

**THE IMPACT OF CUSTOMER CARE ON CONSUMER PURCHASING  
BEHAVIOUR IN THE LIFE ASSURANCE INDUSTRY IN GHANA. A  
MODERATING EFFECT OF EDUCATIONAL BACKGROUND**

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**THESIS SUBMITTED TO THE DEPARTMENT OF MARKETING AND  
CORPORATE STRATEGY, KWAME NKRUMAH UNIVERSITY OF  
SCIENCE AND TECHNOLOGY IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION**

**(MARKETING)**

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,  
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**AUGUST, 2016.**

## DECLARATION

I hereby declare that this submission is my own and to the best of my knowledge it contains no material previously published by another person or material which has been accepted for the award of any other degree of the University except where that material is duly acknowledged in the text.

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## **ACKNOWLEDGEMENT**

My profound gratitude goes to Dr. Kofi Poku for his patience, encouragement and suggestions that have contributed to the successful completion of this work. Thanks are also due to all the lecturers in the Department of Marketing and Corporate Strategy especially Mr. Samuel Akomea, Dr. Bylon Bamfo, Dr. Wilberforce Owusu Ansah and Dr. Ahmed Agyapong.

I would also like to thank my family for their support during the period of the study.

## **ABSTRACT**

In the life assurance industry in Ghana, customer care has become a pivotal aspect. Swift delivery and efficient services are vital when it comes to payment of claims. However, the industry is besieged with several complaints from customers as a result of deficiencies in claim settlement. The study therefore seeks to unravel the impact of customer care and consumer purchasing behaviour on life assurance products in Ghana. Enterprise Life Assurance Company Ltd was purposively selected for this study and 396 subscribers were sampled and questionnaires administered to them. Statistical tools embedded in the SPSS were used to analyse the data and it was revealed that there is high level of customer care practices at Enterprise Life Assurance Ltd in terms of proficiency of service delivery, media and presentation of messages to customers, the physical and ethical excellence, service delivery process, security and dynamic operations, credibility and functionality. Enterprise Life Assurance Company Ltd also provides high level of physical and ethical excellence in terms of the provision of proper drinking water and sanitary facilities and visually appealing signs, symbols, advertisement boards, fliers, and other artifacts in the branch offices. Key among the recommendations are further improving the customer care practices of the company, training of staff on customer care practices, awareness creation about the products and policies of the company and customer segmentation.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the study**

Excellent, quality, efficient, competent and exceptional customer care is paramount in any viable establishment. It is therefore not surprising that, customer care remains as the essential and most deliberated subject in the public or private business environments. This is expected because customers in the twenty first century are and will continue to be elegant and value cognizant. In the context of marketing, customers will have preference for certain kinds of product or service and these preferences, attitudes and among others can affect consumption (Brassington and Pettitt, 2003). Customers have less time but want to purchase products and services worth paying for.

The lifeline of any firms depends solely on its customers, therefore the relationship between the firm and its customers should be the first on its list of preference. Establishments will only succeed when its goals of attracting, building and keeping loyal customers is a topnotch otherwise will be a failure. Therefore, meeting the needs of customers through excellent service delivery on the part of the firm cannot be overlooked in any organization that seeks to succeed. This is what (Timm, 2008) rightly put it as “organization serves, and succeed through service”. In support of the argument (Swanson & Hsu 2009) opined that customers are considered a real asset to firms. Customer care undoubtedly plays such a significant part in a company’s capacity to increase productivity. In this regards, financial institutions (Life Assurance companies) cannot afford not to include customer service in their overall operations in an attempt to improving its business outcomes, and consistency should

be key. Negative customer service is more likely to trigger equally negative feedbacks since customers mostly pass on these information to friends, family and relatives (NIC, 2008). It is imperative, therefore for businesses to strive for an outstanding customer service to avoid the negative image which has a potential of reducing their outcome.

“A consumer’s buying behavior is influenced by cultural, social, personal and psychological factors, most of these factors are uncontrollable and beyond the hands of marketers but they have to be considered while trying to understand the complex behaviour of the consumers” (Brosekhan, and Velayutham, 2013). Studies on customers’ purchasing behaviour place a lot of value on customers and have maintained that they play three different roles: as users, payers and buyers (Ibid). Understanding consumer behaviour can be helpful in the Life Assurance industry in Ghana. To appreciate how clients think, feel and purchase a products, brands among others over some and how they are influenced by cultural, social, personal, psychological and customer care services and salespersons and so on (Ibid). Swift delivery and efficient services are vital when it comes to payment of claims, responsive team of workers that are ever ready to offer help or assistance upon request and consistent feedback and many others are some of the expectations of a twenty first century life assurance consumer (Amartey, 2007). These concerns do not operate in a vacuum rather in a well, efficient and proactive consumer relation services and satisfaction.

The competitive nature of the life assurance industry in Ghana and the ease at which life assurance policies are cut-and-pasted gives the consumer a lot of option to select

from. The challenge this present is the ‘conflict’ among assurers to amass “customers share” and the need for reliable customers base through efficient customer care, which is a very essential for service providing entities to be successful (Sweeney and Swait, 2008; Bowen and Chen, 2001). Loyal customers in the service industry (Life Assurance industry) have a habit of remaining faithful to their client and tend to pass on positive feedbacks which mostly favour their ideal assurer (Sweeney and Swait, 2008). In an emerging economy like Ghana, where most people are becoming more enlightened through education and becoming more informed of their rights as consumers, they are able to complain and demand better customer care. On one hand, many past studies in customer care and customer purchasing behaviour in the African context in general and Ghana in particular are very scanty. Much of the empirical research on customer focused on American, European, and Asian consumers. Therefore, a study on customer care and purchasing behaviour in Ghana would increase the body of knowledge in this thematic area within the African and Ghanaian context. The study therefore seeks fill this gap by assessing customer care and consumer purchasing behavior based on the educational background of the consumer.

## **1.2 Problem Statement**

The Ghanaian financial sector has been penetrated by many private ones which is not bad in itself but the critical question is; are they offering different services and products since their inception in the year 2000? The industry base has widened but in terms of products and services they offer much needs to be done. This presupposes that the Ghanaian financial industry (Life Assurance firms) has attained the maturity phase of the ‘product lifecycle’ which makes products and services provided by these

firms more commoditized as a result of the identical products. The danger therefore, is the competition for “customer share” (Menzela, 1999). Firms therefore remain profitable and viable when they manage to keep as many as possible loyal customers in the mist of this competition.

In the life assurance industry in Ghana, customer service has become a pivotal aspect since the sector has seen significant growth and transformation since the introduction of private life assurance firms both within and across regions. Swift delivery and efficient services are vital when it comes to payment of claims. Responsive team of workers that are ever ready to offer help or assistance upon request and consistent feedback and many others are some of the expectations of a twenty first century life assurance consumer (Amartey, 2007). However, the Life Assurance industry is besieged with several complaints from customers. Deficiency in life assurance claim settlement is one of the issues pointed out by researchers concerning life assurance consumption in the industry (Omar & Owusu-Frimpong, 2007). In assessing consumers’ outlooks with regards to life assurance consumption Omar & Owusu-Frimpong (2007) pointed out that there is absence of reliance and assurance with the life assurance firms. People reject life assurance on grounds that assurers do not pay when it comes to claims settlement and that the bureaucracy is cumbersome. Customer satisfaction become paramount in this regards. The challenge for life assurance industry is to “attract” customer’s, build a base of satisfied clients, and create good relationship with customers through the provision of quality services that will satisfy customers which can also build their trust step by step hence retaining clients for a long period of time.

Though there are volumes of literatures assessing the relationship between customer care and consumer purchasing behaviour, the majority fail to examine the possible effect of moderators. The limited number of studies that examined the effect of moderators between this relationship failed to look at the possible moderating effect of moderators and hence the necessity for the current study. Moreover, the limited literatures on the moderating role of constructs between customer care and consumer behaviour are concentrated in the developed world and hence largely ignoring developing countries including Ghana. Therefore, the current study examines the moderating effect of education in the relationship between customer care and consumer purchasing behaviour from an African context.

This study intends to throw more light on the impact of customer care and consumer purchasing behaviour in the Life Assurance Industry in Ghana of course modeling that through customers' educational background which the researcher believes it can unpack some of the distrustful issues and encourage people to patronize life assurance.

### **1.3 Objectives of Study**

The general objective is to understand the impact of customer care and consumer purchasing behaviour on life assurance products in Ghana.

- (1) To examine the nature of customer care practices at Enterprise Life Assurance Company in Ghana.
- (2) To examine the nature of consumer purchasing behaviour of life assurance product of Enterprise Life Assurance Company in Ghana

- (3) To assess the impact of customer care on consumer purchasing of life assurance at Enterprise Life Assurance Company in Ghana
- (4) To examine the moderating effect of consumers' educational background on the relationship between customer care and consumer purchasing behaviour of life assurance products of Enterprise Life Assurance Company in Ghana.

#### **1.4 Research Questions**

What is the nature of customer care service practices at Enterprise Life Assurance Company Assurance and how it impacts consumer purchasing behavior?

- (1) What is the nature of customer care practices at Enterprise Life Assurance Company in Ghana?
- (2) What is the nature of consumer purchasing behaviour of life assurance product of Enterprise Life Assurance Company in Ghana?
- (3) What is the impact of customer care on consumer purchasing of life assurance at Enterprise Life Assurance Company in Ghana?
- (4) What is the moderating effect of consumers' educational background on the relationship between customer care and consumer purchasing behaviour of life assurance products of Enterprise Life Assurance Company?

#### **1.5 Significance of the Study**

This study is important because, it will be a source document that will guide and improve customer care in the Life Assurance industry in Ghana. The study will offer information concerning outstanding customer care delivery and its effects on customer contentment in Ghana. The study will also add to the existing literature on customer care and its impact on consumer purchasing behavior in Ghana and how it

can improve on service care quality. Educational institutions, corporate entities, business policy makers and other researchers will also benefit from this research in making informed decisions when it comes to quality customer service to satisfy the customers.

### **1.6 Overview of the research methodology**

The study employed a case study design method. This method was employed since the current seeks to investigate scientific theories and models with the sole aim of confirming hypothesized issues from natural phenomenon. The quantitative approach and the explanatory strategies were also employed on the basis of the desire of the study to investigate causal relationships between customer care and consumer purchasing behaviour. The target population of the study constituted the customers of Enterprise Life Assurance Company in Kumasi. Sample sizes of 396 customers were selected through a simple random sampling by balloting procedure. A well-designed structured questionnaire was administered to the respondents and the data analyzed using the Statistical Software Programme for Social Sciences (SPSS). The constructs were first sieved and taken through an exploratory and confirmatory analytical process using LISREL Version 8.5.

### **1.7 Limitation of the Study**

The research was confined to single Life Assurance Company due to limited resources. The researcher was constrained financially and hence had to limit the study to fewer number of respondents. More so, the study period is limited to the KNUST Post-graduate time academic time frame which is too short for a larger study focus. The research also encountered challenges with the administration of the



questionnaires as the respondents needed a convincing reason to respond to the questionnaires. Some of the customers refused to respond to the questionnaires because of the idea that the result would not be of use to them. However, the researcher took time to vividly explain the significance of the study to the customers and the general society and hence generated some level of positive interest from some of the customers.

### **1.8 Organization of the study**

This thesis is divided into five chapters. In the first chapter the background of the study is presented followed by the problem statement, objectives of the study, the research questions, significance of the study and organization of the thesis. The second chapter is on review of relevant literature while the third chapter will outline the various methods used in the data collection analysis (study design, sources of data, target population, sample size, sampling procedure and data collection techniques). The fourth chapter will deal with results of the data analysis and the discussions. The final chapter deals with the summary of findings, conclusions and recommendation of the study. Recommendations are also made to Enterprise Life Assurance Company on how service quality can be enhanced to help boost the image of the company and sales in general. It will also address the limitations faced during the data collection and analysis, and the prospects for future research on the topic.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents an overview of public relations practice and assesses how relevant its elements are to the achievement of organizational goals. It also discusses findings of studies relevant to the practice of public relations in organizations and the gap in literature that needs to be filled. The chapter also explains the theoretical framework for this study.

#### **2.2 The Concept of Life Assurance**

Over the years, there have been enormous advancement in the life assurance industries around the world and especially in middle and developing countries (Owusu, Alhassan, and Eleke-Aboagya 2015) the development has been remarkable. Studies on life assurance services by many scholars argued that they are highly intangible (Durvasula, Lysonski, Mehta, and Buck, 2004), and these services are mostly provided by agents who in most cases are the middlemen between the customers and the service providers. The state led life assurance establishments have gradually been taken over by privately owned life assurance firms and the keen competition has been impressive in terms of customer relations and purchasing demand Ackah, and Owusu, (2012) in most of these middle and developing countries of which Ghana is a part. This is not surprising because of the varied risk levels in most developing countries hence the numerous portfolios of life assurance policies.

There are varieties of life assurance policies which can be predicted by either demographic or economic factors (inflation, dependency ratio, age, gender and educational background (Beck, Thorsten, and Webb, 2003) but this study will take a

critical look at some of the demographic factors and their relationship with life assurance in Ghana. Regarding the types of life assurance, the three identified by Black and Skipper include (a) whole life assurance; which offers bereavement benefit for lifespan; (b) term life assurance; which offer bereavement benefit for a specific period of time, (c) endowment life assurance; life assurance which has an element of saving. Further they also observed that the core objective of all the types is to provide “financial support” for the assured in any unfortunate circumstances. The authors conclude that, notwithstanding the popularity of the auto life assurance policy in many middle and developing countries; however, the most important one is life assurance policies considering the lifestyle of the citizenry. Omar and Frimpong (2007) in support of the argument by Black and Skipper regarded life assurance as a “saving medium”, “financial investment”, or “a way of dealing with risks”. They maintained that, life assurance policies can be seen as security against any eventualities should the one assured passes on. The journey through life has a number of uncertainties; it is therefore not surprising that there are numerous products of life assurance. In support of the argument, Redja (2003) also classified life assurance policies into the three types mentioned above. He argued that, Term life assurance is the simplest of all since it basically provides the insured a specific coverage for a specific period of time hence if the beneficiary dies within the agreed period, the assurer pays out the exact amount due the assured however the policy ceases to exist if the assured person(s) out grown the available length of the policy. He further argues that term life assurance is one of the cheapest and mostly failed to include into it pacts any type of equity. To conclude, Redja (2003) emphasized that the policy can be renewed at an increased premium if only it falls within the stipulated period of insurability. On the contrary, Zietz (2003) identified four types

of Term life assurance policies to include; Decreasing Term assurance, Increasing Term assurance, Re-entry assurance and Level-Term assurance. He opined that decreasing assurance provides the assured with less proceeds each year the policy is in force such that if death occurs in the policy year, the assured receives the full-face amount from the assurer. However, if the death of the beneficiary occurs in the subsequent year, the benefits will be lower than expected to be received by the assured. He stressed that, with Increasing Term assurance there is always upwards increase in terms of amount the assured receives annually, however if any untoward circumstance occurs in the year of the agreement assurance, there will be no upward increment rather the same amount as agreed upon will be paid. To conclude on the types of Term assurance Zietz argued that Re-Entry Term and Level-Term Policy the same agreed amount of money is paid to the beneficiary if only the eventuality occurred within the policy time-frame.

Redja (2003) content that it is only permanent assurance that provides lifetime protection for the assured person where he identified two different types of whole life assurance to include; (a) Ordinary Life and (b) Limited-Payment Life assurance. He further argued that Ordinary Life assurance (straight life or continuous premium whole life) provides lifespan security to the assured up to age 100. The claims are inevitable; therefore, the face amount will be paid to the assured. He concludes that Limited life policy though is also perpetual and covers the assured's lifespan, the premium however is paid within a specific timeframe. Greene and Trieschman (2005) assert that endowment life assurance policies are contracts that are basically "savings contracts" though it has some pure protection in the policy. In turn, the assurer must complete the assurance plan even if the assured dies before the plan

takes effects (Ibid). They however divided endowment policy into two, (a) Limited-Term Endowment Contract and (b) Retirement Income Policy. They further emphasized that, Retirement Income Policy and Limited-Term Endowment Contracts are similar with the exception that Limited-Term Endowments are usually an amount of money paid to the assured on monthly basis after 65 years which in most cases is the retirement age. Greene and Trieschman (2005) conclude that endowments policies can be purchased at different age and time periods.

### **2.3 Life Assurance as saving medium for customers**

Han et al. (2010), maintained that life assurance basically promotes risk management; reduce financial instability and security for the individual and the nation as a whole. They opined that life assurance serves as a form of investments, medium for efficient use of capital and clients security. These to them, it can also encourage the efficient management of risk mitigation by the individual hence relieving the central government on some of its welfare programmes such as workers' compensation or medical health cover. Beck, Demirgüç-Kunt and Levine (2003) maintained that, life assurance services provides; “(a) income replacement for premature death and (b) long-term savings instruments”. Further, they observed that life assurance consumption behaviour differs among countries hence the difficulty in explaining some of the inconsistencies among various countries in terms of “high saving rates, large and growing population, relatively low provision for pensions or other security and a sound capital market and comparatively low per-capita on consumption of life assurance”. Haberman, Gerrard and Vigna (2004) postulate that life assurance policies are pact between the assured and the assurer. They further argued that in an event of any unfortunate circumstance such that the assured is dead,

the assurers fulfill their part of the agreement upon such an occurrence. The authors conclude that “The value for the policyholder is derived, not from an actual claim event, rather it is the value derived from the 'peace of mind' experienced by the policy holder, due to the negating of adverse financial consequences caused by the death of the life assured”.

However, Greene and Trieschmann (2005) see life assurance as a “process” in which an individual(s) may agree(s) to minimize the cost of unintended death of an individual or group of persons’. They maintained that, “life assurance is a method of creating wealth” especially from the individual perspective. The authors conclude that whether the assured dies prematurely or lives to enjoy the benefits accrued from the life assurance at old age, the ultimate is the accumulation of property or provision of income for the benefit of others in the future. Yusuf, Gbadamosi and Hamadu (2009) opined that any payment made whether at the individual level or for a business establishment futuristically for an unintended purpose constitute as life assurance because of the introduction of security into personal or business situation. In support of the argument, Han et al. (2010) maintained that life assurance promotes wealth accumulation for future eventualities. They however conclude that life assurance in any form can also encourage the efficient management of risk mitigation by the individual.

Summing up, the impact of customer care in life assurance consumption can be determined by demographic, economic and social variables such as income level, interest rate, wealth, inflation and financial development (Beck & Webb, 2003). This study is however seeking to understand the impact of customer care on consumer

purchasing behaviour on life assurance products by modeling it through the educational background of consumers.

## **2.4 The Concept of Customer Care**

The terms customer service, customer care, customer loyalty, customer relations, among others have been used interchangeably by scholars in this field. Financial companies have various customer care strategies and usually called them some name (example customer loyalty, customer relations) but that does not really matter. The most significant effect of customer care is that it can get the customer/client to want to come back to the company, and only the establishment not any other, the next time they anticipate purchasing such product or service that the company offers.

It has been argued that, customer service is the center of organization ability which can propel the sustainability of such firm and therefore much be looked at critically if any life assurance company wants to survive in this fiercely competitive market. Customer service like any other concept, its definition is abounding. Jamier (2002) construed customer service as “a chain of activities designed to enhance the level of customer satisfaction that is, the feeling that a product or service has met the customer expectation”. From Jamier’s perspective, customer service it can be argued to comprise of a series of individual and social skills such as “communication skills, listening skills, language, gestures and posture, telephone techniques” (Jamier 2002). Turban et al (2002) in support of the argument by Jamier (2002) maintained that customer service may be delivered by a person such as sales and service representative or through a computerized means which scholars in the firm of customer relations called as ‘self-service’.

Great customer service can go a long way to give customers a sense of contentment thereby creating some form of bonding or goodwill between the customer and the organization. This can also develop into some positive insights on the part of the customer hence her return for another service which has been noted as ‘customer loyalty’

However, Bowen and Chen (2001) extended the argument by saying that a mere customer’s satisfaction is not good enough, therefore managers must ensure that their customers are ‘exceptionally’ satisfied. Utmost customer contentment can be central to customer dependability. Bansal and Gupta (2001) in support of Bowen and Chen’s proposition offered that, companies building customer loyalty is not a choice anymore rather it is a must if that establishment wants to maintain its competitive merits.

Kotler (2009) really captured what customer service meant to be. He stressed that, “customer service is about: figuring out what your customers want, getting it for them accurately, politely and enthusiastically with a smile, going extra mile to say thank you and being courteous, listening to the needs of the customer, reliability of the products, basic service and service design, recovery of the product, surprising customers, fair play to all, teamwork or networking, employee research and development and servant leadership”. The financial sector is gaining some impetus in Ghana, therefore to maintain once a customer there is the need to demonstrate commitment towards provision of service, its delivery as well as the quality of products. The twenty first century customer in Ghana is gradually growing in some sophistication. Hinson (2006) stressed that, the onus lies on firm’s management and relation managers to build good and satisfying customer service for their companies



since it has become the chief operational goal for the sustainability of most organizations.

Despite the views from numerous researchers and academicians, it can be concluded that customer service can be viewed from two very important perspectives. It has also been actualized that good customer service in itself does not translate into client consumption though it is key in ensuring customer loyalty. Therefore, financial institutions such as life assurance companies have the responsibility to ensure at all time that their customers are extremely satisfied. The concept (customer service) has been seen by some scholars that all the processes or activities which serve as bond between corporation and its customers in furthering their sales operations (Kotler 2009). On the other hand, some have argued that customer service is a series of measurable activities which ultimate goal is to provide the customer with some utmost level of service, its delivery and quality of products (Kotler 2009; Jamier 2002).

## **2.5 Customer Care in Life Assurance Consumption**

The fierce competition among life assurance companies as a result of the increasing growth in the sector, the quest for outstanding customer care has become an important component for many if not all firms in attempting to succeed or survive the competition. Suh, and Youjae (2006) looked at the argument from the cultural perspective and offered that in a process of clients developing some acquaintance with their service provider tend to rely on their peculiar cultures which can inform their decision to “buy or not to buy” life assurance. In a related study, Yusuf, Gbadamosi and Hamadu (2009) further argued that given that Nigeria has different

shades of cultures; customer care can be shaped by these cultural factors which change consumer's demands for services which will require different approach in marketing life assurance products. In support of the argument, Douglas and Wildavski (2006) stressed that cultures of countries can shape consumers' demand for life assurance consumption. Alinvi and Babri (2008) argued that services marketing are somewhat complex because consumer choices and preferences changes easily over time. In view of the swift changes in customers' demands for new products and services, it is imperative that new perspective of customer care is adapted to meet the increasing demands of clients (Alinvi and Babri (2008). These include but not limited to: new skills, which brings about greater avenues for life assurance product marketers to identify and deliver good customer care that clients demand in the life assurance sector, prompt feedback, proper grievance handling (Ibid). Due to the rapid growing of life assurance companies in many developing countries, customer care has become a pivotal tool in the life assurance sector. In support of the argument Alinvi and Babri (2008) further argued that in the life assurance industry, to keep clients over time is very important given that Olorunniwo, Hsu and Udo (2006) have maintained that the longer their stay in the firm the more profitable it is for the company. Alinvi and Babri, (2008) also stressed that; first, the firm will generate income as result of the continued business transactions: second, it is less expensive to maintain existing customers than advertising for new one and third, satisfied customers often recommend the services to several others which is to the benefit of the firm.

The life assurance companies provide protection against financial losses for the individual or business resulting from a variety of risk over time therefore customers'

satisfaction cannot be neglected (Alinvi and Babri, 2008). In turn, they argued that there has been a shift in marketing strategies and that has shaped consumers' consumption behaviour. The current trends of life assurance products and services that are pleasing to consumers will no longer hold or maintained that satisfaction because of the changes in experience and time by consumers of all ages (Ibid). One such model that accounts for each expectations and perceived performance is the SERVQUAL model developed by Parasuraman et al. (1985) that highlights the most needs for delivering high service quality. These researchers found 5 dimensions of service quality. These are presented in order of their importance as follows:

- (1) Reliability – the flexibility to perform the secure service faithfully and accurately.
- (2) Responsiveness – the disposition to assist customers and to supply prompt service.
- (3) Assurance – the information and courtesy of staff and their ability to convey trust and confidence.
- (4) Sympathy – the supply of caring, personalized attention to customers.
- (5) Tangibles – the looks of physical facilities, equipment, personnel, and communication materials (Berry and Parasuraman, 1991).

However in terms of measurement scale of life assurance service quality during this study a five-factor structure model as proposed by Sureshchandar et al. (2001). The variables for employed in measuring customer care are Proficiency, Media and presentations, Physical and ethical Excellence, Service Delivery process and Purpose, credibility, Security and Dynamic Operations and functionality as proposed by Sureshchandar et al. (2001).

## **2.6 Consumer Purchasing Behaviour**

Extensive literature on consumer purchasing indicates that attitudes of customers are paramount factor that shapes human behavior, it is therefore not surprising that there is a correlation between consumers' attitudes towards life assurance and its likelihood effect on consumption of life assurance product what is known as 'behavioral intention' (Nonis and Guha, 2007). A customer's intention to purchase a particular life assurance product can be determined by his or her attitude towards that product in question (consumption). Thus consumer's attitude towards a life assurance product can greatly determine her consumption patterns. Armitage and Conner, (2001) have argued that empirical studies have proofed that a person's intentions to purchase a particular product can be determined by critically looking at his or her attitudes towards that product in question. In their study, Ajzen and Fishbein, (2005) found that attitudes were correlate positively with intentions, with their mean of correlations ranging from 0.45 to 0.60. The author further argued that a person's attitude towards the consumption of product whether as a life assurance product or not, is parallel to the perceptions of the personas ability of demonstrating a particular behavior. Whether directly or indirectly, a person's attitude influences his or her consumption intentions. Fishbein and Ajzen, (2005) have argued that when attitude is measured from the general perspective, it can be anticipated to be a suitable predictor of behavioral consumption. The relationship between attitudes and consumer purchasing behavior can only happen through some form of behavioral intention (Ajzen and Fishbein, 2005). Empirical marketing survey result shows that when the "principle of compatibility" is achieved, overall relationship between attitude and intentions are attained (Ajzen and Fishbein, 2005). The consumer's attitude towards a product and therefore her behavior towards a product is very important precursor

especially in the financial sector. Therefore once attitude towards any financial investment, saving, risk management, trust and life assurance knowledge can ultimately propel the consumption intention towards such products. “Thus attitudes influence consumption indirectly through intentions and intentions directly influence consumption”. The proponents of these theoretical underpinnings have opined that particular customer behaviour could be able to determine when such behavioral intentions are correctly measured (Ajzen and Fishbein, 2005). Every customer is a pleasure seeking individual looking for good service and products to purchase and will therefore weigh if purchasing of life assurance product will serve him the most, he or she is more likely to consume that life assurance products.

## **2.7 Consumer Purchasing behavior and life assurance**

Globally, there exist huge literatures on consumer purchasing behavior and life assurance. A good number of these studies show a significant relationship between families’ socioeconomic and other demographic factors such as age, gender and educational background (Black and Skipper 2003) Plethora of research works have been carried out at different levels and across different regions, low and middle income countries in an attempt to unearth how some of these demographic factors impact on consumers purchasing behavior impact on life assurance (Beck and Webb, 2003). Age, gender and educational background of society are some of the relevant predictors of life assurance policies. Alinvi and Babri (2008) in expanding the argument noted the consumer preference for life assurance products changes over time “change on a constant basis” therefore firms must adapt to these changing demands to remain relevant. However, in a study conducted to “identify customers’ attitude towards purchase of life assurance products in India” (Ibid), found that

unlike other jurisdiction, customer have very little knowledge of life assurance products in India (Shah, Zanwar, and Deshmukh, 2011).

Extensive studies on consumer purchasing behavior on life assurance can either be based on demographic factors or economic predictors (Beck and Webb 2003) although the later dominate in many studies but this study will focus more on some of the demographic variables. The concentration has been on education and family dependency ratio; (Beck and Webb 2003) however, there has not been any conclusive evidence to underpin the directional associated with these two demographic variables and life assurance (Ibid). Therefore, this study will take a critical look at age, gender and one's educational background and consumer purchasing behavior on life assurance in Ghana.

However, Beck and Webb (2003) offered a different view by arguing that it is not just the mere knowledge of the types of products available but also a good understanding of the benefits as well as the long-term saving opportunity can encourage individual(s) to patronize life assurance policies. Beside these studies that seem to portray a curvilinear relationship between education and individuals purchasing behavior and life assurance, there are other studies that have also found some inconsistencies with the education variable. In departing from the positive relationship nature of education and life assurance, some studies found a rather negative association between the two variables (Alinvi and Babri 2008) while Beck and Webb (2003) studies found an insignificant relationship. Another highly researched demographic variable in the study of life assurance is dependency ratio

which represents the “average household structure in terms of the number of family members of dependents and their main source of income” (Ibid).

Yusuf, Gbadamosi and Hamadu (2009) studied the attitudes of Nigerians towards life assurance services and found that male respondents’ attitude towards life assurance purchasing was slightly high than their female counterpart. However, the variable gender failed to show any statistical influence on Nigerians life assurance purchasing behaviour. They further argued that Nigerian women are skeptical of the importance of life assurance due to their day-to-day economic active role in their families (Ibid). The authors conclude that with the exception of gender all the other demographic factors (age, education status, marital status, and household income) prove to have significant impact on life assurance consumption. Ackah and Adobea (2012) in their study “assessing the knowledge of and attitude towards life assurance in Ghana” argued that nationwide, Ghana has greater percentage of people who have knowledge about life assurance firms, products and activities. The authors observed that out of the ten regions, three (Western, Greater Accra and Ashanti regions) have similar outcomes with regards to the number of people who have some idea of how life assurance works notwithstanding their gender. Their results again indicate authors that people in the Northern region had the least knowledge about how life assurance works in Ghana and they assumed that high level of illiteracy and poverty in the region could possibly be the cause. In their conclusion, they maintained that gender wise, males had more knowledge about life assurance (life, auto, health etc.) than their female counterparts. Some studies on life assurance have also used household surveys’ data to understand individuals in their demand for life assurance policies

(Ibid) for which outcomes are consistent with existing literatures and theoretical models (Lin and Grace 2001; Bernheim, Forni, Gokhale and Kotlikoff (2001).

Zietz and Hussels (2003) reviewed studies of many researchers for fifty years and asserted that, earlier studies conclude that a lot of these empirical studies find that increase savings behavior and an improved financial services industry will eventually impact positive on life assurance consumption behaviour. In support of Zietz and Hussels argument, Chowdhury, Rahman and Afza (2007) in their study “Perception of the customers towards life assurance companies in Bangladesh” found that, primarily, people patronize life assurance products hoping they can earn higher profit on their deposits in future.

## **2.8 Factors Affecting Consumer Purchasing Behaviour**

The drive to purchase or not to purchase a particular life assurance product can be affected by the individual buying behavior which could either be negative or positive. The researcher intends to critically look at the four main consumer purchasing behaviour factors and life assurance products.

### **2.8.1 Culture environment**

Every company will survive if it takes into consideration the culture dynamism of its consumer. To appreciate the needs or wants of once consumer there is the need to also understand their way of life. There is the need to understand the cultural factors are inherent in every market in order to adapt a suitable marketing strategies for the sales of your products. Such cultural factors play essential part when it comes to the



individual, family or community perception, lifestyles, behavior and expectations (Murray and Häubl, 2007).

### **2.8.2 Social factors**

Social factors are grouped into three sub-factors as the individual membership in a group, family and social roles or status. These factors greatly influence consumer purchasing behaviour. The extent to which one association with a group of people can influence his or her consumption preferences will vary with age, place of residence, work among others (Beck and Webb 2003). The family is also another influencing factor that can determine the individual habits and preferences. Consumers are more likely to patronize life assurance products that their families have acquired for some time. Family preferences, perception and habits can serve as a catalyst of their buying behavior. Individuals or family members will prefer to purchase same products as that of their families.

### **2.8.3 Personal factor**

Irrespective of the two factors discussed above, the individual decision to buy or not to buy attitude can be as a result of his/ her personal characteristics as a consumer. Age and way of life can also shift the buying behavior of people (Grant, Clarke, & Kyriazis, 2010). For instance products and services that are of interest to a consumer whose age is 18 will be totally different from one whose age is 60. Beck and Webb (2003) argued that, younger populations tend not purchase mortality life assurance unlike the older generation. Personal lifestyle (interests, values and opinions) and purchasing power or revenue of the individual can have a decisive influence on his/her buying behavior (Grant, Clarke, & Kyriazis, 2010).

## **2.9 Effect of Customer Care on Consumer Purchasing Behaviour**

Kiyani et al. (2012) affirmed Anderson and Swaminathan's (2011) assertion and went further to discussed three components of customer loyalty; (a) cognitive loyalty, (b) effective loyalty, and (c) connotative loyalty, relating them to attitudinal loyalty, which influences the customer's purchasing behaviour. A direct positive relationship between customer satisfaction and their repurchase intention is held up through service research (Ahmad et, al., 2010). According to Ranjan, Jayanthi, Bhatnagar, Vishal, (2009), the efficient and automated management of customer interactions is the need of today. The customer services have helped organizations to increase the interaction with customers. Organization also needs to analyze the customer data to uncover trends in customer behavior and understand the true value of their customers. Analyzing customer relationships from a life time perspective is critical for success. Building strong relationships with customers through quality service delivery are incentives to encourage loyalty (Awan et al., 2011). Developing a persistent service relationship can lead to customer satisfaction (Siddiqi, 2011). The value customers place on such relationships can arise from repeat purchase, customer loyalty, and customer recommendation (Awanet al., 2011; Siddiqi, 2011). A satisfied customer may repeat a purchasing activity and recommend it to family and friends.

***Hypothesis: There is a positive relationship customer care and the signing on life assurance policy***

## **2.10 The Concept Demography**

The human race has always been interested in the spatial distribution of population and how they interact with their environment since time immoral. Scholars have questioned whether the concept demography is a 'discipline' or a 'field of study'.

Others have argued whether demography is a science. Regardless of all, demography is of a very important to mankind in this twenty first century because of its interdisciplinary prowess. “Demography without numbers is a bland form of social or historical waffle” (Coleman 2000). The concept is often defined in it narrow sense as the study of population or ‘population science’ which is mostly meant to be an aggregate of all people, to represent certain groups of individuals with peculiar characteristics such as sex (female population), place of residence (rural population), or by education (educated population), among many others (Volkov, 2000).

Some scholars have argued that it is not just mere aggregate of people but also their composition, mortality and movement is also of an interest to the demographer. In this regards, the concept (Demography) has been viewed as “the study of the size, territorial distribution, and composition of population, changes therein, and the components of such changes, which may be identified as fatality, mortality, territorial movement (migration) and social mobility (changes of status)” Coleman (2000) defined demography “as the statistical study of the processes of reproduction, migration and death in the human species, their interrelations with the distribution and dynamics of population, and their biological, environmental and socio-economic causes and consequences”). The concept has three main dimensions; that is the social aspect which comprises of (changes of social structure, social mobility), natural (fertility and mortality) and spatial (migration). This supports a broader notion of the term demography.

## **2.11 Impact of Demographic Changes on Life Assurance**

The globally changes in demography could have some negative or positive impact on many sectors of the economy and not just the life assurance industry. Weedige (2001) in support of the argument opined that, the current demographic shifts are having some impacts on the valuing of life assurance products. The author maintained that it can have some positives and negative implications for life assurance companies. Globally, customers are becoming increasingly sophisticated as a result of the improved technology and the competitive nature of all the economic sectors. Some have argued that it is not surprising that this changing demographic patterns can serve as a propeller to either upsurge or decrease the rate of gains in the life assurance sector or otherwise. The relationship between high population and growth of the financial sector (life assurance companies) is still vague because while some scholars associate high growth of population and its positive correlation with life assurance prospects others hold that there is no clear correlation between demographic information and expected gains or losses.

There are number of factors causing this demographic changes and its corresponding effect on the financial sector. To name few are the changing in the age structure, aging population, population shifts, economic events, and changes in technology. This demographic dynamism are vivid in most developing countries such as Ghana and how they can impact positively or negatively in the financial sector is something that still needs investigation. In support of the argument, Beck & Webb (2003) stressed that the changes in the population patterns in a particular jurisdiction can serve as an identifier of some potential economic activities or opening of new markets, different marketing strategies to penetration those populations, and better

managing competence to accentuate the existing financial sector. The responsibilities therefore lies on the life assurance companies to better recognize the growing trends in order to position themselves properly in terms of their provision of service delivery and proper marketing products to mirror the changing demographics (Beck & Webb, 2003).

In view of the above, it can be concluded that the changing patterns of most populations and the increasing development of technology are gradually becoming a problem if not already a problem for most life assurance firms due to the rate at which customers are daily growing in sophistication. The availability of information to the current generation of life assurance buyers, smarter competitors, crippling individual's income and the predictive nature of most life assurance firms in terms of products and service delivery can trigger some decrease in risk management thereby decreasing the profit margins of some financial organizations.

## **2.12 Some Moderating Effect Theories**

Some common moderating effect theory discussed to provide the base for the current study was the social control theory.

### **2.12.1 Social Control Theory**

The proponent of control theory is Hirschi and Stark (1969). The authors emphasized on restraining elements that seem nonexistence in some individuals. They therefore postulate that if these controlling factors are inculcated in the individual, for that matter the society at large in some ways like other social notion and norms that are internalized, then the concept can be assumed as social control theory or perhaps a

social bond theory. The import of the theory is that it shows how an individual or group of person can be controlled by the mere fact that they belong to that groups and also hold on strongly to the rules and norms governing such group. In the life assurance sector, some group characteristics could restrain their group member from purchasing any life assurance service or product because of their strong ties for instance Muslims and some other spiritual churches. Individual members of these groups are influenced as a result of this high-cohesion among group members and their strong social bonds, weaken the individual desires.

### **2.12.2 Social Capital**

The concept of social capital has gain some impetus quit recently although the term has been in use for a while and the assumptions behind the theory have been same. Nan (2001) described social capital as an asset of building social relations with the intention that there will be some returns in the future. Social capital facilitates co-operation and reciprocal relations in societies. Both scholars assumed that members in this social relation will tend to share their resource and liaise with others members as a result of common interest. In view of this members of an association that share same interest will encourage it members to purchase a life assurance if that is in the interest of all (Nan, 2001).

### **2.13 Conditions Necessary for Moderation Effect to Take Place**

Moderation is a theory for refining and comprehending a causal relationship. Observational examination of mediators requires an incorporated exploration outline as opposed to the information investigations driven approach regularly found in the writing. Theoretical models commonly portray causal connections among a few

variables with the end goal of clarifying when, how, and why human wonders happen (Lindley & Walker, 1993).

The examination of moderation effects requests an incorporated exploration arrangement from articulating the hypothetical method of reasoning, picking an exploration plan, breaking down the information, to reaching inferences. The circumstances and end results relationship has been the quest for some researchers in the fields of behavioral science. Testing causal speculations not just confirms specialists' substantive hypotheses around a marvel additionally answer down to earth questions about whether a mediation or treatment program has the normal impact. Be that as it may, as the discoveries full grown, specialists frequently go past the basic record of the bivariate circumstances and end results relationship, and endeavor to comprehend what connects the causal relationship and what modifies the size or course of the causal relationship (Frazier et al. 2004; Rose et al. 2004).

Moderators are devices that draw in with these riddles. A moderator is a third variable that adjusts a causal impact. Testing a causal theory involves exploring whether a causal deduction such that X causes Y is feasible. Wegener and Fabrigar (2000) unambiguously expressed that there are three sorts of normal causal theories: direct causal effect, mediated causal effect, and moderated causal effect.

Generally, moderators are third variables, whose intention is to improve a more profound and more refined comprehension of a causal relationship between independent variable and dependent variable. The motivation behind this study is to reveal insight into the examination of control impacts by portraying the reasonable

structure, the configuration request, the information investigations, and additionally the deductions one can and can't make with respect to balance impacts. Precisely, the customers' educational background will be checked whether they influence the consumers' decisions when it comes to purchasing life assurance products with regards to the customer service practices rendered. Studies have shown a positive relationship between the educational levels and consumption of life assurance products in other countries. This study exactly seeks to assess the relationship in Ghana.

#### **2.14 The Effect of Demographic Variables on Life Assurance**

Extensive literature on demographic variables and how they influence the consumption of life assurance products differs geographically in term of young and old dependency ratio, life expectancy, religion, age, education, gender among others. The onus therefore lies on most companies (life assurance companies) to better position themselves to take advantage of these demographic factors or variable. An increase in young or old dependency, life expectancy, and high attainment of education can positively or negatively affect the consumption as well as the purchasing behavior of people. Youthful population and rapid urbanization can create avenues for new markets which can be exploited by life assurance firms to promote their service and product.

Beck and Webb (2003) in support of the argument stated that higher family dependency on the working population will upsurge the demand for death coverage and will therefore dwindle the need for savings through life assurance. Depending on the demographics characteristics espouse by a particular population, companies



will have to rethink about the kind of customer service practice they intent to offer. The specific data that companies are able to collect with regard to the demography helps them to have pertinent information about diverse sets of people.

Life assurance firms can do projections within a set time frame to ascertain their impact of the market, make comparisons and probably trend analysis based on the demographic data they have. They can also predict the customer service strategies to marry that of the demographic information at hand. It can also help in determining the kinds of products that are doing well in the market or otherwise and what to improved and what not to. Good number of literature have found either positive or negative relationship between customer satisfaction and some demographic variables such as gender, age group, educational level, dependency ratio, income, life expectancy, religion among others (Beck & Webb (2003).

In the service literature, demographic variables and consumer purchasing behaviour have received differing views. Beck and Webb (2003) have argued that the relationship between young and old dependency ratio, education and income and life assurance consumption is very ambiguous. Beck and Webb (2003) in their study postulated that populations with high urbanized communities tend to have high life assurance consumption. They concluded that “the concentration of consumers in a geographic area simplifies the distribution of life assurance products because it will reduce the cost related to marketing, premium collection, underwriting, and claim handling”.

### **2.14.1 Educational background**

The influence of education as a demographic variable in different industries has been studied extensively (Beck and Webb 2003; Mittal and Kamakura, 2001) and the service sector is no exception. In the life assurance sector, the assumption is that higher level of education should correlate with higher demand for life assurance products. Populations with higher level of education are inclined to appreciate and understand the need for risk management this will increase their savings through life assurance (Beck and Webb 2003). On the other hand, people's ability to appreciate the need for life assurance in low level educated communities tend to have negative correlation with life assurance consumption (Ibid Most scientists, for example, Hammond et al. (2005), Burnett and Palmer (2007), Gandolfi and Miners (2002), and Baek and DeVaney (2005), concurred in their exploration that there is a positive relationship between education levels and life assurance patronage. They perceived that the individuals who have a higher level of education will patronize more life assurance policies, possibly because of the way that family units with good educational background can anticipate that their earnings will keep on increasing at a quicker rate and for a more extended timeframe. Utilizing the 2001 Survey of Consumer Finance information, Baek and DeVaney (2005) inspected the impact of human capital, estate thought processes, and hazard on term and money esteem extra life assurance purchased by family units. They clarified this positive relationship was because of a more notable loss of human capital when the family unit head passes on. Family units with a head with more prominent educational background have possibly higher salaries. The demise of such a family head will convey more money related misfortune to the family as contrasted and those with lower instruction. Consequently, the purchase of life assurance for those with higher level of education

increases as the estimation of the lost human capital also increases. Anderson and Nevin (1975), be that as it may, found a negative relationship amongst educational levels and the patronage of life assurance policies. The authors explained that higher educated individuals may consider that inflation often decreases the cash value of life assurance from a savings standpoint and hence declines their need for life assurance.

Peril avoidance is vital motivation behind why individuals choose to purchase life assurance policies by and large regardless of the way that they need to pay for premium more than scientific desire of misfortune. Along these lines, it is normal that hazard avoidance has constructive outcome on extra life assurance bought. It is regular in experimental investigates to utilize education as intermediary of peril avoidance.

Consumer purchasing behavior varied differently in most economies because of the variations the demographic variables discussed above. Studies have shown that there is a negative relationship between low income employees and the less educated persons and product or service satisfaction. And this can negatively affect the purchasing behavior of persons who find themselves in such situations. Unsurprisingly, the correlation between persons with higher income as well as education and satisfaction tends to be high and therefore can increase their savings through life assurance.

***Hypothesis: The level of education moderates the relationship between customer care and consumer purchasing behaviour.***

Summing up, the impact of customer care in life assurance consumption can be determined by demographic, economic and social variables such as, age, gender, education, young or old dependency ratio, religion, income level, interest rate, wealth, inflation and financial development”, political stability, just to mention few. This study is however seeking to understand the impact of customer care and consumer purchasing behaviour on life assurance products by moderating it through educational background as a demographic variable.

#### **2.14.2 Effects of Education on Consumer Purchasing Behaviour**

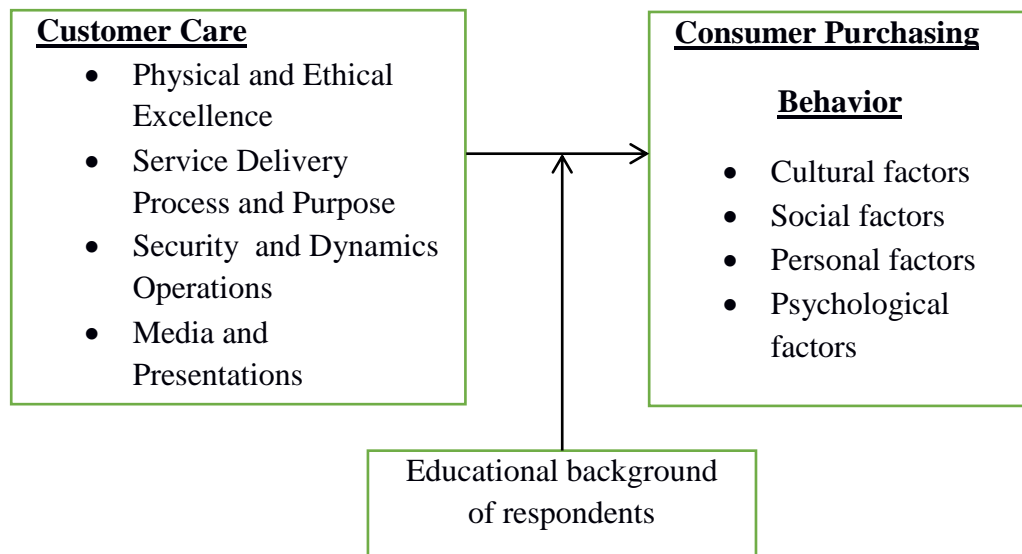
It is normal that a more elevated amount of training in a populace will be positively connected with the interest for type of life assurance product. A higher level of a man's training may raise his/her capacity to comprehend the advantages of risk management and long term savings, along these lines expanding an individual's level of risk aversion. Education may likewise build the demand for pure death protection by extending the time of reliance, and also expanding the human capital of, thus the worth to be secured in, the essential breadwinner. Notwithstanding, a positive correlation between education and life assurance may likewise show that better access to long-term investment funds and protection instruments urges access to higher education. Truett and Truett (1990) and Browne and Kim (1993) locate a positive connection between disaster protection utilization and the level of instruction. The level of instruction directly influences the demand for life assurance for many reasons. Truett and Truett (1990) opine that a higher educational level is connected with a more grounded yearning to ensure wards and protect their way of life.

Browne and Kim (1993) clarify that a more elevated amount of education is a decent intermediary to gauge the risk avoidance. An individual's education level is positively identified with more serious hazard avoidance. Outreville (1996) additionally underpins the perspective communicated by Browne and Kim (1993). Also, Li et al. (2007) call attention to that larger duration of education, measured in normal years of tutoring, prompts a more drawn out weight of offspring's' reliance, which adds to a higher interest for life assurance items to ensure the wards. Then again, the more individuals are included in education process, the less work force is available on the market, in this way decreasing general GDP of the nation. In this manner, instruction is speculated to be questionable identified with life assurance request. As a pointer of the level of education crosswise over nations there is the utilization of the tertiary gross enrolment proportion characterized by the UNESCO Institute of Statistics as the aggregate enrolment in tertiary education, paying little heed to age, communicated as an extent of the qualified school-age populace.

## **2.15 Conceptual framework the study**

Several studies on customer care on consumer purchasing behavior have long recognized that there are some demographic, economic and social factors that ultimately influenced consumers demand for a particular life assurance product. However, there are limited studies on some demographic variables and how they have influence consumer purchasing behavior in the financial industries. This study will therefore introduce educational background as a moderating effect on the concept of customer care and how that has positively or negatively affected consumers' purchasing behavior in the life assurance industry of Ghana. It will again

present a conceptual framework of their role in customer care and consumer purchasing behaviour.



**Figure 2.1: Conceptual framework for customer care and consumer purchasing behavior with Educational background of respondents as a moderating variable.**

**Source:** Beck and Webb (2003); Berry and Parasuraman, 1991; Truett and Truett (1990) and Brown and Kim (1993)

To explore this model, the study intent to take a critical look at customer educational background thereby ignoring the other factors which also have the potential of influencing the purchasing behavior of consumers. In order to understand the rate at which people patronize life assurance policies in Ghana, it will be essential to also take into account the relationship between the combined effects of customer relations and consumer purchasing behavior. Demographic factor such educational background and economic factors such as income level, interest rate, inflation as well as social factors such as political instability when interrelated can impose certain demands on the consumer in his/her attempt to purchase a life assurance products.

From the conceptual framework above, the researcher intent to just focus on the demographic factors irrespective of the influence of the other economic and social variables by controlling those variables. These controlling variables will serve as a limitation to the study.

The demographic, economic or social factors can influence directly either positively or negatively on life assurance consumption. From the conceptual framework, these variables can also go through the intermediate variable (purchasing behavior) which comprises of cultural, social, personal and psychological factors thereby having some influence on the outcome variable called life assurance consumption.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the analytical tools and techniques that were used to achieve the research objectives. It covers the Research Design, Populations, Sample and Sampling technique, Sources of data, Data collection instruments and Data analysis techniques. This research study employs the exploratory method of researching and all data that was collected from respondents about their insights on customer care and customer purchasing behaviour will be entirely quantitative.

#### **3.2 Research Design**

As per Ghauri and Grönhaug (2005) there are essentially two methodologies when playing out a research study; qualitative or quantitative. The principle contrast between those two techniques is the sort of information gathered and broken down on the basis of the objectives of the study (Bryman and Bell, 2007). Quantitative research that is engaged essentially on the development of quantitative information, and quantitative information is a precise record that comprises of numbers built by the specialist using the procedure of estimation and forcing structure" (Ray Kent, 2007). There are two methodologies in exploration science; subjective and quantitative technique (Ghauri and Grönhaug, 2005). In the subjective technique, the analyst gathers information from for instance meetings or center gatherings (Bryman and Bell, 2007). In the quantitative strategy the scientist utilizes insights, overviews and randomized trials to study given articles, with the plan to sum up the discoveries to a more prominent degree (Shiu et al, 2009). The system embraced for this study was the quantitative methodology.



The researcher adopted the case study approach and thus Enterprise Life Assurance Company was used as the case study for this research. Yin (1994) claim that the purpose of a research is usually explanatory, descriptive or exploratory. Saunders, Lewis and Thornhill (2007) state that exploratory purpose is trying to find out what is happening, to seek and assess new insight on the issue of the research. Ghauri and Grönhaug (2005) state that an exploratory research is well used when the problem is unstructured or when the problem is badly understood. The exploratory research purpose is appropriate when the researcher has a lack of knowledge about the research problem(s) (Hair et al., 2007). In explanatory research, the purpose is to explain relationships between variables; hence, it is also named casual research (Saunders et al., 2007). A descriptive research tries to provide a picture of varied characteristics of a phenomenon and can sometimes be an extension of an exploratory research (Saunders et al, 2007). The study used the quantitative technique with a casual approach.

### **3.3 Population of the study**

Population is the aggregate or the totality of all members under study. In data collection, it is necessary to consider the entire population within which the research was conducted. With respect to this research the entire customers of Enterprise Life Assurance Company Kumasi Branches were considered as the target population for this study. The target populations for this research are the customers of Enterprise Life Assurance Company in Kumasi Metropolis. The estimated number of customers of Enterprise Life Assurance Company in Kumasi is about 45,160.

### 3.4 Sampling and sampling techniques

The researcher selected Enterprise Life Assurance Company from the many Life Assurance Companies on the basis of their long years of existence and their standing as a leading performer in the industry. The population (that is clientele base of Enterprise Life Assurance Company in Kumasi) was too large to be studied collectively. Consequently, it was necessary to use a sample of the population in order to obtain a manageable sample unit for this study. On this basis, the simple random sampling by balloting in the selection of the sampling units was employed. A sampling frame was obtained from the IT Department of the Enterprise Life Assurance Company for this purpose. This method was applied on the basis of the homogeneity of the sampling units hence all units are equally suitable for the provision of the appropriate information for the study. The sample size was determined using Gomez and Jones (2010) formula for sample size determination

$$n = \frac{N}{1 + Ne^2}$$

where;

n is the sample size

N is the population

e is the degree of freedom

There from the formula

$$n = \frac{45,160}{1 + 45,160(.05)^2}$$

$$n = 396.49$$

Approximately 396.

### **3.5 Data Collection**

The objective of this study was to understand the perceived impacts of customer care and its impacts on consumer purchasing behavior in the life assurance industry in Ghana. For this reason, the study made use of primary and by focusing on the demographic characteristics of respondents, possible areas of customer care and its impact on their consumption behaviour. These data was collected using the following research tool.

#### **3.5.1 Questionnaires**

The researcher used of questionnaires to gather the primary data. The question of privacy is very important in every research. Every customer who participated in the research was given an opportunity to respond to an individual questionnaire. Probing into areas which are considered to be personal and delicate, the researcher resorted to using a face-to-face individual questionnaire. Respondents were assured of confidentiality and anonymity of their responses to any part of the questionnaires. The objective here was to get some understanding of how customer care in their perspective companies has influenced their consumption behaviour as well as some demographic backgrounds of the customers. A well-structured questionnaire was administered through face-to-face interview with customers of the companies.

### **3.6 Data Analysis Plan**

Each of the objectives were analyzed using a statistical tool. These include simple descriptive statistics. The statistical software called Statistical Package for Social Science (SPSS) was used for the descriptive statistics. Data so collected were subjected to descriptive Statistics, correlation and Multiple Regression Analysis.

### **3.6.1 Validity and reliability**

For Polit and Beck (2006) reliability intends to "test the exactness of a measuring instrument", though as per Brink (2000:171) reliability refers "measuring instrument yielding the same results under practically identical circumstances if rehashed on the same individual or utilized by two distinct analysts". Cooper and Schindler offer various exercises that will enhance the dependability of the exploration measuring instrument (Cooper and Schindler, 2001): Minimize the outer wellsprings of varieties; Standardize conditions under which estimation happens; Improve examiner consistency, guarantee the individual doing the examination is very much prepared and inspired; Broaden the examples of the estimation questions utilized by adding comparative inquiries to the information gathering instrument; and Exclude information from inquiries evoking compelling reactions, this will enhance the inside consistency. Amid the formation of the measuring instrument these focuses have been noted and will be connected keeping in mind the end goal to enhance the reliability of the questionnaire.

### **3.7 Profile of study area**

Recognizing the potential of the Life Business in the Republic of Ghana, the International Finance Corporation as the matchmaker brought two company giants; African life of South Africa, and Enterprise Life assurance company Ltd, along to incorporate Enterprise Life Assurance Company, Enterprise Life Assurance Company was incorporated within the year 2000 with the initial shareholders as Enterprise Life assurance company, a listed general life assurance company in Republic of Ghana, African Life a South African life assurance Company and the International Finance Corporation, the industrial wing of the world Bank. Sanlam

acquired African Life Assurance within the year 2006 and subsequently in 2010 Enterprise Life assurance Company's interest were transferred to the Enterprise group in 2001. Enterprise Life Assurance Company was handed her operational license and this was the start of an extended, long journey, with a modest beginning of only 1 branch, pioneering employees of nine and a thirty-two member sales force, with a brand identity based on the concept of the Thoroughbred.

Enterprise Life Assurance Company operates as a specialist life assurance company, providing cheap and innovative, life assurance product designed to satisfy the requirements of policy holders and general public. Their strategy is to distribute life assurance through a wide-ranging distribution channel comprising of Agency, Broker and Bank Channels. They have since diversified their distribution through the Broker and Bank Channels. Enterprise Life Assurance Company currently has representation in all 10 regions in the country, bringing their services and product nearer to their purchasers, ultimately enhancing client accessibility and eventually client satisfaction. Enterprise Life Assurance Company has had impressive growth since 2001 and presently is biggest life assurance Company with presence in all 10 regions of Ghana, and these branches are linked via a wide-area network.

## **CHAPTER FOUR**

### **PRESENTATION, ANALYSES AND DISCUSSION OF RESULTS**

This chapter of the study presents, analyses and discusses the data of the study. The major areas of the study analysed and discussed include the socio-demographic characteristics of the respondents, the nature of customer care service practices, the nature of the demography of customers (age, gender and education), the impact of customer care on consumer purchasing behaviour and the moderating effect of demographic factors on customer care and consumer purchasing behaviour. Out of the total 396 questionnaires sent out to administer, 369 were successfully completed and returned; and this therefore produced a response rate of 93.2%.

#### **4.1 Socio Demographic Characteristics of Respondents**

The socio-demographic physiognomies of the participating customers are examined in this part of the chapter. The key socio-demographic physiognomies of the participating customers discussed include gender distribution, marital status, highest academic qualification, age distribution, income level and customers experience with Enterprise Life Assurance Company. Presented in the Table 4.1 is the result of socio demographic features of the participating customers.

**Table 4.1: Socio Demographic Information**

<b>Socio Demographics</b>	<b>Frequency (n)</b>	<b>Percent (%)</b>
<b>Gender</b>		
Male	235	63.7
Female	134	36.3
<b>Total</b>	<b>369</b>	<b>100.0</b>
<b>Marital Status</b>		
Married	166	45.0
Single	134	54.2
<b>Total</b>	<b>369</b>	<b>100.0</b>
<b>Academic qualification</b>		
No formal qualification	3	.8
BECE	13	3.5
WASSCE	41	11.1
Technical/Post-sec	33	8.9
Diploma/HND	77	20.9
Bachelor's degree	140	37.9
Post-graduate	36	9.8
PhD	26	7.0
<b>Total</b>	<b>369</b>	<b>100.0</b>
<b>Age</b>		
18-25 years	85	23.0
26-34 years	191	51.8
35-45 years	82	22.2
Above 45 years	11	3.0
<b>Total</b>	<b>369</b>	<b>100.0</b>
<b>Income Level</b>		
< GH¢500	87	23.6
GH¢500- GH¢1000	76	20.6
GH¢1001- GH¢1500	76	20.6
> GH¢1500	130	35.2
<b>Total</b>	<b>369</b>	<b>100.0</b>
<b>Experience with Enterprise Life Assurance Company Assurance Firm</b>		
< 2 years	96	26.0
2-5	161	43.6
6-10	84	22.8
> 10	28	7.6
<b>Total</b>	<b>369</b>	<b>100.0</b>

Source: Field Survey, 2016

Table 4.1 reveals that the majority (63.7%) of the respondents were males whereas 36.3% were also females. There is therefore the possibility that the majority of the consumers of Enterprise Life Assurance Company are males. The majority (54.2%) of the surveyed respondents were also single whereas the married were 45.0%. The

educational distribution of the surveyed respondents shows that .8% have no formal education, 3.5% have BECE, 11.1% have WASSCE, 8.9% have technical or post-secondary certificates, 20.9% have diploma or HND, 37.9% have bachelor's degree, 9.8% have post-graduate degree and 7.0% also have PhD. The age distribution of the surveyed respondents shows that the majority were between the ages of 26 and 34 years whereas 23.0% were between 18 and 25 years. However, 22.2% and 3.0% of the surveyed respondents were also between 35 and 45 years and above 45 years respectively. The income distribution of the surveyed respondents shows that 23.6% have less GH¢500, 20.6% have between GH¢500 and GH¢1000, 20.6% also have between GH¢1001 and GH¢1500, and 35.2% have more than GH¢1500. The result of the Table 4.1 further shows that 26.0% have experience of less than 2 years with Enterprise Life Assurance Company whereas 43.6% also have 2 to 5 years of experience with Enterprise Life Assurance Company. However, 22.8% and 7.6% have experience of 6 to 10 years and more than 10 years with Enterprise Life Assurance Company respectively.

#### **4.2 Nature of customer care practices**

The customer care practices of Enterprise Life Assurance Company are discussed in this part of the research. The key dimensions of the customer care practices examined in the section include proficiency, media and presentation, physical and ethical excellence, service and delivery purpose, security and dynamic operations, credibility and functionality of the company. The result of the customer care practices of the company on the basis of the mentioned dimensions is presented in Table 4.2.



Table 4.2 reveals that high level of proficiency of services is delivered by Enterprise Life Assurance Company as revealed by the mean response of 3.79. The participating customers agreed that the company is always willing to help customers and respond to their request. The company also cares and provides individual attention to customers, the agents and employees instill confidence in customers, provides information or details about service innovations, explain to customers the nature and schedule of services available, provide prompt service to customers, provide effective customer grievance rectification procedures and processes, offer services in convenient operating hours and the agents of the firm also have adequate knowledge and competence to respond to customers specific queries and request. This result of the study is consistent with existing literature that indicates that for a good proficiency in the customer care delivery; there is the need for proper grievance handling (Alinvi & Babri, 2008) and be willing to aid customer and respond to their request timely (Suh & Youjae, 2006). Notwithstanding, the earlier study of Parasuraman et al. (1985) the need for higher level of proficiency in the service delivery through the provision of individual attention to customers, provide product information to customers, provide services in timely manner, ensure timely attendance to customer grievances, offer services in convenient hours and many others that have been shown to be practiced by the Enterprise Life Assurance Company Limited.

**Table 4.2: Customer care practices**

	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>SD</b>
<b>Customer Care Practices</b>					
Proficiency	369	2.00	5.00	3.79	.68
Media and Presentations	369	1.00	5.00	3.66	.73
Physical and Ethical Excellence	369	2.00	5.00	3.80	.65
Service and Delivery Purpose	369	2.00	5.00	3.78	.71
Security and dynamic Operations	369	1.00	5.00	3.74	.78
Credibility	369	1.00	5.00	3.85	.69
Functionality	369	1.00	5.00	3.90	.84
<b>Overall</b>	<b>369</b>	<b>1.00</b>	<b>5.00</b>	<b>3.79</b>	<b>.58</b>

Rank: [Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)]

Source: Field Survey, 2016

The surveyed respondents also agreed to high level of media and presentations carried out by Enterprise Life Assurance Company as revealed by the mean response of 3.66. The company is perceived by the surveyed customers to present attractive and information media, theme layout and language of advertisement. This result is consistent with the existing literature that also stipulates that there is the need to carry out more effective messages to customers through the appropriate medium (e.g. Olorunniwo, Hsu & Udo, 2006; Alinvi & Babri, 2008). The respondents further agreed that the company present facilities that are visually attractive and materials associated with the services. The company also provides ease of getting information about policies through TV, newspapers, internet etc. rather than through agents. Furthermore, the customers agreed that the staff of the company appear neat and professional and the company has modern looking updated equipment, fixtures and facilities.

Table 4.2 additionally reveals that the surveyed customer of Enterprise Life Assurance Company agreed that the company provides high level of physical and ethical excellence as revealed by the mean figure of 3.80. The company is perceived to provide proper drinking water and sanitary facilities and visually appealing signs, symbols, advertisement boards, fliers, and other artifacts in the branch offices. The customers also agreed that the company branch layout has been designed to give more space to the customers to transact businesses. The company also is perceived to provide comfortable physical layout of premises, furnishings and ambient conditions. This result of the study is consistent with Parasuraman et al. (1985) report that there is the need for effective customer care through physical and ethical excellence through physical facilities, equipment and be sympathetic to the plight of the client.

Table 4.2 additionally reveals that the participating customers concurred that Enterprise Life Assurance Company has in place a higher level of service delivery process and purposes as revealed by the mean figure of 3.78. The participating customers concurred that the company has adequate and necessary personnel or agents to render good customer services, and also ensure timely reinstatement of lapsed policies, change of nominations, addresses and mode of premium payment. The company is further perceived by the surveyed customers to provide quick papers and procedures from the period of issue of policies up to claim settlement. The company also provides excellent services from first encounter and the agents also have the adequate ability to offer truthful advice on investment and risk policies.

Table 4.2 additionally reveals that the studied participating customers concurred that Enterprise Life Assurance Company deliver high level of security and dynamic operations as revealed by the mean figure of 3.74. The participating customers

indicate that the company provides convenient date for premium payment, and flexible products or new products that meet customer's needs. The surveyed customers further agreed that the company makes customers feel safe and secure with their transaction, and perceived the company to have achieved higher level of technological capability. This result of the study is consistent with the findings of Alinvi and Babri (2008) that report the need for security and dynamic operations through the provision of services in convenient time, provision of services in secured and convenient manner using modern technologies.

The surveyed customers of Enterprise Life Assurance Company further perceived the company to be highly credible in terms of adequate and necessary facilities for good customer services and wise use of modern and alternate mode of premium payment such as electronic clearing system, payment through internet. The surveyed respondents also perceived the company as credible in terms of appropriate behaviour of the staff or agents of the company. The surveyed respondents also agreed that Enterprise Life Assurance Company ensures high level of functionality in terms of convenient location of the branch offices and the obtainability of top officers in case of need.

#### **4.3 Nature of demography of customers in terms of age, gender and education**

This part of the chapter examines the nature of the demographic information of the surveyed customers of Enterprise Life Assurance Company in terms of the influence of age, gender and education on the consumer's decision to purchase or not to purchase life assurance policies or products. The descriptively presented result of this part is shown in Table 4.3.

**Table 4.3: Demography of customers of life assurance**

	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>SD</b>
<b>GENDER</b>	<b>369</b>	<b>1.00</b>	<b>5.00</b>	<b>2.67</b>	<b>1.16</b>
GEN1	369	1.00	5.00	2.19	1.41
GEN2	369	1.00	5.00	3.16	1.43
<b>AGE</b>	<b>369</b>	<b>1.00</b>	<b>5.00</b>	<b>3.78</b>	<b>1.11</b>
AGE1	369	1.00	5.00	3.57	1.31
AGE2	369	1.00	5.00	3.99	1.31
<b>EDUCATION</b>	<b>369</b>	<b>1.00</b>	<b>5.00</b>	<b>3.72</b>	<b>1.02</b>
EDU1	369	1.00	5.00	3.73	1.11
EDU2	369	1.00	5.00	3.70	1.12
<b>Valid N (listwise)</b>	<b>369</b>				

Rank: [Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)]

Source: Field Survey, 2016

Table 4.3 reveals that the surveyed customers of Enterprise Life Assurance Company were undecided with regards to taking life assurance policies because of their gender as revealed by the mean figure of 2.19. The clients were also undecided with regard to taken life assurance policies because of the responsibilities as men or women as indicated by the mean response value of 3.16. It is therefore evident that gender is not great factor of consideration of the customers in terms of their subscription to life assurance policies. This result is consistent with the findings of Yusuf, Gbadamosi and Hamadu (2009) that indicates that gender statistically does not influence the life assurance purchasing attitude of Nigerians.

Table 4.3 however reveals that the participating customers concurred that age influenced their decision to subscribe to life assurance policies. The customer agreed with the assertion that they purchased life assurance policies because they are getting older and as a result of the growing of their aged dependants. This result is consistent

with the study of Alinvi and Babri (2008) that reports that the average household structure in terms of the number of family members of dependants increases consumer's preferences for life assurance products. Beck and Webb (2003) is also supported by the current study findings in a sense that they also reported that higher family dependency on the working population will upsurge the demand for death coverage and will therefore dwindle the need for savings through life assurance. This result is also consistent with the study of Grant, Clarke and Kyriazis (2010) that reported that age has the potency to shift the purchasing behaviour of consumers.

The result of the Table 4.3 further showed that the educational background of the surveyed customers of Enterprise Assurance Company influenced their subscription to life assurance policies as revealed by the mean figure of 3.72. The participating customer concurred that they took life assurance policies because of their knowledge about the benefits and the need to reduce their risk level by taking life assurance. This result is consistent with the study Beck and Webb (2003) and Yusuf, Gbadamosi and Hamadu (2009) that report statistical significance influences of the educational background of consumers on the purchasing behaviour of consumers on life assurance products.

#### **4.4 Purchasing Behaviour of Consumers**

This part of the chapter examines the purchasing behaviour of the participating clients of Enterprise Assurance Company towards the taking of assurance policies. Table 4.4 descriptively presents the result of this section of the chapter.

Table 4.4 reveals that the participating customers of Enterprise Assurance Company were undecided as to whether the religious beliefs affect their decision to take on a life assurance policy as indicated by the mean response value of 2.65. The surveyed customers also were undecided as to whether the traditional beliefs of consumers affect life assurance decisions as indicated by the mean response value of 2.68. The surveyed customers further were undecided as to whether their level of income affects their decision to take life assurance policies as indicated by the mean response value of 2.97. More so, the surveyed customers were undecided as to whether accidents can be averted spiritually prevents them from taking a life assurance policy as indicated by the mean response value of 3.21. The respondents were further undecided as to whether friends, spouse, relatives, risk averse character, bad experiences, pessimistic nature and their attitude towards risk influences their decision to take up assurance policies as indicated by the mean approximate response value of 3.00.

**Table 4.4: Purchasing Behaviour of Consumers**

	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>SD</b>
Religious beliefs affect my decision to take on a life assurance policy	369	1	5	2.65	1.36
Traditional beliefs affects my life assurance decisions	369	1	5	2.68	1.29
Believing accident can be averted spiritually prevents me from taking a life assurance	369	1	5	3.21	1.26
Income level affects my decision to take life assurance policy	369	1	5	2.97	1.32
Friends influence my decision to take life assurance policy	369	1	5	3.24	1.19
My Spouse encouraged me to take a life assurance policy	369	1	5	2.64	1.30
Relatives discourage me from taking life assurance policy	369	1	5	3.14	1.21
I am risk averse and that led me to take life assurance policy	369	1	5	2.81	1.25
Bad experiences led me to take on life assurance policy	369	1	5	2.65	1.14
I am pessimistic and that led me to take a life assurance policy	369	1	5	3.35	1.18
Attitude toward risk led me to take life assurance policy	369	1	5	3.23	1.12

Note: Strongly agree (5), Agree (4), Undecided (3), Disagree (2), Strongly Disagree (1)

Source: Field Survey, 2016

#### **4.5 Validity and Reliability Test**

The quality of the measurable items of the data collection instrument was sieved through a series of validity and reliability tests. The validity procedure was carried out through the LISREL Version 8.5 to undertake series of procedures regarding the exploratory and confirmatory factor analysis. The key constructs of the study that were taken through the confirmatory and exploratory factor analysis procedure were educational background of the consumers, customer care and consumer purchasing



behaviour. The series of procedures followed in the ECA and CFA analyses were in line with the study of Chen and Pauraj (2004). The exploratory factor analytical procedure was carried out to examine the scale reliability and dimensionality of the constructs of the study. After the confirmatory factor analytical procedure, the constructs were taken through model modification process to ensure better model fit. The loadings or the Lambda values and standard errors for the calculation of the convergent validity (CR) and the Average variance extracted (AVE) were within the required figures. The obtained AVEs were all above .50, the required threshold for acceptance (Bagozzi & Yi, 2014). This therefore indicates lambdas significantly loaded on their respective constructs.

**Table 4.5: Reliability and Validity test result**

<b>Variables</b>	<b>Loadings</b>	<b>t-statics</b>
<b>Demographics (CA=.876, CV=.817, AVE=.621)</b>		
I took a life assurance policy because of my gender as a man/woman	.679	5.14
I took a life assurance policy because I am getting old	.739	9.32
I took a life assurance policy because of my aged dependents	.895	Fixed
I took a life assurance policy because I know the risk due to my educational	.640	8.27
<b>Proficiency (CA=.849, CV=.833, AVE=.582)</b>		
Willingness to help customers and the readiness to respond to customers'	.644	Fixed
Agents & employees instill confidence in customers by proper conducts	.773	9.74
Effective customer grievance rectification procedures and processes	.791	8.90
Convenient operating hours and days of branches for the customers	.585	6.41
<b>Media and Presentations (CA=.745, CV=.812, AVE=.872=.621)</b>		
Attractive and informative media, theme layout, and language of advertisement	.602	Fixed
Visually appealing materials and facilities associated with the service	.795	7.70
Ease of getting information about policies through T.V., newspaper, Internet etc.	.682	7.18
Staff appear neat and professional	.834	7.83
<b>Physical and Ethical Excellence (CA=.768, CV=.860, AVE=.583)</b>		

Providing proper drinking water and sanitary facilities	.682	Fixed
Branch layout is designed to give more space to the customers to transact business	.897	7.59
Provides visually appealing signs, symbols, advertisement boards, fliers and others	.806	9.03
Comfortable physical layout of premises, furnishings, and ambient conditions	.612	6.24
<b>Service Delivery Process and Purpose (CA=.758, CV=.859, AVE=.574)</b>		
Timely reinstatement of lapsed policies, change of nominations & mode of premium	.723	8.30
Speedy documentation and processes from the time of issue of policies up to the settlement of claims	.873	Fixed
Excellent services right from first encounter	.758	11.36
Ability of agents to give truthful advice on investments and risk policies.	.837	9.27
<b>Security and Dynamic Operations (CA=.858, CV=.886, AVE=.578)</b>		
Convenience of premium payment on due dates	.617	8.73
Flexible products/ new products that meet customers' needs	.788	11.92
Making customers feel safe and secure with their transactions	.582	8.13
Enhancement of technological capability to serve customers more effectively	.813	Fixed
<b>Credibility (CA=.798, CV=.836, AVE=.639)</b>		
Adequate and necessary facilities for good customer services	.782	11.29
Wide use of modern and alternate mode of premium payment, such as electronic clearing system, payment through Internet etc.	.605	8.29
Appropriate behaviour of the staffs/agents	.727	11.88
<b>Functionality (CA=.825, CV=.895, AVE=.673)</b>		
Convenient location of the branch offices	.698	Fixed
Availability of top officials in case of need	.770	13.00
<b>Consumer Purchasing Behaviour (CA=.823, CV=.896, AVE=.584)</b>		
Friends influence my decision to take life assurance policy	.885	14.17
My Spouse encouraged me to take a life assurance policy	.869	14.38
Relatives discourage me from taking life assurance policy	.889	14.88
I am risk averse and that led me to take life assurance policy	.791	11.43
Bad experiences led me to take on life assurance policy	.907	14.65
Attitude toward risk led me to take life assurance policy	.817	fixed

Note: CE: Convergent Validity; CA: Cronbach Alpha; AVE: Average Variance Extracted

Source: Field Survey, 2016

Therefore, model fit indices like the NNFI,  $\chi^2/df$ , RMSEA; CFI and the SRMR were all within the required standard. The absence of the cross-loadings during the model

modification of the various constructs therefore provides adequate evidence of a higher level of convergent validity. Furthermore, the composite reliability values were all above .60 as the figures ranged between .812 and .896. The Cronbach Alpha values of the constructs also ranged between .745 and .876, indicating high reliability of the study constructs as they are all above the required threshold of .70 (Flynn et al., 1990).

**Table 4.6: Model fit indices**

<b>CFA model</b>	<b><math>\chi^2</math></b>	<b>DF</b>	<b>RMSEA</b>	<b>NNFI</b>	<b>CFI</b>	<b>SRMR</b>
Demographics	58.62	62	.03	.99	.99	.03
Proficiency	65.31	56	.03	.99	.99	.04
Media and Presentations	71.63	42	.06	.91	.92	.05
Physical and Ethical Excellence	0.12	2	.00	1.02	1.0	.00
Service Delivery Process and Purpose	0.54	2	.00	1.02	1.0	.01
Security and Dynamic Operations	1.10	2	.00	1.01	1.0	.02
Credibility	8.62	9	.01	.99	.99	.02
Functionality	3.10	5	.00	1.00	1.0	.02
Consumer Purchasing Behaviour	12.14	9	.05	.98	.99	.03

Note:  $\chi^2$  =Chi-square; DF= degree of freedom; RMSEA =root mean square error of approximation; NNFI=Bentler non-normed fit index; CFI =comparative fit index; SRMR=standardized root mean  
Source: Field study, 2016

#### **4.6 Correlation Result of the Study Constructs**

The Table 4.7 reveals that there is a positive association of .528 between gender and consumer purchasing behaviour ( $p < .01$ ). The result also shows that there is positive correlation of .113 between age of the consumer and consumer purchasing behaviour ( $p < .05$ ). This therefore indicates the aged have positive attitude towards the purchasing of the life assurance products of the company relatively their younger counterparts. The educational background of the consumers was also positively correlated with the purchasing behaviour of the consumers ( $p < .01$ ). This therefore implies that the highly educated consumers have positive attitude towards the consumption of the policies of Enterprise Life Assurance Company. There was also

positive correlation of .497 between the customer care practices of the company and the purchasing behaviour of the consumers of the company ( $p < .01$ ). This thus reveals that any important enhancement in the customer care practices of the company is associated with .497 unit improvement in the purchasing behaviour of the consumers.

**Table 4.7: Correlation analysis of the study constructs**

	1	2	3	4	5
<b>1</b> Gender	1.000				
<b>2</b> Age	.076	1.000			
<b>3</b> Education	-.055	.035	1.000		
<b>4</b> Customer Care	-.097	-.092	-.046	1.000	
<b>5</b> CPB	.528**	.113*	.308**	.497**	1.000

\* & \*\*. Correlation is significant at the 0.05 & 0.01 levels respectively (2-tailed).

Source: Field Survey, 2016

#### **4.7 Impact of Customer Care on Consumer Purchasing Behaviour**

The regression model of the Table 4.8 exhibits good-fit to data. The Durbin-Watson result of approximately 2.0 indicates the absence of autocorrelation in the model. The tolerance values of all the predictors of the model were above the threshold of .10. This therefore indicates that the percent of the variations in the predictors that is not accounted for by the other predictors is high enough to avoid any further investigation. The VIF values of the predictors were also all below the threshold of 10. The VIF levels and the tolerance values provide evidence of the lower level or absence of multi-collinearity. The regression result is therefore presented in Table 4.8. Table 4.8 demonstrated that there is positive relationship of .342 between the educational status of the consumers and their purchasing behaviour ( $p < .01$ ). This thus reveals that any level increase in the educational status of the consumers is related to .342 unit increases in the purchasing behaviour of the consumers. This result is consistent with the result of several researchers like as Hammond et al.

(2005), Burnett and Palmer (2007), Gandolfi and Miners (2002), and Baek and DeVaney (2005) who demonstrated positive relationship between education and positive purchasing behaviour toward products. Populations with higher level of education are inclined to appreciate and understand the need for risk management this will increase their savings through life assurance (Beck and Webb 2003).

**Table 4.8: Effect of customer care on consumer purchasing behaviour**

	Standardized Coefficients		t	Sig.	Collinearity Statistics	
	Beta	SE			Tolerance	VIF
(Constant)		.321	11.198	.000		
Education	.342	.027	6.521	.000	.750	1.333
Proficiency	.161	.102	1.772	.077	.251	3.991
Media Presentation	.126	.069	1.928	.055	.481	2.077
Physical Ethic	.109	.083	1.548	.123	.418	2.393
Service Delivery	.159	.087	1.970	.050	.316	3.167
Security Dynamics	.427	.080	5.279	.000	.315	3.172
Credibility	.013	.076	.184	.854	.440	2.273
Functionality	.185	.057	2.947	.003	.531	1.882
R	.784					
R <sup>2</sup>	.615					
Adjusted R <sup>2</sup>	.605					
Std. Error	.59101					
F-Statistics	61.561***					
Durbin-Watson	1.998					

Notes: Married (1), otherwise (0)

Dependent Variable: CPB

The outcome of the Table 4.8 reveals that there is positive association of .161 between the proficiency of service delivery to consumers and their purchasing behaviour ( $p < .10$ ). This thus reveals that any substantial unit increases in the proficiency of service delivery of the Assurance Company is related to .161 unit enhancement in the purchasing behaviour. The result of the study further shows that the media and presentation activities of the surveyed customers positively influence the purchasing behaviour of the consumers ( $p < .10$ ). This therefore indicates that any

significant improvement in the media and presentation activities of the assurance companies is associated with .126 unit improvement in the purchasing behaviour of the consumers.

Table 4.8 further shows that the service delivery process and purpose of the company positively influences the purchasing behaviour of the consumer ( $p < .05$ ). This thus reveals that any significant unit improvement in the service delivery process and purpose of the company is related to .159 unit increases in the purchasing behaviour of the consumers towards the products of the company. Any attempt or policies of the company that enhances the service delivery process and purposes of the company therefore has the potency to increase consumer's appetite for the policies and products of the company. This result is consistent with the study of Awan et al. (2011) that reports that Building strong relationships with customers through quality service delivery are incentives to encourage loyalty. Siddiqi (2011) also reported that developing a persistent service relationship can lead to customer satisfaction and hence influence the decision or choice of consumers.

The security and dynamic operations of the company also positively influences the purchasing behaviour of consumers ( $p < .01$ ). This thus reveals that any substantial unit enhancement in the security and dynamic operations of the company is related to .427 unit enhancement in the purchasing behaviour of consumers toward the products of Enterprise Life Assurance Company. The functionality activities of the company also positively influenced the purchasing behaviour of the consumers ( $p < .01$ ). This thus reveals that any substantial enhancement in the functionality

activities of the company is associated with .185 unit improvement in the purchasing behaviour of the consumers towards the products or policies of the company.

#### **4.8 Ordinary Least Squared Regression Result of the study**

The Model 1 result of Table 4.9 exhibits good-fit to data. The adjusted  $R^2$  outcome of .550 reveals that 55% of the changes in the outcome construct (Consumer Purchasing Behaviour) are accounted for by the predictors of the second model (model 2). The Durbin-Watson outcome of nearly 2.0 also reveals that there is no trait of autocorrelation in the model 2.

The Model 2 of the hierarchical regression outcome of the Table 4.9 also exhibits good-fit of the model 2. The outcome of the adjusted  $R^2$  of .510 reveals that 51% of the alterations in the outcome construct (Consumer Purchasing Behaviour) is accounted for by the predictors of the Model 2. The outcome of the Durbin-Watson of nearly 2.0 also reveals that autocorrelation is absent in the model. The tolerance value of more than .10 also provides evidence of lower level of collinearity. The variance inflation factors (VIFs) of the predictors of less than 10 also further provide evidence of the lower level collinearity. Therefore, the level of the variations in the predictors explained by the other predictors is very low and hence the model does not warrant further investigation.

The model 3 outcome of the regression of Table 4.9 also provides evidence of the good-fit of the model. The outcome of the Durbin-Watson of nearly 2.0 reveals that autocorrelation is absent in the mode. The tolerance values of the predictors of the model are also greater than .10 indicating the absence of collinearity. The variance

inflation factors of the predictors of the model 3 are all less than 10 demonstrating the absence of multi-collinearity. The tolerance values and VIF values of the predictors therefore provide evidence that the variations in the predictors accounted for by the other predictors is very low and hence there is no need for re-modification of the model.



Table 4.9: OLS Regression Result of the relationships between Demography, Customer care and Consumer Purchasing Behaviour

Standardized Estimates								
Consumer Purchasing Behaviour								
	Model 1 $\beta$ (t-value)	Model 2 $\beta$ (t-value)	Model 3 $\beta$ (t-value)	Tolerance	VIF	Model 4 $\beta$ (t-value)	Tolerance	VIF
<b>Constant</b>	3.120(12.085)***	4.072(11.102)***	3.570(13.499)***			5.519(9.761)***		
<b>Control Path</b>								
Gender	.097(1.868)*	.081(1.577)	.025(.428)	.958	1.044	.128(.293)	.684	1.462
Age	-.056(-.911)	-.060(-.998)	.141(2.681)***	.856	1.168	.332 (3.275)**	.836	1.196
Marital Status	.092(1.689)*	.113(2.094)**	.121(2.313)**	.782	1.279	.080(1.576)	.731	1.367
Income	-.156(-2.872)***	-.209(-3.771)***	-.214(-3.914)***	.842	1.188	-.237(-4.364)***	.803	1.245
Experience with Life assurance firms	.154(2.673)***	.119(2.073)**	-.150(-2.845)***			-.171(-4.364)***		
<b>Hypothesized</b>								
Customer care		.186(3.599)***	.149(2.350)**	.664	1.506	.582(4.556)***	.379	2.639
Education			.605(4.81)***	.747	1.339	-.811(-3.548)***	.697	1.435
Customer Care*Education						1.176(3.880)***	.618	1.619
R	.345	.814	.797			.815		
R <sup>2</sup>	.119	.663	.635			.665		
Adjusted R <sup>2</sup>	.107	.550	.510			.550		
Std. Error of the Estimates	.72619	2.6170	6.06242			2.6180		
F-Statistics	9.786***	34.696***	33.814***			38.492***		
Durbin-Watson	1.834	2.004	1.989			2.004		

Notes: Significance level: \* p < 0.1; \*\* p < 0.05; \*\*\* p < 0.01.

Source: Field Survey, 2016

#### **4.9 Moderating effect of demographic factors on customer care and consumer purchasing**

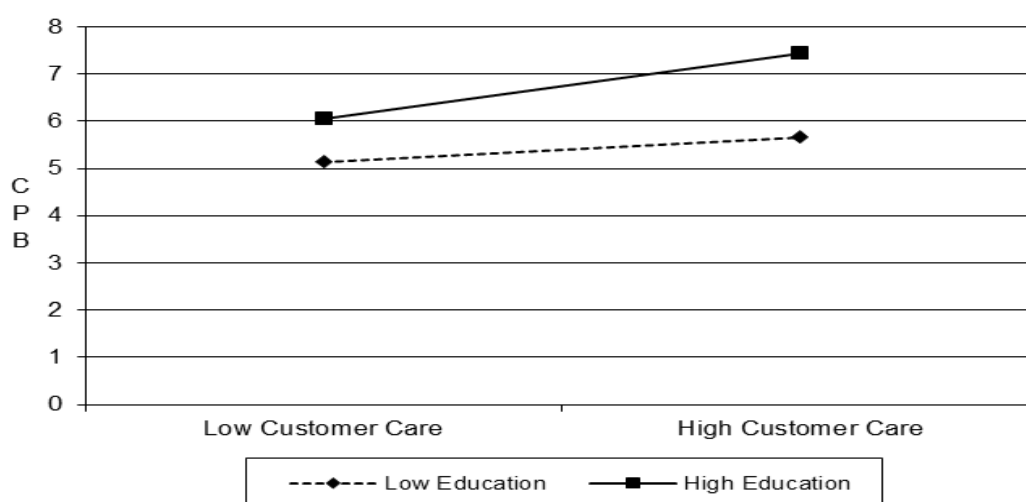
The model 3 outcome of the Table 4.9 also reveals that there is positive relationship between education and consumer purchasing behaviour ( $p < .01$ ). This thus designates that the highly educated have positive purchasing behaviour towards Life Assurance products or services. From the model 2 of the Table 4.9, three control variables were found to influence consumer purchasing behaviour. These control variables include marital status, income and experience with life assurance firms. The hypothesized variable of the Model 2 of the result of the Table 4.9, customer care was found to positively influence the purchasing behaviour of the consumers of Enterprise Assurance Company ( $p < .01$ ). This thus reveals that any substantial enhancement in the customer care practices of Enterprise Assurance Company is related to .186 unit enhancement in the purchasing behaviour of the consumers. Therefore, the positive attitude of the consumers towards the products or policies of Enterprise Assurance Company depends on the level of customer practices of the company. This result is consistent with the existing literature that provides proof of positive association between customer care practices and the consumer's purchasing behaviour (Awanet al., 2011; Siddiqi, 2011). This result therefore confirms or provides support for the hypothesis of the study that there is a positive relationship customer care and the taking of life assurance policy.

The result of the Model 4 introduces the interaction of education and customer care to test the hypothesis that the educational background of consumers moderates the relationship between customer care and purchasing behaviour. The study hypothesized that the educational background of the consumers positively moderates

the association between customer care and consumer purchasing behaviour. The assumed moderator (educational level of the consumer) inversely reacted with the criterion variable (Consumer Purchasing Behaviour) ( $\beta=.811$ ,  $p<.01$ ). The model 3 also revealed a statistical significant reaction between the assumed moderator (education) and the predictor (customer care) ( $\beta=1.176$ ,  $p<.01$ ). The interaction between customer care and education is positively related to the purchasing behaviour of the consumers of Enterprise Life Assurance Company ( $\beta=1.176$ ,  $p<.01$ ). The result provides adequate evidence to indicate that education is homologizing moderator in the relationship between customer care and the purchasing behaviour of the consumers of Life Assurance Company. This outcome of the study thus backs the hypothesis of the study that the educational level of Life Assurance consumers positively moderates the association between customer care and purchasing behaviour.

The graphical presentation of the moderating effect of the educational background of the consumer in the relationship between the customer care practices of Enterprise Life Assurance Company and the purchasing behaviour of consumers is shown in Figure 4.1. Figure 4.1 shows that the effect of the customer care practice of Enterprise Life Assurance Company on consumer purchasing behaviour becomes more positive the higher the educational level of consumers. This result of the study is therefore consistent with the result of Hammond et al. (2005) and Burnett and Palmer (2007) that provided evidence of the moderating role of education on the relationship between customer care and consumer purchasing behaviour.

This therefore adds to the available limited literature on customer care and consumer purchasing behaviour in African context and further provides evidence of the moderating effect of education on the customer choice of the modern Ghanaian. The modern Ghanaian consumer is becoming discerning and enlightened through education and hence makes choices based on provided customer care.



**Figure 4.1: Graphical Result of Moderating Effect of Education**

Source: Field Survey, 2016

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

This chapter of the study summarizes the findings of the study, make the necessary conclusions and suggest feasible policy and managerial strategies to improve performances.

#### **5.1 Summary of Findings**

The key findings of the study on the basis of the designed research questions have been summarized in sub-sections below.

##### **5.1.1 Nature of Customer Care Service Practices of Enterprise Life Assurance Company Assurance Ltd**

Enterprise Life Assurance Company Ltd exhibit high level of proficiency in terms of willing to help customers and respond to their request, caring and providing individual attention to customers, provision of information or details about service innovations, explain to customers the nature and schedule of services available, provide prompt service to customers, provide effective customer grievance rectification procedures and processes, offer convenient operating hours and the agents of the firm also have adequate knowledge and competence to respond to customers specific queries and request and hence instill confidence in customers.

The firm ensures higher level of media and presentation of products to the customers to ensure repeated purchases. The company is perceived to present attractive and information media, theme layout and language of advertisement. The company also presents visually appealing materials and facilities associated with the services. The

company also ensures ease of getting information about policies through TV, newspapers, internet etc. rather than through agents.

Enterprise Life Assurance Company Ltd also provides high level of physical and ethical excellence in terms of the provision of proper drinking water and sanitary facilities and visually appealing signs, symbols, advertisement boards, fliers, and other artifacts in the branch offices. The company branch layout has been designed to give more space to the customers to transact businesses, and is further perceived to provide comfortable physical layout of premises, furnishings and ambient conditions. Enterprise Life Assurance Company has in place a higher level of service delivery process and purposes as the company has adequate and necessary personnel or agents to render good customer services, and also ensure timely reinstatement of lapsed policies, change of nominations, addresses and mode of premium payment. The company is further perceived to provide speedy documentation and processes from the time of issue of policies up to the settlement of claims. The company also provides excellent services from first encounter.

High level of credibility and functionality is also exhibited by Enterprise Life Assurance Company Ltd. the company is also perceived to deliver high level of security and dynamic operations. The company provides convenient date for premium payment, and flexible products or new products that meet customer's needs.

### **5.1.2 Nature of Demography of Customers of Enterprise Life Assurance Company Assurance Ltd**

The educational background of the customers is perceived to positively influence the attitude or the purchasing behaviour of consumers towards Life Assurance policies and products. Some consumers perceive to have taken life assurance policies and products because of their knowledge about the benefits of the policies and the risk level of consumers achieved through their level of education.

### **5.1.3 Purchasing Behaviour of Consumers**

The result showed that religious beliefs, traditional beliefs, income levels, friends, spouses, relatives, bad experiences, risk averseness, pessimistic attitude, and the belief that accidents can be averted spiritually do not necessary negatively or positively influence the purchasing behaviour of consumers in the subscription to life assurance products or services.

### **5.1.4 Impact of Customer Care Services on Consumer Purchasing Behaviour**

The service delivery process of Enterprise Life Assurance Company Ltd positively influenced the purchasing behaviour of consumers. The other customer care practices of Enterprise Life Assurance Company Ltd that also positively influenced consumer purchasing behaviour were security and dynamic operations and functionality of the company. The general customer care practices of the company positively influence the purchasing attitude of the consumers towards life assurance policies and products.

### **5.1.5 Moderating Effect of Education of Customers on Customer Care and Consumer Purchasing Behaviour**

The educational background of the consumers of Enterprise Life Assurance products and services positively and significantly moderated the relationship between the customer care practices of Enterprise Life Assurance Company Ltd and consumer purchasing behaviour. The educational level of the consumers performed the role of homologizing moderator in the relationship between customer care and consumer purchasing behaviour. Therefore, the effect of customer care practice of Enterprise Life Assurance Company on consumer purchasing behaviour becomes more positive the higher the educational level of consumers.

## **5.2 Conclusion**

There is high level of customer care practices by Enterprise Life Assurance Company Ltd in terms of proficiency of service delivery, media and presentation of messages to customers, the physical and ethical excellence, service delivery process, security and dynamic operations, credibility and functionality. Enterprise Life Assurance Company Ltd exhibit high level of proficiency in terms of willing to help customers and respond to their request, caring and providing individual attention to customers, provision of information or details about service innovations, explain to customers the nature and schedule of services available, provide prompt service to customers. The company also presents attractive and information media, theme layout and language of advertisement and ensure ease of getting information about policies through TV, newspapers, internet etc. rather than through agents. Enterprise Life Assurance Company Ltd also provides high level of physical and ethical excellence in terms of the provision of proper drinking water and sanitary facilities



and visually appealing signs, symbols, advertisement boards, fliers, and other artifacts in the branch offices. The company has adequate and necessary personnel or agents to render good customer services, and also ensure timely reinstatement of lapsed policies, change of nominations, addresses and mode of premium payment. The company also provides convenient date for premium payment, and flexible products or new products that meet customer's needs.

The high level of customer care practices of the company positively influences the attitude of the consumers towards the purchase of life assurance policies and products. Enterprise Life Assurance Company Ltd therefore has the potency to influence the attitude of the consumers towards their policies through further enhancement of their customer care practices. This finding is in conformity with theory and practice. In theory, it is reported that improving customer care practices positively influences the attitude of consumers towards product (e.g. Awan et al., 2011; Awan et al., 2011; Siddiqi, 2011). The study evidently provides information to support the theoretical and conceptual report of positive moderating effect of the educational level of consumers on purchasing behaviour. The educational background of the consumers of Enterprise Life Assurance Company Ltd positively moderates the relationship between customer care practices and consumer purchasing behaviour. This result therefore adds to the limited volume of literature on the moderating effect of customer care in the relationship between customer care and consumer purchasing behaviour.

### **5.3 Recommendations**

Based on the key findings of the study and the conclusions of the study, several managerial and policy recommendations have been made to ensure higher level of financial performances by the firms in the life assurance industry.

#### **5.3.1 Further improving the customer care practices of the company**

On the basis of the positive effect of customer care on purchasing behaviour of consumers, efforts need to be made by the life assurance companies to enhance or improvement the customer care practices. The company should ensure more effective customer complaint center that attends immediately to the complaints of customers. The customer complaint center services should be available all the time to consumers. More so, the opinion of customers should be sought during the designing and introduction of new policies and products.

#### **5.3.2 Training of staff on customer care practices**

The employees of the life assurance companies can also be given extra training on customer care to ensure relatively better customer care delivery that could positively enhance the attitude of consumers towards the purchasing of life assurance policies.

#### **5.3.3 Awareness creation about the products and policies of the company**

Since the study revealed that some highly educated consumers patronized life assurance policies on the basis of the knowledge on the benefits of the life assurance policies and their perception of risk, there is the need to enhance consumer knowledge about life assurance products and policies through awareness creation. Consumers awareness and knowledge of the policies and products can be created

through higher level of advertisement. The policies of the company should be advertised on T.V., newspapers, radios, internet etc. with the intent of enhancing the knowledge of consumers about the policies.

#### **5.3.4 Customer segmentation**

Since most consumers purchased life assurance products because they are getting old and also have aged dependants, there is the need for further information or database on consumers in order to segment them on the basis of age and educational background. The company can therefore design and tailor proper and effective messages for the various socio demographic segments of customers in order to ensure positive attitude towards products.

#### **5.4 Suggested areas for further studies**

The current study was single case in essence that data collection was limited to Enterprise Life Assurance Company. This phenomenon has the tendency to limit the generalization of the study findings to the whole industry in Ghana. Therefore, further studies on the customer care practices of the life assurance industry could enhance the generalizability of the study findings by adopting a multiple case method by selected life assurance firms from the various regions of the country. Furthermore, the current study also limited the moderating factor to the educational background of consumers; therefore, further studies could include other demographic factors like marital status, age, gender, income level and experience with the life assurance industry.

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## APPENDIX

### QUESTIONNAIRE

Dear Sir/Madam, I am a student of the Kwame Nkrumah University of Science and Technology – Kumasi conducting a research on ‘**The Impact of Customer Care on Consumer Purchasing Behaviour in the Life Assurance Industry In Ghana - Moderating effect of Demography**’. The aim of this questionnaire is to enable me elicit data to facilitate the research. Please take a few moment of your time to answer the questions below. The data collected is purely for academic work and as such your response shall be treated with utmost confidentiality. Thank you in advance.

#### SECTION A: GENERAL INFORMATION

Please circle the appropriate one

1. Gender

A. Male      B. Female

2. Marital status

A. Married    B. Single

3. Select your highest academic or professional qualification?

A. No formal qualification

B. BECE

C. WASSCE

D. Technical/Post-secondary

E. Diploma/HND

F. Bachelor’s degree

G. Post-graduate Diploma/Masters

H. PHD

4. Please select your age group

- A. 18yrs – 25yrs
- B. 26yrs – 34yrs
- C. 35yrs – 45yrs
- D. 45yrs and above

5. What is your monthly income?

- A. Below GH¢50
- B. GH¢501 - GH¢1000
- C. GH¢1001 – GH¢1500
- D. GH¢1501- GH¢2000
- E. above GH¢ 2000

6. How long have you been dealing with the Enterprise Life Assurance Company Assurance Company?

- A. Less than 3 years
- B. 3 – 5
- C. 6 – 10
- D. 11 – 16

## SECTION B: DEMOGRAPHY

In line with your experience with Enterprise Life Assurance Company, please indicate your level of agreement or disagreement by ticking the appropriate number in each statement.

**1=Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree and 5 = Strongly Agree**

STATEMENTS	1	2	3	4	5
<b>Gender</b>					
7. I took a life assurance policy because of my gender as a man/woman					
8. I took a life assurance policy because of my responsibility as a mother/father					
<b>Age</b>					
9. I took a life assurance policy because I am getting old					
10. I took a life assurance policy because of my aged dependents					
<b>Educational Background</b>					
11.I took a life assurance policy because I know the benefits due to my educational background					
12.I took a life assurance policy because I know the risk due to my educational background					

## SECTION C: CUSTOMER CARE

In line with your experience with Enterprise Life Assurance Company Assurance, please rate the quality of services offered by Enterprise Life Assurance Company Assurance by ticking the appropriate number in each statement.

**1=Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree and 5 = Strongly Agree**

STATEMENTS	1	2	3	4	5
<b>Proficiency</b>					
13. Willingness to help customers and the readiness to respond to customers' requests					
14. Giving caring and individual attention to customers by having the customers' "best interests at heart"					
15. Agents and employees instill confidence in customers by proper conducts					
16. Provides information/details about service innovations on a regular basis through post, telephone, banks etc.					
17. Explaining to customers the nature and schedule of services available in the organization					
18. Provides prompt service to customers					
19. Agents and employees have proper knowledge and competence to respond to customer's specific queries and request					
20. Effective customer grievance rectification procedures and processes					
21. Convenient operating hours and days of branches for the customers					
<b>Media and Presentations</b>					
22. Attractive and informative media, theme layout, and language of advertisement					
23. Visually appealing materials and facilities associated with the service					

24. Ease of getting information about policies through T.V., newspaper, Internet etc. rather than through agents					
25. Staff appear neat and professional					
26. Modern looking updated equipment, fixtures, and facilities					
<b>Physical and Ethical Excellence</b>					
27. Providing proper drinking water and sanitary facilities					
28. Branch layout has been designed to give more space to the customers to transact business					
29. Provides visually appealing signs, symbols, advertisement boards, fliers and other artifacts in the branch offices					
30. Comfortable physical layout of premises, furnishings, and ambient conditions (e.g. temperature, ventilation, noise, odor) for customers to interact with official staff					
31. Promotes ethical conduct in its operations					
<b>Service Delivery Process and Purpose</b>					
32. Adequate and necessary personnel/agents to render good customer services					
33. Timely reinstatement of lapsed policies, change of nominations, addresses and mode of premium payment etc.					
34. Speedy documentation and processes from the time of issue of policies up to the settlement of claims (e.g. premiums and default notices etc.)					
35. Excellent services right from first encounter					
36. Ability of agents to give truthful advice on investments and risk policies.					
<b>Security and Dynamic Operations</b>					
37. Convenience of premium payment on due dates					
38. Flexible products/ new products that meet customers' needs					
39. Making customers feel safe and secure with their transactions					



40. Enhancement of technological capability (e.g. computerization, networking of operation, etc.) to serve customers more effectively					
<b>Credibility</b>					
41. Adequate and necessary facilities for good customer services					
42. Wide use of modern and alternate mode of premium payment, such as electronic clearing system, payment through Internet etc.					
43. Appropriate behaviour of the staffs/agents					
<b>Functionality</b>					
44. Convenient location of the branch offices					
45. Availability of top officials in case of need					

#### **SECTION D: CONSUMER PURCHASING BEHAVIOUR**

In line with your experience with Enterprise Life Assurance Company Assurance, please indicate your level of agreement or disagreement by ticking the appropriate number in each statement.

**1=Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree and 5 = Strongly Agree**

<b>STATEMENTS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
46. Religious beliefs affect my decision to take a life assurance policy					
47. Believing accident can be averted spiritually prevents me from taking a life assurance policy					
48. Income level affects my decision to take life assurance policy					
49. Friends influence my decision to take life assurance policy					
50. My Spouse encouraged me to take a life assurance policy					
51. Relatives discourage me from taking life assurance policy					
52. I am risk averse and that led me to take life assurance policy					
53. Bad experiences led me to take on life assurance policy					
54. I am pessimistic and that led me to take a life assurance policy					
55. Attitude toward risk led me to take life assurance policy					