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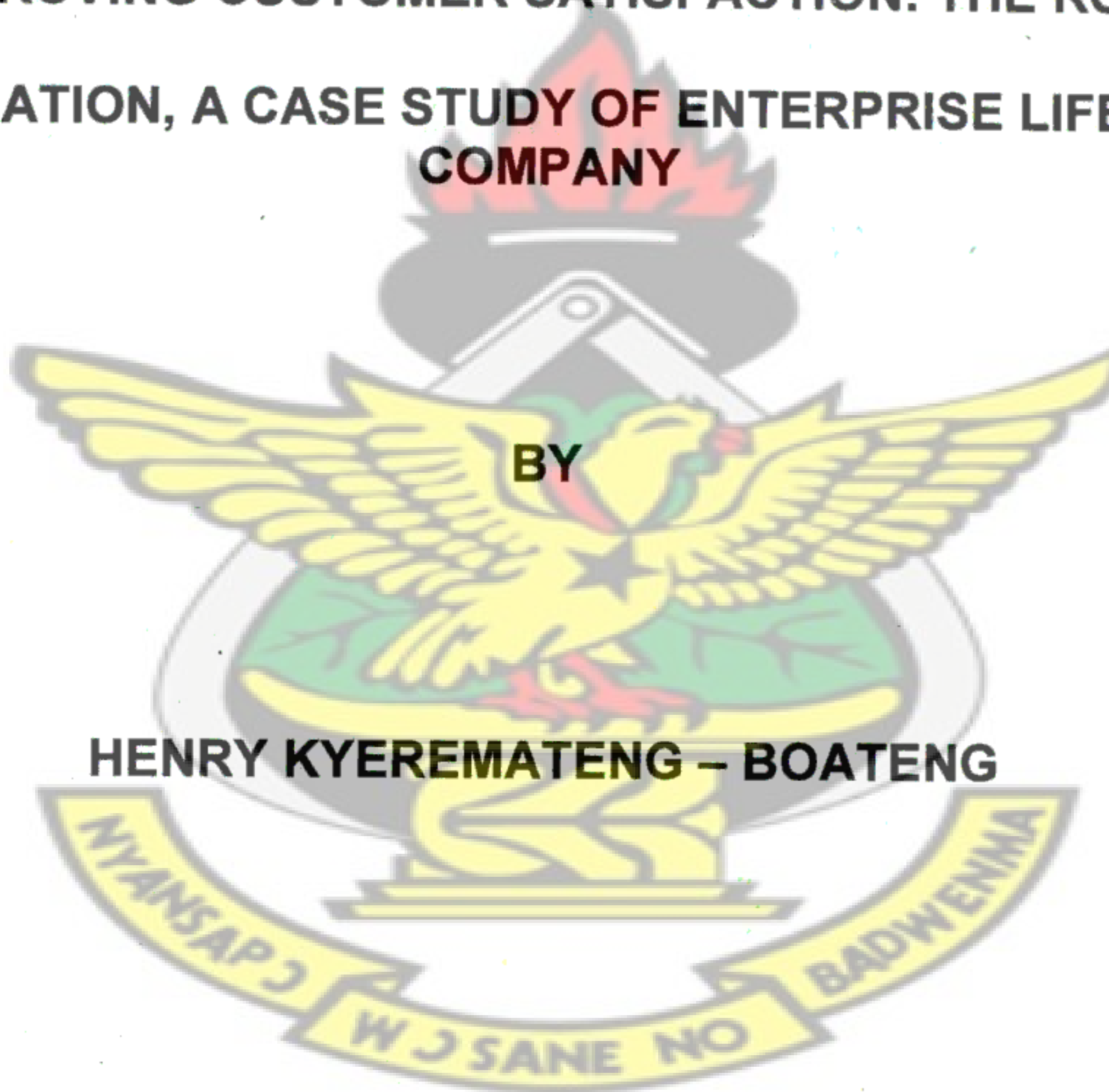KUMASI

COLLEGE OF ARTS AND SOCIAL SCIENCES

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IMPROVING CUSTOMER SATISFACTION: THE ROLE

OF COMMUNICATION, A CASE STUDY OF ENTERPRISE LIFE ASSURANCE COMPANY

BY

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April, 2009

DECLARATION

I hereby declare that this submission is my own work towards the MBA and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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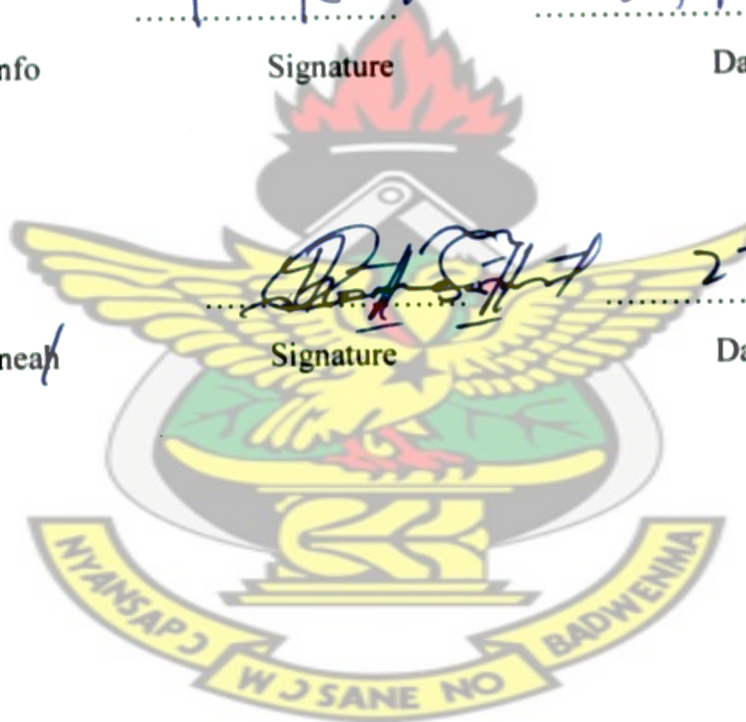
DEDICATION

This long Essay is dedicated to my Wife, Mrs. Mavis Kyeremateng-Boateng and Cherry Kyeremateng-Boateng my daughter, for their support and encouragement.

ABSTRACT

The basic challenges of service companies today are how to effectively design and implement a well structured communications platform in their efforts to satisfy customers. Many authorities argued that communication is essential part of service and can consequently create or destroy customer perceived value. Communication can be use as one of the most important tool in satisfying their customer. Generally, the study intended to find out the need for Enterprise Life Assurance Company to adopt effective communication strategies to satisfy and keep its clients in order to improve her position in the industry. Various literatures on the study were reviewed ranging from communication and customer satisfaction; communication techniques among others which the study tried to link it to the current study. Various methodological approaches were used that included sampling and research instrument. The sampling techniques included quota and purposive. The major instrument used was questionnaires. It was revealed that most of the customers had negative response to claims settlements whilst there was a good level of communication between ELAC and its customers. It was recommended that management should communicate regularly with their customers in order to assess the real effect of communication in improving customer satisfaction and make prompt payment on claims. Moreover, there should be more investment into the marketing of communications by companies so as to be above the competition in the industry.
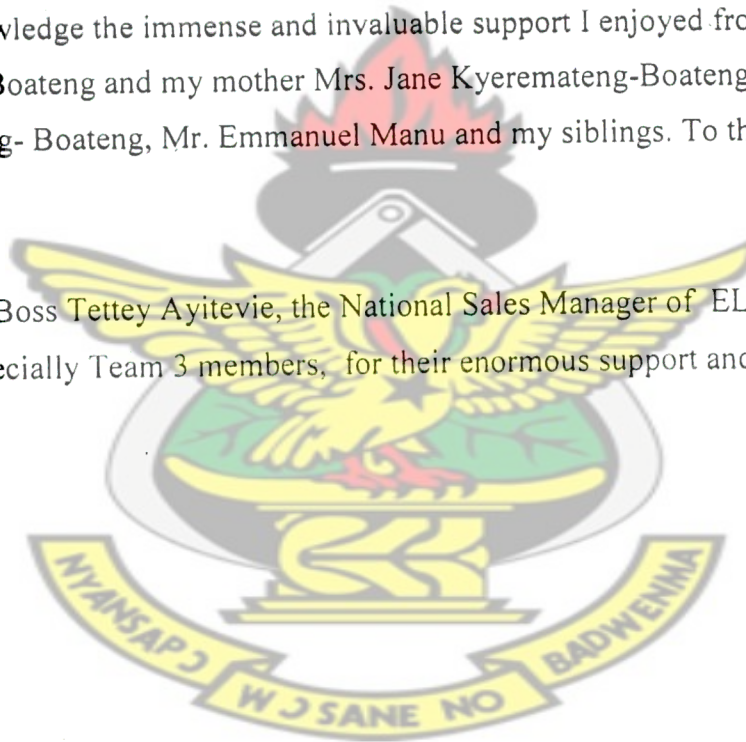
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CHAPTER ONE

GENERAL INTRODUCTION

1.1 Introduction

When firms can consistently deliver value from the consumer's point of view clearly the consumer benefits and has an incentive to stay in the business. (Zeithaml and Bitner (2000). Consumers are more likely to stay in an organization when the value (quality, satisfaction, specific benefits) exceeds the costs (monetary and non – monetary costs). This has propelled many organizations across all sectors to change their approach to marketing, which should be carried out through relationships, networks and interactions (e.g. Day 2000, Gronous 2000; Gummess on 199; Hunt 2000; peck et al. 1999; Webster 2000). In today's fiercely competitive environment providing timely and relevant communications is a critical element in any effective customer service strategy. (Gronroos, c. 1992).

Lovelock and Witz (2007) maintains that communication is the most visible or audible of marketing activities in the service industries. Their perspective seems to suggest why Branthwaith, 2002; seger and Brehim, 2000 see visual imagery as a potential powerful effect on human psychology and physiology attaching ideas, perceptions, beliefs, feelings and behavior. To many companies, the mode of customer satisfaction can be achieved through effective and efficient use of communications. (Adrain Thompson, 2002). This maiden chapter discusses the background of the study; statement of the problem objectives of the research questions and then justly why the need for the research to be carried out. It also outlined the likely limitations lots of the study in the course of administering the questionnaires.

1.2 Background of the study.

Kotler (2000) stressed that the customer will buy from the firm which offers the highest customer delivered value and goes on to define customer delivered value as the

difference between total customer value and total customer cost. However, this should no ignore the benefits that the organization will derive from it services.

He further suggested that existing or prospective customers in target segments are informed about service features and benefits. More so, the price and channels, place and time and process of service delivery are made known which help customers to be well informed.

Heinomen and strandvik (2005) learning on Gronroos, (2000) auguries that communication is essential part of service and can consequently create or destroy customer perceived value. They added that communication effects in addition to technical quality of service shape the image of the organization in the minds of customers as well as prospective clients. In addition, Kinard (1984) identify communication as one of the most important tools that service provider has when used correctly embodies his objective and help accomplish tasks that requires co – ordination. It has also been revealed that communication being an important social uses, disseminating information, motivating and promoting understanding and aiding decision - making also forms a critical component of it.

Similarly, studies have shown that in an organization, decisions and policies are made and relieved from time to time to ensure efficiency in attaining the set goals of the organization. (Webster, 1992). Communication then becomes crucial in transferring the intentions of the organization to all sectors, or units within it. This will help to persuade, direct, instruct, inform, stimulate or develop understanding (Gorton, 1980).

Lovelock and Witz, (2007) rightly pointed out that without effective communication prospects may never learn of an organization's existence, what it has to offer, the value pro[position of its products and how to use them. Kumuyi (2007) substantiated this argument by saying that a leader may have all the attributes but if he comes short of good communication, his organization will record more groans than gains. The end result of

ineffective communication is that customers might be easily lured by competitors and their competitive offering. For the senders to establish trust and maintain credibility between them and the receives. (Kotter and Keller, 2006).

Thus, senders must prove to be competent, knowledgeable, and confident and respect the target audience.

In the early 1990's the government of Ghana adopted a policy of trade liberalization as part of its structural Adjustment Program. The trade liberalization policy opened the flood sale for the formation of insurance companies, which introduced keen competition into the insurance industry and necessitated the adoption of effective marketing strategies by the companies to ensure survival of such tools. The Ghanaian insurance market, like any insurance market elsewhere, that is insurance companies, who provide cover for various types of risks – life, marine, aviation, fire and accidents, purchasers of insurance such as individuals, trading companies, merchants etc and intermediaries between sellers and the purchasers, namely, insurance agents and brokers.

1.3 Statement of the problem

There is a perception among Ghanaians that there are poor customer service in the insurance industry in Ghana which is coupled with delays in settlements of claims especially in the non – life insurance business. (Source)

This perception among Ghanaians may be attributed to lack of education among Ghanaians May cases of inappropriate selling by improperly trained insurance agents and brokers. Policy holders think that they have been taken for granted in giving them the right information for the services offered them. Insurance companies therefore need to find effective communication strategy strategies across all delivery channels, which would enable them to improve the customer experience through clearer, more relevant and timely communications. Emphasis should therefore placed on customers by identifying, anticipating and satisfying their requirements profitability, which will

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increase insurance companies excel in the areas of market sharp, customer growth, return on sales and then gain competitive advantage. There is therefore the need for Enterprise. Life Assurance Company to adopt effective communication strategies to satisfy and keep his clients in order to improve her position in the industry.

1.4 Purpose of the Research

Based on the statement of the problem, the objectives of the study are stated as follows:

(a) To evaluate the major communication strategies adopted by Enterprise Life Assurance company (ELAC).

(b) To find out how effective communication improves customer satisfaction.

(c) To evaluate customer satisfaction levels of Enterprise Life Assurance Company.

1.5 Research questions

The following researches questions are set out to enable the study achieve its goals.

(a) How often does management educate policy holders on the conditions and policy implications of its products?

(b) How has effective communication strategies generated improvement in customer satisfaction?

(c) What role has effective communication played in the operations of ELAC for increasing customer growth and retention?

(d) What measures are management putting in place in closing communication gap between clients and the company, if any?

1.6 Significance of Research.

The research may help service organizations in Ghana regardless of its size to develop effective strategies to provide a good medium to communicate to their valued customers well and in the long run reap the benefits there of such an effective communication.

Approval will help to ensure that efficient customer service practices are clearly in syric with the organizations over all strategy. In addition, the study will expose the researcher

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in understanding the role that effective communication tools play in proving customer satisfaction. This will also enable academia come out with ways and means of closing the communication gaps between policyholders and the company.

Moreover, this current research will add to the existing literature on the role of communication in the insurance industry, by coming out with the necessary recommendations in improving communication technologies and medium to use in the

selling of insurance products.

Again, a study of this nature may serve as a spring board for future researchers interested in a similar topic.

1.7   Limitations of the study

The likely limitations of this study may be the willingness of respondents in providing sensitive issues that may be relevant to the study.

Again, management willingness in release certain vital documents that will boast the validity and reliability of this research may also is a threat.

However, a formal letter had been put before management to allow the research have access to such information and then make formal introduction to staff about the exercise. However, the real limitations of the study are yet to be experienced.

1.8 The scope of the study

The focus of this study was on the Kumasi Area Office is of ELAC in the Ashanti Region.

The research was focused on the Life businesses because in developing economies the marketing of life products presents frede challenges to marketers and practitioners. According to Imirche (2007), life insurance accounts for only 30% of all the income generated from insurance in Ghana. Therefore the study is limited to effective communication which will help examine its role in improving customer satisfaction.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Many studies suggest that there is a fundamental difference between products and services, namely it is the way they are produced and consumed (Grönroos 1990; Grönroos 1998), (Edvardsson 1997; Edvardsson 2000), (Bateson and Hoffman 1999). The time period between service production and consumption is considerably shorter than for products. Most of the services are produced "on a spot" in an interactive process, in which customers and company employees meet. Satisfaction with service quality depends on a large number of dimensions - both tangible and intangible attributes of the product-service offer. The impact of intangible dimensions on consumer satisfaction is of particular interest at this point. Many psychological studies even show that non-verbal behaviour by the service provider greatly affects service evaluation (Gabbott Mark 2000). For example, the quality of interaction between customer and service provider influences customers' perception of service quality. In services, a single employee may affect service efficiency and consequent customer satisfaction with the service (Barnard 2002). Even customers own involvement and participation in the service delivery affect customer satisfaction (Kelly, Skinner et al. 1982). Due to the differences in production and provision of products and services, customers evaluate quality and attributes of material goods and services in different ways (Mathe and Shapiro 1993). This realization has initiated a discussion on the need for special tools for evaluating more diverse and less tangible services (de Brentani 1989). Responding to the growing demands for developing specific and reliable ways to measure customer satisfaction in service

industries, a number of studies have been conducted that suggested methodological

Other studies looked at what measures are used by service companies for measuring

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customer satisfaction. Studying how financial sector measures customer satisfaction Edgett and Snow (1997) showed that even though it is mostly traditional (financial) measures that are being used by the sector, they do not provide a sufficient basis for innovation in services and multidimensional approaches need to be devised.

The two most often used types of measures in service companies are the increase in the number of customers and increase in portfolio dollars. However, the most useful types were direct personal interviews with customers and measure of customer expectations and perceptions. Surprisingly, companies use traditional quantitative measures, but perceive qualitative measures as the most useful.

2.2 Service Quality Model

According to Grönroos (1982), the quality of a service perceived by customers will differ depending on what strategy the company chooses to deliver and promote that service. The service quality model by Grönroos holds that the quality of a service, as it is perceived by the customer, can be divided into technical quality and functional quality dimensions. The former denotes what the customer receives as the output of a service production process and the latter how the technical quality is produced and transferred to the customer during buyer-seller interactions.

Grönroos posits that the technical quality is the "basic condition for a positively perceived total quality, but the functional quality is the one that adds competitive edge" (Gummesson and Grönroos 1987). Furthermore, in the relationship marketing, the growth of the importance of functional quality in comparison to technical quality becomes a strategic one (Grönroos 1993).

The distinction is also made in the model between perceived and expected service quality and it is suggested that the quality is perceived subjectively. Grönroos (1988) further develops the model by positing that in the case of a company, which extends product offer with services, it is more appropriate to talk about total perceived quality. According

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to him, a high perceived quality is obtained when the experienced quality meets customer expectations, *i.e.* the expected quality. However, if the expectations are unrealistic, the total perceived quality will be low, even if high quality was experienced (Grönroos 1988).

The expected quality is heavily influenced by market communication (advertising, sales campaigns, PR and direct mail), word-of-mouth, company image, and customers needs.

While a company directly controls market communication, the word-of-mouth and company image are outside its immediate reach. Grönroos conclusion is that the total perceived quality is not only defined by the level of technical and functional dimensions, but also by the gap between the expected and the experienced quality.

2.3 The Concept of Customer Satisfaction

Fournier and Glenmick (1999) define satisfaction as a person's feeling of pleasure or disappointment resulting from comparing a product performance (or outcome) in relation to his/her expectations. If the performance falls short of expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted.

Fournier and Mick (1999) argued that customer satisfaction is to the marketing concept. It is therefore common to find mission statements designed around the satisfaction notion, marketing plans and incentive programs that target satisfaction as a goal, and consumer communications that trumpet awards for satisfaction achievement in the market place. Youjae (1990) do defines satisfaction as an attitude – like judgment following a purchase act or a series of consumer project interactions.

Customer satisfaction is supposed to be one of the important criteria for customer loyalty (Hekett et al, 1994) A recent study reveals that overall customer satisfaction is a better predicator of intentions to rebury that overall or inferred service quality (Lilijander and Strandvik, 1995a). A satisfied customer is supposed not to defect but to stay loyal to the

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company for a long period of the time and to buy more and more often other, traditional quality models (Parasuraman et al., 1988) quality is supposed to precede customer satisfaction. Several researchers have defined perceived services quality, but one of the most accepted definitions explains previewed quality as the difference between expectations and actual performance (Gronroos 1982; Parasuraman et al,. 1988). Quality can also be viewed as an overall judgment of the superiority or excellence of a product (Zeithaml, 1988).

Recently some criticism of the traditional and accepted quality models has appeared. The fact that the effect of the customer's perceived price or costs are not explicitly included in the customer's judgment of the quality in these models is a shortcoming that should be taken into account. Lacobucci et al. (1994) claim that the traditional quality models need a simple modification to include financial factors as well, then the customer's evaluation

of a given offering would be a comparison of what they got for what they paid. This is where value enters the stage. Howard and Shelth (1969) and Kotler and Levy (1696) also, satisfaction depends on value. Perceived value is defined as the ratio of perceived

benefits relatives to perceived sacrifice (Monroe, 1991).

Hence, if customer satisfaction depends on values, then it must depend on the total cost or sacrifice, too. We must keep in mind that buyers in most buying situations use reference prices (Monroe, 1991) and even reference values (Berkowitz et al,. 1994) when they evaluate the attractiveness of an offering. Even though the price sensitivity may decrease by time in a supplier relationship, the price as well as total coast will have impact or the customer's valuation of alternative offerings. Monroe (1991) also claims customers value a reduction in cost more than a responding increase in the benefits. Emanating from the above, new approaches are needed in order to create customer loyalty. Instead of just putting the focus on how to enhance customer need of this quality and his willingness to pay for it are also included.

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The similar mode of thinking has been proposed by contrasting offensive marketing strategy with defensive marketing strategy (Fornell, 1992; Fornell and Wernerfelt, 1987). This approach does not have its roots either industrial of service marketing but has focus on obtaining new customers goods marketing. Offensive marketing would focus on obtaining a new customer exceeds the cost of retaining an existing customer. Fornell and Wernefelt (1987) argue that in non – growth markets competitors while defensive marketing is geared to managing the dissatisfaction among a firm's own customers. Fornell (1992) has further developed the customer satisfaction is related to market share and profitability. He notes that customer satisfaction is a future – oriented indicator of the profits of a company. Customer satisfaction can therefore be seen as an important complement to traditional measures of performance such as return on investment, market share and profit. A defensive strategy has two components, customer satisfaction and

switching barriers make it costly for a customer to swish to another supplier. Different types of costs (search cost, learning cost, and emotional cost), cognitive efforts and risk factors (financial, psychological, and social) constitute switching barriers from the customer's point of view. The basic argument is, in other words, that profitability is enhanced by focusing on existing customers because satisfaction leads to lower cost, higher customer retention and higher revenue. Satisfaction would, according to Lijiander and Strandvik1994 , refer to an insider perspective, the customer's, own experience of a service where the outcome has been evaluated in terms of what value was received , in other words what the customers had to give to get something. A customer could, therefore, respond on a questionnaire that a particular Company is of high quality; even if this did not mean that this customer was satisfied using the bank. It might have too high interest rates on loans or might not fit the customer's preferences for some other reason. In the high/high and low/low boxes in Figure 2 there is a correspondence between the two concepts, as a function of high

values, or fit between customer's preferences and the service. In this figure four combinations of service quality and satisfaction have depicted. Low and high in the table refer to perceived judgment. Thus, what is low for one customer may be high for another.

Service quality can be judged low but the customer is satisfied. This might be the case fits the customer's budget or is priced according to the low quality. It might also be the result of low sacrifice of some other type, for example acquisition costs. Low satisfaction but high perceived service quality is also a possible outcome. The customer judges the service to be high quality. This clearly has to do with the budget of different customers and their preferences for different attributes and alternative ways of spending their money

and time. Satisfaction id thus related to perceived.

One way to achieve strong relationship and thus, long relationship that customer is satisfied. The proposition is that dissatisfied customers will defect; the relationship ends. Several researchers have proposed that this is a simplification of the matter (Lijiander and Strandvik, 1993a, 1993b; Oliver, 1986; Woodruff et al, 1983; Zeithaml et al, 1993). Customers seem to have a zone of tolerance, which according to Zeithaml et al, (1993), can be defined as the difference between an adequate and a desired level of service. According to Kennedy and Thirkell (1988), customers are "prepared to absorb some unfavorable evaluations before expressing them in terms of net dissatisfaction". In service industry this would suggest that customers might be dissatisfied with a service episode and still be satisfied with the relationship. Reichheld that (1993) argues that customer satisfaction may not lead to retention. He concludes that between 65 per cent and 85 per cent of customers who defect says they were satisfied or very satisfied with a distinct interaction during a relationship.

The customer satisfaction only dimension in increasing relationship strength. Strong relationship can be dependent of perceived or contextual bonds that functions as exit barriers. It is, however, important to note that the use of contextual barriers can generate

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latent dissatisfaction, which emerges as the importance of the contextual bonds (for Instance the legal bonds) deceases. In retail banking context, for instance, a typical example of this is the defection of customers who have paid off their loans, by which the banks have tied the customer.

Customer satisfaction, on the "customer's fulfillment response" (Liver 1997:13) is a central concept in consumer research and marketing practice. How and why consumers

are satisfied or dissatisfied are intriguing questions in the marketing literature. Research has addressed these questions using theories such as expectancy – disconfirmation, attribution and equity (e.g. Oliver and Swan 1989) desire – congruency (Spreng et al. 1996 Spreng and Olshavsky 1993), and balance (Fourmer and Mick 1999). As satisfaction research evolves, different comparison standards (Spreng et al 1996) or satisfaction paradigms (Fournier and Mick 1999) may coexist in explaining consumer satisfaction.

Yet, little consumer satisfaction research has addressed both individual difference and product contexts (for an exception, see Fournier and Mick 1999). Comparison – standards research has not studied the basis of differing individual preference for performance (Oliver and Desarbo 1988). Its predominant focus on attribute – level product performance in determining satisfaction precluded such understanding.

It goes beyond consumer satisfaction research that uses information – processing theory focused on the cognitive affective procedures used in consumer's post purchase evaluations. Information – processing studies of consumer satisfaction do not address consumer differences in personality, values, or social contexts. Instead, experimental participants are regarded as equivalent in their mechanisms for evaluating products post purchase.

A theoretical presupposition of such work is that consumers have attribute – focused expectations or desire repurchase. While some research notes that satisfaction may not be

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solely the sum of attribute ratings (Fournier and Mick 1999), most research only includes such ratings. This may be experimental manipulations and managerial action, but it necessarily limits our understanding to only a portion of the generative mechanisms of consumer satisfaction.

Several theories have been proposed to explain consumer satisfaction; here we highlight how key theories are linked to our research questions. The expectancy – disconfirmation model (e.g. Bearden and Teel 1983; Oliver and Desarb 1988) states that consumers have expectations of product performance prior to purchase; their satisfaction or dissatisfaction determined their comparison of expectations with the actual performance of thee product (Churchill and Suprenant 1982; Oliver 1993). Although, expectations can involve various types of product benefits (e.g. utilitarian, hedonic and social), most studies are focused on product attributes levels for utilitarian benefits. Our research encompasses the idea that products also express socially embedded meanings for the owners (Richins 1994b) beyond their utilitarian functions. Fournier and Mick (1999) contended that satisfaction is not constrained to a comparison paradigm but rather is a dynamic and context – dependent process. They extend product satisfaction from attribute comparison or an isolated individual phenomenon to social dimensions. The grating "life themes, life projects, and current concerns that propel products desire" (Fournier and Mick 1999:14). They found that levels of satisfaction do not rely solely on products performance but evolve as consumers' higher older goals are achieved through consumption.

It has become clear that consumer satisfaction needs to be studied beyond cognitive, short – term information processing. Consumer values, goals and social desire stemming from life projects should be integrated.

2.4 Customer Satisfaction Models

The Customer Satisfaction Model is a macro level framework the links the 2 extended ps

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(people and performance), and reflects the impact of the traditional ps (product, price, place, promotion)

While conceptually simple, the framework captures the essence of marketing:

Exceeding	Substantial	High
Expectations	Base of 'Good'	Relative
on Value	Customers	Returns

(a) Generate customer satisfaction by meeting, or better yet exceeding, customers' requirements and expectations, i.e. delivering superior relative perceived value.

(b) Customers into a substantial share of the relevant served market.

(c) Leverage the market share into high profitability via scale economies (i.e. spreading fixed costs over a broad volume base), experience effects (i.e. learning curve efficiencies), and market clout (e.g. getting better deals from suppliers).

Key takeaways:

(a) Share is a direct functions of Relative Perceived Values

(b) RPV is often dependant on achieving high levels of customer satisfaction (the "top box" effect)

(c) Developing very high levels of satisfaction may constrain by "s-curve" economics: it may be too costly to provide the service required to move customers

(d) from somewhat satisfied to very satisfy.

(d) Empirical evidence has validated that companies with very high market shares are positioned for superior profitability, resulting from a combination of scale economies, learning/experience curve effects, or simply clout in the marketplace (with suppliers and buyers)

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(e) But, high market share – even very high market share – does not guarantee superior profitability. A company must capitalize on its favorable market position (e.g. through effective operations) to capture the profitability potential.

2.5 Measuring Satisfaction

Lovelock and Wirtz (2007) wrote that a company would be wise to measure customer satisfaction regularly because one key to customer retention is customer satisfaction. A highly satisfied customer generally stays loyal longer but buys more as the company introduces new products and upgrades existing products, to talk about the company and its products, pay less attention to competing brands, offers products and service ideas to the company and assets less to serve than new customers because transactions are routine.

2.6 The Role of Communication

Communication is a process that allows organisms to exchange information by several methods. Communications requires that all parties under a common language that is exchanged with each other. Exchange requires feedback. The word *communication* is also used in the context where little or no feedback is expected such as, or where the feedback may be delayed as the sender or receiver use different methods, technologies, timing and means for feedback.

Andy Wood, the link between personalized communication and satisfied customers is important from several aspects. First, as noted, satisfied customers provide a worm and responsive community for carefully targeted additional offers. But whether or not they buy more from the company, satisfied customers are also less likely to defect to a competitor. The overall findings of this research show a strong casual link between relevance and satisfaction. This evidence proves to both marketers and company board directors that their investments in communicating marketing is well founded and, if carefully increased, is likely to continue delivering substantial return on the investment.

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The nature of the call centre business entails a fair degree of customer interaction; it is for this purpose that the performance of call centres is judged by standards of customer service delivery. All call centre businesses have an emphasis on service delivery in their mission statements, citing customer satisfaction as a key element of the companies' objectives. Yet the area of customer service is not fully understood with well meaning initiatives used to provide a 'solution'. These solutions often fail because the cause of the problems is not fully understood and the solution fails to take

into account everything that impacts customer service According to Miller (1966), the act of defining communication capable of generating a heated debate. Similar to the debate among sociologies struggling with defining the construct of community, scholars in the field of communication studies have had difficulty pinpointing a definition for communication. A common characteristic, however, among the many definitions put forth is that communication is often seen as a process. Berlo (1960) described the process of communication as dynamic, ongoing and "without a beginning or end, or boundaries". For this essay, we will build upon Berlo's and other communication scholars' heuristic insights to help demonstrate how such communication process beliefs more thoroughly illustrate the on-going life cycle of the crisis communication associated with PR.

Whitehead (1929) defined a process in which an entity's "being is constituted by its becoming" and that "process is the becoming of experience" (p. 252). Yet, Brooks and Scheidel (1968) posited that too many researchers have focused on the seminal research on communication process has focused more heavily on the out comes (dependent variables) rather than the existing factors (e.g. independent variables that make up the process). Another debate amongst communication scholars is whether or not process is that of the Whitehead concept, where definition itself is created through interaction, or a more Newtonian liner-based approach that the preceding stage in the process is actually determining/effecting the stage (Smith, 1972). Without rekindling a century of debate or

a transition into the minutiae of System's Theory, including concepts such as non-summastivity or equifinality, a goal of this essay is to create a pragmatic tool for helping an organization navigate or PR crisis through a deeper

understanding of communication process. In other words, understanding that which one does in the initial stages of a PR-crisis communication process can greatly affect the next stage of follow (e.g. Newtonian). Furthermore, understanding that the outcome of the communication process can define the salience of the interaction (e.g. Whitehead) is also paramount. Therefore, the objective of this essay is to debate the different opinions of communication process but to consider some of the many insights can compliment the new PR challenges brought forth by an instantaneous media. Let us now consider some basic process models of communication put forth and the variable involved.

The Shannon-Weaver Model (1949) of communications often is used for an introduction to the communication process. Shannon and Weaver created a linear model that proposed all communication must include six elements: (1) source, (2) encoder, (3) message, (4) channel, (5) decoder and (6) receiver. These six elements are shown graphically in model

1. As Shannon was researching in the field of Information Theory, his model and variable such as encoding, decoding and noise were initially very technology-oriented. Similar to **Lasswell's formula** for communication (created around the same time), the Shannon-Weaver model hypothesizes that the communication starts with the source, which creates a message (encodes), transmits the massage through a channel, through which the receiver intercepts and subsequently decodes into meaningful stimulus.

Model 1: The Shannon-Weaver Model

Linear Transmission of Message

At first glimpse this idea of communication following a straight line from source to receiver all seems relatively simple; one must remember, however, Belo's view that there is no definitive beginning or end, or boundaries. Does the communication have to

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initiative from the sender? This question relates to a variable of great debate as to whether or not intent (e.g. a desire to communicate by the source) is necessary for communication. For instance, imagine if a viewer of the media perceives that the executive's nonverbal smile suggests they are happy with the crisis, yet the smile was due to an uncontrollable nervous response. Did this nonverbal behavior count as communication? The executive (sender) did not intend to make the receiver think that they were happy with the crisis, yet the message was received and decoded in such a way. Some would say that this was not a form of communication, but rather a misconception of behavior. Yet what if the smile did mean they were happy with the receiver. Would this nonverbal behaviour now count as communication? Not a semester goes by that this question of intent is rightfully debated in college classrooms across the world.

Additionally, there are many other variables to consider in the process. Consider the noise factor that Shannon-Weaver includes in their model. In Shannon's research into

Information Theory and the invention of the telephone, he determined that the variable of noise needed within the model. Since that time, however, noise has come to represent much more than the static on the telephone line. The extraneous variable of noise can become a great barrier to the communication process. Noise can represent physical noise (e.g. loud music, screaming reporters) as well as mental noise such as stress, anxiety or time constraints that distracts one's thoughts.

Basically, one of the principal problems with Shannon and Weaver's models is that it evaluates communication based on the efficiency of the channel (Bowman & Targowski, 1987). Yet in today's model of communication we are forced to deal with multiple channels working simultaneously. Furthermore, not all process models of communication are linear. Others resemble more of an interactive model that follows more of a circular path rather than a straight line (Schramm, 1954) (cf. Model 2 for the Schramm Model). By considering a circular model that captures a process more descriptive of the dynamic

(ongoing) give and take of communication, it throws into question the Shannon – Weaver model that proposes that communication theoretically starts with the source or ends with a receiver. Other variables missing from the Model 1 linear model (that are presented through the Model 2 circular model) are feedback and the interpretation of meaning. Communication often demands that the receiver assume the role of sender and reply back or offer reflection on what they just heard.

Furthermore, the act of decoding a confusing or contradictive message can create a never ending process. Rarely is communication censored or restricted to the sending and reception of one message. Dilemmas such as these lead some scholars to reject the initial models that represented a linear conceptualization of communication with several weaknesses. The linear models lacked the flexibility for communication to originate from

some place else other than the sender (e.g. receiver decoding nonverbal leakage to be communication). Additionally, the straight lines did not represent the full interactive ness and ongoing, dynamic qualities of a process that never stops.

Model 2: Schramm Model

Osgood & Schramm Model

With respect to the dynamic quality of communication, Watzlzwick, Bavelas, and Jackson (1967) start that "one cannot communicate" (p. 49). In other words, even after the words have stopped, does not a frown carry on meaning in the communication process through sending nonverbal cues and affecting ones encoding, interpretation, and decoding? When a spouse decides to give the significant other the cold shoulder for not completing their chores, is the silence not a message that speaks volumes? When a child slowly tries to hide behind the furniture when the white dog covered with fingers paints is found, does this not sometimes serves as an admittance of guilt? When someone has yelled at you for falling short of their expectations, doesn't the on-going sting of the disappointment affect your mood and communication that follows? And how does one

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forget the pictures of chemically burned dead babies and oil soaked birds? Therefore, communication rarely ever completely stops, and feedback comes in many forms.

As mentioned earlier in this essay, our channels of communication also are multiplying and transforming greatly with new technology. This advancement provides other challenges that have been discussed as it relates to public relations. These channels are creating the contexts with which we communicate within. Our world is more instantaneous. Our modes of communication are far beyond the interpersonal voice, newspapers, and handwritten letters of centuries past. The time once allowed for encoding or decoding a message (or reply) has dwindled down to nearly nanoseconds as

instant messaging has become a fad. Considering the entire communication variable mentioned above in the various models, one can see that defining communication as an informational exchange implies that there is always something being transmitted through some sort of channel; however, few researchers specify what that something is (Dipaolo, 1997). with this in mind, let us now propose a process model that attempts to reflect the crisis communication associated with a PR crisis.

In conclusion, it can be said that, when customers are communicated to effectively, it leads to customer satisfaction. And this is inconsistent with Andy Wood (1994).

The link between personalized communication and satisfied customers is important from several aspects.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction: Maintain the service standard

Research on factors that influence customer satisfaction has made considerable progress within the last years (Szymanski and Henard, 2001; Oliver, 1999). Customer satisfaction is seen to be crucial to the success of business organizations, since attracting new customers is far more expensive than retaining existing ones (Dick and Basu, 1994; Saren and Tzokas, 1998; Fournier, 1998). It has been suggested by many authors that satisfying customers are a competitive asset and that a way of increasing customer satisfaction is through secure and collaborative relationship between buyers and sellers

Several authors pointed out that customers generate different levels of profitability, and not all customers generate acceptable cost and revenue streams (Carroll, 1991; Storbacka et al., 1994). It has been suggested, therefore, that the firm should actively develop relationships with profitable customers and try to end relationships with unprofitable customers. Tailoring marketing efforts to segments that differ in current and/or future profitability makes a firm's strategy more effective, by identifying profitability customer tiers, and offer products and services customized for the specific tier, and therefore capturing its financial value.

By taking a closer look at the special challenges the insurance industry faces and examining the value of an enterprise personalization platform, innovative insurance providers are discovering new ways to create, manage, and deliver the full spectrum of complex insurance communications consistently, efficiently, and cost-effectively. This

chapter is organized under the following headings: Population, Sampling and justification for choosing Enterprise Life Assurance Company Limited, Research instruments, Pre-test survey, field work, and Data analysis and presentation.

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3.2 Population, Sampling and Justification for Choosing Enterprise Life Assurance Company Ltd.

In every research, it is important to have the target population in mind (Obeng and Loria, 2003). The group should posses' information relevant to the researcher (Malhotra 1996). The total population consists of senior and junior staff of Enterprise Life Assurance Company Kumasi area office with varying levels of academic, technical and professional training and policyholders. Since the study was restricted to life insurance marketing, only management of life department, marketing officers for life, life underwriters, and active agents for life marketing, and existing clients were selected.

Due to the size of the population a complete coverage of the universe was not possible which might not offer a substantial advantage as far as the objectives of the study are concerned. . In this case, sampling served the practical purpose of making possible the study of problems which otherwise could not be undertaken due to the scope. Since samples are expected to be representative of population, the sample for this study was chosen by the means of sound methodological principles which included the following

The sample units (respondents) were chosen in systematic and objective manner in order to avoid biasness The sample units were clearly defined and easily identifiable; independent of each other, uniform and of the same size and appeared only once in the population.

The sampling method was adopted because it could as well be used to generalize the

findings to show a clearer representation of the population. Again sampling is necessary in order to avoid bias in impact assessment. Many evaluations and even research projects

commonly suffer from a number of biases which reduce investigation to ' the development of social research' (building on Yeboah (2002). Among the sampling techniques were purposive and quota sampling. The selection of the respondents for the study was guided by sampling procedure; the process involving sampling frame

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identification and the determination of relevant sample size. The sample criteria for this study were based on department, rank, and experience with the company. This was to ensure that each department was adequately represented the survey. Respondents should not be less than Two (2years) with the company.

The quota sample was most appropriate because there was the need to represent all the groups of the target population in the sample. Quota sampling was used because according to Yeboah (2002) it offered much stronger, less tenuous inference which is very much dependent on the researchers' expert judgment. According to Amedahe (2002) one way of determining a quota is focusing on a strict procedure of choosing respondent according to their proportion in the entire population.

A sample size of one hundred and fifty (150) was selected. Out of the one hundred and fifty (150), one hundred (100) were allotted to Life Insurance policyholders whilst the remaining fifty (50) were given to staff. This enabled the researcher to ensure that the sampling units were representative with high response rate so as to gain insight into the problem and answer the research questions.

Purposive sampling was also adopted. Here the sample was chosen to suit the purpose of the study, and certain elements in the industry were deliberately selected on the researcher's judgment. The purposive sampling was adopted because the intention was to gain an insight into the operations the life insurance industry in Ghana, hence the need to choose personal who were well versed in the area of life assurance. Respondents were selected based on their experience in the industry. Respondents were selected from related institutions notably the State Insurance Company of Ghana and Ghana Reinsurance in the Kumasi offices. Two (2) respondents were selected from these institutions.

3.3 Sources and Types of data

Data were sourced from both primary and secondary source. The primary sources of data

refer to data collected expressly for specific purpose. The primary data were obtained from the field. The benefits of obtaining a primary data are that exact information wanted is obtained from original sources and are collected for the purpose of the study and is more reliable. . In addition, it is tailored made, designed to suit the objectives of the study.

The primary sources of data included information gathered from the questionnaire that was administered to both staff and policyholders. Among the questions posed included: The means by which communication would be appropriate in selling life insurance products?; respondents perception on the effectiveness of communication in achieving customer satisfaction?; customers understanding in the terms and conditions of the policy among others.

In addition to the primary data, secondary sources of data were used to obtain additional information to buttress responses gathered from the questionnaire. A number of both published and unpublished materials on communication including magazines, journals

and articles were obtained. Readings were made from libraries of the Kwame Nkrumah University of Science and Technology, Kumasi, the British Council and the Enterprise Life Assurance office in Kumasi. Other literatures were also sought through the Internet on communication. The data collected from the secondary sources significantly assisted

in the development of primary data collection and the interpretation of the results. The rationale for these sources of information was that they were cheaper and easily accessible and also helps in finding out whether the current study is consistent with other publications or authorities or not. In other words whether it re-enforces other publications or rejects them.

Qualitative study was used to analyze variables of communication, perception and experience with the insurance industry. According to Brink and Wood (1998), a qualitative design is directed towards discovering to undiscovering new insights,

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meanings and understandings. Qualitative research is an in-depth analysis of the problem in order to understand the "what" and "why" of human behaviour. Cresswell (1994) states that qualitative research is interested in means that explains how people make meaning (sense) of their experiences and their views of the world. In qualitative research, it is important for researchers to describe what they observe during the fieldwork. This study was aimed at presenting a thorough and accurate description of how of how firms in the Life insurance industry are applying its communication tools with the aim of increasing customer satisfaction and transmitting its goals, objectives, products benefits etc.

3.4   Pilot Survey/Pre-Survey

It was necessary for the study to conduct a pilot survey in order to know a suitable methodology to be adopted. This enabled the study set a preview of the study area, the target group and the characteristics of the population to be studied. The information served as a guide in preparing a suitable questionnaire for the study. In addition, it was found out that the problem already points to a case study, but is directed towards solving a problem in a real life situation some how making it an applied research, hence the

application of the exploratory research design with the application of a case study strategy was suitable since it aided the researcher in answering why, how, and what questions but not when and who questions. This study was restricted to a single case study approach using Enterprise Life Insurance office in Kumasi as a test case.

3.5 Research Instrument.

Among the research instruments employed in this study included questionnaire, interviews and personal observations. It will be administered to the target respondents in order to express their opinions without any personal influence. The questionnaires were one hundred and fifty (150) in number and will be administered to all the respondents selected from the various departments. The questions were drafted based on the

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suggestion of Ester-by Smith (2002) who is positive that questionnaires should not contain personal questions, avoid: jargons or specialized language and two questions on one issue. The questionnaire is structured to elicit feedback from respondents as to what their experiences are with the banks in terms of facilities, services, products etc. Questions were structured around specific criteria. These were personal information, channels of communication, improving customer satisfaction etc. These were the main areas around which the data would be analyzed. The questionnaire contained eighteen (18) items for policyholders and sixteen (16) to staff. The items included pre-coded and

open – ended forms. Answers were provided for the pre-coded form so as to provide specific answers. They were mostly based on the background information.

With regard to open – ended items, there were no answers given as such the questions required respondents to provide their views. All the questions were framed and written for the respondents to provide answers to. After completion of the forms, the investigator will go round to collect these questionnaires as the case may be for those who will not

answer it instantly.

A few interviews (not structured) were done. This was used coupled with the questionnaire. Few respondents were occasionally interviewed to know what they think about how the insurance industries are helping to sustain and improve customer satisfaction. It gave them the opportunity to really express themselves and it enabled the study had few other questions. Most of their feedbacks were very helpful.

Observations were also made. This gave the study the opportunity to elicit feedbacks that were not verbally communicated nor written. These observations were however personal but objective interpretations of what was observed. Respondents express latently or indirectly about their experience with the company. It helped in understanding some of the responses from the respondents.

In general the response was fairly good considering the circumstances under which it was

elicited – short response time, lack or opportunity to explain to respondents even why they should respond to the questionnaires.

3.6 Field Work

The questionnaires were well answered with the exception of five percent (5%) of the respondents who could not answer the questions well whilst some of them did not return the questionnaires. Notwithstanding these, the response rate was very encouraging as ninety-five percent (95%) of them answered the questions well.

3.7 Problems Encountered

The major limitation encountered in this research was the willingness of respondents to answer the questions. However, since the questionnaires are not yet out it could happen that respondents will answer them.

3.8 Data Analysis

Qualitative data analysis concerns three (3) flows of activity: data reduction, data display and conclusion drawing /verification. Data reduction activity involves the process of selecting focusing, simplifying, abstracting and transforming the data. Data display involves the consideration of the reduced data displaying it in an organized, compressed way to those conclusions can be more easily to draw. The last activity was to decide what these mean, check the regularities, patterns, explanations, possible configurations, casual flows and positions. The use of statistical programme for the social scientists (SPSS) was used to run the data which were presented in the form of tables, graphs, charts and words.

CHAPTER FOUR

RESEARCH FINDING/RESULTS

4.0 Introduction

After collecting the research data, an analysis is necessary to facilitate the interpretation of the results and the drawing of conclusions. Without analysis, the data collected would be of any use. In analyzing the data, five (5) main processes were followed: editing, categorization, coding, tabulation, and statistical inferences which were descriptive in nature. The use of Statistical Package for Social Scientists (SPSS) and Excel software were used in processing data and drawing diagrams respectively. Although, all the stages were different, it must be noted that the process of data analysis is a continuous one and that all the stages were linked. Again, every stage of the process was done with reference to the problem and purpose of the study. It was realized that though the sample size was one hundred and fifty (150) out of which one hundred and fifty were assigned to customers across the selected branches. In the case of staff, the response rate was highly appreciated; however, five percent (5%) of the questionnaires administered to customers were rejected due to wrong spellings and misunderstanding of the questions, and wrong choice of options provided. The chapter is in two (2) parts: Responses from staff and that of the customers. Among the variables to be considered was the role communication plays in the satisfaction of ELAC customers.

4.1 Responses from Staff

Analyzing the role communication affect the satisfaction of customers requires the views of staff. This is so because as Duncan and Everett (1993) observed, to integrate or separate marketing communications is a major issue to discuss in any corporate

organization hence the need to practice promotional mix elements which needs to be

operated as discrete communications functions. This segregation is reflected in the fragmented

structure of the marketing communications industry with specialist agencies

operating in relative isolations of each other.

4.1.1 Gender Composition of Staff

The study presents the gender composition of total staff sampled.

Table 1: Gender composition of respondents

Responses	Frequency	Percentage	Cumulative %
Male	20	40	60
Female	30	60	100
Total	50	100	

Source: Authors Fieldwork, 2008.

An item was to find out the gender composition of respondents and it was revealed that the majority of them were males. This constitutes sixty-six percent (40%) of the sample size allotted for staff. The remaining thirty-four percent (60%) were females. This shows that there are more females in the customer service center than their male counterparts.

4.1.2 Staff Responsibilities.

There are various responsibilities in the insurance setup. This included the senior management who takes the daily decision of the company, the line managers for the various departments and the sales force who are the agents for the company.

Table 2: Respondent responsibilities with ELAC.

Responses	Frequency	Percentage	Cumulative %
Staff	24	48	80
Agents	16	32	32
Management	8	16	96
Others, specify	2	4	100
Total	50	100	

Source: Authors Fieldwork, 2008.

In finding out the respondents the following were the responses: the majorities (24) of them were staffs which represents forty-eight percent (48%) of the respondents. Only two (2) of them which forms four percent (4%) of them belongs to auxiliary staffs.

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4.1.3 Working Experience

Working experience was also considered to be very vital to the study since it could also determine the ability of the insurer to attend to customers need and be able to attend to complex issues ranging from the underwriting section to the claims department which is known to be the "shop window" of the industry.

Table 3: Working Experience

Responses	Frequency	Percentage	Cumulative %
2-4years	19	38	38
5-7years	15	30	68
More than 7yrs	16	32	100
Total	50	100	

Source: Authors Fieldwork, 2008.

In finding out the number of years that respondents had been in the industry it shows that the greater percentage of them was within 2-4 years. This represents thirty-eight percent (38%) of them. Only thirty-two percent (32%) they had worked for more than 7years.

4.1.4: Communication between ELAC Staff and customer

This can be detected through the attitude change as well as behavioral change of target audience.

Table 4: Communication between ELAC Staff and Customers

Responses	Frequency	Percentage	Cumulative %
Very good	2	4	4
Good	27	54	80
Neutral	11	22	26
Poor	8	16	96
Very poor	2	4	100
Total	50	100	

Source: Authors Fieldwork, August 2008.

In finding out how staff communication between the company and customers; it was revealed that the majority of them said it was good. This represents fifty-four percent (54%) of the responses. This was followed by twenty-two percent (22%) of the staff sampled which who said communication between ELAC and customers as neutral. Only four (4%) of the staff sampled apparently rated communications between ELAC and

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customers as very poor. This shows that some of them staff admittedly identified a communication gap between their target audiences. However, in the insurance industry providing good customer service through communication to clients.

4.1.5: Effectiveness of internal communication in satisfying customers

Section 4.1.4 intended to find out staff ratings on the effectiveness of internal communications in satisfying customers. The findings suggest that greater percentage of the respondents indicated that the practice of ELAC internal communication was effective which formed thirty-two percent (32%). There were also some differing opinions as eighteen percent of them did not agree to that assertion. This is indicated in the table 6 below.

Table 5: Effectiveness of Internal communication

Responses	Frequency	Percentage	Cumulative %
Highly effective	9	18	18
Effective	16	32	50
Neutral	7	14	64
Ineffective	8	16	80
Very ineffective	10	20	100
Total	50	100	

Source: Authors Fieldwork, 2008.

Internal communication can be said to be effective in ELAC due to the high percentage got from the study. Although about 20% were of the opinion that it was ineffective

4.1.6: Training Programs

There are programs and course that ELAC organize to help communicate the benefits of their service offerings. Insurance companies often use this approach so that they always satisfy their customers. .

Table 6: Training Programs.

Responses	Frequency	Percentage	Cumulative %
Very Often	4	8	8
Often	17	34	42
Neutral	10	20	62
Sometimes	19	38	100
Not at all	0	0	100
Total	50	100	

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Source: Authors Fieldwork, 2008.

Here the study exhibited that the majority of them said educational promotions were not often held as thirty-eight percent (38%) of them indicated so. This was followed by those who indicated that educational promotions were often organized.

Chart 1: A chart showing ratings on the benefits and conditions on ELAC Services.

Chart 9

Responses	Frequency	Percentage
Very often	7	14
Often	6	12
Neutral	8	16
Not often	13	26
Sometimes	16	32
Total	50	100

Source: Authors Fieldwork, 2008.

In relations to table 6, the above chart shows how ELAC frequently interact and educate customers on the benefits, conditions and other implications on their products and it shows that in sum more than fifty-eight percent (58%) of them were against that suggestion and proposition.

4.1.7 Investment in communications

Most companies have different ways of how much they want to invest in the financing of their communications. This depends on the premium they put on how communication can

Satisfy its customers and improving their service to clients. A question was set up to find out staff ratings on the investment put in financing Communication in ELAC and the below table 8 shows the responses from staff.

Table 7: Respondents ratings on the investment put into communications.

Responses	Frequency	Percentage	Cumulative %
Very sufficient	2	4	4
Sufficient	11	22	26
Neutral	15	30	56
Insufficient	17	34	90
Very insufficient	5	10	100
Total	50	100	

Source: Authors Fieldwork, 2008.

The table 8 above shows that the majority of the respondents rated the amount as

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insufficient. This constituted seventeen (17) out of the fifty (50) of the staff respondents sampled.

4.1.8: Staff on Customer Complains

In achieving customer satisfaction there should be a proper laid down procedure of solving customer complains.

Table 8: Staffs on Customer Complains.

Responses	Frequency	Percentage	Cumulative %
Strongly disagree	0	0	0
Disagree	6	12	12
Neutral	10	20	32
Agree	12	24	56
Strongly agree	22	44	100
Total	50	100	

Source: Authors Fieldwork, 2008.

A question was posed if prompt actions are taken on customer complains and it revealed that a greater proportion of the staff (22) strongly agreed with the statement. This constituted forty-four percent (44%) of them. Only twelve percent (12%) did not agree with the assertion.

4.2: Customers

In Ghana there is a perception among Ghanaians that there are poor communications in the insurance industry in Ghana which is coupled with delays in settlements of claims especially in the non-life insurance. This perception among Ghanaians may be attributed to lack of communications more especially early notification of information, and Lack of education among Ghanaians on insurance procedures. The role of communication in satisfying customers is to close any such communication gap between policyholders and the company and then satisfies the expectations of the customers. This might enable the customer becomes loyal to the organization. Satisfied customers therefore become assets,

being attached to the firms, which results in loyalty, which develops into long-term

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relationship. (Paravatiyar and Sheth, 2000). This section examines customers' perception on the role of communication in satisfying the customer. Among the variable to be considered included gender status, educational status, types of policy the customer operates, Customers Expectations of quality service in Elac, How Customers Got to Know Elac, etc.

Table 9: Gender Status

Responses	Frequency	Percentage	Cumulative %
Male	50	53	53
Female	45	47	100
Total	95	100	

Source: Authors Fieldwork, 2008.

Out of the ninety-five policyholders sampled it was discovered that majority of them were males. This formed fifty-three percent (53%) of them. The remaining forty-seven percent (47%) were females. However, there is only three (3%) percent difference in terms of patronage of life insurance products which is the author sees as insignificant figure. This means that both sexes were serviced by the company.

4.2.2: Educational Level of Customers

The products of ELAC are design to suit the middleclass and for that matter the education levels of the respondent were sampled.

Table 10 Educational Level

Responses	Frequency	Percentage	Cumulative %
Basic	5	5	5
Secondary	12	13	18
Tertiary	78	82	100
Total	95	100	

Source: Authors Fieldwork, 2008.

Here an item was to find out the level of education of the insured and it showed that the majority of the insured were graduates. This represents eighty-two percent (82%) of the insured sampled. Those who were holding basic and secondary certificates represented

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five percent (5%) and thirteen percent (13%) respectively. This is because most of the products are design for the middle-class.

Table 11: Types of Visit to Elac office

Responses	Frequency	Percentage	Cumulative %
On Statements	39	41	41
On Deduction	44	46	45
On Errors	8	9	54
Others, Specify	4	4	100
Total	95	100	

Source: Authors Fieldwork, 2008.

In finding out the type of visit customers come to the office with most of the respondents attributed it on their Statements, Deductions, Errors on policy document and others. More of the visit were on their deductions' not being done or wrongly effected

4.2.4: Customer service

Customer service is important in any organization and in Elac that is their greatest tool in retaining their customers. Various studies points to the fact that, excellent customer service is the major driving force for business sustainability, and in Ghana, insurance companies are faced with competition.

Table 12: Customers Expectations of Service Delivery in ELAC

Responses	Frequency	Percentage	Cumulative %
Above Expectation	28	30	30
Meets Expectation	46	48	78
Does not meet Expectation	21	22	100
Total	95	100	

Source: Authors Fieldwork, 2008.

The table 12 above shows that they are just meeting customer expectation in terms of Customer service. ELAC, in order to be on top of the competition needs to have regular training for their staffs and setup incentives schemes to award staffs on good customer service.

Table 13: Level of Awareness

Responses Via	Frequency	Percentage
Advertisement	18	19
Billboards	39	41
Insurance sales reps.	32	34
Direct	0	0
Others, Specify	6	6
Total	95	100

Source: Authors Fieldwork, 2008.

In response to how clients got to know ELAC, greater percentage of the respondents showing 41% knew ELAC through the payment of claims, followed by 34% which was through insurance agents whilst 19% was through advertisements. This shows that clients in ELAC were really comfortable with the satisfaction customer get through claims and had been recommending their services to friends and family. Those through communications by adverts was 19% which shows that ELAC should do more in communicating to their clients.

4.2.6: Communication between agents and Customers

Since the agent is the middleman between the company and the customer using the agents as a tool to communicate to the customer is a very important part of the process. The customer can have satisfaction if the agents always have a very good communication link with the customers.

Table 14: Communication between agents and customers

Responses	Frequency	Percentage	Cumulative %
Yes	52	55	55
No	43	45	100
Total	95	100	

Source: Authors Fieldwork, 2008.
Here, fifty-two percent (52%) of customers said they communicate with their agent whilst forty-five percent (45%) of them said the no there have not been any contact.

4.2.7: Using different Communication Channels

Channel selection is a major decision for firms, (Omar, 1999). Marketing channels are structures linking group of individuals or organisations through which a product or service is made available to consumers at the right place, quantity, quality and price (Branssington and Pettitt, 2000) Channels include: Journals, mails, audio, video, free samples, online services, video conferencing, family, friends, etc

Channels may be personal or interpersonal, but choice depend on many factors including: product, type, price, place and previous experience for using those channels (Barlow et al, 2004; Mannon, 2004).

Personal communication channels derive their effectiveness from individualization and instant feedback. A further distinction is drawn between advocate, expert and social channels. Advocate channels consists of companies. Sales representatives contracting

buyers in a target market. Expert channel consist of independent experts making statements to target buyers. Social channels consist of neighbours, friends, family members and associates talking to target buyers. (Kotler and Keller, 2006).

Since people often ask others for a recommendation for a doctor, plumber, hotel, lawyer, accountant architect, insurance agent, interior decorator or financial consultants and act on it, if they have confidence in the people recommending to them. The implication of this is that many companies are becoming acutely aware of the power of word of month. According to Kotler and Keller, (2006), firms can take several steps to stimulate personal influence channels to work on their behalf through word of month by the following means:

1. Identify influential individuals and companies and devote extra effort to them.

2. Create opinion leaders by supplying certain people with the product on attractive terms.

3. Work through community influential such as lock disk jockeys, class presidents and presidents of women organizations.

4. Use influential or behavable people in testimonial advertising.

5. Develop advertising that has high "conversational value.

6. Develop word-of mouth referral channel to build business.

7. Establish an electronic forum.

Table 15: Customers ratings on the Following Variables

Responses	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Level of Trust	0	5	17	32	41	95
Service delivery	0	3	56	0	36	95
Staff responses to customer needs	0	12	3	70	8	95
Prompt response to claims	29	20	14	10	22	95
Door to door communication	12	14	0	50	19	95

Source: Authors Fieldwork, 2008.

On a whole, there were favourable responses as customers' ratings on level of trust, service delivery, staff responses to customer needs among others. With the exception of prompt claims response and the level of trust were respondents took extreme positions there were imbalance responses on the remaining variables. In otherwords, whilst the majority of them gave negative responses on the issue of claims payment; the opposite was true when they provided answers on the level of trust. In addition, on customers' ratings on service delivery, the majority of them remained neutral.

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4.2.8: Customers Ratings on the Level of communication.

An item was to find out customers ratings on the level of communication between ELAC and its customers and it was revealed that dissatisfied customer will tell seven to 20 people about their negative experience. A satisfied customer will only tell three to five people about their positive experience (Kan1995). A question was posed if customers

were satisfied with ELAC in communicating to them

Table 16: Customers Ratings on the Level of communication.

Responses	Frequency	Percentage	Cumulative %
Very goods	15	15.8	15.8
Good	41	43.2	59
Neutral	14	14.7	73.7
Poor	13	13.7	87.4
Very poor	12	12.6	100
Total	95	100	

Source: Authors Fieldwork, 2008.

The essence of implementing communication strategies is to translate the message to the customer and in finding out how customers rated the level of communication between ELAC and its customers, a greater proportion of them gave good commendation which is exhibited in the table 4.2.8 as fifty-nine percent of them indicated so. Only fourteen percent (14%) of them did not take sides. However, twenty-five percent (25%) of were not in favour of the statement. This is consistent with Quarshie, (1981) who indicated that communication plays a role in company's strategies of retaining customers as well as growth in the market share and went further to predict that lack of communication is an obstacle to organizational growth. This is true when internal communication as well as marketing communication is neglected. (Anderson 1994).

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter discusses the findings of the study with the aim of refuting or accepting some of the relevant literature reviewed in chapter two. The purpose of the discussion is to make meaning out of the data collected vis-à-vis the research problem at hand.

5.2 Discussion of Findings

- The study has revealed some major findings especially with customers being satisfied with the way insurance companies communicate with their customers. The respondents were not only males but it includes females as well. It was observed from the study that the majority of the staff sampled was females. This shows that there is gender inequality in terms of job placement in the insurance industry as more females are involved in the operations of ELAC more especially from the Customer service department. This is because in Ghana and in most corporate organizations females are more into serving customer because it is perceived that they are more likely to be accepted in solving issues.

- Working experience was also considered to be very vital to the study since it could also determine the ability of the officer to serve to customers need and be able to explain complex issues. The study indicated that only thirty-eight percent (38%) of them had worked between 2-4 years. This shows that ELAC is a growing one. Enterprise Life Assurance Company Limited which is a subsidiary of Enterprise Insurance Company.

- The study realized that those who possess tertiary certificates would like to be communicated to. This represents eighty-two percent (82%) of the insured sampled. Those who were holding basic and secondary certificates represented five percent (5%)

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and thirteen percent (13%) respectively. This is because most of the products are design for the middle-class.

- In finding out how staff perceived communication between the company and customers, it was revealed that the majority of them responded that it was good on the issue. This represents fifty-four percent (54%) of the responses. This was followed by twenty-two percent (22%) of the staff sampled who rated the communications between ELAC and the customers as neutral. This shows that the majority of the staff admittedly said that communication between the company and the customers was good. Communication personal must understand that there are other ways of acquiring products apart from buying, (leasing, barter, or borrowing) and must also show interest how consumers use their product and whether they use them at all. Robins and Judge (2007) noted that, before communication can take place, a purpose expressed as a message to be conveyed is need which passes between the sender and the receiver. Thus the message is passed by way of some medium (channel) to the receiver, who retranslates (decodes) the message initiated by the sender. Perception is the process by which individuals select information from the surrounding environment and synthesize it into a world-view. To Robins and Judge (2007), it is a check on how successful sender has been in transferring their messages as originally intended. It determines whether understanding has been achieved or not.

- In the service industry like insurance the role communications plays an important part in sending the necessary effective collaboration between the company and the customers. Marketing communications effectiveness, in one form or another, are essential to a company's success. Without effective communications, most companies stand to lose greatly in a bid to retain and generate new customers to their fold. Customers might be more easily lured away by competitors and competitive offerings when that competitor has an effective message. Communication efforts serve not only

to attract new users but also to maintain contact with an organization's existing customers and build relationships with them. The findings suggest that greater percentage of the respondents indicated that the practice of ELAC communication tool was effective which formed thirty-two percent (32%). Techniques for keeping in touch with customers and building their loyalty include direct mail and contacts by telephone or other forms of communications including email, websites, and even text messages sent via mobile phones. This is necessary because through communication, insurance companies are able to explain and promote the value proposition that their firm is offering. The implication is that effective communication would inform existing or prospective customers in the target segments about service features and benefits, price and other costs, the channels through which service is delivered, and when and where it is available. The findings also agrees with those authorities such as and Laing, A. W, Mckee, (2000) who still defined this elements of the services marketing mix too narrowly hence communications must be viewed more broadly than as just the use paid media advertising, public relations, and professional salespeople such as the insurance agents and brokers.

- The study revealed that one of the common ways to train staffs, recommended by communications experts, is to organize training seminars and workshops, and also having practical sections on solutions on how to use the communication tool at the company disposal to satisfy customers. The overall benefit is to have excellent customer service quality and improving the level of customer satisfaction of its customers. Improving productivity often involves making innovations in service delivery. The communication integrated that goes on behind the scenes to ensure that customers are satisfied depends a lot on the skills of the employees.

In this study it was observed that (38%) of the staff that training were done sometimes for them. However, more of these training are needed to equip them to use the

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communicating tool well in satisfying customers.

- According to Kotler and Keller, 2007 budgets tend to be too small for the pursuance of any marketing communications which is of course a simply human reaction (although in some cases, the budgets are too small to achieve the marketing communications objectives set). Some budgets can be measured in their millions whereas others, admittedly, are more modest. What should always be borne in mind is that marketing communications activities are an expense to the organization. Better still, they should be thought of as an investment but, as with any investment, the organization rightly expects there to be a return. It was observed from the table that in sum those who spoke in favour of the opinion did not even exceed those who rated it as insufficient. However, it was realized that the affordable method was used by management of ELAC in financing for all sort of communications. This means the communication investment was determine to suit ELAC financial status. Management ignored competition and demand and only evaluates what the company considers affordable which may itself simply be a subjective judgment. In addition, most of the

staff said that the investment put in was insufficient since it does not take into consideration the cost and nature of the communication and competition in the industry. What make communication campaign insufficient is due to the fact that other constraints on management. Management should therefore blend this method

with other methods such as competitive parity method, objectives and task method among others which reinforces Smith and Taylor (2002) have identified two common forms of budget setting in marketing communication planning namely, scientific and heuristic budget setting approach: with scientific approach they highlighted on four types as follows: Objective and tactics;

Modeling; Payback period and Profit optimization. The findings are also consistent with Kotler and Keller (2006) who described heuristic budget setting as follows:

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Affordable method; Percentage of sales method; Competitive party method and Arbitrary method.

Lovelock and Wirtz (2007) 16 wrote that a company would be wise to measure customer satisfaction regularly because one key to customer retention is customer satisfaction. A highly satisfied customer generally stays loyal longer but buys more as the company introduces new products and upgrades existing products, to talk about the company and its products, pay less attention to competing brands, offers products and service ideas to the company and assets less to serve than new customers because transactions are routine.

However, this should no ignore the benefits that the organization will derive from it services. A question was posed of how promptly staffs take action on customer complains, the results show that (44%) of the respondent said they strongly agree with

that assertion. Based on the results, it shows that the company still needs to use communication as an effective means of solving customer complains.

- Currently all insurance companies in the Ghanaian market, who are competing in the areas of market share, return on investment; profitability etc In this competitive environment, indeed, every aspect of organization should not be taken for granted.

This brings to fore the concept of holistic selling and marketing of Life products which should be based on the development, design and implementation of marketing communication programs, processes and activities that recognize the breadth and inter dependences. It recognizes that everything matters with marketing and that broad, integrated perspective is often necessary. Successful marketers are the ones that fully satisfy their customers. The question is how an organization goes about winning customers and beating competitors. The answer lies largely in doing a better job of meeting or exceeding customer expectation. (Kotler & Keller. 2006).The study shows that there is still a gap in meeting customer expectation in terms of service quality

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delivery. ELAC, in order to withstand the new wave of competition, which invariably calls for management to improve on her current position in the industry, there is the need to strategies an effective policies aim at improving service quality.

- It was observed from the study that most of the customers got to know ELAC through the settlement of claims. The claim settlement is done through e-mail which is a communicating tool so to speed up the process. This led to customers being satisfied and referred others they constituted forty-one percent (41%) of the clients sampled. This shows that with improvement in customer service the company could improve tremendously in areas of market share, customer growth etc.

It was also observed that most of ELAC customers also affirmed that to a greater extent marketing communication tools were especially effective in the marketing of life products. Policyholders argued that marketing communications might helped create powerful images and a sense of credibility, confidence, and reassurance which in one form or the other are essential to service company's success. However, effective service quality delivery should be the benchmark the finding in one way or the other agrees with

McKenna (1991) who asserted that without effective communications, prospects might never learn of a service existence, what it has to offer prospective insured, their value proposition of each of its products, and how to use them to best advantage. Customers might be more easily lured away by competitors and competitive offerings since marketing communication concentrate on consumers' specific responses to communications (Kotler and Keller 2007). Even customers own involvement and participation in the service delivery affect customer satisfaction (Kelly, Skinner et al. 1982). Due to the differences in production and provision of products and services, customers evaluate quality and attributes of material goods and services in different ways (Mathe and Shapiro 1993). This realization has initiated a discussion on the need for special tools for evaluating more diverse and less tangible services (de Brentani 1989).

Responding to the growing demands for developing specific and reliable ways to measure customer satisfaction in service industries, a number of studies have been conducted that suggested methodological frameworks for measuring customer satisfaction (Markovic and Horvat 1999).

McKenna (1991) has argued that the most important contribution the marketing department can make is to be exceptionally clever in getting everyone else in the

organization to practice marketing communication. Interactive marketing describes the employees' skills in serving a client and ensuring excellent customer relations. Clients judge service not only by its technical quality but also by its functional quality.

Again, for effective communication, there must be continuity and consistency - Since communication is an unending process, there may be the need to repeat information in order to confirm the sender's intention and also obtain feed backs.

On a whole, there were favorable responses as customers' ratings on level of trust,

service delivery, staff responses to customer needs among others. With the exception of prompt claims response and the level of trust were respondents took extreme positions there were imbalance responses on the remaining variables. In otherwords, whilst the majority of them gave negative responses on the issue of claims payment; the opposite was true when they provided answers on the level of trust. In addition, on customers' ratings on service delivery, the majority of them remained neutral. This shows that implementers of communication strategies and hence senders must have indebt knowledge in communication skills and its implications on the receiver as perceived by. Fornell (1994) who viewed communication as an organization's peril. In furtherance to what Kumuyi, 2007, Lehman (1994) also suggested that without good communications abilities, the most brilliant of all employees will fail to deliver on the bottom line and that effective leader without effective communication is impossible.

As perceived by Olshavsk (1996) implementing communication strategies is to translate

the message to the customer and in support of what those writers said most of the customers (59%) gave an appreciable response on the level of communication in ELAC.Only fourteen percent (14%) of them did not take sides. However, twenty-five

percent (25%) of were not in favour of the statement. This is consistent with Quarshie, (1981) who indicated that communication plays a role in company's strategies of retaining customers as well as growth in the market share and went further to predict that lack of communication is an obstacle to organizational growth. This is true when internal communication as well as marketing communication is neglected.

CHAPTER SIX

CONCLUSIONS, RECOMMENDATIONS AND SUGGESTING AREAS FOR FUTHER RESEARCH

6.1 Introduction

This is the final section of the main body of the report. The first part concludes the research findings whilst the remaining part looks at the recommendations for future policy implications and suggested areas for further research

6.2 Conclusions

In sum, the paramount goal of integrated marketing communication is to understand the consumer and to influence buying behavior. According to the study, customer decision-making process comprises a need satisfying behaviour and a wide range of motivating and influencing factors which comprises "information processing". The study revealed that most of the staff perceived communication between the company and customers, as favorable as fifty-four percent (54%) of them rated it as favorable. This was consistent with the customer's responses on the same issue. This shows that customer will buy from firm which offers the highest customer delivered value and communicate the right information to him at the right time and goes on to define customer delivered value as the difference between total customer value and total customer cost.

Main Findings

- Most of the staff perceive communication between the company and customers as good which represent 54% of the responses

- It was also observed from the study that, most of the customers got to know ELAC through the settlement of claims. This led to customers been satisfied.

- It was also observed that, communication between ELAC and its customers were not regular.

- The study also revealed that there was no proper communication system that ELAC was using to communicate with its customers.

6.3: Recommendations for Future Policy Implications

Base on the above conclusions, the following recommendations were put down for future policy implications.

- It was suggested that management should communicate regularly with their customers in order to assess the real effect of communication in improving customer satisfaction. This could be realized through mobile phones, both print and electronic media, promotions etc.

- In order to improve on customer satisfaction, management should pay more attention to claims settlement which has been the main objective for customers in accepting an insurance proposal presented or communicated to the insured.

- It could also be recommended that the investment for marketing communications should be increase observing the intensity of competition in the industry. Moreover, there should be a proper integrated marketing communication for service companies so that they will be able to satisfy the different nature of customers in their industry.

- It is also recommended that all the insurance industry should form a partnership with the communications industry to have collaboration in fashion out the best medium to suit their customers.

6.4 Suggestions for further Research

It is also suggested that future researchers interested in this topic could delve into the following areas:

- The impact of communication on organizational performance using the same or similar study area.

- In addition, future researchers could research into the same topic using different study area in order to establish reliability, validity and hence generalize the conclusions drawn.

- Techniques in assessing the impact of communication on customer satisfaction.

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QUESTIONNAIRE DESIGN

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY-KUMASI

I am a post graduate student undertaking a research on the topic will be very grateful if you can kindly answer the below questions for me. It is purely for academic exercise and all information provided will be kept confidentially.

A.PERSONAL DATA

1. Please indicate your gender status.
 a. Male   b. Female

2. What was your last educational qualification?
a. Post-graduate
b. Tertiary
c. Secondary
d. Others, please specify...............................

3. Please indicate your occupational status.
a. Self-employed
b. Civil Servant
c. Security service
d. Others, Please specify...............................

B. CUSTOMER SATISFACTION AND COMMUNICATION

4. What type of policy do you have?
....
....

5. How do you perceive communication between you and people in this firm in the delivery of

life products?

(a) Excellent

(b) Good

© Neutral

(d) Very poor

(e) Poor

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6. How did you get to know about the policy?

....

....

7. How do you rate the level of communication from ELAC?

(a) Very good

(b) Good

© Neutral

(d) Poor

(e) Very poor

8. How often do you hear from ELAC on issues pertaining to your future needs?

a. Very often   b. Often   c. Neutral   d. sometimes. Not at all

9.. Are you happy with your policy?

a. Yes   b. Somewhere   c. No

10. Do you receive statements on your policy?

a. Yes   b. Somewhere   c. No

11. Is premium deduction on going?

a. Yes   b. Somewhere   c. No

12. How did you get to know about the policy?

....

13. Please indicate how you find ELAC customer service.

....

....
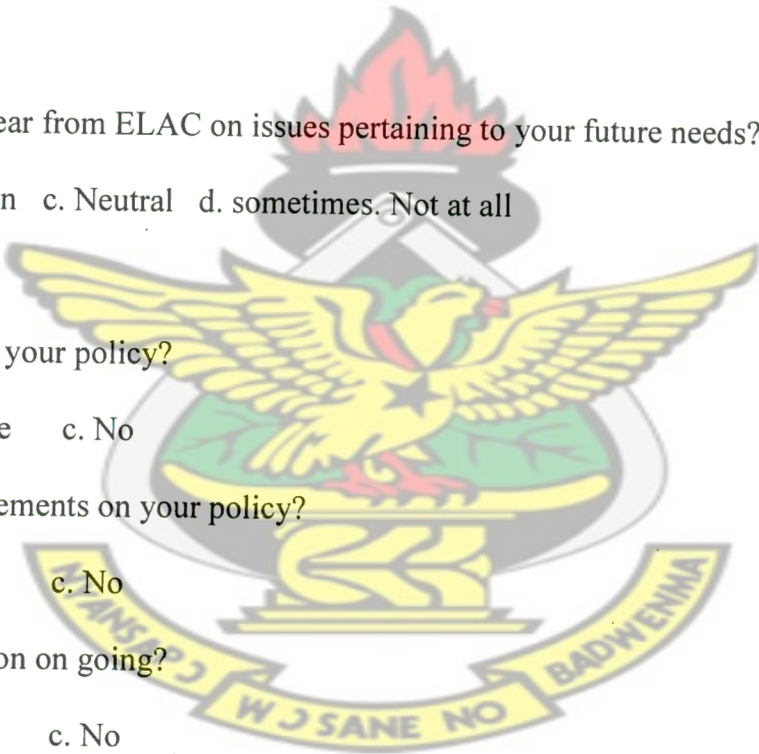
14. Do often do you hear from ELAC
(a) Yes   (b) No

15. Would you consider continue with the services of ELAC?

a. Yes b. No

16. Please give reason(s) for your answer.
....
....

17. Do you have any other suggestion(s)?
....
....
....