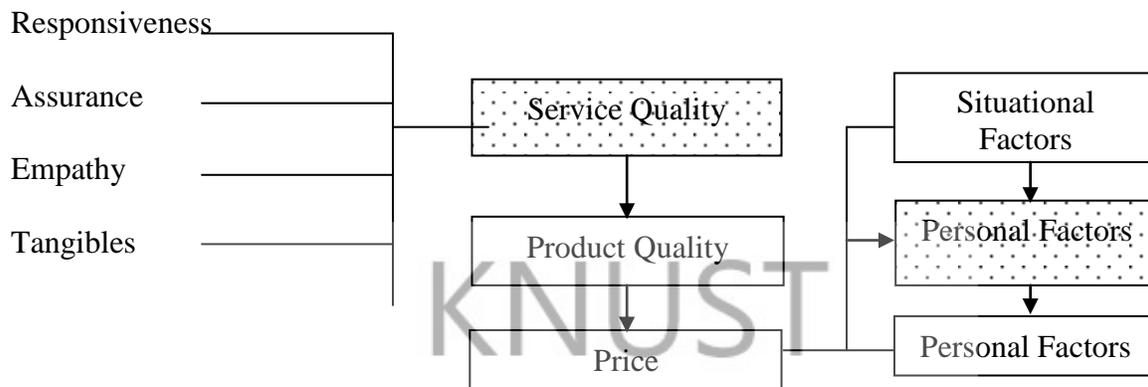
2.4.4 Assurance Dimension

Assurance refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence including competence, courtesy, credibility, and security, Service assurance relates to the seller's capability to deliver the output, specifically in terms of the knowledge, politeness and trustworthiness of the employees and the service firms.

2.4.5 Empathy Dimension

Empathy also refers to the caring individualized attention that the firm provides its customers including access ability, communication and understanding the customer.

Figure 1: Customer Perception of Quality and Customer Satisfaction.



Source: Adopted from Zeithaml et al 1987

2.5 Types of Customers

Mark Hunter, (2010) stated that in retail, the idea of focusing on the best current customers should be seen as an on-going opportunity. To better understand the rationale behind this theory and to face the challenge of building customer loyalty, there is the need to break down customers into five main types:

Loyal Customers: They represent no more than 20 percent of our customer base, but make up more than 50 percent of our sales. These people are the ones who can and should influence ones buying and merchandising decisions. Nothing will make a Loyal Customer feel better than soliciting their input and showing them how much their views are valued.

Discount Customers: They shop our products frequently, but make their decisions based on the size of our discounts.

Impulse Customers: They do not have buying a particular item at the top of their “To Do” list, but come into the office on a whim. They will purchase what seems good at the time.

Need-Based Customers: They have a specific intention to buy a particular type of item or service

Wandering Customers: They have no specific need or desire in mind when they come into the office. Rather, they want a sense of experience and/or community.

If we are serious about growing our business, we need to focus our effort on the loyal customers, and merchandise our store to leverage the impulse shoppers. The other three types of customers do represent a segment of our business, but they can also cause us to misdirect our resources if we put too much emphasis on them.

2.6 Managing Service Quality

Kotter (2000 pg 438) pointed out that service firms may win by delivering consistently higher quality service than competitors by exceeding customers expectations. Customers compare the perceived service to find whether the service meets exceeds their expectations. What exceeds expense use the service provided again? A model is thus presented:

2.6.1 Model of Service Quality Gaps

There are seven major gaps in the service quality concept, which are shown in Figure 1. The model is an extension of Parasuraman et al. (1985). According to the following explanation (ASI Quality Systems, 1992; Curry, 1999; Luk and Layton, 2002), the three important gaps, which are more associated with the external customers, are Gap1, Gap5 and Gap6; since they have a direct relationship with customers.

Gap1: Customers' expectations versus management perceptions: as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

Gap2: Management perceptions versus service specifications: as a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardisation and an absence of goal setting.

Gap3: Service specifications versus service delivery: as a result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

Gap4: Service delivery versus external communication: as a result of inadequate horizontal communications and propensity to over-promise.

Gap5: The discrepancy between customer expectations and their perceptions of the service delivered: as a result of the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

Gap6: The discrepancy between customer expectations and employees' perceptions: as a result of the differences in the understanding of customer expectations by front-line service providers.

Gap7: The discrepancy between employee's perceptions and management perceptions: as a result of the differences in the understanding of customer expectations between managers and service providers.

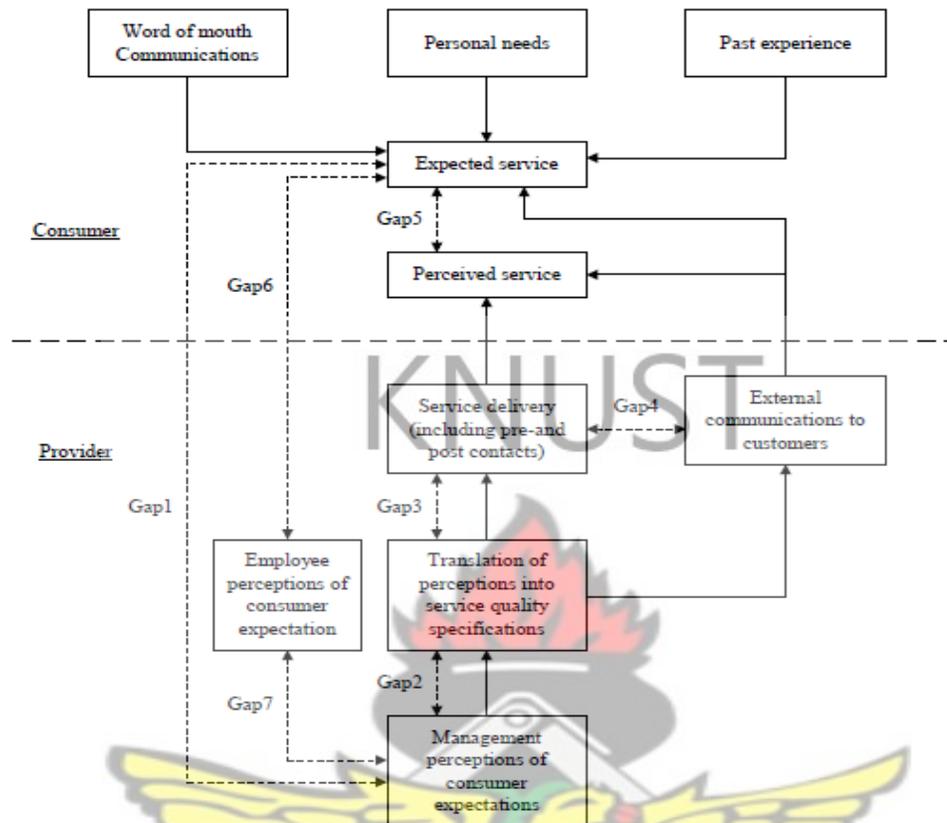


Figure 1. Model of service quality gaps (Parasuraman et al., 1985; Curry, 1999; Luk and Layton, 2002)

2.6.2 Consumer Perception

Consumer perception refers to the process by which the consumer receives, selects, organizes and interprets information to create meaning. Perception is an individual process and depends on internal factors such as a person's beliefs, experiences, needs, moods and expectations (Belch & Belch, 2001).

It is important to understand consumers attitudes because they have an impact on consumers exposure, attention and reaction to marketing messages through a series of cognitive and effective processes (Schlosser *et al*, 1999). Perception, which is an important part of the consumer response process, can be divided into seven elements, which is outlined as below (Wells *et al*, 2006).

Table 1: The seven elements of perception

Element	Definition
1) Selective perception	Process where the mind screens out useless information
2) Perceptual distortion	Consumers distort their perception to fit what they expect to see
3) Perceptual vigilance	Process where consumers receive only information most relevant to their needs
4) Perceptual defence	Protects the consumer from threatening or contradictory stimuli, therefore consumer perceives information as conforming to his/her beliefs and attitudes
5) Perceptual equilibrium	Consumers seek consistency between internalized and new information
6) Perceptual organization	Process during which information will become useful to the consumer when organized from raw data
7) Perceptual interpretation	Consumers interpret stimuli differently based on their values, norms and interests

Figure 2. The model of seven elements of perception (Wells et al, 2006)

Selective perception can occur at any of the four below stages of perception:

- 1) Selective exposure – Consumer chooses whether to make themselves available to information;
- 2) Selective attention – Consumer chooses to focus attention on certain stimuli while excluding the rest;
- 3) Selective comprehension – Consumer interprets the information based on his own attitudes, beliefs, motives and experiences;
- 4) Selective retention – Consumer remembers only part of the information he sees, hears and reads even after paying attention to and understanding it (Belch & Belch, 2001).

Understanding how consumers perceive information from external sources is important to marketers in devising their marketing and communication strategies. Moving on, we will now proceed to discuss more about the consumer response process.

2.6.3 Consumer Response

The response process

The receiver's set of reactions after seeing, hearing or reading the message is known as a response. Consumer response can range from non-observable actions such as storing information in memory to observable actions such as actual product purchase (Belch & Belch, 2001). The general consumer response process consists of the following dimensions (Wells *et al*, 2006).

Decision making – Consumer determines if he needs or wants the product

Persuasion – Changes consumer's attitude and behavior

Association – Brand takes on symbolic meaning for the consumer

Affective/emotional response – Feelings that stimulate wants and creates feelings

Cognition – How consumer responds to, learns and understands information

Perception – Process of interpretation of stimuli through five senses

Behavior – Consumer wants to try and buy the product

Consumer response hierarchy models

In order to portray the different phases that a consumer goes through when moving from an oblivious state of a company, product or brand to actual purchase behavior, several models have developed to illustrate this process.

The four best-known traditional models are

AIDA model (Attention, Interest, Desire, Action); Hierarchy of effects model (Awareness, Knowledge, Liking, Preference, Conviction) ;Innovation adoption model (Awareness, Interest, Evaluation, Trial, Adoption) and Information processing model (Presentation, Attention, Comprehension, Yielding, Retention, Behavior) (Hanekom *et al*, 2007)

All of the four models are based on the view that the response process consists of a movement through a sequence of three basic stages.

Table 2. Stage and descriptive table

Stage	Description
1) Cognitive <i>Attention, awareness, knowledge, presentation, comprehension</i>	<ul style="list-style-type: none"> - Includes awareness that the brand, product or service exists and knowledge, information or comprehension about its attributes, characteristics or benefits - Consumer gathers information, starts to converse about and goes on to understand the message
2) Affective <i>Interest, desire, liking, preference, conviction, evaluation, yielding, retention</i>	<ul style="list-style-type: none"> - Refers to the consumer's feelings or affect level (like or dislike) for the brand, product or service - The 'emotional' phase
3) Conative/Behavioral <i>Action, purchase, trial, adoption, behavior</i>	<ul style="list-style-type: none"> - Shows consumer's action towards the brand, product or service

Table 2. The stage and descriptive table (Hanekom et al, 2007)

The main criticism of the above models is their relative simplicity and mechanistic representation of the consumer response process (Hanekom *et al*, 2007). Over the past years, considerable research has been done in fields such as marketing, social psychology and communications. This has led to questioning of the above traditional cognitive affect behavioral sequence of development stages (Belch & Belch, 2001) and the development of

alternative models to evaluate the consumer response process. We will proceed to briefly discuss these alternative response hierarchies below.

Table 3: Alternative model description

Alternative Model	Description
<p>Three-orders model of information processing By Michael Ray, 1973</p>	<p>Based on perceived product differentiation and product involvement</p> <p>1) <i>Standard learning hierarchy</i> - When consumers are <i>highly involved</i> in the message and purchasing of the product and when there is <i>high differentiation</i> between different brands of same product, they will proceed through a <i>learn-feel-do</i> sequence, namely the cognitive, affective and conative/behavioral phase</p> <p>2) <i>Dissonance/attribution hierarchy</i> - When consumers are <i>highly involved</i> in the message or purchasing of product but product differentiation is <i>low</i>, he/she will proceed through a <i>do-feel-learn</i> sequence, namely the conative/behavioral first, then affective and lastly cognitive</p> <p>3) <i>Low-involvement hierarchy</i> - When consumer involvement and perceived product differentiation are both <i>low</i>, consumer follows a <i>learn-do-feel</i> sequence, namely cognitive first, then conative/behavioral and lastly affective phase</p>
<p>Integrated information response model By Robert Smith and William Swinyard, 1982</p>	<p>- For low-involvement purchases, Cognition Trial Affect Commitment</p> <p>- For high-involvement purchases, <i>message acceptance</i> is a prerequisite for affect development</p> <p>Consumers are likely to integrate information from advertising, other sources and direct experiences in forming judgments about a brand</p>
<p>FCB planning model By Richard Vaughn, 1980</p>	<p>- Combines involvement levels with</p>

Table 3. Alternative model description(Belch & Belch)

2.6.3 Perceived Service Quality and Total Perceived Service Quality

Quality is known as being one of the key factors of success in organizations. By understanding the subjective evaluation criteria from customers in these processes, the company can begin to change its service quality in a positive direction. Grönroos (2000) presents two models for managers to understand quality through consumer behaviour and the effects from comparing expectations about a good with experience of it and later evaluating it.

These models are known as the perceived service quality model and the model of total perceived service quality.

The perceived service quality model focuses on how customers experience the service quality provided by a company (Figure 2). Experience is a stand-point shaped from the accumulated prior experiences of the client, which can be split into two different dimensions.

On one hand, there is the technical (outcome) dimension and on the other hand the functional (process-related) dimension. These two can shortly be explained as being the “what and how” of experienced quality. The “what” is what customers actually receive in the interaction with the provider of the service and the product or service that they are left with when this interaction is over? “What” is the objective dimension of the two? The “how” is the manner in which the product or service is delivered to the consumer.

This includes how consumers are met by representatives from the service providing company and how easy they could get in touch with them if they need assistance, to mention

some. The functional quality of the process is subjective since it is based on encounters with the service provider. (Grönroos, 2000)

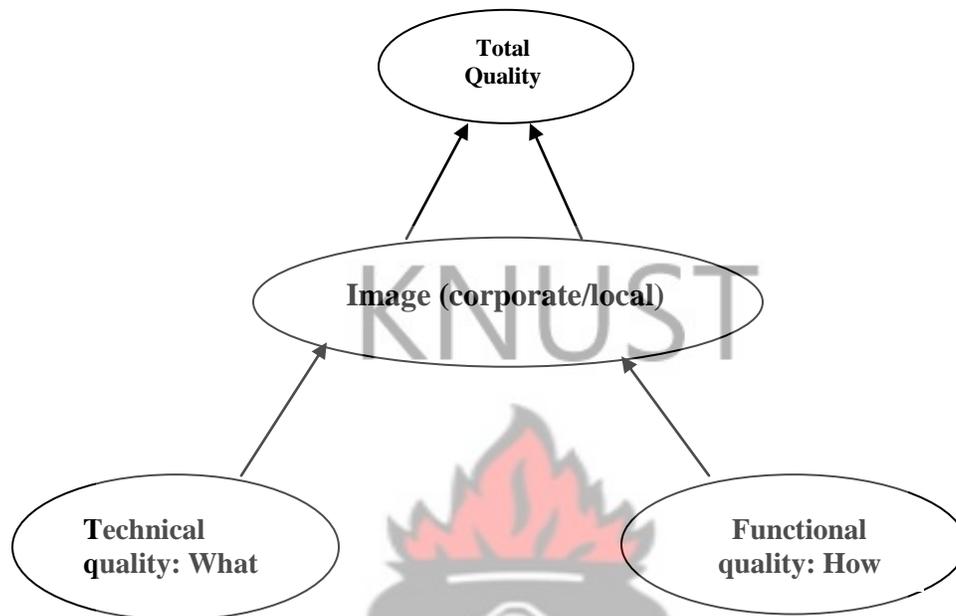


Figure 3 – Perceived service quality model (Grönroos, 2000)

2.7 Insurance Broking

According to (Ian Grainge, 1989); a British Chartered Insurer who started his insurance career as a senior broking officer in charge of broking and technical services division of Minet Insurance Brokers Group, an insurance broker can be defined as an intermediary in the insurance market who has acquired the requisite training or qualification which enables him to hold himself as an expert existing essentially to offer insurance consultancy services and seeking the interest of the insured (client) and not the insurer's.

The broker thus is presumed to have the necessary technical and professional knowledge on various classes of insurance policies with the ability to handle practically all insurance needs and problems of every prospective buyer of insurance but with a limited authority of finding

an insurer willing to accept a transfer of the client's or principal's risk contrary to the existing policy terms and conditions which sometimes differ from one insurer to the other with respect to the preferred insurance policy being purchased.

An insurance broker is someone who acts as a go-between for businesses and insurance companies. Once one contacts an insurance broker and let them know what your need, they will search and find the best policies for the customers' consideration.

The story of modern day insurance business is believed to have taken its root in Britain's history as a sea-faring nation in the 16th century. However, the development of the market as we know it today can be traced directly from the Industrial Revolution and the economic power this brought to Britain (Dick Hurt, 1995).

The earliest insurances were concerned with marine risks, and the growth of the intermediary system has been concurrent with the development of marine insurance. Although little evidence exists, it is probable that intermediaries were employed by the Lombards who, finding life in Northern Italy had become intolerable as a result of the wars between the German Kaiser, Heinrich II and the Church of Rome, emigrated in the thirteenth century to various parts of Europe, including England (Nicholas Barbon, 1992).

According to him, they brought with them their highly developed system of banking, shipping, usury and marine insurance. He revealed that the earliest policies issued in England were written in Italian so the first task of the intermediary here was probably that of a translator.

In the fourteenth and fifteenth centuries, public resentment at the presence of the Lombards and other non-indigenous people conducting business in the country grew, to the effect that during the reign of Elizabeth I (1558-1603), restrictive measures were enacted against them which caused them to emigrate leaving behind their expertise on marine insurance for the benefit of the indigenous underwriters and intermediaries. Thus, the practice of the concept of insurance broking is consistent with the legacy which these merchants who eventually became unpopular and had to pack bag and baggage, left behind during their departure from the UK.

One of the earliest references to insurance intermediaries was in 1575. At that time the drafting of policies were recognised as a specialised legal task and was undertaken by persons referred to as “notaries”. Their ire was aroused when patent letters giving a virtual monopoly for this work granted to one business man known as Richard Chandler, and in their protest, the notaries are said to have been joined by those who assisted the merchants in buying and selling and in their contracts, were also concerned in the writing of insurance policies and such like’. These, it would seem, were the first practicing insurance brokers (Oliver Griffith, 1990).

At the time of the Chandler case, those seeking insurance could either go directly to an underwriter or employ an intermediary. They had a free choice. If the proposed insurance was relatively simple and a suitable and willing underwriter was known, then a direct approach would be made and terms agreed. However, if the venture was hazardous or the proposed contract more complex, then the services of an experienced intermediary would be sought.

The hazardous nature of marine insurance meant that no one would gamble more than a fraction of his fortune on any particular venture. Therefore, someone had to run around the city to assemble a list of names to provide insurance for each venture. The benefits here include expertise advice on matching the customer's needs to what is available in a wide range of markets and help with claims when losses occur. Throughout the Tudor period (1545 – 1603) there was a growth in the overseas trade which brought with it an increasing demand of marine insurance as Britain's trade developed and by the early 1700s, the profession known as Insurance brokers had become a well established part of the commercial scene in London (Griffith et al, 1992).

By this time the insurance of ships and their cargoes had become the part time occupation of a large and disparate group of private individuals. Some such as merchants, ship owners and bankers had specialised knowledge but others were simply wealthy and with a willingness to speculate as was the spirit of the age.

The insurance broker had the particular skill of ensuring that policies were underwritten only by men of sufficient financial integrity to meet their share of a claim to the full extent of cover granted, if the need be, as had become the practice, of their personal fortunes. To quote Gibb in Lloyd market of London, the brokers were “the fixed point in a floating market”.

It was they who were the professionals, the full time men who depended on insurance for their work and livelihood, who kept registered offices, knew the underwriters and through experience were the best informed on the technicalities relating to the insurance contract (Griffith et al, 1992).

2.7.1 Insurance Broking in Ghana

The advent of insurance brokerage firms in Ghana although largely unheralded, as most of them lack the glamour associated with the direct underwriting insurers in terms of magnificent office accommodation, geographical spread as in branch network and usually characterised by limited staff strength, has proved to be a watershed in the development of Ghana's growing insurance industry (Elliot Williams, 2004) - Business & Financial Times' Annual Survey of the Broker Market.

The first insurance brokerage firm; Marine & General Insurance Brokers, was incorporated in 1969. Thirty years later when the National Insurance Commission undertook a major shake-up in the entire local insurance industry, 18 insurance brokerage firms were licensed to operate. The Ghana Insurance Brokers Association (GIBA) was established in 1987 with pioneer membership strength of 12 – (NIC Newsletter, May 2007).

The number has steadily grown over the years and currently, the numerical strength of Insurance Brokers operating in the local insurance market exceeds forty (40) and there are others that have applied to the NIC for brokers' license. By the close of December 1995, statistics released by the Regulator; NIC, was indicative of the fact that the insurance brokerage market had only about seventeen (17) companies, which had registered and licenced as such (NIC Newsletter, August, 2009).

These Companies include Marine & General Insurance Brokers, All Risks Consultancy, Akoto Risk Management, Dannaid's Insurance Brokers, KEK Insurance Brokers, Edward Mensah, Wood & Associates, Alliance Insurance Brokers, Insurance Consultancies International, and Legal & General Insurance Consulting. The rest are Ark Insurance

Brokers, Claim Limited, Global Impact Insurance Brokers, Crown Insurance Brokers, Universal Insurance Brokers, Maxpel Intermediaries and Inter-Africa Insurance Brokers. Five years later, precisely between 1995 and 2000, six more companies registered to transact business as brokers. They include companies like Double D & M, Manyo Plange & Associates, Tri Star Insurance Services, Apex Insurance Brokers, International Consortium Brokers and UD Insurance Services. (Business & Financial Times, Nov. 23rd, 2004).

Between 2004 and 2007, about eighteen (18) Brokers were licenced to operate. The new entrants include Safety Insurance Brokers, Newland Risk Management, AV International, Lordship Insurance Brokers, First Anchor Risk Management, Dynamic Insurance Brokers, Je-Rock Insurance Brokers and Saviour Consultants.

Others are Progressive Insurance Brokers, Horizon Insurance Brokers, Gras Savoy Insurance Brokers, Alpha Insurance Brokers, Insurance Centre of Excellence, Cerise International, Global Link Insurance Brokers, Prudent Consult and Ghana International Insurance Brokers, Midas Brokers Limited and Universal Insurance Brokers Limited. However, the number of brokerage firms in the industry has increased significantly since then and a recent market survey conducted by Business & Financial Times revealed that by the end of 2008, over 40 insurance brokerage firms were legally mandated to operate in the country (Elliot Williams, 2009)

Prior to the early 1990's, the Professional called "an Insurance Broker" was neither famous nor popular amongst Ghanaians as very few of them had cropped up coupled with the fact that most consultancy services are barred from public adverts. Insurance transactions were therefore mainly effected either directly between insurance companies and the insured, or

through agents of these companies who together with the brokers act as intermediaries between the insurance companies and the insuring public except that whereas the agent seeks the interest of the insurer, the broker is engaged to essentially seek the interest of the insured or his client and not the insurance company where the business is placed by the broker.

2.7.2 The Functions of the Insurance Broker

Ian Grainge (2005) has itemised the functions of an insurance broker as follows:

Taking instructions from the client who appointed him as a consultant; Executing such instructions in an efficient, effective and beneficial manner; Negotiating for clients to ensure prompt and adequate claims payment.

In meeting the foregoing functions, a multitude of different tasks and or responsibilities according to him, must be performed including:

1. Obtaining a detailed knowledge of the client's business and philosophy;
2. Maintaining clear records of the client's business so that this can be explained to an insurer and other interested parties when required;
3. Provision to the client of technical advice and on developments in the insurance market and the law;
4. Maintaining a detailed knowledge of available markets;
5. Selection and recommendation of an insurer or group of insurers;
6. Negotiating with insurers on the client's behalf;
7. Acting promptly on instructions from clients and then providing them with written acknowledgements and progress reports;
8. Providing the client with a written record of the insurance placing;

9. Collecting and remitting premiums;
10. Where appropriate and dependent on the size of both the client and broker, providing additional services, such as risk management services and uninsured loss recoveries;
11. Assisting in the negotiation of claims

2.8 Major Differences between Insurance Brokers and the Agents

The major distinction between the Insurance Broker and the Insurance Agent is that whereas the Broker is a professional body corporate with a formal training in the general practice of the insurance business who is independent and seeks the general interest of the insured or his clients, the Agent is a representative of an insurance company who is only given a minimal informal training by that insurer to sell and sustain its policies to the insuring public and by so doing, obliged to seek the general interest of that particular insurance company (Edwin W Patterson, 2003).

According to John S. Bickley (2006), whilst the Broker can deal with all existing companies in an insurance market whilst transacting business on behalf of the insured, the Agent is limited to doing business on behalf of just one insurance company to the total exclusion of his or her principal's competitors' products or policies.

Though not an absolute separation; an agent by nature, is an insurance company's representative by way of agent-principal legal custom. The agent's primary alliance is with the insurance carrier, not the insurance buyer. A broker generally has no contractual agreements with insurance carriers and relies on common or direct methods of perfecting business transactions with insurance companies.

The above distinction according to P. Maynard (2008), a Chartered Insurer, in his book Insurance Broking, places the broker in an extreme advantage position over and above insurers' agents and this leverage has a significant beneficial impact on the insurance negotiations arrived at through brokers than agents.

Whereas the agent earns commission from his principal for businesses obtained and serviced, the broker earns a higher rate commission known as brokerage from premiums paid to insurers by his clients.

An insurance broker is a professional insurance practitioner but an insurance agent is not. An insurance broker is a body corporate; duly registered under the companies' code, 1963 but the insurance agent is not. Usually, the insurer's agent acts under specific and delegated authority from the insurer and is often authorized to bind coverage within delegated limits. The broker on the other hand has no such limited authority and because the broker is held to represent the policyholder, the insured is bound by the acts of the broker with respect to all the negotiations between the insurer and the insured.

Any misrepresentation, mistake, breach of warranty or fraud perpetrated by the broker on the insured's behalf makes the insured responsible as if the insured has committed the acts. It is important to understand clearly that the broker cannot make the insurance effective. The broker is not a party to the insurance as an insurer. However, many insurance agents may be licensed as both agents and brokers. (Nsiah, 2004)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0. Introduction

This chapter looked at the methodology employed to achieve the objective of the study. It focused on the population, sampling, research instrument; administration of questionnaire etc. under consideration is the staff and valued customers of the seven insurance brokers in Kumasi Metropolis who were targeted.

3.1 Research design.

The survey was conducted based on both primary and secondary data. Source of data include staff of broking firms, and randomly selected customers, text, articles, publications Etc.

3.1.1 Primary Data

Two different types of questionnaires consisting of both open and close ended items were developed purposely for gathering of primary data, one of which was a semi-structured interview questionnaire.

3.1.2 Secondary Data

Materials meant for secondary data are the various publications and reports regarding the industry both in Ghana and abroad, texts, journals and articles on quality service delivery, customer perception etc form part of the secondary data. Examples include; Hanekom et al, 2007; Belch & Belch, 2001; Oliver Griffithe, 1990 Etc

3.2 Sample and Sampling Techniques

Two separate samples were selected based on staff of insurance brokers in Kumasi and valued customers. The sampling techniques used in this study were purposive and quota.

The purposive sampling was adopted because the intention was to gain an insight into the service quality and customer perception phenomenon, hence the need to choose personnel who were well versed in the industry. Purposive sampling was also used to select which branch of the organization to visit for the study.

Simple random sampling was important to the study, since the study was intended to ensure some randomness and representativeness in the sample. The selection of the respondents for the study was guided by sampling procedure: the process involving sampling frame identification and the determination of relevant sample size. At the various brokers, stratified random sampling was used to select staff for the study. This was guided by the structure of leadership that is in use by the organization at the various branches.

This method of sampling was therefore ensured that staff in the clerical, supervisory and managerial categories. Prior to the administration of the questionnaire, managers of the brokering firms that were chosen for the study were contacted for permission and staff list of their respective branches obtained. Names of staff were randomly selected from the various levels. The number of staff picked from a particular level depended on the number of staff. For instance clerical staff dominated the branches and so was the number that was chosen for the study.

Also the customers were chosen from all the classified customer groups: for example salaried workers, retail, small and medium enterprises as well as corporate clients using the

simple random sampling method. This was intended to ensure representativeness in the sample. Some assistants were employed and trained to assist in the administration of the questionnaire to customers. While at the brokering firms, customers that come to do business were counted and a tenth of each of the customers was approached and the purpose of the study explained to him/her.

Table 3.1 Guide: sample size and technique for selecting respondents

Target Group	Sample Method Required		
	Estimated Number	Sample Selected	Technique used
Staff			
Clerical	50	28	Questionnaire Interview
Supervisory	20	5	
Customers			
Individual Customer	150	63	Questionnaire
Corporate Customers	20	15	
SMEs	10	6	
Total	250	117	

Source: Field work notes

The non-probability sampling method of random sampling, specifically, Quota Sampling, was adopted in the selection of the sample size for the staff at the major offices chosen. This method ensured that representative samples of all the known elements of the population occur in the sample.

3.3 Data Collection Instrument

The main instruments that were used to collect information for the study were the questionnaire and interview schedule (both structured and unstructured). Questionnaires were given out to both staff and customers at the selected branches of the organization. A total of one hundred and seventeen (117) respondents comprising staff and customers were given questionnaires. The questionnaire was administered to both corporate and retail customers as well as individual customers.

The questionnaire was structured to consist mainly of closed ended type questions in order to elicit feedback from respondents about what their experiences with the post office in terms of facilities, customer service, and product innovation, how responsive and competitive the organization is. The questions that were designed for the external clients (external customers) were structured around specific criteria based mainly on customer service, and whether or not the post office is the best of choice. Other information collected include how long respondents have been with the organization, how the organization was responding to competition with regards to access to product innovation, and customer base among others. These were the main areas around which data gathered from clients were analyzed. Responses categories mainly range from strongly disagree, disagree, neutral, agree to strongly agree.

3.4 Data Analysis

The raw data obtained from a research is useless unless it is transformed into information for the purpose of decision making (Emery and Couper, 2003). The data analysis involved reducing the raw data into a manageable size, developing summaries and applying statistical inferences. Consequently, the following steps were taken to analyze the data for the study.

The data was edited to detect and correct, possible errors and omissions that are likely to occur, to ensure consistency across respondents. The data was then coded; to enable the respondents to be grouped into limited number of categories. The Microsoft Excel software and SPSS were used for this analysis. Data was presented in tabular form, graphical and narrative forms. In analyzing the data, descriptive statistical tools such as bar graph, pie charts complemented with mean, median and standard deviations.

3.5 Limitations to Data Collection

Some of the respondents saw the exercise as a waste of time as they put it and for that matter were not prepared to compromise few minutes of the precious time as it were to answer the questions. As a result 133 of the targeted respondents out of the estimated 250 could not be reached for their responses. It was also with difficulty and a lot of resources getting the questionnaire that was given to the staff back, taking cognizance of the busy schedule of staff.

2.9 Profile of Insurance Brokers in the Kumasi Metropolis

2.9.1 Tri-Star Insurance Services

Tri-Star Insurance Services is a strong force to reckon with in the delivering of risk and insurance services offering to its clients. It is wholly owned Ghanaian insurance consultancy firm registered and licensed by the National Insurance Commission to offer risk & insurance consultancy and brokerage services .From its founding and incorporation in 1997 and the commencement of business in 1998 to date, Tri-Star Insurance Services has provided strong leadership and innovation in the satisfaction of clients needs and the insurance industry as a whole — introducing and promoting the concept and practice of client representation through brokerage, the discipline of risk management, the globalization of insurance and risk management services and many other innovative tools and service spectrum.

2.9.2 Crown Insurance Brokers Limited

Crown Insurance Brokers Limited (C.I.B.) is a Private Limited Liability Company. It is adequately capitalized; perhaps the best capitalized among the existing brokerage firms in the country. Since it was licensed in May 2002 it has won the hearts of many clients including some high profile companies, which are the envy of older Brokerage Companies

2.9.3 MIDAS Insurance Brokers Ltd

Midas Insurance Brokers Limited was incorporated as a local insurance broking company in July 2007 and obtained its licence to operate in December 2007. Operations started on the 2nd of January 2008. Its aim is to have substantial international links providing enhanced services to several local and multinational firms in all sectors of the economy.

The company was formed by a group of insurance industry professionals who have worked over the years in the insurance brokerage business of Ghana and London market. MIDAS will be driven by service to the client with the focus on building relationship with the clients to produce timely and customer-focused insurance brokerage service to maximize client portfolios at competitive premiums

2.9.4 KEK Insurance Brokers Ltd

It is a local insurance and reinsurance firm with substantial international links providing enhanced services to several local and multinational firms in all sectors of the economy. The company was registered as a limited liability company in 1985, and obtained the license to operate as an insurance broking and consultancy firm in 1990. The company since its establishment has competently handled the insurances of well placed local and multinational companies.

The company has been continuously adjudged by the National Insurance Commission as the leading insurance broking firm in Ghana, since 1992.

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CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.0 Introduction.

This chapter looks at the presentation, discussion and analysis of data collected from the field by providing detailed information on the findings of the study and detailed discussions on responses obtained from the various questions posed to the respondents as well as the analysis of the findings.

4.1 Background of Respondents

The sample size for the study is composed of one hundred and seventeen (117) respondents coming from both the customers and the staff of the various Insurance Brokerage firms sampled for the study.

Table 4.1: Age and Gender of Respondents

Age/Gender	Male	Female	Total
16-30 Years	31	12	43(36.76%)
31-45 Years	18	19	37(31.62%)
46-60 Years	12	25	37(31.62%)
61 and Above	0	0	0(0.00%)
Total	61(52.14%)	56(47.86%)	117

Source: Field Survey, August 2011

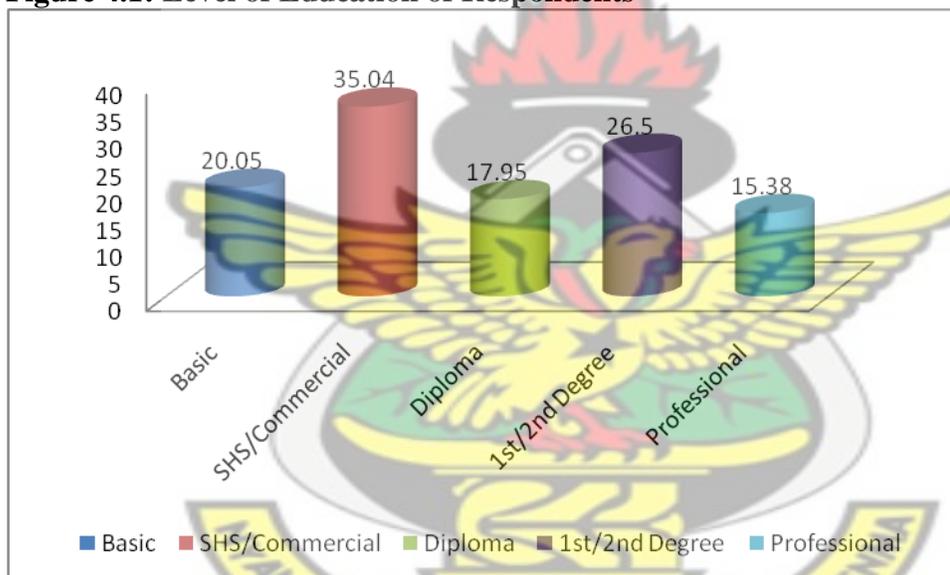
Table 4.1 shows that, majority of the respondents sampled from both the customers and staff of the brokerage firms were male of which sixty one (61) representing 52.14 percent were males and the remaining fifty six (56) representing 47.86 percent were female. On the age category, it was found that, majority were within the age category of 16-30 years, constituting 36.76 percent, the remaining were those in 31-45 years and 46-60 years of which both constitute 31.62 percent. However, none of the respondents neither of the staff

nor customers were 61 years and above. This result may be attributed to the sampling technique which ensures inclusion of all members of the population being sampled for the study.

The marital status of the customers reviewed that, predominantly of the customers were married representing 63.10 percent, 17.86 percent were also single, with none of the respondent being a widow or widower, however, 19.05 percent of the respondents were separated.

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Figure 4.1: Level of Education of Respondents



Source: Field Survey. August 2011

On the level of Education of the respondents sampled, it was found that, most of the respondents were holders of SHS/Commercial, this was attribute to the fact that, most of the policy holders are traders and other entrepreneurial ventures which does not required a higher certificate to operate. Those in this area constitute 35.04 percent, this was found to be followed by 26.5 percent which were also mainly staff of the brokerage firms and they posses either a first degree or second degree. Others certificates as shown in Figure 4.1 were

also those holding basic certificate, diploma and professional constituting 20.05 percent, 17.95 percent and 15.38 percent respectively.

Table 4.2: Business of Respondents (Customers)

Business	Frequency	Percentage
Sole Proprietor	27	32.14
Joint Venture	4	4.76
Micro scale enterprise	18	21.43
Small and Medium Scale Ent	7	8.33
Private Limited Company	9	10.71
Public/Civil Servant	19	22.62

Source: Field Survey. August 2011

Table 4.2 shows that, the customers sample for the study were mainly engage in a sole proprietorship business, of which they own entirely the whole company, this constitute 32.14 percent, the second highest was also found to be public and civil servants which constitute 22.62 percent, it is followed by those in the Micro Scale Enterprise which also constitute 21.43 percent, Private Limited followed with a percentage of 10.71 percent whiles the Small and Medium Scale Enterprise and Joint Venture follows with 8.33 percent and 4.76 percent respectively. This outcome indicate that, the respondents sample customers across all fields in order to have a varied view on the service quality deliver to them by the insurance brokerage firms.

4.2 Customers on the Service Quality Dimension

After reviewing the literature, a 15-item SERVQUAL questionnaire was developed to and analyzes the expectation and perceptions of customers of the insurance brokerage firms.

Each question is based on a 5-point weighted Likert scale as shown below:

- 1 === Strongly Disagree
- 2 === Disagree
- 3 === Uncertain
- 4 === Agree
- 5 === Strongly Agree

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4.2.1 Tangibility Dimension

This study employs some of these as shown in Table 4.3 below:

Table 4.3: Descriptive Statistics on Expectation and Perception about the Tangibility

Dimension

Perception			Expectation		
Item	Mean	Std Dev.	Item	Mean	Std Dev.
Insurance brokerage firm has up-to-date or state of the art equipment	4.03	0.023	Insurance brokerage firm should have up-to-date or state of the art equipment	3.88	0.105
Insurance Brokerage employees are professional and always appear neat	4.37	0.103	Insurance Brokerage employees should be professional and always appear neat	4.01	0.025
Physical facilities and interior décor are visually appealing	4.31	0.032	Physical facilities and interior décor should be visually appealing	4.07	0.132
Total Average	4.24		Total Average	3.99	

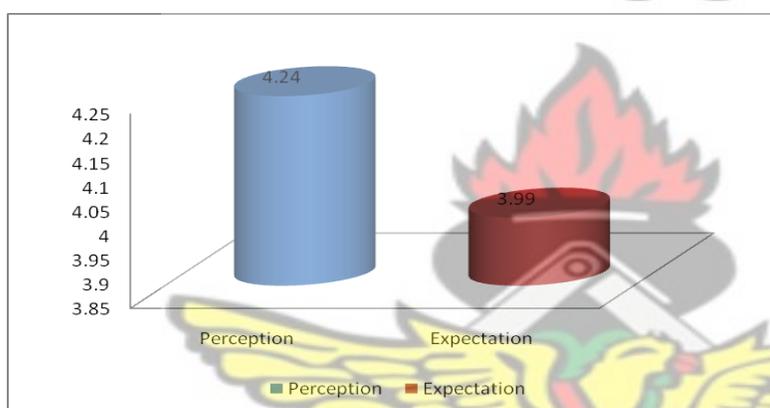
Source: Field Survey. August 2011

The tangibility dimension shown above indicates that, all the items used have perception being higher than the expectations of the clients or customers of the insurance brokerages.

As indicated in Table 4.3, it have been shown that, the customers perception on the

brokerages firms having an up to date state – of- art equipment was higher than their expectation with a mean of 4.03 for the perception as compared to 3.88 for expectation. Appearance of the employees of the firms were also appearing to neat, thus higher than the customers expectation, also having a mean score of 4.37 for the perception as compared to 4.01 of their expectation. Likewise, the facilities and interior décor also recorded higher perception of 4.31 as compare to 4.07 of their expectation.

Figure 4.2: Comparison of Expectation and Perception of Tangibility Dimension



Source: Field Survey. August 2011

Figure 4.2 shows the service gap for the tangibility dimension, as indicated, the perception of the tangibility was 4.24 as compare to its expectation of 3.99. As customers were expecting the brokerage firms to provide a service of 3.99 representing 79.8 percent, the brokerage firms were rather providing a service of quality level of 4.24 representing 84.8 percent. A service gap of 0.25 higher than the customers’ expectations. This shows in general that, the customers were being provided with a service higher than their expectations making the tangibility dimension service provision higher than the expectation of the service delivery of the customers of the brokerage firms.

4.2.2 Reliability Dimension

This study employs the variables as indicated in the table below:

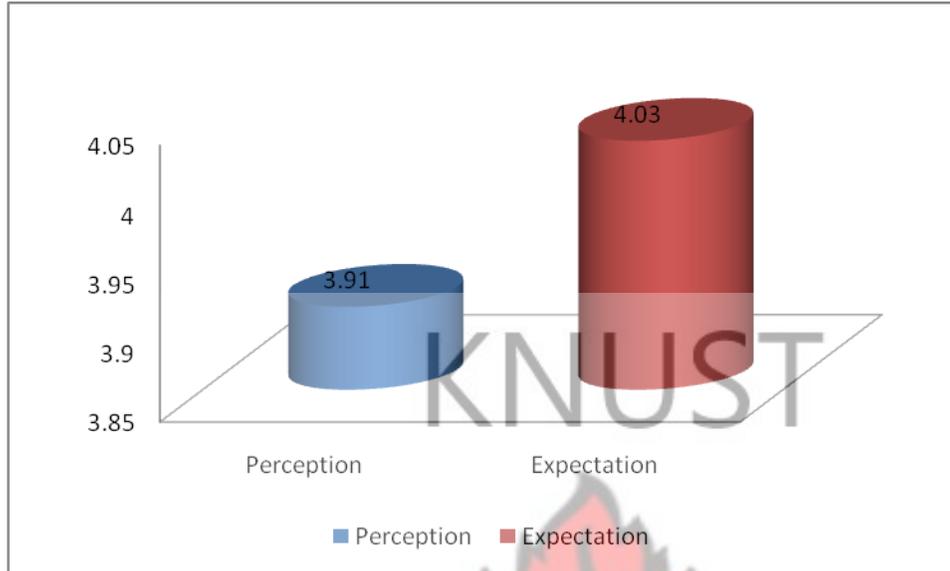
Table 4.4: Expectation and Perception about the Reliability Dimension

Perception			Expectation		
Item	Mean	Std Dev.	Item	Mean	Std Dev.
Insurance Brokerage provides services at scheduled times as promised	3.26	0.002	Insurance Brokerage should provide services at scheduled times as promised	4.25	0.023
Insurance Brokerage employees keep accurate records of customers	4.52	0.032	Insurance Brokerage employees should keep accurate records of customers	3.72	0.012
When you have a problem insurance Brokerage shows a sincere interest in solving it	3.94	0.182	When you have a problem insurance Brokerage should show a sincere interest in	4.11	0.201
Total Average	3.91		Total Average	4.03	

Source: Field Survey. August 2011

By and large, the perception items of the reliability were lower than their expectations with the exception of the accuracy of records of customers which has a mean of 4.52 as compared to 3.72 of the expectation of the customers. This shows that, the other two items service delivery of the brokerage firms did not meet the expectations of the customers. This can be explained that, the service delivery of the brokerage firms in the insurance industry were lower and did not meet the customer's expectation.

Figure 4.3: Comparison of Expectation and Perception of Reliability



Source: Field Survey. August 2011

Generally, the reliability dimension was found to be performing lower than their expectation of the customers. As shown in Figure 4.3, as customers were expecting the brokerage firms to deliver a service quality level of 4.03 representing 80.6 percent, the brokerage firms were delivering a service quality level of 3.91 representing 78.2 percent. This results shown that, there is a service gap of 0.84 lower than the expectations of the customers. A value of 3.91 for the perception indicates that, customers were not entirely agreeing with the perception as compare to its expectation of 4.03. This shows that customers were not satisfied with the reliability of the insurance brokerage service delivery.

4.2.3 Responsiveness Dimension

The items of the responsiveness dimension were found to be performing higher than the customers' expectation, with the exception of the response of client's complaints at the right time, which was recorded to be far below the customers expectation.

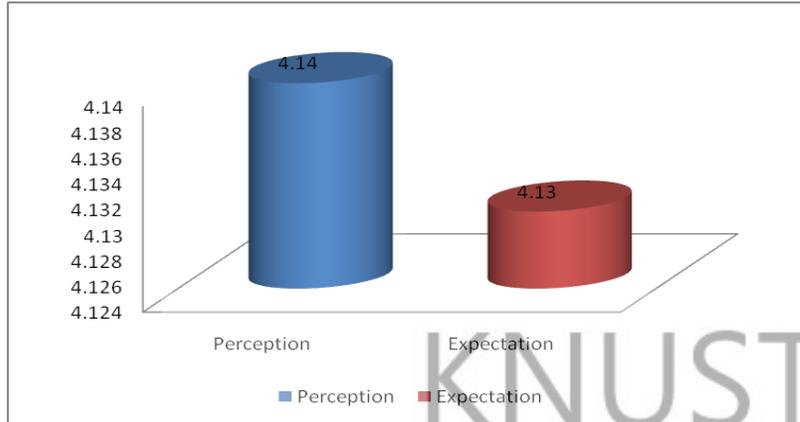
Table 4.6: Descriptive Statistics on Expectation and Perception

Perception			Expectation		
Item	Mean	Std Dev.	Item	Mean	Std Dev.
Insurance Brokerage response to client complaints at the right time	3.73	0.021	Insurance Brokerage should response to client complaints at the right time	4.02	0.042
Employees of insurance Brokerage tell customers exactly when service will be performed	4.15	0.051	Employees of insurance Brokerage should tell customers exactly when service will be performed	4.13	0.041
Employees of insurance Brokerage gives you prompt service	4.53	0.109	Employees of insurance Brokerage should give you prompt service	4.24	0.024
Total Average	4.14		Total Average	4.13	

Source: Field Survey. August 2011

As indicated in Table 4.6 the other two items shows that, the items for the responsiveness leads to a satisfaction level of service delivery of the responsiveness dimension. Generally customers were satisfied with the responsibility dimension of the service delivery of the insurance brokerage firms irrespective of their response to client complaints at the right time.

Figure 4.4: Comparison of Expectation and Perception of Responsibility Dimension



Source: Field Survey. August 2011

Figure 4.4 shows that, customers were satisfied with the service delivery of the responsibility dimension. As customers were expecting a service quality level of 4.13 (82.6 percent) the insurance brokerage firms were delivering a service quality level of 4.14 (82.8 percent) with a service gap of 0.01 higher than the expectation of the customers. Irrespective of the closeness of the differences of expectation and perception, customers were generally satisfied with the overall service quality delivery of the responsibility dimension.

4.2.4 Assurance Dimension

Employees of the brokerage firms were generally performing lower in terms of the assurance to customers comparatively to the expectations of the customers. Two out of the three items used in the assessment of the assurance dimension were found to be performing lower than the expectation of the customers. By and large, the general service delivery of the assurance dimension was lower, thus customers were not satisfy with the service quality level.

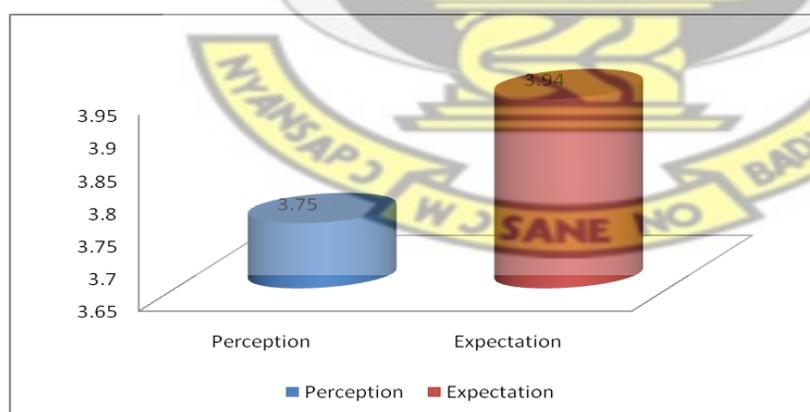
Table 4.7: Expectation and Perception about the Assurance Dimension

Perception			Expectation		
Item	Mean	Std Dev.	Item	Mean	Std Dev.
The behavior of employees in the company instills confidence in you	3.82	0.032	The behavior of employees in the company should instills confidence in you	3.07	0.023
Employees of insurance Brokerage tell customers exactly when service will be performed	3.44	0.030	Employees of insurance Brokerage should tell customers exactly when service will be performed	4.62	0.048
Employees in the company have the knowledge to answer your questions	3.98	0.201	Employees in the company should have the knowledge to answer your questions	4.13	0.072
Total Average	3.75			3.94	

Source: Field Survey. August 2011

With a mean of 3.75 for the perception, it shows that, customers were not generally agreeing with the items. However, its comparison to the expectation shows that, a mean of 3.94 shows that, customers were consistently agreeing more than that of their perception, thus gives its performance lower than the expectation.

Figure 4.5: Comparison of Expectation and Perception of Assurance Dimension



Source: Field Survey. August 2011

Figure 4.5 shows a service gap of 0.19, which falls short of the perception of the customers. This indicates that, customers of the insurance brokerage firm's perception were fall short and do not meet their expectations. Customers', expecting a service quality level of 3.94 were actually enjoying a service quality level of 3.75. This gives evidence to belief that, service deliveries of the assurance were not meeting customer's expectation leading to unsatisfactory service delivery.

4.2.5 Empathy Dimension

The Table 4.8 shows that, the caring individualized attention that the insurance brokerage firms provide were higher than what the customers were expecting.

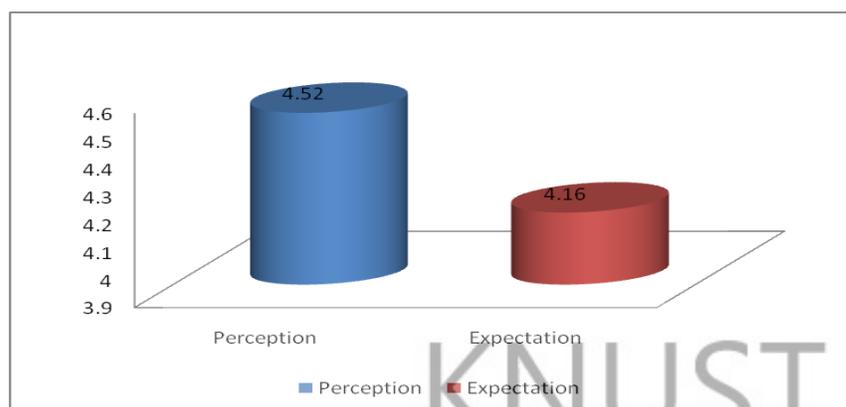
Table 4.8: Expectation and Perception about the Empathy Dimension

Perception		Expectation	
Item	Mean	Item	Mean
The company gives you individual attention	4.21	The company should give you individual attention	3.99
The company has operating hours convenience to customers	4.62	The company should have operating hours convenience to customers	4.33
Insurance Brokerage employees show concern when queue get too long	4.73	Insurance Brokerage employees should show concern when queue get too long	4.15
Total Average	4.52	Total Average	4.16

Source: Field Survey. August 2011

Table 4.8 shows that, all the items used for the empathy dimension were performing higher indicating that, customers were receiving a service delivery higher than the expectation of the customers. Averagely, customers were satisfied with the service delivery, as they were receiving a service quality level of 4.52 as compare to their expectation of 4.16

Figure 4.6: Comparison of Expectation and Perception



Source: Field Survey. August 2011

Figure 4.6 shows the service gap for the empathy dimension, as indicated, the perception of the empathy was 4.52 as compare to its expectation of 4.16. As customers were expecting the brokerage firms to provide a service of 4.16 representing 83.2 percent, the brokerage firms were rather providing a service of quality level of 4.52 representing 90.4 percent. A service gap of 0.36 higher than the customers 'expectations. This shows that customers were satisfied with the empathy dimension service delivery, in general, the customers were being provided with a service higher than their expectations making the empathy dimension service provision higher than the expectation of the service delivery of the customers of the brokerage firms.

Table 4.9: Total Service Quality Dimension

Dimension	Expectation	Perception
Tangibility	3.99	4.24
Reliability	4.03	3.91
Responsiveness	4.13	4.14
Assurance	3.94	3.75
Empathy	4.16	4.52
Total Service Quality Mean Score	4.05	4.11

Source: Field Survey. August 2011

Total service quality delivery is the average of the service quality of the dimensions, as shown from the Table 4.9, the general service quality level of the expectations of the customers of insurance brokerage firms were 4.05 as compare to their expectation of 4.11. This leads to the explanation that, customers were generally expecting a service quality level of 4.05, they were rather experiencing a service quality level of 4.11 which shows a general agreement and higher than their expectation. This leads to a general satisfaction level of service delivery in the insurance brokerage firms irrespective of some of the dimensions performing lower than the expectations of the customers. This analysis leads to the conclusion that, total service quality was found to be highly agreed among customers of the insurance brokerage firms.

Table 4.10: Summary of scores by ranking order of Expectation and Perception

Ranking Number (by weights importance toward clients Responds)	Comparison between Expectation and Perception	
	Expectation Respondents	Perception Respondents
1	Empathy	Empathy
2	Responsiveness	Responsiveness
3	Reliability	Tangibility
4	Tangibility	Reliability
5	Assurance	Assurance

Source: Field Survey. August 2011

Respondents result of ranking order in terms of priority of dimension is in contradiction to existing literature supported by a previous study in five separate industries by Parasuraman et al (1988), which tested for the presence of service quality by taking difference equations across Likert scale instruments of consumer perception, which resulted that, reliability was first, tangible was last among the priority of customers.

Study by Marc and McDaniel (1993), reveals that, consumer wants to have the provider meet their expectations in the area of reliability, responsiveness, assurance, empathy, and

tangibility followed by ranking order. However this analysis proves otherwise, as customers are being provided with a service in order of empathy, responsiveness, tangibility and assurance.

The only thing that was the same was that the empathy factor which came first as an important factor in the respondents' viewpoint; this implies that the clients of the insurance brokerage firms put much attention on the empathy outlook of the firms, this may be due to the fact that, the influx of the insurance industry firms has lead to competition, making the customers to place much emphasis on empathy as they require attention to customers.

4.3 Paired Sample Test

Paired samples test is used to compare two differences that were repeated measures from independent groups of respondent opinions to discover whether there were any significant differences between respondent opinions concerning service quality on expectation and perception. In this analysis, the researcher employs the paired sample test to assess the differences between the expectation and perception of the dimension, to find out if there exists a significant difference in a dimension.

Table 4.11: Summary of Paired Samples test on differentiation

A pair of factors between expectation and perception		Paired Differences		Sig. (2-tailed)
Expectation Factor	Perception Factor	Mean Difference	Standard Deviation	
Tangibility	Tangibility	0.25	0.8356	.003*
Reliability	Reliability	-0.12	1.2653	0.001*
Responsiveness	Responsiveness	0.01	1.4563	0.120
Assurance	Assurance	-0.19	1.6987	0.005*
Empathy	Empathy	0.36	1.6794	0312

Source: Field Survey. August 2011

Responses on expectation and perception had nearly equal levels of satisfaction in overall service perception. Only two dimensions were not significantly scored; this implies that there were no significant differences between these paired factors. Although most of the paired tests received a different score, 3 SERVQUAL dimensions which received a significant score were the tangibility, reliability and the assurance: which meant that, tangibility dimension difference for the perception is enough since its expectation is far below. Nevertheless, reliability difference needs a much closer look since its perception is lower than its expectations, while assurance is also performing lower than the expectation of the customers. These 3 factors will be a critical point for service managers because it is the differentiation between expectation and perception. However, since the tangibility difference is positive, it means resources for upgrading of the tangibility dimension can be used to help improve the service of reliability and assurance.

Table 4.12: Customer Service Delivery

Item	Mean	Std Dev.
The degree of customer relationship is high in the industry in Ghana	4.30	0.027
Your company charges higher rates for their services among the operations in the industry in Ghana	4.52	0.262
Customer retention is good; do you agree	3.02	0.015
There has been pressure from the BOG in recommending measures to respond to customer needs	3.16	0.001
The proliferation of insurance companies in Ghana in recent times has fuelled competition for customers	4.22	0.104
Increased customer awareness and sovereignty has brought about competition among operations	4.53	0.201

Source: Field Survey. August 2011

Customers were also of the opinion that, customer service delivery is of late paramount to the insurance brokerage firms due to the competition on the market in search of customers to patronize products. A mean value of 4.30 for the item “The degree of customer

relationship is high in the industry in Ghana” which was found to be agreed consistently due to its lower standard deviation of 0.027 shows that, customers were generally agreeing to the assertion of the item, this is attributed to the competition in the industry. Moreover, customers also and higher agree with some highly agreeing to the fact that the company’s charges are higher for their service, this was found to have a mean of 4.52 indicating a strongly agreeing and a general agreeing among customers of the insurance brokerage firms. On the retention, it was found that, customers were neutral as most of the them were neither agreeing nor disagreeing resulting in a mean of 3.02 and was done consistently with a standard deviation of 0.015 while pressure from the NIC also made a neutral benchmarking from the customers. This shows that, customers do have information regarding to these two items.

Furthermore, customers agreed that, proliferation of insurance companies in Ghana in recent times has fuelled competition for customers, this recorded a mean of 4.22 indicating a fairly agreement among respondents as well as for the item “Increased customer awareness and sovereignty has brought about competition among operations” which was found to be fairly strongly agree among respondents.

Based on the various experiences and the service delivery, it was found that seventy seven (77) respondents constituting 91.67 percent were ready to recommend their preferred brokerage firm to others while the remaining seven (7) were not. Reasons given by customers for their recommendation of their preferred brokerage include the following:

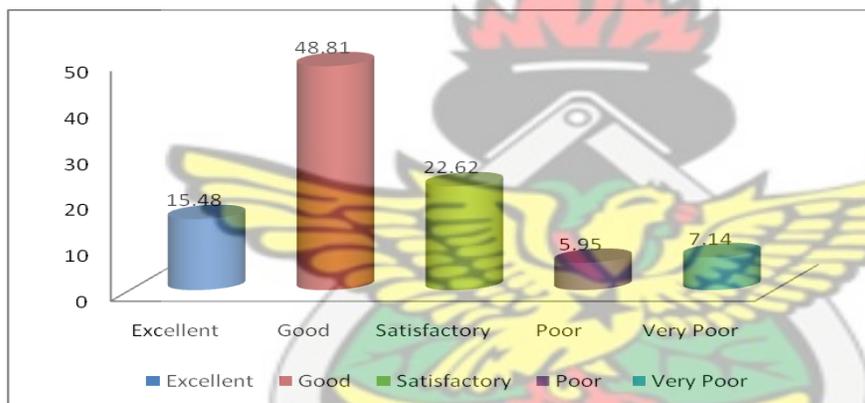
Flexibility in delivery of services; pro-active in service provision and delivery; accessibility in terms of location; up to date renewal and pre-renewal discussion with clients; delivering

of their promises as well as product innovation good customer relationship and quality of service and timely interventions in insurance matters.

Whereas on the other hand these reasons were given why customers do not recommend their preferred brokerage firm to friends such as: Miscommunication of product information to clients; Inadequate or less knowledge on products by staff or the brokerage representative; untimely and complex documentation in delivery of service to customers.

These forms the reasons behind the customers unwillingness to recommend their preferred brokerage to friends and other potential customers.

Figure 4.8: Rating of Preferred Brokerage Firm



Source: Field Survey. August 2011

From Figure 4.8, the predominant response about the level of customer rating his or her preferred brokerage firm with respect to the quality of service delivery of the insurance brokerage firms has to do with the fact that most customers were very satisfied with the quality of service delivery by the brokerage firms. This lead to a rating of Good which accounted for 48.81 percent of the responses gathered. In the same vain 15.48 of the customers were very satisfied with the service they received from the brokerage firms of which they rated it as Excellent.

Notwithstanding the fact that, the positive response which constitutes a cumulative of 64.29 percent of the entire respondents, there were other respondents who responded in the negative about the rating of their preferred brokerage firms; 5.95 percent and 7.14 percent of the customers rated the services of the brokerage firms as poor and very poor respectively, while 22.62 percent were indifferent.

On the other hand, despite the negative rating by some of the respondents, it was recorded that, seventy five (75) of the respondents representing 89.29 percent were ready to recommend their preferred brokerage to potential customers, while the remaining Ten of the customers thus 10.71 were not ready to recommend their brokerage to others with reasons as stated earlier regarding to the recommendation of the brokerage firms.

4.4 Results of Staff of Brokerage Firms

Staff of the various brokerage were generally agreed on the tangibility dimension, statistically computing the mean indicates that, the staff were agreeing a service quality level of 4.08 representing 81.6 percent to their clients or customers in the various brokerage

Table 4.13: Perception of Tangibility Dimension by Staff

Perception Item	Mean	Std Dev.
Insurance brokerage firm has up-to-date or state of the art equipment	4.08	0.023
Insurance Brokerage employees are professional and always appear neat	4.12	0.103
Physical facilities and interior décor are visually appealing	4.04	0.032
Total Average	4.08	

Source: Field Survey. August 2011

On the staff reliability, as shown above, staff were consistently agreeing on all items used of which resulted in an average mean of 4.42 representing 88.4 percent. This shows that, staff were of the opinion that, they were providing a service quality level better for the customers.

Table 4.14: Perception of Reliability Dimension by Staff

Perception Item	Mean	Std Dev.
Insurance Brokerage provides services at scheduled times as promised	4.56	0.207
Insurance Brokerage employees keep accurate records of customers	4.53	0.042
When you have a problem insurance Brokerage shows a sincere interest in solving it	4.17	0.482
Total Average	4.42	

Source: Field Survey. August 2011

Likewise, responsibility dimension also recorded a general agreement among the staff, as indicated in the table, all the variables used were consistently agreed upon by the staff of the brokerage firms with a mean of 4.31. It shows that, staff was delivering a service quality level of 86.2 percent to their clients in the insurance industry.

Table 4.15: Perception of Responsibility Dimension by Staff

Perception Item	Mean	Std Dev.
Insurance Brokerage response to client complaints at the right time	4.39	0.038
Employees of insurance Brokerage tell customers exactly when service will be performed	4.47	0.032
Employees of insurance Brokerage gives you prompt service	4.06	0.073
Total Average	4.31	

Source: Field Survey. August 2011

Evidently, staffs were also providing a service quality level of 4.16 of the assurance dimension to its clients, as shown all the items used under the assurance dimension were generally agreed upon indicating a service quality level of 83.2 percent.

Table 4.16: Perception of Assurance Dimension by Staff

Perception Item	Mean	Std Dev.
The behavior of employees in the company instills confidence in you	4.19	0.030
Employees of insurance Brokerage tell customers exactly when service will be performed	4.21	0.472
Employees in the company have the knowledge to answer your questions	4.07	0.067
Total Average	4.16	

Source: Field Survey. August 2011

Staff perception on empathy also followed a similar trend of being agreed upon all the items used. This is as a result of the belief of the staff of performing and delivering a better service quality to its customers. Staff belief that, they were delivering a service quality level of 4.20 representing 84.0 percent.

Table 4.17: Perception of Empathy Dimension by Staff

Perception Item	Mean	Std Dev.
The company gives you individual attention	4.22	0.032
The company has operating hours convenience to customers	4.35	0.047
Insurance Brokerage employees show concern when queue get too long	4.03	0.054
Total Average	4.20	

Source: Field Survey. August 2011

The comparison of the rank of perception of customers and staff of the insurance brokerage firms reveals an amazing outcome, as staff were of the opinion that they put much emphasis on the reliability dimension, this dimension actually falls last but one in terms of service delivery, while the empathy dimension which falls third in the service delivery of staff, it actually comes out to be first in terms of service delivery to the customers.

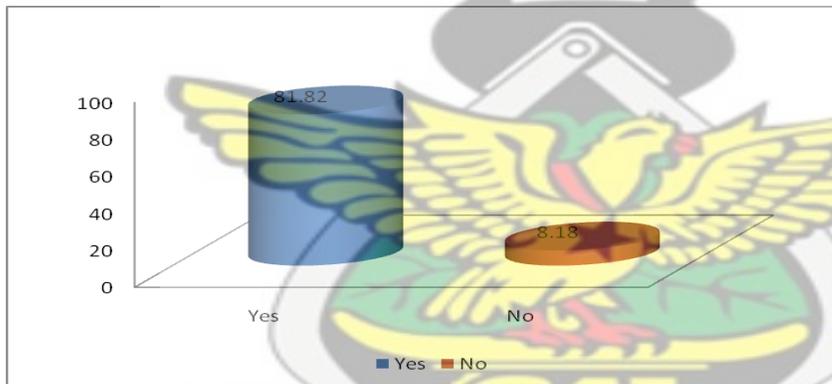
Table 4.18: Comparison of the Rank Perception of Customers and Staff

Ranking Number (by weights importance toward clients Responds)	Comparison between Expectation and Perception of Staff	Perception Respondents
1	Reliability	Empathy
2	Responsiveness	Responsiveness
3	Empathy	Tangibility
4	Assurance	Reliability
5	Tangibility	Assurance

Source: Field Survey. August 2011

This amazing result indicates that, customer's service delivery was different from what staff thought of being delivering to its customers.

Figure 4.9: Response of Staff Participation in Decision Making



Source: Field Survey. August 2011

In providing quality service, every staff and especially the front line staff feature prominently in the process and has a great impact on every aspect of the brokerage firms. The way the service is delivered by the staff contributes significantly to customers' satisfaction and retention. In sampling the views of the staff, 6 of them alluded to the fact that they do participate in decision making that affect them in delivering quality service to

their customers. This Figure forms 4.9 percent while the remaining 81.82 percent indicated they are part of the regular meetings for decision making.

The implication of Figure 4.9 shows that, as staff are involved in decision making process, they are able to channel the concerns of the customer and theirs as well, to management for attention and action. This is because the staffs are the immediate peoples who get in contacts with the customer daily and know what the customers want the company to do for them. This also ensures free flow of information concerning the company's operations and service delivery to management and from management to the staff. As staff are involved in decision making, they are well informed on policy by management and tend to embrace its implementation for excellent service delivery.

All these reasons given were as a result of frequent meetings and organization of capacity building for staff. Staff indicates that, the capacity building is organized as and when the need arises. Holding of departmental meeting to discuss issues pertaining to customer care and quality were also found to be very frequent and as and when the need arise, of which staff indicate that it happens frequently.

Unanimously, staff agreed that, products and services of the brokerage firms are tailored to suit customer needs, this was due to the fact that, customers always need some innovative products that will meet their spending.

4.5 Challenges Facing the Brokerage Firms

Various challenges were enumerated by staff of the brokerage firms as a factor which sometimes hinders the full operations of the brokerage services. These include:

Customers expectations are very high for each product; Delaying in delivering of services as a result of complex documentations; Most customers do not understand the policy before choosing; Customers do not understand the process of insurance claims

On the other hand, staff were of the opinion that, these challenges are sometimes averted by engaging the customers in a concise discussions by explaining and giving the necessary support as well as trying to answer their concerns. These challenges were found to delay the service delivery there by affecting the total service delivery of the firms.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction.

This chapter provides the summary of the research findings, conclusions and the requisite recommendations.

5.1 Summary of Findings

Various findings emerged as a result of the analysis of the data, of which several factors was found to be playing a significant role in the delivery of the service to customers. These findings are summarized as follows:

5.1.1 Factors that Influence Customer's Perception of Services

The analysis led to the findings that, customer's perception of services were mainly influence by the type of policy they enter into contract with. Moreover, it was found that, customers of the insurance brokerage firms actually have high expectation with respect to the general service delivery, this leads to their perception, thus expecting a higher service delivery on the part of the service providers. Factors that cause satisfaction and thereby influence perception were investigated and the finding reveals the prompt payment of claims, quick response to customers request and complaints, short turnaround time and the courteous manner in which the staff quickly apologized to customers when there is system breakdown. These were the main influencers of the perception of the service quality of customers. The customers of the insurance brokerage firms assess the service delivery of their brokerage firms based on these.

5.1.2 Customer Satisfaction, Service Quality and Individual Service Relationships

The analysis of the data leads to the findings that, customer satisfaction is actually influenced by the service quality delivered to individual customers. As it became evidently that, as more of the items within a dimension were agreed upon leads to a general agreement of the service quality dimension thereby leading to a greater satisfaction level of the service quality. It was found that, by and large, customers were very satisfied with the overall service delivery of the insurance brokerage firms which was mainly as a result of the better service quality delivery to the individual clients of the firms. Hence this agreed to Parasuraman et al (1993) a higher service quality delivery leads to a higher satisfaction level of customers.

5.1.3 Ways to Improve Service Delivery in the Insurance Industry

The analysis shows evidently that, as staff of the brokerage firms were of the perception that, they were providing a better service delivery for the reliability dimension, it was found from the side of the customers that, it was not actually so. On this basis, it is essential to improve upon the service delivery rendered to the customers by taking a critical look at the reliability and assurance dimension of the service quality. These two forms the basis of a way to improve the total service delivery, since they fall under the expectations of the customers.

Furthermore it was found that, irrespective of the various service dimensions being important, customers were rather giving much priority to their empathy dimension since it forms the most expected dimension on the part of the customers. Therefore empathy dimension becomes very vital by affecting service quality significantly to the brokers in the

industry. This might be due to the fact that, a lot of the customers do not actually understand the policies and therefore need a critical attention all the time from the brokers.

5.1.4 Level of Satisfaction

The survey also finds that, the satisfaction level of customers' brokerage firms was very high in the sense that approximately 15.48 percent of customers indicated that they were highly satisfied and rated it as excellent with the services, while 48.81 percent of them were satisfied and rated it as good and 22.62 percent also rated it as satisfactory. In all 86.91 percent of the customers were satisfied with the quality of service they received from the brokerage firms

5.1.5 Training of Staff

Furthermore, it has been mentioned earlier, quality service delivery depends heavily on the quality of its personnel. The finding has it that staff of the brokerage firms are constantly been trained on customer care issues, sales and human relations this is to ensure the maintenance of an improvement in quality standards. This training according to the staff is organized as when the need arises, but rather it is found to be very frequently termed as capacity building to acquaint them with modern day business processes, product Knowledge and others related issues that affect the operation. It also came out that the brokerage firms have made up a guiding principle of maintaining productive staff with the necessary experience and skills, who are well motivated to achieve result.

5.2 Conclusions

The study was primarily sought to evaluate customer's perception of brokerage firms in Kumasi metropolis. The study shows in terms of service quality delivering in the brokerage firms that, customers actually have a higher perception with regards to the general customer service delivery of the brokerage firms. However certain dimensions falls short of customer's expectation and its items used in the general discussions of the analysis, in spite of all these, the total service quality level was found to be good among customers and hence led to its rating by majority of the respondents sample for the study as the most of the general perception tends to higher than the expectations of the customers.

With regards to the study seeking to established a link for satisfaction level and customer service quality, it was revealed from the discussions of the analysis that, customer's satisfaction is influenced by the level of total service quality and hence tends to influence loyalty of customers. The higher the service quality, the higher the satisfaction level and hence the more loyalty of customers as was proposed by Parasuraman et al (1993).

5.3 Recommendations

In view of the findings of the study, a number of factors might be needed to take a second look to improve upon the general perception of service quality delivery in the brokerage firms in the insurance industry. The following recommendations are made:

5.3.1 Improvement in Service Quality Dimensions

Based on the findings, it is recommended that, the reliability and the assurance dimensions should be improve to either meet the expectations of the customers or above, this will lead to a general acceptance of the policies of the brokerage firms in the insurance industry since

all the policies should have reliability as its bedrock. Next to reliability is the assurance, since insurance deals with a contract of assurance to a policy holder, it is also recommend that, the management of the brokerage firms should strengthen their assurance dimensions to give much confidence to the mass public who might be interested in subscribing to a policy of the brokerage firms.

5.3.2 Educating the Public

The result indicates that, subscribers of the policy mainly do not understand the policy they have entered contract into. Therefore it is recommended that, the various brokerage firms should pick up a mass education of both the public and the customers on the policies of the brokerage firms as well as to educate customers on how to assess their claims from the brokerage firms.

5.3.3 Suggestions for further Study

It is also recommended that, a different study approach to be adopted to assess the perception of service quality delivery between firms to give much confidence to the firms which are performing higher than the expectations of their customers. For the broking industry it is strongly recommended that a special educational or research institution should be established to be updated with the regular changing dynamics in the industry.

5.3.4 Merger of Insurance Broking firms

Most of the broking firms are just too small and unable to attract major prospective clients as these clients look at the profile of firms before dealing with them. Basically, major businesses wish to ensure that the broking firm they are entrusting their company's insurance portfolio to have the staff to deliver quality service. The smaller broking firms

will therefore do better when they merge, as they will then attract the bigger institutions or organizations

5.3.5 Regular Supervision and Sanctioning by the National insurance commission

The identified unethical practices and sudden movement of business from one insurer to another by insurance brokers is being motivated by the National Insurance Commission's inability to properly and regularly monitor the performance of the major players in the industry and reprimanding offenders or taking relevant actions to deter potential ones.

5.3.6 Review of Entry Requirements for Insurance Brokers

It is quite disheartening to note that the insurance law allows any degree holder to practice as an insurance broker once the individual has worked in the insurance industry for a specified period of time. As the law stands, there is no guarantee that only qualified professionals would be licensed into broking. The weakness in this law should therefore be addressed with immediate effect. The fact that insurance is quite subtle and a complex business to most laymen, including even some insurance professionals needs no denial at all. It entails a lot of technicalities and demands specific skills to practice the trade successfully. It is therefore imperative that at least the top management of the company is able to hold out as professionals.

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APPENDIX I

SAMPLE QUESTIONNAIRE

The purpose of this questionnaire is to gather data for the “EVALUATION OF CUSTOMER PERCEPTION OF INSURANCE BROKERING SERVICE IN THE KUMASI METROPOLIS”. Data collected would be used solely for academic purpose and respondents are assured of confidentiality of information provided.

A. Personal Information

1. Gender: Male () Female ()
2. Age Group:
16 – 30 years () 31 – 45 years () 46 – 60 years () 61 years and above ()
3. Marital Status:
Married () Single () Divorced () Separated () Widow/ Widower ()
4. Level of education
Basic () SHS/ Commercial () Diploma () 1st and/or 2nd Degree ()
Professional () No formal education () others () Specify
.....
5. What type of business are you engaged in?
Sole Proprietor () Joint Venture () Micro Scale Enterprise () Small &
Medium Scale Enterprise () Private Limited Company () Public/Civil Servant ()
6. Name the insurance broker you are with.....
7. How long have you been with this insurance broker?.....

B. Assessment of the Perception of Service Quality

Listed below are five major features pertaining to your preferred Insurance Brokerage in Kumasi and the services they offer. We would like to know how important each of these features is to you when you evaluate the company’s quality of service. Please show the extent to which your preferred Insurance Brokerage firm would possess the features described by each statement. If you feel a feature is not at all essential, circle the number 1; if you feel a feature is absolutely essential circle 5 and if your feelings are less strong, circle 3. There are no rights or wrong answers – all we are interested in is a number that truly reflects your feelings regarding your preferred firm as one that delivers excellent quality of service.

Scale: 1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree

SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT
Tangibility	Insurance Brokerage firm has up-to-date or state of the art equipment.	1 2 3 4 5	
	Insurance Brokerage employees are professional and always appear neat	1 2 3 4 5	
	Physical facilities and interior décor are visually appealing	1 2 3 4 5	
Reliability	Insurance Brokerage provides services at scheduled times as promised	1 2 3 4 5	
	Insurance Brokerage employees keep accurate records of customers.	1 2 3 4 5	
	When you have a problem Insurance Brokerage shows a sincere interest in solving it.	1 2 3 4 5	
Responsiveness	Insurance Brokerage response to client complaints at the right time	1 2 3 4 5	
	Employees of Insurance Brokerage tell customers exactly when service will be performed	1 2 3 4 5	
	Employees of Insurance Brokerage gives you prompt service.	1 2 3 4 5	
Assurance	The behaviour of employees in the Company instills confidence in you.	1 2 3 4 5	
	Employees of Insurance Brokerage are consistently courteous with customers.	1 2 3 4 5	
	Employees in the Company have the knowledge to answer your questions	1 2 3 4 5	
Empathy	The Company gives you individual attention.	1 2 3 4 5	
	The Company has operating hours convenient to customers.	1 2 3 4 5	
	Insurance Brokerage employees show concern when queue get too long.	1 2 3 4 5	

C. Assessment of the Expectation of Service Quality

SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT
Tangibility	Insurance Brokerage should have up-to-date or state of the art equipment.	1 2 3 4 5	
	Insurance Brokerage employees should be professional and always appear neat	1 2 3 4 5	
	Physical facilities and interior décor should be visually appealing	1 2 3 4 5	
Reliability	Insurance Brokerage should provide services at scheduled times as promised	1 2 3 4 5	
	Insurance Brokerage employees should keep accurate records of customers.	1 2 3 4 5	
	When you have a problem GTBank must show a sincere interest in solving it.	1 2 3 4 5	
Responsiveness	Insurance Brokerage should response to client complaints at the right time	1 2 3 4 5	
	Employees of Insurance Brokerage should tell customers exactly when service will be performed	1 2 3 4 5	
	Employees of Insurance Brokerage should give you prompt service.	1 2 3 4 5	
Assurance	The behaviour of employees in the Company should instill confidence in you.	1 2 3 4 5	
	Employees of Insurance Brokerage should be consistently courteous with customers.	1 2 3 4 5	
	Employees in the Company should have the knowledge to answer your questions	1 2 3 4 5	
Empathy	The Company should give you individual attention.	1 2 3 4 5	
	The Company should have operating hours convenient to customers.	1 2 3 4 5	
	Firms' employees should show concern when queue get too long.	1 2 3 4 5	

Section D:

Choose from the suggested list below your level of agreement to the following statement which indicates various customer service drivers in the insurance industry.

Details	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Comments
The degree of customer relationship is high in the industry in Ghana						
Your company charges higher rates for their services among the operators in the industry in Ghana						
Customer retention is good; do you agree?						
There has been pressure from the NIC in recommending measures to respond to customer needs.						
The proliferation of insurance companies in Ghana in recent times has fuelled competition for customers.						
Increased customer awareness and sovereignty has brought about competition among operators.						

Section E: Recommendation

1. Which of the following best describe the type of policy held with the company?

1. Life [] 2. Health [] 3. Education [] 4. Funeral [] 5. Child [] 6. Motor [] 7. Accident [] 8. Property [] 9. Others, Specify []

2. Could you recommend your preferred Brokerage Firm to others?

Yes () No ()

Provide reasons for the choice ticked above.....

...

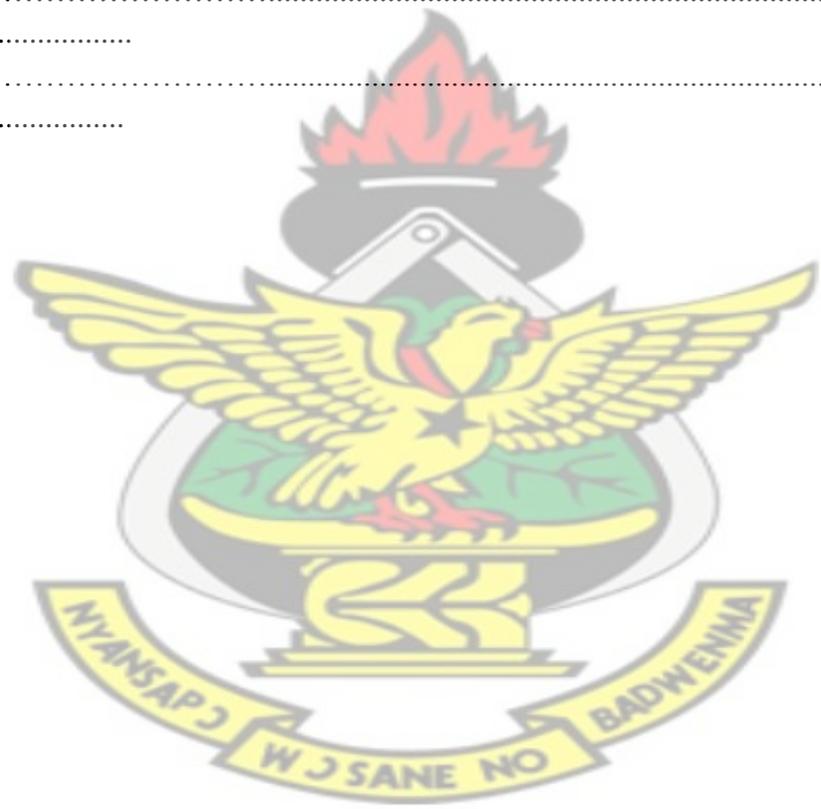
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3. How would you rate the services of your preferred Brokerage Firm?
Excellent () Good () Satisfactory () Poor () Very Poor ()
4. Would you recommend the preferred Brokerage to potential customers?
Yes () No ()

Please provide reasons for answer.....

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Scale: 1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree

SEQUA L	DETAIL	SCORE	ADDITIONA L COMMENT
Tangibility	Insurance Brokerage firm has up-to-date or state of the art equipment.	1 2 3 4 5	
	Insurance Brokerage employees are professional and always appear neat	1 2 3 4 5	
	Physical facilities and interior décor are visually appealing	1 2 3 4 5	
Reliability	Insurance Brokerage provides services at scheduled times as promised	1 2 3 4 5	
	Insurance Brokerage employees keep accurate records of customers.	1 2 3 4 5	
	When you have a problem Insurance Brokerage shows a sincere interest in solving it.	1 2 3 4 5	
Responsiveness	Insurance Brokerage response to client complaints at the right time	1 2 3 4 5	
	Employees of Insurance Brokerage tell customers exactly when service will be performed	1 2 3 4 5	
	Employees of Insurance Brokerage gives you prompt service.	1 2 3 4 5	
Assurance	The behaviour of employees in the Company instills confidence in you.	1 2 3 4 5	
	Employees of Insurance Brokerage are consistently courteous with customers.	1 2 3 4 5	
	Employees in the Company have the knowledge to answer your questions	1 2 3 4 5	
Empathy	The Company gives you individual attention.	1 2 3 4 5	
	The Company has operating hours convenient to customers.	1 2 3 4 5	
	Insurance Brokerage employees show concern when queue get too long.	1 2 3 4 5	

C. Employees Assessment of Internal Quality

1. Do employees of the firm participate in decision making process?

Yes () No ()

Please provide reasons for answer.....

2. Do management respond promptly to concerns of your firm's staff?

Yes () No ()

Please provide reasons for answer.....

3. How often does your Brokerage firm organize capacity building for staff for efficient delivery of duty?

Monthly () Quarterly () Semi-annually () Annually () As and when need arises ()

4. How often does management of your firm hold departmental meeting to discuss issues pertaining to customer care and quality service delivery?

Monthly () Quarterly () Semi-annually () Annually () As and when need arises ()

5. Are products and services of your firm tailored to suit customer needs?

Yes () No ()

Please provide reasons for answer.....

6. What are the challenges you encounter in the course of performing your duty as an insurance broker?

.....
.....

.....
.....

7. How do the above mentioned challenges affect your quality of service delivery?

.....
.....

.....
.....

8. How do you as an individual deal with such challenges?

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