KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
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GHANA: A CASE STUDY OF SELECTED INSURANCE COMPANIES IN THE TAMALE
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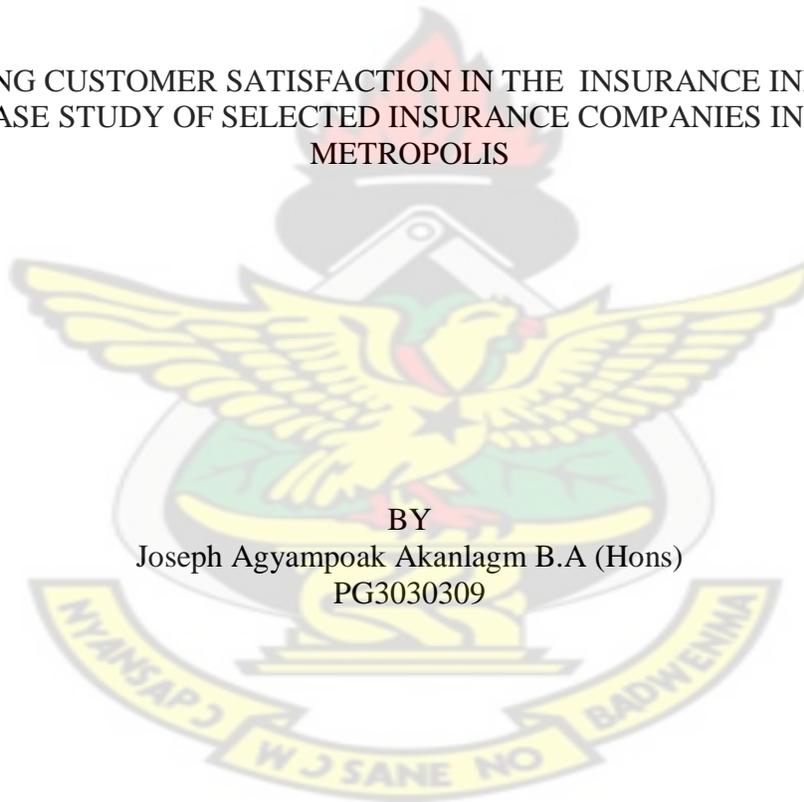
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June, 2011

PROMOTING CUSTOMER SATISFACTION IN THE INSURANCE INDUSTRY IN GHANA: A CASE STUDY OF SELECTED INSURANCE COMPANIES IN THE TAMALE METROPOLIS

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A Thesis submitted to the Institute of Distance Learning, Kwame Nkrumah University of Science and Technology in partial fulfillment of the requirements for the degree of
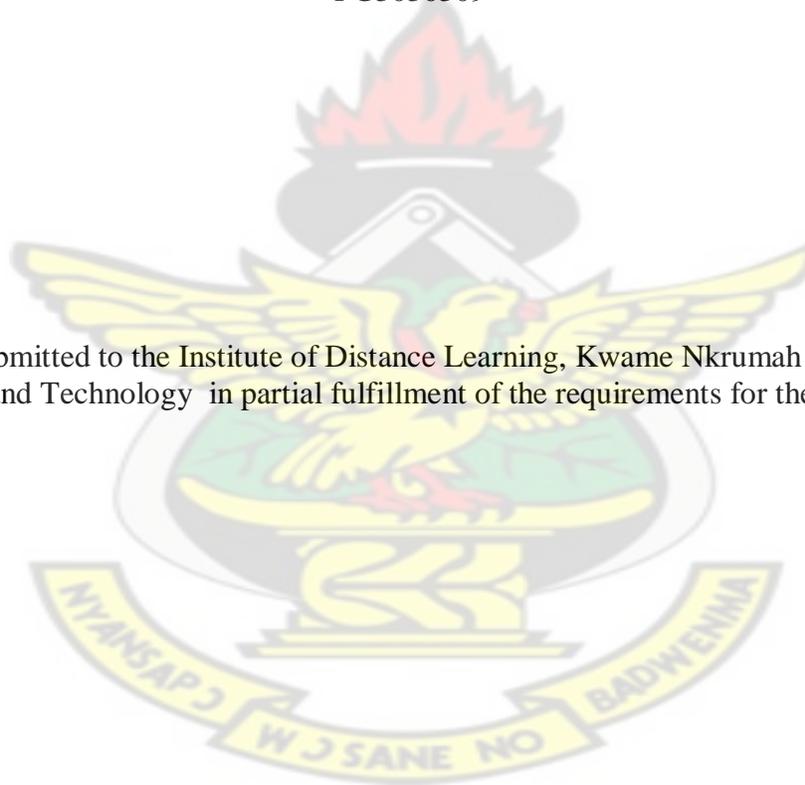
COMMONWEALTH EXECUTIVE MASTERS IN BUSINESS ADMINISTRATION

June, 2011

Declaration

I hereby declare that this submission is my own work towards the CEMBA 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 acknowledgment has been made in the text.

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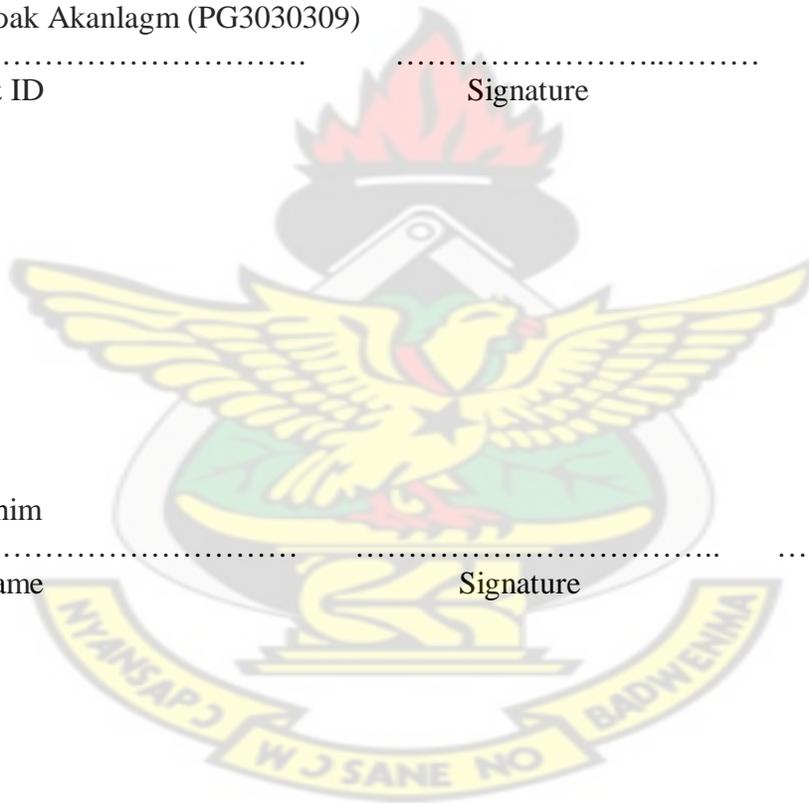
Abstract

This is a descriptive study that assessed the expectations of customers of their insurers and the level of satisfaction that their insurers have been able to provide them. The general objective of the study was to examine customer satisfaction levels among clients' of insurance companies and the strategies companies have in place to achieve customer satisfaction in the Tamale Metropolis. The specific objectives of the study include the examination of customer expectation, assessment of customer satisfaction levels, assessment of service quality impact on satisfaction, evaluation of insurance companies' customer satisfaction strategies and identification of challenges confronting insurance companies in their bid to satisfy their customers. The method used to collect data were questionnaire and interview schedules from insurance policy holders and branch managers of insurance companies respectively. The study showed that customers' expectations have not been adequately met. Customers expect a high level of service delivery from insurance companies. Granting of discounts, continuous training of staff and the use of ICT are prominent strategies companies use to promote customer satisfaction. The challenges of internal bottlenecks and inadequate resources have been identified by insurance companies as accounting for their inability to deliver the kind of service that will satisfy their customers. Recommendation offered by the study is that insurance companies should aim at building durable teams. Various units and departments of the organizations should work as a team with a focus to satisfy customers. Companies should automate their processes to shorten the time that clients spend trying to purchase insurance or make claims.

Acknowledgement

I express my gratitude to Mr. Ibrahim Osman, my supervisor and Mr. Abubakari Abdul-Razak, the Tamale Center coordinator for their brotherly support and suggestions without which this work could not have seen the light of day. Mrs. Emma Ocran, Director of Legal Affairs of the National Insurance Commission deserves a special commendation for her continuous encouragement for staff of the legal Department to upgrade themselves. I am a huge beneficiary of her encouragement and "motherly" support.

The hard work and dedication of the staff of the Tamale office of the NIC has been outstanding, as well as the counsel of Rev. Fr. Christopher Beyuo, Parish priest of Sacred Heart Parish, Tamale. I am sincerely grateful for their contribution to this research work.

Dedication

I humbly dedicate this work to my dear wife Fidelia Anipu and my lovely sons, Agisiyam,

Apagwon and Asiatewon for the sacrifices they made whiles I pursued this course.

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List of Abbreviations

CSB	Complaints and Settlements Bureau
CAR	Contractors All Risk
GIA	Ghana Insurers Association
GIBA	Ghana Insurance Brokers Association
GIC	Ghana Insurance College
GIT	Goods-In-Transit
LAN	Local Area Network
NCD	No Claim Discount
NIC	National Insurance Commission
NGOs	Non Governmental Organizations
NSAO	Northern Sector Area Office
PA	Personal Accident
PPS	Probability Proportional Sampling
PSU	Primary Sampling Unit
SERQUAL	Service Quality
SPSS	Statistical Product Services Solutions
SSU	Secondary Sampling Unit
UK	United Kingdom
WAN	Wide Area Network

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Customer satisfaction is of utmost importance for any product or service provider. With the advent of Information Technology, the entire world has been transformed into a "Global village", thus bringing the masses in close-contact with each other. As a result, any vital information or news is transmitted across the globe in a few seconds, thus generating awareness with dispersion of knowledge across the borders. In today's age, consumers have become more demanding and are well-aware of various facts as compared to before. Consumers want both quality and quantity oriented products and services. Many organizations target customer satisfaction to stay in business and more importantly attain a competitive edge over their competitors. For this purpose, exceptional customer services results not only in customer retention but also attracts other prospective customers.

Customer satisfaction arising from customer service is a business priority today and is vital to future growth and success (Smith, 1991). According to Hofstee (2006), the importance of customer satisfaction in the insurance industry includes: survival of businesses in a competitive environment, meeting the ever-increasing demands made by the customers, contributing to the robust growth of the businesses which in turn contributes to the GDP (Gross Domestic Product) of the economy, and increased competitiveness.

As a result, there have been attempts by many corporate organisations to either rebrand or retool their strategies towards satisfying customers in order to make them the preferred choice over their competitors. This is borne out of the realisation that competition for both human and material resources is becoming keener. Intense competition at all levels of society makes it imperative for corporate organisation to pay exclusive attention to the needs of their customers. No investment can produce any meaningful results without receiving the requisite patronage from customers (Healy, 199). Satisfying the customer has, therefore, become very relevant than ever.

Customers have more options than ever before and feel less loyal. They want products and services fast, cheap and quick from whoever will provide them (Smith, 1994). That means that the competitive advantage is now in one's ability to keep customers and build repeat business. And the email mindset makes it even easier for customers to spread out their dissatisfaction (Holyoake et al, 1999). Good customer service is no longer enough. It has to be superior. In a nutshell, it means doing what you say you will, when you say you will, how you say you will, at the price you promised plus a little extra to excite the customer.

Customer service is dependent on three things: customer-friendly policies set by the organization's executives, training offered to the staff, and the attitude of the staff about their own organization as generated by the way their company treats them (Smith, 1994). Good customer service is the lifeblood of any business. A company can offer promotions and slash prices to bring in as many new customers as it wants, but unless it can get some of those customers to come back, the business would not be profitable for long.

Good customer service is all about bringing customers back. And about sending them away happy - happy enough to pass positive feedback about a company's business along to others, who may then try the product or service on offer for themselves and, in turn, become repeat customers. If a company has good salesperson, it can sell anything to anyone but it will be the approach to customer service that determines whether there will repeat purchases (Holyoake et al, 1999). The essence of good customer service is forming a relationship with customers, a relationship that the customer feels that he or she would like to pursue.

Customer satisfaction is perhaps more crucial in the service sector and more so in the insurance industry where the insurer does not offer any tangible item but just a promise. The insurance industry in Ghana has witnessed for the last decade, several regulatory changes that have resulted in a heightened level of competition among the insurers. The insurance Act 724 of 2006 for instance withdrew the monopoly enjoyed by the State Insurance Company (SIC) Limited in order to inject competition into the industry.

The industry has been liberalised and has witnessed the influx of a number of foreign insurance companies. Since the passage of the Insurance Act 724 of 2006, eleven new insurance companies have been registered (NIC of Ghana, 2009). This has injected competition into the industry and makes it imperative for insurance companies desirous of surviving, to do more in the area of customer satisfaction. They need to have an unwavering customer loyalty. The key to providing superior service is to understand and respond to customer expectations. Experts and commentators of customer satisfaction clearly articulated that customers compare perceptions to expectations when judging the quality of a firm's service offering. (Zeithaml et al, 1988).

Customer satisfaction is a key and valued outcome of good marketing practice. According to Drucker (1954), the principal purpose of a business is to create satisfied customers. Winning and retaining satisfied customers has immense benefits. Increasing customer satisfaction has been found to lead to higher future profitability (Anderson et al 1994), lower costs related to non-defective goods and services (Anderson and Rust 1997), increased buyer willingness to pay premium prices, provide referrals, and use more of the product (Reichheld 1996), and higher levels of customer retention and loyalty (Fornell 1992).

A firm's future profitability depends on satisfying customers in the present. According to Reichheld (1996), retained customers should be viewed as revenue producing assets for the firm (Reichheld 1996; Anderson et al 1994). Several studies have shown that improved customer satisfaction need not entail higher costs. In fact, improved customer satisfaction may lower costs due to a reduction in defective goods, product re-work. (Fornell 1992; Anderson, et al 1997). Given the importance of customer satisfaction for a firm's long-term business survival and growth, monitoring customer satisfaction and diagnosing what factors drive customers' satisfaction should be an essential activity of every firm.

The argument for customer satisfaction is thus relatively straightforward. It is more economical to keep customers than to acquire new ones. The costs of acquiring customers to "replace" those who have been lost are high. This is because the expense of acquiring customers is incurred only in the beginning stages of the commercial relationship (Reichheld and Frederick, 1996). In addition, longer-term customers buy more and, if satisfied, may generate positive word-of-mouth promotion for the company. Additionally, long-term customers also take less of the company's time and are less sensitive to price changes (Healy, 1999). The key factors influencing

customers' selection of an insurer include the range of services, rates, fees and prices charged (Deneberg, 1974)).

However, since insurance premiums are regulated, the competition in the industry is largely reduced to the level of service quality level. Thus companies that satisfy their customers better than others are more likely to survive and achieve their objectives. Furthermore, service excellence, meeting client needs, and providing innovative products are essential to succeed in the insurance industry.

Regardless of the immense benefits accruing from attaining customer satisfaction, many insurance companies in Ghana are still not paying requisite attention to the issue of customer satisfaction. In the insurance industry, satisfaction is not achieved only when a policy is purchased but when it offered the expected peace of mind during its period as promised.

The insurance industry in Ghana was opened up to private sector participation in the year 2000. Prior to this, the then State Insurance Company (SIC) of Ghana was the main player in the industry. In six years since the entry of private players in the insurance market, SIC has lost 29% market share to the private players (NIC of Ghana, 2008). In view of the increasing competition, this research attempts to make an assessment of customer satisfaction in some selected insurance companies and help understand the dimensions of service quality which assist in ensuring maximum customer satisfaction.

1.2 Problem Statement

The alleged sinking image of the insurance industry in Ghana needs to be investigated. Many have argued that, it is as a result of low level of customer satisfaction whereas others believe it is a mere perception (National Insurance Commission, 2008).

The Ghanaian consumer is increasingly becoming more enlightened and is always expecting more from service providers. The insurance customer expects; prompt delivery of competent and efficient services paramount among which is payment of claims, knowledgeable and serviceable frontline staff that are ever prepared to give information on request and reliable feedback among others (Vodee, 2007). Even after receiving better treatment or service, the customer will always expect something better than their previous experience. They are less tolerant of shortfalls in quality and are not prepared to take excuses.

Despite this, Ghanaian insurance companies are often accused of behaving as if they are doing a favour to their customers. The insurance industry suffers most from negative image as a result of lower customer satisfaction perception (NIC, 2008). Instances are often cited where insurance companies fail to provide the level of services required by the customer. Insurance companies are often accused of reneging on their promises to pay claims. It is very common to hear people remarking that insurance companies are quicker in receiving premiums but slower when it comes to claims payment.

Insurance companies have always been blamed for late delivery of services. It is commonplace to hear people complaining of late delivery of policy documents, renewal notices or even undue delay in responding to customers' requests. There are also complaints of miss-selling of insurance products as a result of lack of product knowledge by the sales persons of insurance companies. These often manifest in conflict as people are lured into buy insurance policies that they do not properly understand.

Also one hears of unruly behaviour of frontline staff of insurance companies. These "negative" employees blatantly refuse to go the extra mile for the customer. These employees are often accused by clients of ignoring their concerns and rather chat for hours on phone or with other colleagues (Business and Financial Times, 2010). Yet many complain of cumbersome processes one has to go through in order to make a claim. They argue that the lengthy process is only meant to frustrate claimants to abandon their claims and seek help elsewhere.

All these point to a wide gap between what customers expect from their insurers and what insurance companies actually deliver. Various attempts have been made to salvage the image of the insurance industry and to protect customers of insurance companies from unfair treatment. The National Insurance Commission for instance, established the Complaints and Settlements Bureau to receive and hear complaints against insurance companies as a way of ensuring that companies satisfy their customers. This is rather reactive than proactive. There is the need for a proactive way of dealing with the issue of customer satisfaction in the insurance industry. It is in the light of the above that the study is focussing on examining customer expectations, assessing the customer satisfaction levels and the strategies that insurance companies have put in place to satisfy their customers with a view to offering feasible policy recommendations to salvage the image of the insurance industry.

1.3 Research Objectives

1.3.1 General Objective

The General objective of the study is to examine customer expectations and satisfaction levels among customers of Insurance Companies' and the customer satisfaction strategies of insurance companies.

1.3.2 Specific Objectives

Specifically, the study seeks;

- To examine customer expectations with regard to service delivery.

- To determine the attitude of staff towards customers of insurance companies.

- To assess service quality impact on customer satisfaction,

- To assess the customer satisfaction levels among clients of insurance companies,

- To evaluate insurance companies' customer satisfaction strategies.

- To identify challenges facing insurance companies in their bid to satisfy their customers.

1.4 Research questions

The research will seek to provide answers to the following questions:

- What do customers expect from their insurance companies?

- What is the attitude of staff towards customers of insurance companies?

- What is the impact of service quality on customer satisfaction?

- What is the level of satisfaction among customers of insurance companies?

- What customer satisfaction strategies are employed by insurance companies?

- What challenges do insurance companies face in their bid to satisfy their customers?

1.5 Significance of the Study.

The existence of a sound insurance industry is an essential component of any successful economy and the proof of this can be seen in many parts of the world. Many writers on economic history and the history of insurance comment on the link between sound insurance industry and industrial development. Mehr and Commack (1986) observed that "the rise of Britain as a great

trading nation and the fact that it had good fire insurance facilities during the same period was no coincidence".

The relevance of peace of mind at both the individual and business levels cannot be overemphasised. Rejda (1991) posed the question "why a person should put money into a business venture when there are so many risks that can result in loss of money?" Yet if people did not invest in business then there would be fewer jobs, less goods, the need for higher imports and general reduction in wealth.

Despite this very important purpose that insurance serves; Ghana is not enjoying the full benefit. The successful completion of the study will help to identify the customer satisfaction gaps and assist insurance companies to redefine strategies to close them. The results of the study will also help inform managers of insurance companies on customer satisfaction policy formulation and implementation. It would also set the stage for further research into the issue of customer satisfaction.

1.6 Scope of the study

For the purpose of this study, the subject matter is an assessment of customer satisfaction levels among private individual policyholders of general insurance companies with branch offices in the Tamale Metropolis. The geographical scope was the Tamale Metropolis, the capital of the northern regional of Ghana. Tamale is considered appropriate because most insurance companies have branches located in it, to serve the northern sector. Their clients are located through the three northern regions but the study will be limited to only the Tamale Metropolis.

1.7 Limitations of the study

Lack of time and other resources to expand the sample population presented a major challenge. Ideally, all insurance companies in the northern sector should have been covered under the study but this was practically impossible. The researcher also had to combine the study with his normal office work which was challenging and tasking.

1.8 Organization of the study

This thesis is divided into five chapters. In the first chapter the background of the study is presented followed by the problem statement, objectives of the study, the research questions, significance of the study and organisation of the thesis. The second chapter is on review of relevant literature while the third chapter presents the research methodology. It involves the delineation of the study area, study design, sources of data, target population, sample size, sampling procedure and data collection techniques. The chapter also discusses data processing and analysis methods. The fourth chapter dealt with data presentation and analysis. The final chapter deals with the summary of findings, conclusions and recommendation of the study.
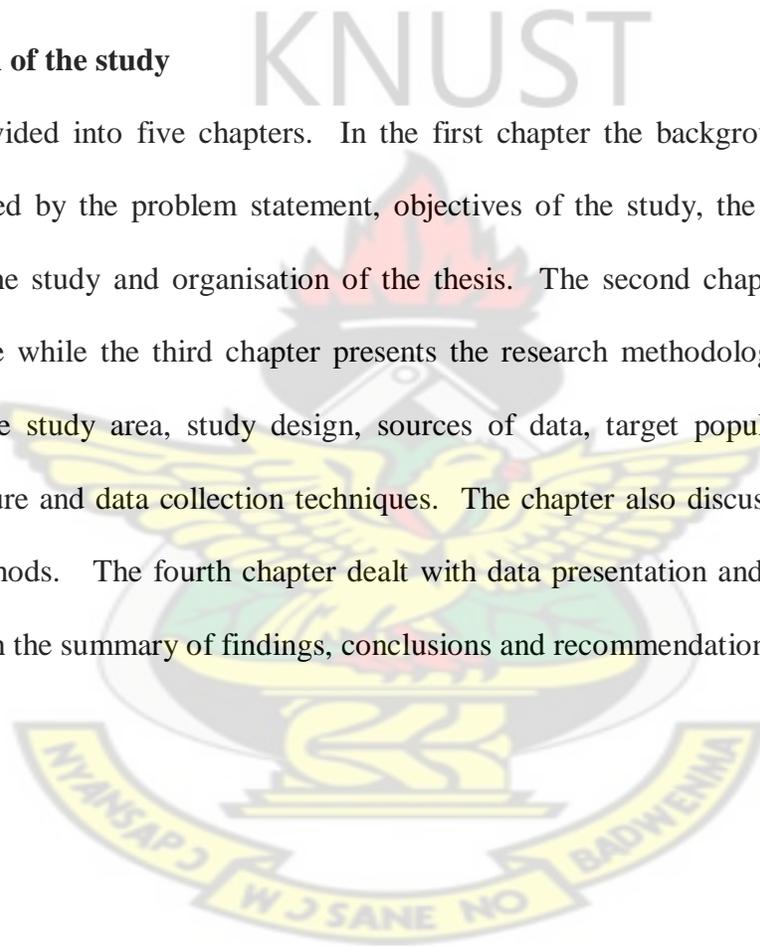
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In order to have a fair idea on the issues pertaining to customer satisfaction in the ever changing business environment, to identify the expectations of customers of their insurers and the extent to which insurance companies are responding to these expectations, there is need to review existing relevant literature and models. This chapter reviewed literature on various perspectives on customer expectation as well as various dimensions and theories of customer satisfaction. A conceptual framework of the study, linking the objectives to the available literature and theories is also presented.

2.2 Overview of the Insurance Industry in Ghana

The insurance industry provides protection against financial losses resulting from a variety of perils. By purchasing insurance policies, individuals and businesses can receive reimbursement for accidental losses. The insurance industry in Ghana consists of insurance companies and insurance intermediaries. Insurance companies provide insurance and assume the risks covered by the policy (Ghana Insurance Year Book, 1996).

Insurance intermediaries sell insurance policies for the companies. While some of these intermediaries are directly affiliated with particular insurers and sell only that those companies' policies, others are independent and are free to market the policies of a variety of insurance companies. In addition to supporting these two primary components, the insurance industry includes establishments that provide other insurance-related services, such as claims adjustment or third-party administration of insurance and pension funds. In the policy, the insurer states the

length and conditions of the agreement, exactly which losses it will provide compensation for, and how much will be awarded. The premium charged for the policy is based primarily on the amount to be awarded in case of loss, as well as the likelihood that the insurance carrier will actually have to pay (Vondee, 2007).

There are two basic types of insurance companies: direct and reinsurance. Direct companies are responsible for the initial underwriting of insurance policies, while reinsurance companies act as insurers to the primary insurers. Some insurance policies cover groups of people, ranging from a few to thousands of individuals. These policies usually are issued to employers for the benefit of their employees or to unions, professional associations, or other membership organizations for the benefit of their members. Among the most common policies of this nature are group life and health plans.

The insurance industry also includes a number of independent organizations that provide a wide array of insurance-related services to insurance companies and their clients. One such service is the processing of claims forms for medical practitioners. Other services include loss prevention and risk management. Also, insurance companies sometimes hire independent claims adjusters to investigate accidents and claims for property damage and to assign a dollar estimate to the claim.

2.3 Definition of relevant concepts

2.3.1 Customer

A customer may be defined as someone who has a direct relationship with, or is directly affected by an agency and receives or relies on one or more of that agency's services or products. Customers in human services are commonly referred to as service users, consumers or clients

and they can be individuals or groups (Fornell et al, 1992). An organisation with a strong customer satisfaction culture places the customer at the centre of service design, planning and service delivery (Healy, 1999). Customer centric organisations will determine the customers' expectations when they plan, listen to the customer as they design, focus on the delivery of customer satisfaction activities, value customer feedback when they measure performance (Ohmae, 1982).

2.3.2 Insurance

Insurance is a promise of compensation for specific potential future losses in exchange for a periodic payment (Rejda, 1992). Insurance is designed to meet the financial well-being of an individual, company or other entity in the case of unexpected losses. Some forms of insurance are compulsory while others are optional (Hoyoake, 1999). Agreeing to the terms of an insurance policy create a contract between the insured and the insurer. In exchange for premium payments from the insured, the insurer agrees to pay the policyholder compensation upon the occurrence of a specific event (Gart, 1990).

Insurance is a pooling of risks. It is based on the premise that whereas many people will pay premiums to the insurance company, probably only a few will make claims. Part of the payment of the many is used to pay compensation to the few who suffer losses (Troxel et al, 1983). Conceptually, insurance is a devise whereby many individuals facing the same risk form a pool into which each individual contributes premiums, and out of which the few who actually suffer unforeseen and unexpected losses are compensated.

2.3.3 Insurance companies

Insurance companies are set up to manage the pool so formed by individuals or corporate bodies who face similar risks (Kensicki et al, 1986). Insurance companies take the contributions, in the form of premium from the many people and pay the losses of the few who may suffer losses. Majority of insurance companies in Ghana have been created by registration under the Companies Act and authorised to operate by the National Insurance Commission (Vondee, 2007).

Insurance companies are classified into two main groups: *specialist companies* and *composite companies*. Specialist companies are the ones that underwrite only one class of business. Thus, an insurance company could be a Life Assurance one, authorised to underwrite only life insurance or a non-life insurer (General insurance company) authorise to underwrite general businesses. Composite insurance companies are those authorised to underwrite both Life and Non-life insurance policies. The Insurance Act 724 of 2006, however, outlaws composite insurance companies in Ghana. An insurance company can either register as a life assurer or a general insurer but not both. The focus of this study is General insurance companies.

2.4 Customer expectations

Customers have some expectations of their insurers. That is the level of services that they expect their insurers to deliver. Understanding customer expectations is an important and essential element in service delivery. Generally, customers of insurance companies expect to be taken serious, receive prompt and reliable information, simplified and short processes, prompt payment of insurance claims, empathy and respect, honesty and dedicated attention, full disclosure of policy terms and conditions at the point of sales, quick and reliable feedback (Vondee, 2007).

2.4.1 Examination of Customer Expectations

Smith (1994) has identified three main perspectives of customer expectations. These include the legal, customer and managers' perspectives.

2.4.1.1 The legal perspective of customer expectations.

When dealing with customers, there are implicit as well as explicit commitments. According to this perspective, it is not enough to attempt to meet customer expectations if the contractual obligations are ignored for customers expect that these be kept to the latter.

In addition, there are laws which govern the sale of goods and services and which deal with what customers can expect and what is expected of customers in return. From the legal perspective, customers expect the meeting of specific standards of product or service, price, delivery, safety and quality. Wood and palmer, (1991) points out that, the legal perspective covers a number of areas of customer expectation. These include; meeting expectations, contractual laws, sale of goods laws, consumer rights, pricing laws and regulations, codes of conduct and practices, advertising laws and regulations, data protection laws and guide lines for complaints bodies. From the legal perspective, customers expect service providers to meet standards in terms of price, delivery time, safety and quality. The customer expect not to be misled or left dissatisfied or with inferior or faulty goods or services and the service provider have to conform with the codes of practice and other requirements which apply to the particular industry (Reichheld et al, 1990).

The Legal perspective of customer expectations has been severely criticised. Drucker (1974) posits that the legal perspective is rather reactive and does not represent a proactive approach to the analysis of customer expectations. What pertains in practice is that customers' expectation

extends far beyond legal obligations of the service provider. A starting point is to adopt a strategy that promotes and demonstrates that legal requirements with regard to service delivery are exceeded.

2.4.1.2 The Customer Perspective

Customers not only have power in terms of where they wish to buy, what they wish to buy and how they wish to buy it but they also enjoy increasing level of customer protection which places the burden of responsibility on the service provider(Deneberg, 1974)). However, much of the legislation deals with what happens when things go wrong and most organisations have strategies for dealing with failures to meet customer expectations in order to ensure that the customer do not need to seek legal redress.

The customer expects, competent and efficient services, basic courtesies, to be informed of options, to be listened to, knowledgeable help, friendliness, feedback, honesty and respect, professional service and above all dedicated attention (Parasuraman et al, 1991). The heart of customer satisfaction is meeting or exceeding these expectations; at the highest level, it is achieving customer delight (Christopher et al 1991). This perspective view customer satisfaction as a continuous process which does not begin or end with a purchase. According to Kotler (1991), it covers the entire ownership experience from selecting a product, to purchase, through aftercare to repeat purchase.

Healy (1999) identified three stages of customer expectations. First is the Pre-sale period or stage. At this stage customers expect clear and useful information on; the product or service, its quality, its benefits, its price, its availability and how to obtain it. The second stage is the sales

period. At this stage , the customer expects; the opportunity to inspect the product, attractive sales environment, courteous and attentive service, reasonable and reliable delivery, quality goods or services, prompt redress if dissatisfied and freedom from sales pressure. Last but not the least stage is the After-Sales Period. In this stage customers expect; support services if needed, speedy replacement or refund if required, straightforward complaints procedure, efficient repair and maintenance service and effective follow-up procedures. Gart et al (2002) argued that the customer perspective of customer expectation is the most realistic as it pre-empts the need for legal requirement.

2.4.1.3 The Managers' Perspective

The Managers' task is to manage operations so that he and his staff deliver the highest levels of customer satisfaction. Deming (1986) emphasized that the Managers' perspective of customer expectation must start from the realization that what is being provided extends well beyond the core service or product. Managing customer expectations begin with an understanding of the elements which come together to determine expectations levels. An important part of the managers 'task is follow-up the period after your customer have bought the products (Smith, 1994).

2.4.2 Formation of customer expectation

Expectations are formed prior, during and after each interaction with a company (Healy, 1999). Expectations are formed by what people hear and see, what they read and what their service providers promised them and what customers experienced at other places (Holmes, 1991). The

factors that influence expectations include, advertising, prior experience, influences from other people, personal beliefs and attitudes and preconceived impressions among others (Fitzsimmons and Fitzsimons, 1997).

2.4.3 Managing customer expectations

Meeting or exceeding customer expectations is the goal of every results seeking organisation. According to Troxel et al (1983), understanding the customer is the starting point of managing expectations. The starting point of expectation management therefore is getting feedback from customers through regular marketing research. The best way is not to wait for customer complaints but to anticipate the needs and problems of customers and to set realistic expectations through customer education and communication strategies (Marks, 1985). Using customer feedback to understand customer expectations and needs, organisations educate their customers on what they can expect and what obligations and responsibilities their customers have.

According to Mehr and Commack, (1986), the most effective way of managing customer expectation is to learn to say no. Service providers need to draw limits. When it is not possible to give the customer what they would like, it is still possible for a customer to feel that he or she has been heard and has been treated fairly. A number of techniques convey the concern that service providers have for their customers. Calling customers and telling them the company understands, giving the customer the best explanation they can, being open and honest with customers, being professional and considerate of customers enhances their view of the company even when the customer may be disappointed with the outcome (Mehr and Commack 1986).

Another effective technique of measuring and managing customer expectation is prompt and adequate handling of complaints. Holmes, (1991) posits that complaints provide a useful input into the overall process of meeting customer expectations and acts as a useful warning system. to

benefit from complaints, service providers should have a mechanism for handling them effectively.

According to (Kurz and Robert, 1991), a common sense to working successfully in challenging markets is to educate clients and to better manage expectations. It is important to let the customer knows the limits to which the service providers is capable of going. Having facts, documents and news blogs to provide information to the customer will help them understand the capabilities of the provider.

2.5 Customer satisfaction

Customer satisfaction is a measure of how products and services supplied by an organisation meet or surpass customer expectation. It is defined as "the number of customers or percentage of total customers, whose reported experience with a firm, its products or services exceeds specified satisfaction goals" (Anderson et al 1994). In a competitive market place where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

There are two principal interpretations of satisfaction within the literature, satisfaction as a process and satisfaction as an outcome (Wood and palmer, 1991). Early concepts of customer satisfaction research have typically defined satisfaction as a post choice evaluative judgment concerning a specific purchase decision (Fitzsimmons and Sullivan, 1982). The most widely used model is the one that see satisfaction as a function of both expectations and performance (Kurtz and Roberts, 1991). This model suggests that the effects of expectation are primarily through disconfirmation. Fitzsimmons and Fitzsimmons (1997) were among the first to argue

that satisfaction is associated with performance that fulfils expectations, whereas dissatisfaction occurs when performance falls below expectation.

Customers want a meeting between their values (needs and wants) and the object of their evaluations (Weitz and Castebery, 1992). There is general agreement that, satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his or her expectations (Kotler, 2003). Customer satisfaction is defined as a result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customers will be satisfied. This overall satisfaction has a strong positive effect on loyalty intentions across a wide range of product and service categories (Holmes, 1991). What these writers brought to the fore is the fact that customer satisfaction is achieved through permanent relationship building.

Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty. Customer satisfaction data are among the most frequently collected indicators of market perceptions. According to Kensicki et al, (1990), the principal uses of customer satisfaction data are twofold. Firstly, within the organisation, the collection, analysis and dissemination of these data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods and services. Secondly, although sales and market share can indicate how well a firm is performing currently, satisfaction is an indicator of how likely it is that the firm's customers will make further purchases in future. Thus customer

satisfaction data collection and analysis will assist an organisation map up strategies to achieve customer satisfaction.

2.5.1 Assessment of Customer Satisfaction Levels

Organisations need to retain existing customers while targeting prospective customers (Deneberg, 1974). Measuring customer satisfaction provides an indicator of how successful the organisation is at providing products and/or services to the market place. Customer satisfaction is measured at the individual level, but it is almost always reported at an aggregate level. It can be, and often is measured along various dimensions (Gerard, 1971).

Customer satisfaction is an abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and service/product to service/product (Howard and Sheth, 1969). The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviour such as return and recommend rate. The level of satisfaction can also vary depending on other factors such as other products against which the consumer can compare the organisation's products (Marks, 1985).

Work done by Parasuraman, Zeithaml and Berry between 1985 and 1988 delivered the SERVQUAL which provides the basis for the measurement of customer satisfaction with a service by using the gap between the customer's expectation and their perceived experience of performance (Parasuraman et al, 1985 and 1988). The usual measures of customer satisfaction involve a survey with a set of statements using a scale, generally measured on five-point scale as indicate below.

Table 2.5. 1: Customer satisfaction Scale

Very dissatisfied	Somewhat dissatisfied	Neither satisfied Nor dissatisfied	Somewhat Satisfied	Very satisfied
1	2	3	4	5

Source: Parasuraman et al 1985

The objective is to measure customers' perceived satisfaction with their experience of a firm's offerings.

Managers in service sectors are under increasing pressure to demonstrate that their companies are customer-focused. Given the financial and resource constraints under which service organizations must manage, it is essential that customer expectations are properly understood and measured and that, from the customers' perspective any gaps in the service quality are identified. This information then assists a manager in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on. All of the effort is aimed to get customer satisfaction (Solomon, 1993). In order to achieve customer satisfaction the company has to understand the factors or dimensions of customer satisfaction (parasurama, Zeithaml and Berry, 1985).

2.5.2 Customer satisfaction and service quality

Service quality and customer satisfaction are inarguably the two core concepts that are at the crux of the marketing theory and practice (Hirschman, 1970). In today's world of intense competition, the key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied customers (Sapp and Collins, 1987). These writers are positive that a higher quality leads to higher customer satisfaction. There is therefore, no doubt that, service quality and customer satisfaction is the ultimate goal of service providers desirous of

maintaining a competitive edge. The quality of service is very critical in the assessment of customer satisfaction levels.

The tool to each customer satisfaction namely 'service quality' (SERQUAL) consists of dimensions such as reliability, responsiveness, competence, courtesy, credibility, security, accessibility, communication and understanding the customer (Parasurama et al, 1990). All of the dimensions need to be fulfilled to make the customer satisfied.

The fulfilments of customer expectations of service are valid indicators of customer satisfaction. The identification and measurement of service quality is a critical factor which is responsible for customer satisfaction (Parasuraman and Zeithamal, 1985). Deming (1993) and Hirschman (1970) have considered service quality very critical in customer satisfaction. They contended that service quality have two dimensions, one being technical or output quality and the other functional or process quality. These dimensions are assessed according to attitude, appearance, personality, mindedness, accessibility and approachability of customer contact personnel. Goodman (1991) not only pinpointed out the process and outcome quality dimensions but also identified three different dimensions of service encounter, distinguishing between customer perceptions, provider characteristics in service delivery and production realities. He suggested that these covered common crucial characteristics in service delivery and the determinants of satisfactions were therefore similar in each case.

Fitzsimmons and Fitzsimmons (1997) expanded further these two dimensions of service quality, and summarised four aspects of quality which affect customers' perceptions: technical quality, integrative quality, functional quality and outcome quality. Technical quality refers to the skills of the personnel and design of the service system. In insurance this is very important as the

customer uses the personnel and efficiency of the systems to judge the provider. Integrative quality is concerned with how the different parts of the service delivery system work together. This is crucial in insurance as the different department have to work together to deliver comprehensive service to clients in a timely manner. Functional quality relates to the manner in which the service is delivered. Outcome quality is when the actual service meets the promised service and the customer's needs and expectations. This is true in the case of insurance. If a customer is dissatisfied, he or she is unlikely to do business with that company again.

Even though this type of research had considered the matter of customers' perception of quality, it was Parasuraman et al (1985/1988) who addressed the issue as to how the customer makes an assessment of service quality. They came up with ten determinants that can be used to measure service quality: access, communication, competence, courtesy, credibility, reliability, responsiveness, security, tangibles and understanding.

These were subsequently reduced to five: tangibles, reliability, responsiveness, assurance and empathy. These five determinants were used in the SERQUAL measurement instrument. Healy, (1999) carried out similar research using empirical data in ten United Kingdom (UK) service organisations which resulted in twelve determinants, some of which were similar to the ten dimensions of Parasuraman et al 1985): access, appearance/aesthetics, availability, cleanliness/tidiness, comfort communication, competence, courtesy, friendliness, reliability, responsiveness and security. Four of the five new determinants, appearance, cleanliness, comfort and friendliness refer to service delivery within a physical sense. The empirical research carried out by Healy (1999) was only on management perceptions of service and not from the customers' perspective; therefore, Mehr and Commack, (1986), carried out further research

taking the customers' perspective into account and added five more determinants: attentiveness/helpfulness; care; commitment, functionality and integrity.

2.6 Elements of the service quality

Anderson et al (1994) have identified four elements of service quality: tangibles reliability, responsiveness and assurance.

2.6.1 Tangibles

Physical facilities and materials are virtually appealing to customers and add up to the satisfaction levels. This aspect might be even more important in insurance as there is no physical item being offered. The visual aspect of the facilities and equipment are what the customer partly uses to assess the credibility of an insurance company. Therefore, the need to have well functioning and good-looking facilities and equipment is paramount in customer satisfaction.

2.6.2 Service reliability

Ability to perform the promised service dependably and accurately is critical in assessing the satisfaction level of customers. Some aspects in the reliability factor have to do with "doing what is promised" and "doing it at the promised time" (Reichheld et al, 1990). Thus the insurer can assess his customer satisfaction levels by assessing whether claims are paid equitably and promptly. If customers cannot trust an organisation to do what is promised, those customers will be dissatisfied.

2.6.3 Responsiveness

There should be high level of willingness to help customers and provide prompt service. One of the aspects in the responsiveness factor is giving prompt service. The amount of time it takes to deliver insurance quotation, renewal notice or pay a claim appear to be of great importance to insurance policyholders. Organisations will have to try to find the right balance between quality and speed when it comes to satisfying the customer (Healy, 1999).

2.6.4 Assurance

An important aspect in the assurance factor is knowledge to answer questions. Customers expect to find the right answers to their questions promptly and not to be passed around. Customers will certainly not be satisfied if they have to visit the premises of an insurance company severally before having access to the needed information. Insurance web sites need to have great deal of reliable and rich information (Gart et al., 2002). Knowledge and courtesy of employees and their ability to inspire trust and confidence are very vital.

2.6.5 Empathy

The provision of caring, individualized attention to customers, informing the customers in a language they can understand. Understanding customer's specific needs and providing individualized attention are very important in customer satisfaction (Wood and Palmer, 1991). The satisfaction of insured customers requires building relationship of confidence and trust between the buyer and the seller. It is essential to build trust so that the intentions of both the parties are clearly understood by each other.

2.7 Customer Satisfaction Strategies

A key to success is increasing the value one provides to customers and keeping up with their rising expectations. Technology can help a company understand, anticipate, and respond quickly to the needs and demands of its existing customers. It can also help the company identify trends and analyze the competition to attract new customers (Kensicki et al, 1990).

2.7.1 Distribution Channels Expansion

There is a trend for customers to demand that services be at their door steps (Troxel et al 1983). A strategy that service organisations adopt is to open branch networks to ensure customers have the needed services closer to them. Branch networks are being expanded, existing branches are being refurbished and modernized and opening hours are increasing markedly. Internet service is seen by service providers as the most important channel for their clients. Most organisations are linking their service to the internet to avail themselves to as many people as possible. Customers can use the Internet to communicate with their insurance companies and get instant information.

2.7.2 Product Innovation and Customisation.

Some companies believe that having a suitable suite of products is of primary importance. The regulated premiums have reduced the insurers' ability to differentiate on price alone. But two alternative strategies were evident:

Gaining a better understanding of the customer base and tailoring products accordingly. Customising insurance products to suit individual risk profiles is a useful strategy for customer retention (Smith, 1994). The customer's needs are not static and therefore, product innovation should be part of any customer satisfaction strategy (Holmes, 1991)

2.7.3 Personal service

Softer issues, such as the importance of 'friendly' and competent branch staff and the desire to build a higher-touch trusting relationship, are seen as very important for customer satisfaction. This issue is being tackled and frontline staff is being empowered to build these relationships through the provision of better client information and incentivization schemes based on customer service metrics rather than hard sales targets (Reichheld et al, 1990).

2.7.4 Conduct surveys and track results

Surveys can prove to be a valuable tool and source of information (Holmes, 1991). Most successful organisations set up surveys to go to clients in the beginning of their relationship, in the middle of a long term transaction period, and/or the very end when the transaction is finalised. It is important to find out what customers like or dislike about a company's offering, analyse their answers to improve service mythologies.

2.8 Customer satisfaction challenges

2.8.1 Management cost

The operations function is central to an insurance company delivering on its customers' expectations. However, they have a further business objective to achieve; generating greater efficiencies and often, cost cutting and at the same time satisfy their customers. Achieving balance between these conflicting pressures is a central task for every company (Band, 1989).

2.8.2 Staffing

Insurance companies are still struggling with the optimum balance between operational staffing costs and good quality customer service. Moves to fully automate the telephone

insuring process have proved unpopular with customers and new technologies have created

their own challenges. Outsourcing and offshoring have been successful in helping to meet

cost targets but there are examples of this resulting in a decline in service quality (Marks,

1985).

2.8.3 Systems and processes

While operations managers are always confident they could deliver on their core transaction

processes, they face a number of other challenges. Systems and processes are in need of updating

to help improve on the quality and timeliness of information and reduce the number of system

failures. Many large insurance organizations have legacy systems that have difficulties

interacting with one another. A significant problem area for operations is the difficulty of

creating systems that work across all business units and channels. (Hartley and Starkey 1988).

The majority of people these days expect a response back from their inquiry within a reasonable

time frame. Whether it would be an email or phone call, a prospective or client, it is important to

set up an effective communication system and make out an easy schedule to respond to

customers inquiries (Parasuraman et al, 1985 and 1988). Hot lines and free tolls as well as easily

accessible websites are very critical to customer satisfaction. According Taylor (1991), one way

to increase customer satisfaction is to communicate with clients through their preferred method.

2.8.4 Customer information

Good data management by operations is important to help meet the demands of marketing

departments, in terms of generating information about customers and providing the systems to

access and manipulate this data. Success in this area has been mixed and examples of where

insurance companies had no way of knowing how many customers they had for certain product

areas (Wood and Palmer, 1991). Buying something is an important and often emotional decision

in a person's life. Consumers will generally select service providers whom they feel will take care of their needs best (Peters and Austin, 1986). Service providers can best serve their customers if they have adequate and complete information about them. With the require information about customers, service providers will act in ways that demonstrate that they consider them a close acquaintance and think from the customer's perspective. The simple rule applies to any marketing initiative. Seeing things from the customer's perspective will help keep their experience a positive one (Solomon, 1993).

2.9 Conceptual framework

A basic agreement emanating from the wide range of literature on the quality of service delivery and customer satisfaction is that quality service delivery and customer satisfaction are conceptually distinct but closely and positively related constructs (Parasuraman, 1994). Customer expectations constitute the signpost that should direct service quality measures and satisfaction strategies. Profitability levels are directly related to the level of customer satisfaction. The rationality of this assertion is based on the fact that, customer satisfaction guarantees repeated purchases and referrals (Drucker, 1974). Business professionals and academics therefore, see customer satisfaction as a must rather than an option if desirable profitability levels have to be attained (Shaw and Stone, 1988). Based on the literature review, the relationship between service quality and customer satisfaction is shown on Figure 2.9 below.

Figure 2.9: Relationship between service quality and customer satisfaction based on SERVQUAL
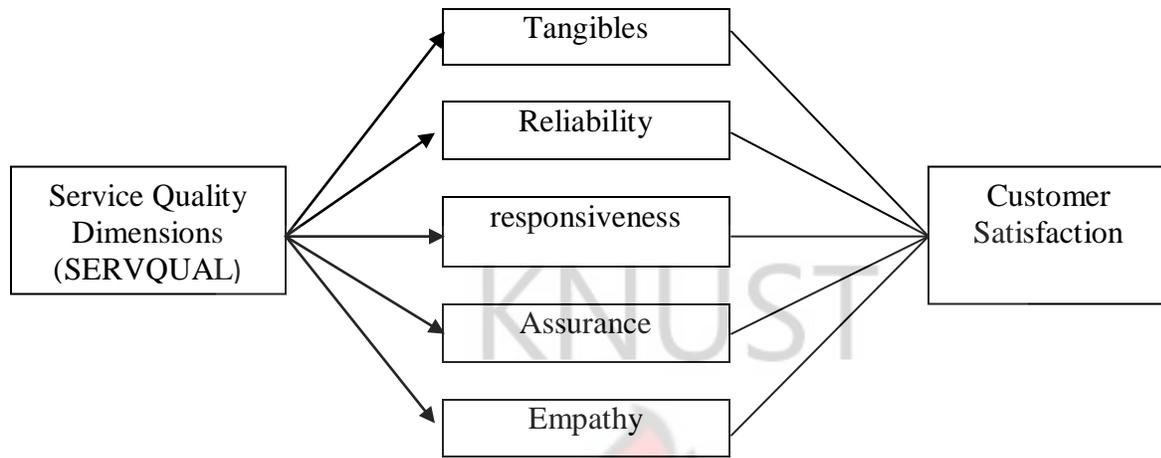
Source: Parasuraman et al, 1988

SERVQUAL remains the most important tool use to measure service quality (Goodman, 1991). By the use of the SEVQOAL scale, it is possible to compare customers' expectations and their perceptions of actual performance (Parasuraman, 1990). The relationship established, is that, the various elements of the service quality collectively contribute to customer satisfaction. This view is shared by Zimke and Dick (1989), who stressed that multiple factors determine the quality of a service. Continuous research and innovation must be part and parcel of business strategy to insure quality standards (Whiteley, 1991).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the study area, study design, population, the sample and sampling procedures, the methods of data collection and data analysis procedure.

3.2 The Study Area

The Tamale Metropolis is one of the twenty districts in the Northern Region. It is centrally located in the region and hence serves as a hub for all administrative and commercial activities in the region. The major government departments, ministries and non-governmental organisations (NGO's) have Tamale as their operational centre. Many financial organisations also have their regional and area offices located in the Metropolis. The Metropolis shares boundaries with Savelugu-Nanton to the west, Yendi to the East and Central Gonja to the south. The metropolis has seven Senior High schools, a university and a polytechnic. It also has two Colleges of Education and a number of basic schools. The central place role Tamale plays and the influx of people and businesses suggest the need for well-provided insurance opportunities in the Metropolis. It is in the light of this that many insurance companies are setting up branches in the Metropolis.

3.3 Research Design for the Study

This is a descriptive design, which vividly described customer expectation of their insurers and what is being offered by these insurance and made a critical analysis of the gap between expectations and what is delivered.

This design is considered appropriate because the researcher aimed to give a detail description of the issue of customer satisfaction.

3.4 Target Population

The study population consisted of private individual policyholders of General Insurance Companies with branch offices in the Tamale Metropolis. This is because private individual policyholders are more vulnerable to manipulation by insurance companies. This category of policyholders often lacks the necessary voice and influence to demand fairness from their insurers (NIC, 2008).

Data gathered from the Northern Sector Area Office of the National Insurance Commission indicated that out of a total of 217 complaints received in the last five years, 207 were from private individuals while only 10 were from corporate institutions (NIC, 2011). According to the Northern Sector Area Officer of the NIC, corporate policyholders, by the stature are able to exert the necessary influence to ensure their insurers given them their due. Table 3.4 shows the categories of complaints received at the Tamale office of the National Insurance Commission (NIC) in the last five years (2005 – 2010). The large number of complaints from private individuals informed the researcher's decision to concentrate on private individual policy owners.

Table 3.4 : Complaints received at the Tamale Office of the NIC Between 2005 - 2010

Year	Private individual	Corporate	Total
2005	23	2	25
2006	25	1	26
2007	33	1	34
2008	36	2	38
2009	42	1	43
2010	48	3	51
Total	**207**	**10**	**217**

Source: NIC, Tamale office, 2011

3.5 Sample Size and Sampling Procedure

Multi-stage sampling has been used. Four insurance companies have been randomly sampled in the first stage and 148 individual policyholders sampled in the second stage as detailed below:

3.5.1 Multi – stage sampling

It is desirable and essential to carry out the sampling in two stages. The population is composed of a number of first-stage or primary sampling units (PSU) being General Insurance Companies with branch offices in the Tamale Metropolis, each of them made up of a number of second-stage or Secondary Sampling Units (SSU). A random sample is taken of the first-stage or Primary Sampling Units (PSU) then a sample is taken of the Secondary Sampling Units (SSU) in each selected PSU.

The crucial benefits of using multi-stage sampling are that it results in a concentration of fieldwork and consequently in a saving of time, labour and money. Also it obviates the necessity of having a sample frame covering the entire population. One needs a frame of the second-stage units only from those PSU's which have been randomly selected at the first-stage.

A serious problem that was encountered was that the PSU's policyholders differ markedly in size. The widely used procedure of selecting the SSU's with probability proportional to size (PPS) was used to overcome the challenge. The sampled population was distributed according to the size of each PSU as indicated on table 3.5

Table 3.5: Sample Distribution

Sampled Insurance Companies	Number of Policyholders in the Tamale Metropolis	Sampled policyholders
IGI Insurance Ltd	84	21
Metropolitan Ltd	198	50
SIC Insurance Ltd	203	51
NSIA Ghana Ltd	102	26
Total	**587**	**148**

Source: Field Survey, 2011

3.6 Data Sources

Data were collected from both primary and secondary sources. The primary data were gathered from respondents whereas secondary data were obtained from textbooks that contained information on customer satisfaction from the global level down to the metropolitan level. Other relevant documents such as journals, magazines, academic and professional papers that contain information on customer satisfaction were gathered for analysis. Substantial secondary data on complaints against Insurance Companies were collected from the Northern Sector Area Office of the National Insurance. Also the internet was one of the main sources of secondary data.

3.7 Primary Data Collection Methods

The study made use of a combination of data collection methods to gather data. These included; personal interviews of Regional Managers of the selected General Insurance Companies, questionnaires for sampled policyholders as well as observation of complaints settlement meetings at the Tamale office of the National Insurance Commission (NIC).

3.6.1 Personal Interviews

There were face-to-face interviews in which the researcher asked Managers of General Insurance Companies a series of questions designed to elicit answers pertinent to their customer satisfaction strategies. The number, wording and sequence of questions were identical for all managers of the sampled companies.

One Major benefit of personal interviews is that it gave the researcher greater control over the interview situation. The interviewer ensured respondents answered the questions in an

appropriate sequence and that they answered certain questions before they were asked subsequent ones. Also personal interviews resulted in high response rate. Respondents who would not ordinarily take the time to reply to say an impersonal mail questionnaire, responded to the request for personal interview.

3.6.2 Observation

The researcher observed five complaint settlement meetings at the NIC Northern Sector Area office (NSAO). This gave him the opportunity to observe policyholders stating and defending their cases before the Complaints and Settlement Bureau (CSB) of the NIC

3.6.3 Questionnaires

The researcher visited the workplaces or residents at the convenience of policyholders to administer questionnaires. The questionnaire consisted of both closed and open questions. Occasionally a part of the questionnaire was open so that the interviewee could feel free to share information about intimate matters with the interviewer.

3.8 Pre-testing

The instruments were piloted with a small segment of the respondents in the study area to assess their reliability, validity and effectiveness to collect data. The pre-test revealed that respondents were misinterpreting some questions. These questions were reframed in a more concise and precise manner and a second pre-test with three different policyholders yielded similar meaning. The pre-test also offered the research assistants the opportunity to seek clarification on the pronunciation of certain words and their meaning in the local dialect (Dagbani).

3.9 Field work

The actual fieldwork commenced after the second pre-testing. Due to the wide coverage of the sample and the time constraint, three research assistants were recruited and trained for the exercise. The researcher supervised the work of these assistants by monitoring and evaluating each assistant's work daily to ensure that valid and accurate data were collected.

3.10 Data Processing and Analysis

The data collected from the field were processed. The data was first edited to ensure completeness, accuracy and uniformity. Some instruments that had problems such as inconsistent and/or incomplete responses were returned to the respondents and the necessary corrections made. All instruments were assigned serial numbers to facilitate identification and data entry into the computer. The data was coded after editing and entered into the computer for analysis. The analysis was done using descriptive statistics showing frequencies and percentages some of which were transformed into pie charts and bar graphs.

The statistical package employed for data analysis was the *Statistical Product and Services Solutions* (SPSS) software that described the variables and presented clear information, for easy interpretation of results.
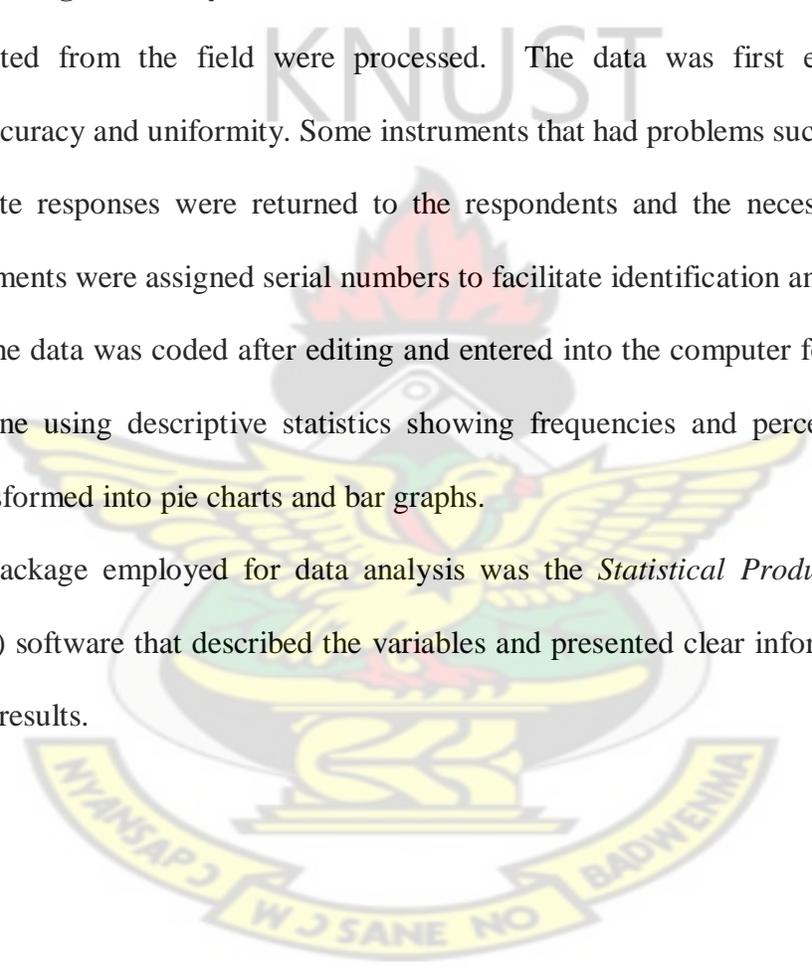
CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

Presentation of data gathered from the field with regard to customer expectations, their satisfaction levels and companies customer satisfaction strategies is the focus of this chapter.

4.2 Information on Polices

Of the 148 sampled respondents, 129 of them had valid insurance policies whereas 19 had their policies expired and due for renewal. Figure 4.3.1 showed the situation.

Figure 4.2: Information on Policies
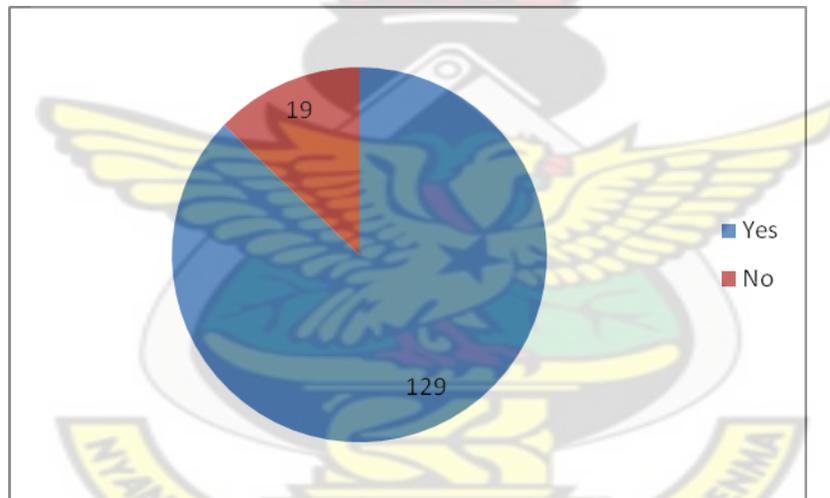
Source: Field Survey, 2011

4.2.1 Types of Respondents' Insurance Policies**.**

60% of respondents were motor policyholders, followed by fire insurance policy holders of 22%. Few respondents have other policies such as Goods-In-Transit (GIT), Personal Accident policies (PA) and Contractors-All-Risk (CAR). Table 4.3.2 indicate that 12% had Good-in-transit policies, whereas 5% and 1% had Personal Accident and Contractors -All -Risk policies

respectively. The compulsory motor insurance legislation could be the reason for the higher percentage of respondents having motor insurance policies. It could also be inferred that the compulsory fire insurance on commercial buildings as provided by the Insurance Act 724 of 2006 has not been seriously enforced as that of the motor insurance.

Table 4.2.1: Types of Insurance Policy

Insurance policy type	Frequency	Percentage (%)
Motor	98	60
Fire	35	22
Goods-In-Transit (GIT)	20	12
Personal Accident (PA)	9	5
Contractors-All-Risk (CAR)	2	1
Total	**164**	**100**

Field Survey, 2011

4.2.2 Number of Years with Current Insurer

Table 4.2.2 below shows the distribution of respondents according to number of years respondents have insured with their current insurers. 14% of respondents were less than one year with their present insurer, 75% have been insuring with their current insurer for between 2 to 5 years whereas, only 11% have had their policies ran over 5 years. This suggests that most customers are satisfied with the level of services from their insurers and are therefore loyal.

Table 4.2.2: Number of Years insured

particulars	Frequency	Percentage(%)
Less than two years	18	14
2 – 5 years	97	75
More than 5 years	14	11
Total	**129**	**100**

Source: Field Survey, 2011

Majority of policy holders have no intension of changing their insurers. However, a few of them intend to change to other insurance companies when their policies expired. Respondents who intend to change their insurers assigned reasons for their intention. 35% were intending to change because of their insurance companies' failure to honour their claims, 30% said they wanted to leave because of the attitude of staff of the insurance company whereas 20% intended leaving because of late delivery of service. 15% intended to leave because of their decision to dispose of the assets. Figure 4.2.3 clearly shows the reasons assigned for leaving the current insurance company. The study confirmed the positive role claims payment play in insurance customer satisfaction in the insurance industry.

Figure 4.2.3: Reasons for Intention to Change Current Insurer
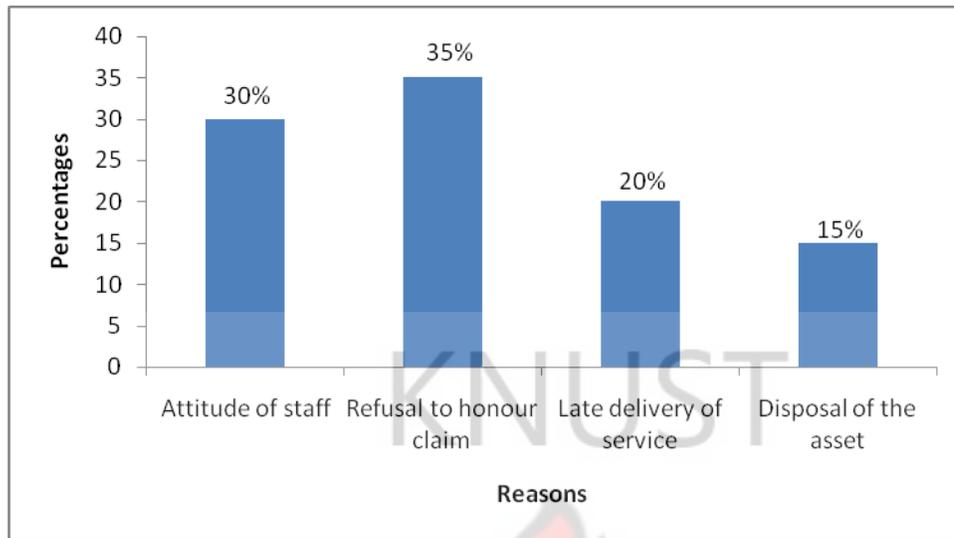
Source: Field Survey 2011

4.3 Respondents purposes for taking the insurance policies

As regard to the purpose for taking the insurance policies, respondents gave varied reasons. 55% claimed they took their policies for security reasons, 35% took their policies just to satisfy the requirements of the law whiles 10% took their policies for other reason such as to be able to use the asset as a collateral to access loan facilities from the banks. The distribution can be seen on table 4.3. This shows that majority of people are aware of the risks that they face and use insurance as a tool to manage them.

Table 4.3: Purpose for insuring

Particulars	Frequency	Percentage (%)
Just to satisfy the law	69	35
For security	110	55
others	19	10
Total	**198**	**100**

Note: The total responses of 198 exceeds the sample of 148 due to multiple responses

Source: Field Survey, 2011

Respondents' views varied in their answers to a question as to whether the purpose for taking the insurance policy is being satisfied. Majority indicated that their purpose of taking the insurance policies has been satisfied.

4.4 Expectations of Customers of their Insurers

Data gathered from the field indicated that customers of insurance companies expect a variety of services from their insurers. As indicated on Table 4.4, 12% expect prompt delivery of documents from their insurance companies, 16% expect honest disclosure, and 14% want their insurers to charge competitive insurance premiums. 20% expect prompt respond to claims from their insurers and 7% expect insurance companies to have competent staff. 21% of responses expect quick and reliable feedback from their insurers. Last but not the least, 10% expect effective use of information communication technology (ICT) from their insurers to simple the processes. This confirmed Vondee (2007), findings that what customers want most from their insurance companies is quick and reliable feedback. It is also clear that customer expectations are multidimensional.

Table 4.4: Customers' Expectations

Particulars	Frequency	Percentage (%)
Prompt delivery of documents	25	12
Honest disclosure	32	16
Competitive premium	29	14
Prompt respond to claims	40	20
Competent and skilful staff	15	7
Quick and reliable feedback	44	21
Effective use of ICT	20	10
Total	**205**	**100**

Note: the total responses of 205 are more than the total sample of 148 due to multiply responses.

Source: Field Survey, 2011

4.4.1 Meeting the Expectations of Customers

Respondents were sharply divided over the extent to which their expectations have been met by their insurance companies. As indicated on figure 4.4.1, 61% thought their insurance companies have met their expectation whereas 39% were of the view that their expectations have not been met by their insurance companies. This is in contrast with the widely held view that insurance companies do meet the needs of their customers. However, the situation does not suggest that companies are doing extremely well in meeting customers' expectations. The 39% of respondents whose expectation are not met should be a course of concern to insurance

companies. It should not also be assumed that customers' expectations are static. Customers' expectations are dynamic.

Figure 4.4.1 Meeting customers' expectation
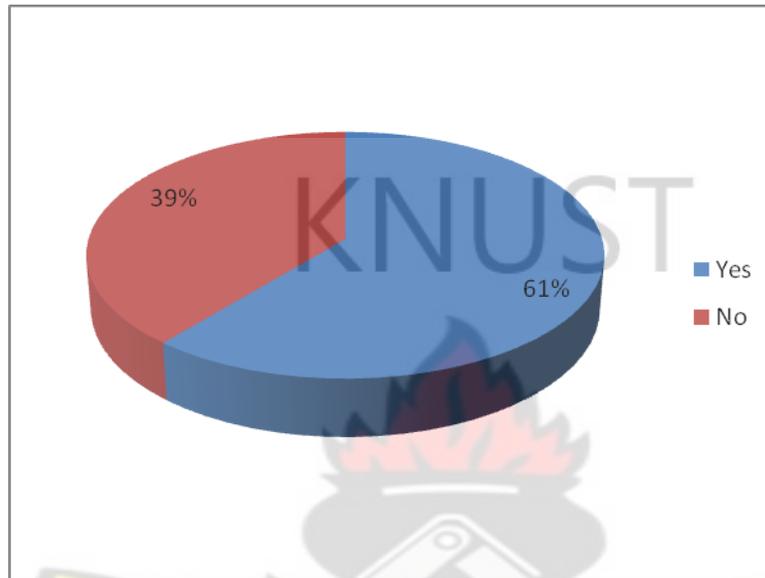
Source: Field survey, 2011

4.5 Assessment of premium paid

Respondents' assessment of the premium paid is mixed. Figure 4.5 indicates that, 93 of the respondents consider the premium paid moderate, 37 thought the premium was high whiles 18 were of the view that the premium was very high. This implies that the low patronage of insurance cannot be attributed to high premiums but to other factors.

Figure 4.5: Assessment of premium paid
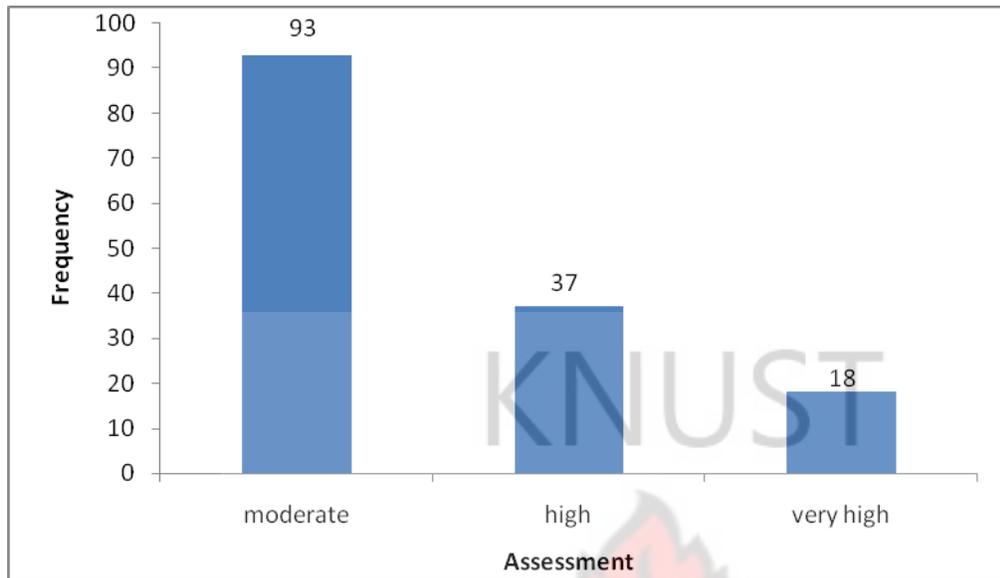
Source: Field survey, 2011
4.6 Assessment of Insurance Companies' Staff Attitude

Varied views were expressed by respondents on the attitude of staff towards them. Details of respondents' views on the attitude of insurance companies' staff are presented below.

4.6.1 Timely Availability of Staff to Assist Customers

Timely delivery of the service is important to the customer (Sapps, 1987). In this respect respondents were asked to give an assessment of the timely availability of company staff to assist them. From Table 4.2.1, majority 42 % indicated that staff availability to them was *good* and none considered that staff availability was *poor*. However, 25% and 8% thought staff availability was average and fair respectively. Since majority of respondents answered that staff availability was *good* and 25% considered it to be *average*, customers were satisfied with the service of the insurance companies under investigation.

Table 4.6.1: Timely Availability of Staff

Particulars	Frequency	Percentage (%)
Excellent	37	25
Good	62	42
Average	37	25
Fair	12	8
Poor	0	0
Total	**148**	**100**

Source: Field survey, 2011

4.6.2 Friendliness of insurance Companies' Staff.

Customers were asked to rate the friendliness and cheerfulness of staff of their insurance companies. Table 4.6.2 below shows respondents rating of the friendliness and cheerfulness of staff of their insurance companies.

It is observed from Table 4.6.2 below that, 30% of respondents considered staff's cheerfulness and friendliness *excellent* whereas 25% rated them good, 13% observed that it was *average*. However, 13% also indicated that in terms of cheerfulness and friendliness staff performance was *poor*. The human factor counts a lot in the service industry. When customers do not feel welcome by staff, their satisfaction levels could be negatively affected. 45% of respondents rated staff friendliness and cheerfulness, *average, fair* and *poor*. The study confirmed Reichheld et al, (1990) view that customers want to be treated courteously.

Table 4.6.2: Friendliness and Cheerfulness of Staff

Particulars	Frequency	Percentage (%)
Excellent	45	30
Good	37	25
Average	19	13
Fair	28	19
Poor	19	13
Total	**148**	**100**

Source: Field survey, 2011

4.6.3 Product Knowledge.

Responding to a question on product knowledge and quality of advice of staff of their insurance companies, 15% indicated that the knowledge of the product was *excellent* whereas 25% considered it was *good* as shown on Table 4.6.3 below. However, majority thought staff product knowledge was not *good*. A combined total of 60% of respondents considered staff product knowledge not *excellent* or *good*. This can seriously affect the confidence of customers since they will not consider advice from company staff reliable. This confirmed the sale of inappropriate insurance policies by sales officers of some insurance companies which result in conflicts as gathered from the observation of complaints settlement meeting at the NIC. Anderson et al (1994) emphasised service reliability as a key component of service quality.

Table 4.6.3: Staff Product Knowledge Assessment

Particulars	Frequency	Percentage (%)
Excellent	22	15
Good	37	25
Average	52	35
Fair	15	10
Poor	22	15
Total	148	100

Source: Field survey, 2011

4.6.4 Overall Assessment of Staff attitude

Respondents were asked to rate the overall attitude of the staff of their insurance companies. Varied assessments were given as indicated on Table 4.6.4 below. Only 7% of respondents indicated that the overall attitude of staff of the insurance company was *excellent* whereas 49% thought the overall attitude of staff of their insurance company was *good.* However, 14% and 8% thought the overall attitude of staff was *fair* and *poor* respectively. The implication is that, if steps are not taken to improve upon the attitude of staff towards clients, the few who rated them poor could spread unfavourable information about their companies. On the whole, the study suggests, customers are satisfied with the attitude of the staff of staff of insurance companies.

Table 4.6.6: overall rating of attitude of staff

particulars	Frequency	Percentage (%)
Excellent	11	7
Good	73	49
Average	32	22
Fair	21	14
Poor	11	8
Total	**148**	**100**

Source: Field survey, 2011

4.7 Assessment of Service Quality Impact on Satisfaction

4.7.1 Assessment of Service Quality

Respondents expressed mixed views on the quality of services delivered by their insurance companies. Table 4.7.1 indicated that 62% of respondents thought the service quality of their insurers was *good* while 6% and 4% argued that service quality of their companies were *fair* and *poor* respectively. It does imply service quality was good and satisfactory.

Figure 4.7.1: Assessment of Service Quality

Particulars	Frequency	Percentage (%)
Excellent	19	13
Very Good	22	15
Good	92	62
Fair	9	6

Poor	6	4
Total	**148**	**100**

4.7.2 Service Quality Impact on Satisfaction

Respondents were almost unanimous that, service quality has a positive impact on satisfaction. The higher the quality levels the higher the level of satisfaction. As indicated on Table 4.7.2 below, 94% thought service quality had a positive impact on satisfaction, 1% argued that service quality had a negative impact on satisfaction and 5% observed that service quality has no impact on satisfaction. It implies that insurance companies that offer higher levels of service quality satisfy their customers better.

Figure 4.7.2: Impact of Service Quality on Satisfaction

Particulars	**Frequency**	**Percentage (%)**
Positive Impact	138	94
Negative Impact	2	1
No Impact	8	5
Total	**148**	**100**

4.8 Incentives offer by insurer

Respondents were asked whether the insurance companies offer them any form of incentives. Few of them receive some incentives from their insurance companies. Types of incentives offer include No Claim Discounts (NCD) to motor insurance policy holders, calendars, refreshment during "day out with clients" and seasonal gifts. Figure 4.8 indicates that 50% of respondents enjoyed NCD from their motor insurers, 26% received calendars and diaries whiles 26% and

14% had "clients' day out" and seasonal gifts respectively. On the impact of these "gifts" respondents argued that they strengthen the bond of relationship between them and their insurance companies. This implies that, incentives play a significant role in the company-customer relationship building process as argued by Wood et al (1991).

Figure 4.8: Incentives Customers received
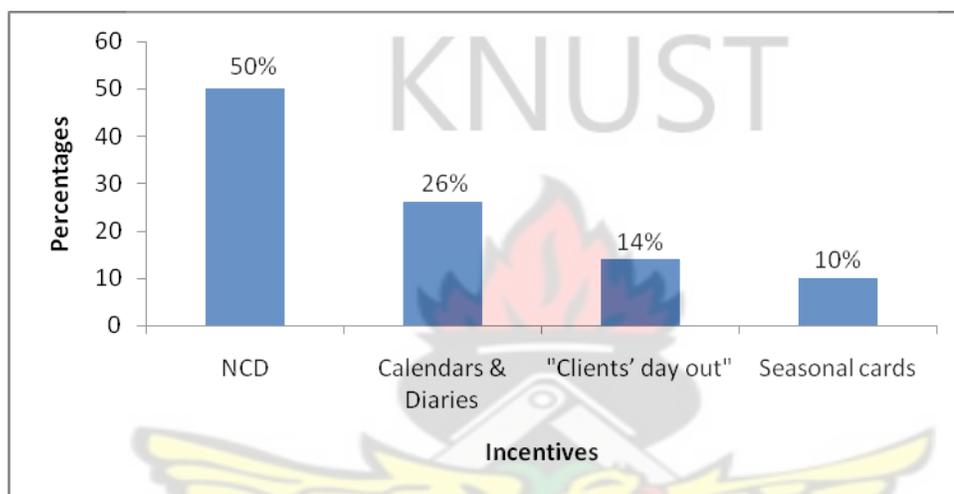
Source: Field Survey, 2011

4.9 Overall level of satisfaction

Respondents expressed different views with regard to their overall satisfaction with the services been offer by their insurance companies. None of them experienced extreme satisfaction with their insurers. As indicated on Table 4.9 below, 24% said they were satisfied with the level of services of their insurers whereas 50% were moderately satisfied. 26% were unsatisfied with the level of services offer by their insurers while none is extremely unsatisfied.

The data clearly indicate that, overall, insurance companies have to do more to raise the level of satisfaction among their customers. The 26% of respondents are totally unsatisfied with level of

services from their insurance companies. The situation does not look good as 74% are not satisfied.

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Table 4.9: Overall Satisfaction of Customers' Assessment

Particulars	Frequency	Percentage (%)
Extremely satisfied	-	-
satisfied	36	24
Moderate	74	50
unsatisfied	38	26
Extremely unsatisfied	-	-
Total	**148**	**100**

Source: Field Survey, 2011

4.10 Customer Loyalty

As to whether respondents will recommend their insurers to friends and relatives, Figure 4.10 indicates that 130 of them representing 88% will recommend their insurers to others whiles 18 of them representing 12% said they will not recommend their insurers to any friend or relatives.

Figure 4.10.1: Recommending Insurer to Others
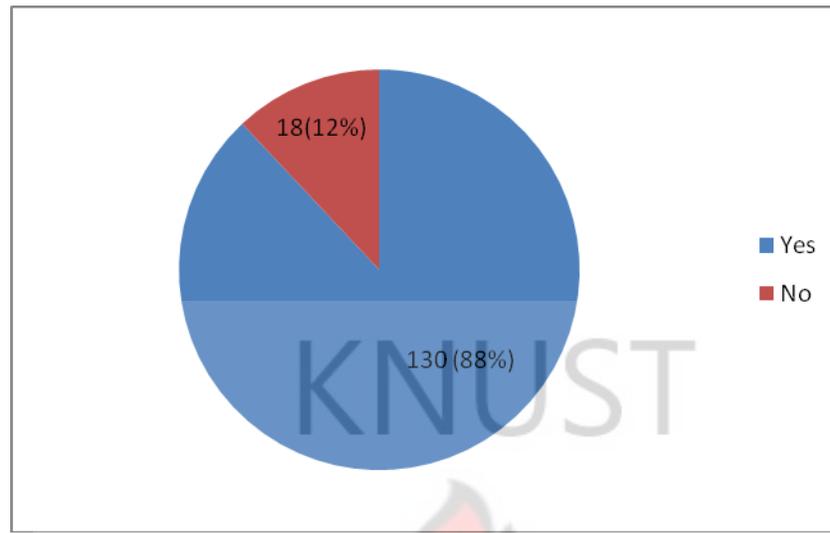
Respondents assign various reasons for recommending or not recommending their insurers to others. With regard to those who will recommend, Table 4.10.2 indicates that, 18% cited prompt delivery of documents as the reason, 14% believe their companies are honest in disclosing everything about their policy conditions and terms. Only 3% will recommend their companies because of competitive pricing while 31% will recommend because prompt response to claims. 15% thought competent and skilful staff was their reason for recommending their insurers and 19% will do so because of quick and reliable feedback. The issue of claims payment has come to the fore again. This goes to confirm the fact that claims payment is a very critical consideration in the decision to insure and even with regard to which insurance company to insure with.

Table 4.10.2: Respondents Reasons for Recommending Their Insurance Companies to Others.

Particulars	Frequency	Percentage (%)
Prompt delivery of documents	69	18
Honest disclosure	55	14
Competitive premium	15	3
Prompt respond to claims	121	31
Competent and skilful staff	58	15
Quick and reliable feedback	72	19
Total	**390**	**100**

Note: the total responses of 390 are more than the total sample of 130 who will recommend their insurers due to multiply responses.

Source: Field Survey, 2011.

The 18 who will not recommend their insurers to others also cited non payment of claims, unfriendly front desk staff and non-availability of incentives as their reasons for not recommending their insurance companies to others.

4.11 Problems customers' encounter

It became clear from the survey that customers of insurance companies encounter some challenges. Respondents mentioned various problems that they faced with their insurers. Table 4.11 indicates that, 34% faced unruly behaviour of staff while 9% find it difficult to understand the policies.

Table 4.11 Problems Customers Encountered With Their Insurance Companies

Particulars	Frequency	Percentage (%)
Poor after sales response	30	17
High premium rate	3	2
Unruly staff	58	34
Policy difficult to understand	15	9
Delay in paying claim	36	21
Inaccessibility of the office	30	17
Total	**172**	**100**

Note: The total responses of 172 are more than the total sample of 84 who face problems with their insurers due to multiply responses
Source: Field Survey, 2011.

4.12 Customer satisfaction strategies.

Companies have various customer satisfaction strategies. The major ones gathered from the field are listed with their frequencies and percentages on Table 4.12. 13% of the sampled insurance companies consider training of frontline staff on customer care very important. They indicated that they organise regular training on customer care to the staff so as to position them to be able to offer the best of care to customer. 17% offer company calendars and diaries to their clients as a way of motivating them and keeping them loyal. 24% gave various premium discounts to their clients and believe this will keep them loyal. 4% offer loyalty rewards to their clients while 13% keep their office environment conducive and attractive to customers. 21% and 8% use effective ICT and extended working hours to offer satisfaction to their customers.

It appears majority of companies rely on just allowing discounts as the most effective strategy that will keep their customers loyal.

Table 4.12.1: Customer Satisfaction Strategies employed by Insurance Companies

Strategy	Frequency	Percentage (%)
Training of customer service staff	3	13
Provision of calendars and diaries	4	17
Discounts	6	24
Customer loyalty rewards	1	4
Conducive office environment	3	13
Effective use of ICT	5	21
Extended working hours	2	8
Total	**24**	**100**

Note: the total responses of 24 are more than the total sample of 4 insurance companies due to multiply responses.

Source: Field Survey, 2011

With regard to the role effective communication play in the insurance company - customer relationship, Figure 4.12.1 detailed the responses. 33% observed that effective communication enhances the relationship between insurance companies and their customers whereas only 7% thought it ensures transparency.

These sentiments are similar to those expressed by smith (1994). According to her effective communication plays a crucial role in any service delivery process as it fosters understanding between the provider and the receiver of services. Undoubtedly the survey revealed the

importance insurance companies attached to effective communication with the customers. The essence of good customer service is forming a relationship with customers, a relationship that that individual, the customer feel that he or she would like to pursue (Zeithaml et al, 1988). Effective communication reinforces this relationship.

Figure 4.12.1: Importance of effective communication
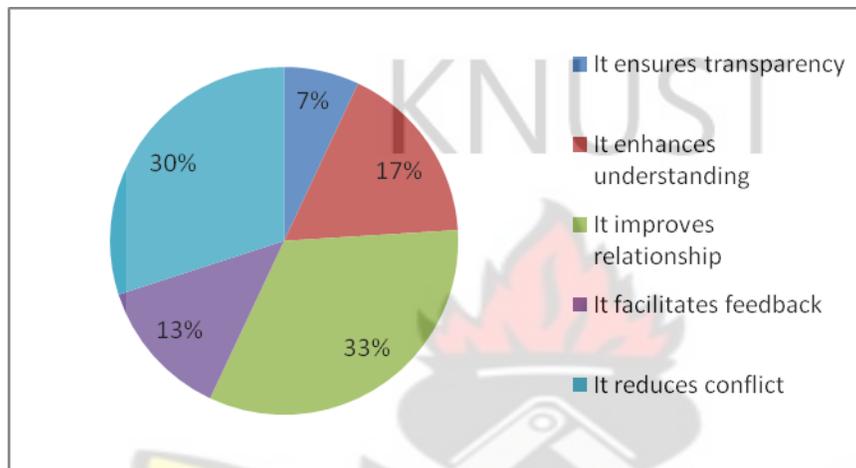
As regard to how often insurance companies communicate with their customers, since they know the value of effective communication, majority indicated that not very often. Insurance companies use various modes to communicate with their clients. Figure 4.11.2 indicates the modes insurance companies use to communicate with their customers. 51% of insurance companies still use the traditional postal system whereas only 4% and 5% use email and fax respectively to communicate with their customers. This points to the fact that modern modes of communication such as text messaging and email are not widely used among insurance companies. Considering the fact that the postal system is not fast couple with other shortcomings, it can be argued that customers do not get timely information from their insurance companies.

Figure 4.12.2: Companies' modes of communication
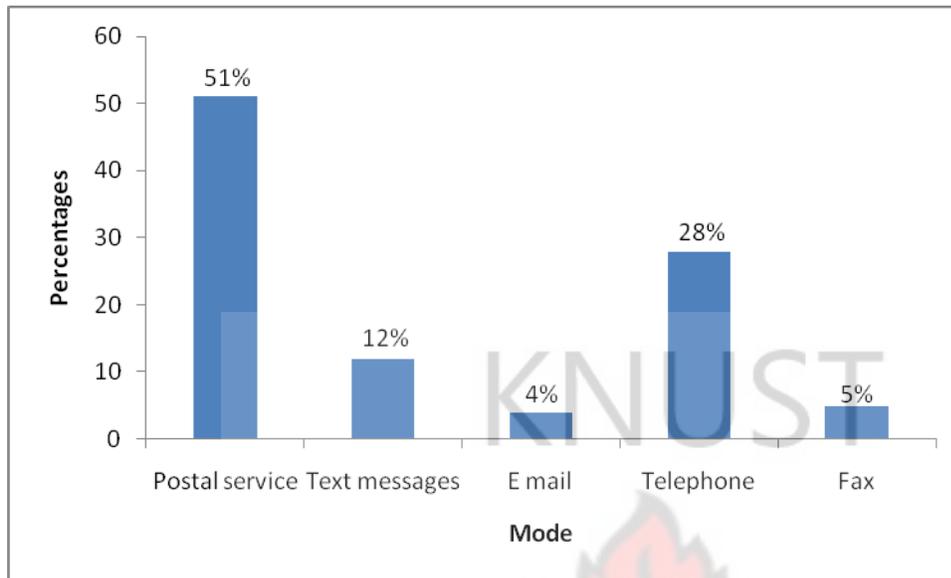
Source: Field survey, 2011

4.13 Complaints handling strategies

Respondents unanimously agreed that dealing with customers complaints effective can help to restore customer confidents. Companies use a variety of strategies to handle customers' complaints. Table 4.13 indicate that 9% believed complaints from customers should be quickly acknowledge, 22% argued that listening attentively to complaints from customers is a very important strategy. 13% of respondents thought insurance companies should apologise to customers who feel aggrieved and 17% observed that asking the right questions will help to identify the root causes of the problem. 26% thought companies' staff should always maintain cool heads and do not return anger for anger while 13% argued that in handling complaints, insurance companies should not make promises they cannot keep.

The importance companies attached to conflict resolution is in consonance with available literature. According to Reichheld (1996), retained customers should be viewed as revenue producing assets for the firm and any conflict with them should be resolve with speed.

Table 4.13: Insurance Companies' Complaints Handling Strategies.

Strategy	Frequency	Percentage (%)
Acknowledge the customer quickly	2	9
Listen attentively to the customer	5	22
Apologise for the inconvenience	3	13
Ask the right questions to identify the source	4	17
Do not return anger for anger	6	26
Do not make promises you cannot keep	3	13
Total	23	100

Note: the total responses of 23 are more than the total sample of 4 insurance companies due to multiply responses
Source: Field Survey, 2011

4.14 Customer satisfaction challenges

An issue that emerged in the survey with branch managers of insurance companies was that they faced a lot of challenges trying to satisfy their customers. Varied challenges were mentioned as indicated on Table 4.14. 51% of respondents considered inadequately trained customer service staff as the biggest challenge they face in trying to satisfy their customers whereas 5% and 15% consider lack of internal departmental coordination and inadequate facilities respectively as

factors that hamper efforts to satisfy customers. This confirms the importance of possessing the

requisite human resource to handle customer satisfaction issues.

Figure 4.14: Customer satisfaction challenges
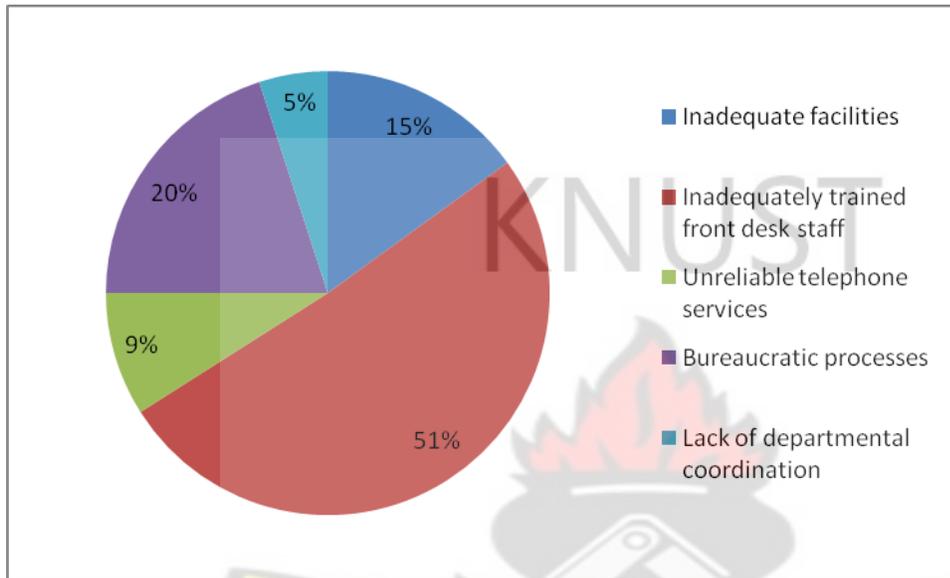
Source: Field survey, 2011
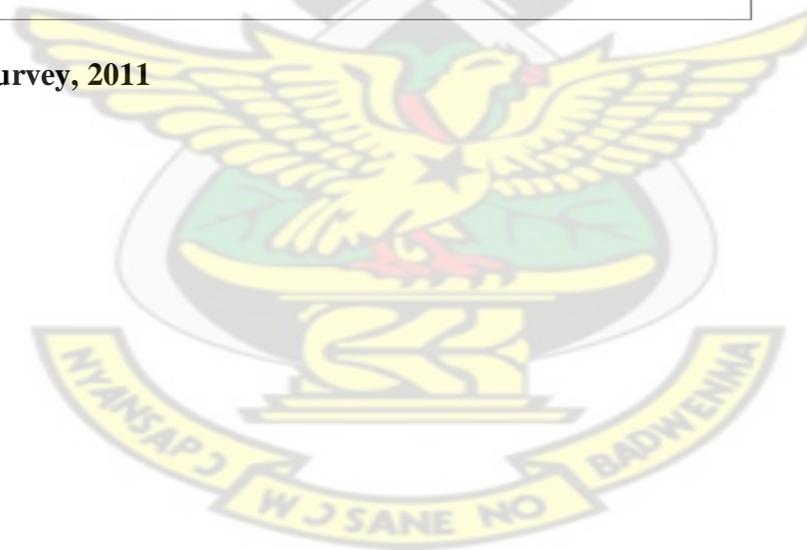
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This final chapter presents a summary of the findings of the study. It also presents the conclusions, recommendations and a discussion on possible areas that further studies could be conducted.

5.2 Summary of findings

The major findings of the study are as follows:

The study revealed that, majority of customers of General Insurance Companies are motor insurance policyholders, followed by Fire insurance policyholders. It was observed that customers of insurance companies expect more from their insurance companies. They expect a variety of services from their insurers prominent among which are quick and reliable feedback, and prompt response to claims payment.

Staff of insurance companies are considered friendly and often readily available to assist customers. However, respondents think staff lacks competencies in terms of product knowledge. Generally, customers considered the attitude of staff towards them good. Majority considered the quality of service of their insurance companies good. Overwhelming majority observed that, service quality has a positive impact on satisfaction and higher service quality results in higher satisfaction levels.

The study revealed that satisfaction levels among customers of insurance companies were generally low. It came to light that, majority of customers were not satisfied with the level of services provided by their insurance companies. Majority of customers encountered problems

with their insurance companies. Most of these problems were mentioned as; poor after sales services, high premiums, unruly staff behaviour, difficult policy wordings, delay in claims payment and unattractive office environment.

Companies predominantly used "No Claim Discounts" (NCD) as the main strategy to reward and retain customers. They also employed Information Communication Technology (ICT) to simplify their process and to provide timely services to customers. Companies also made the training of frontline staff in human relation skills key component of their programmes to ensure customer satisfaction.

It was observed that most insurance companies still used the traditional postal system as the major mode of sending information to their clients. Few make used of modern modes of communication such as fax, email and text messaging. Insurance companies employ a variety of strategies to handle customer complaints.

Insurance companies faced many and varied challenges in their bid to satisfy their customers. The major ones mentioned included, inadequate trained front desk staff, inadequate facilities, unreliable telephone services, bureaucracy and lack of departmental coordination. Customers were loyal to their insurance companies as majority of them have been with their current insurance companies for between 2 – 5 years and have no intention to change to another insurance company. Also majority of them will recommend their insurers to friends and relatives.

5.3 Conclusions

Based on the above findings of the study, the following conclusions were arrived at:

Customers of insurance companies expect to be treated courteously by their insurance companies. They expect higher level of service than what is currently provided by insurance. Customers put a high premium on quick response and reliable services from their insurers. They expect insurance companies to pay claims promptly. Customers also expect honest disclosure of insurance policies terms and conditions at the point of purchase instead of at the point of claims. Customers of insurance companies face a variety of problems. Top most among the problems include poor "after sales services", high premiums, unruly staff, difficult policy wordings, delay in claims payment and unattractive office environment.

Insurance companies were not using innovative strategies to serve their customers. Companies rely much on price competition as they consider the award of discounts the main customer satisfaction strategy. Their processes are still cumbersome and time consuming.

Companies do not appear proactive as most of them do not undertake any customer service surveys and merely set up complaints handling structures. Insurance companies do not approach customer satisfaction issues in a holistic and coordinated manner. Most managers cited bureaucracy as a challenge to customer satisfaction in the companies.

5.4 Recommendations

Based on the findings and the conclusions, there are a number of measures that insurance companies can adopt to achieve higher customer satisfaction levels. The following are recommended:

The job of handling customers on a regular basis demands certain skills. Companies must first ensure that the right people with the right skills and attitudes are employed for customer service. To instil in staff the need to provide good service, it is appropriate to offer them appropriate training and

guidelines. There should be regular training programmes to ensure staff remains competent on the jobs they do.

Customer service is a joint responsibility of every member of staff. Insurance companies should aim at create "customer service organisations" where all hands are on deck instead of "customer service departments" where customer satisfaction is seen to be the responsibility of a few. Any staff member who treats the customer badly, it impugns the image of the entire organisation. Greater internal customer service delivery is a prerequisite for a greater external customer service delivery (Namjae, 2001). Management must ensure that there is a bond among staff in different units and departments through the organisation of joint training programmes and social gatherings. Disaster strikes when individual units and departments start to blame each other for service delivery problems.

One of the reasons given by Branch Managers for their inability to offer their customers the needed satisfaction is the burden of unnecessary bureaucracies and lengthy processes. If employees have to clear a lot of administrative barriers before they are able to serve customers, then it becomes extremely difficult to provide exceptional quality and timely service. Management should make it a priority to smoothing the way for customer service personnel by eliminating roadblocks along the way to the delivery of great customer service. To provide exceptional service, customer service staff must feel empowered to serve. It is the job of management to set the rules and standards and give staff the leverage to be innovative in serving the customer. "The fastest way to eliminate enthusiasm and kill innovation among staff members is to constantly breathing down their necks" (Smith, 1991). Customer service delivery is best when staff feel ownership of the standards, not when they feel they

are doing it for management.

Companies should use state of the art technology to provide satisfaction to their customers. The research indicates that insurance companies are not currently doing that. Customer service by telephone is especially compatible in insurance businesses, particularly for answering technical queries or handling reported claims. Companies can also use Wide Area Networks (WAN) and Local Area Networks (LAN) to facilitate timely and accurate sharing of information among various units and departments. These networks can also quicken the pace information delivery to the customer. Insurance companies should step up public education on personal Accident Insurance as it is very beneficial to employees of NGOs in particular who work under hazardous conditions in rural communities in the three Northern Regions.

5.4.3 Areas for further research

Many areas still need to be explored to narrow the gap between customer expectations and the level of actual service delivery by insurance companies in Ghana. There is room for further research into strategies that can be employed by the insurance industry in Ghana to correct some of the misconception about the practice of insurance.

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APPENDIX

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY – KUMASI

INSTITUITE OF DISTANCE LEARNING

This questionnaire is designed to gather information from private individual Policyholders of General Insurance companies in the Tamale Metropolis.

I am a student of the Kwame Nkrumah University of Science and Technology working on my thesis for a Common Wealth Execution Masters in Business Administration. The questionnaire is to help me collect data to achieve my academic pursuit. All respondents are assured that their responses are for academic purpose and that their identity would be protected at all times based on ethical principles of confidentiality and anonymity.

Your cooperation is highly anticipated since the success of the study largely depends on your truthful and sincere responses.

Consent of Respondent-- (Signature or Thumbprint)

Date--- Time of Interview------------------------

QUESTIONNAIRE

SECTION A

Policies Information

Note: Just simply tick (√) on the option which you select or write your answers in the

Spaces provided where necessary.

Q1. Do you currently have an insurance policy covering any property?

 [ ] Yes

[ ] No

Q2 Mention the type (s) of insurance policies you current have.

Q3. How long have you been insuring with this company?

[ ] Less than two years

[ ] 2 – 5 years

[ ] More than 5 years

Q4 do you intend to leave your current insurer?

[ ] Yes

[ ] No

Q5. Give reasons for your answer to Q3: --

SECTION B:

Customer Expectations

Q6. What is your main purpose for taking the insurance policy?

[ ] Just to satisfy the law

[ ] Security

[ ] others (please, specify..)

Q7. Was information and services provided to you in a timely and proper manner as you expect?

[ ] Yes

[ ] No,

Q8. Does the policy satisfy your needs?

[ ] Yes

[ ] No

Q9. Which of the following do you most expect from your insurer?

[ ] Prompt claims payment

[ ] Easier processes

[ ] Honest disclosure

[ ] Courteous and knowledgeable staff

[ ] Attractive office environment

Q10. Did you get the kind of service you most expected from your insurer?

[ ] Yes

[ ] No

Q11. Please express your opinion for the premiums paid for the above

Policy.

[ ] Very high

[ ] High

[ ] Moderate

[ ] Low

[ ] Very Low
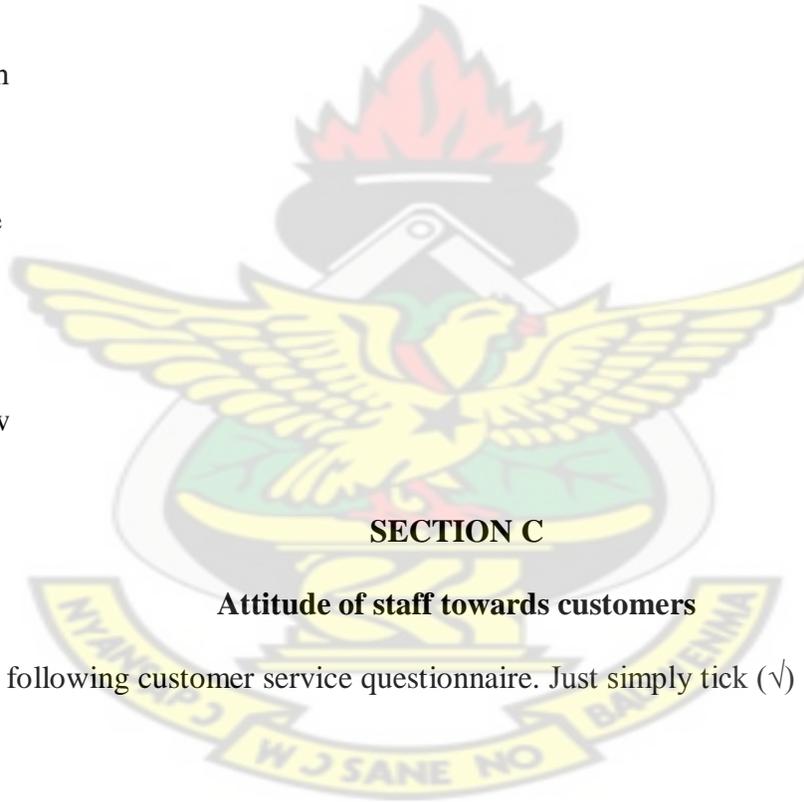
SECTION C

Attitude of staff towards customers

Complete the following customer service questionnaire. Just simply tick (√) on the option which

you select

Customer Service Survey					
	Excellent	Good	Average	Fair	Poor
Staff was available in a timely manner.					

Staff was friendly and cheerful throughout.					
Staff showed knowledge of the products/services.					
Staff offered pertinent advice.					
Staff was courteous throughout.					
Overall, how would you rate the customer service of your insurer?					

SECTION D:

Service Quality

Q12. How would you rate the service quality of your insurance company?

[ ] Excellent

[ ] Very Good

[ ] Good

[ ] Fair

[ ] Poor

Q13 how does your rating of the service quality influence your satisfaction level?

[ ] Positively

[ ] Negatively

Q14 Would you recommend your insurance company to a friend or relative?

[ ] Yes

[ ] No

Q15. Please give reasons for your answer to question15

Q16. Will you renew your policy with the same insurer when it expires?

[ ] Yes

[ ] No

Give reasons for your answer---

SECTION E

Customer satisfaction levels

Q17. Are you satisfied with your current insurer?

[ ] Yes

[ ] No

Q.18 Are there any incentives associated with your policy?

[ ] Yes

[ ] No

Q19 if your answer to question "11" is yes, what is the level of satisfaction associated with your policy?

[ ] Highly satisfied

[ ] Satisfied

[ ] Moderate

[ ] Unsatisfied

[ ] Highly Unsatisfied

Q20. On a scale of 1 to 5 where 1 represents "Extremely dissatisfied" and 5 represents "Extremely

Satisfied," how would you rate your level of overall satisfaction with your insurer?

[ ] 1

[ ] 2

[ ] 3

[ ] 4

[ ] 5

Q21. What specifically are you satisfied or dissatisfied with insurer. Enter response below:
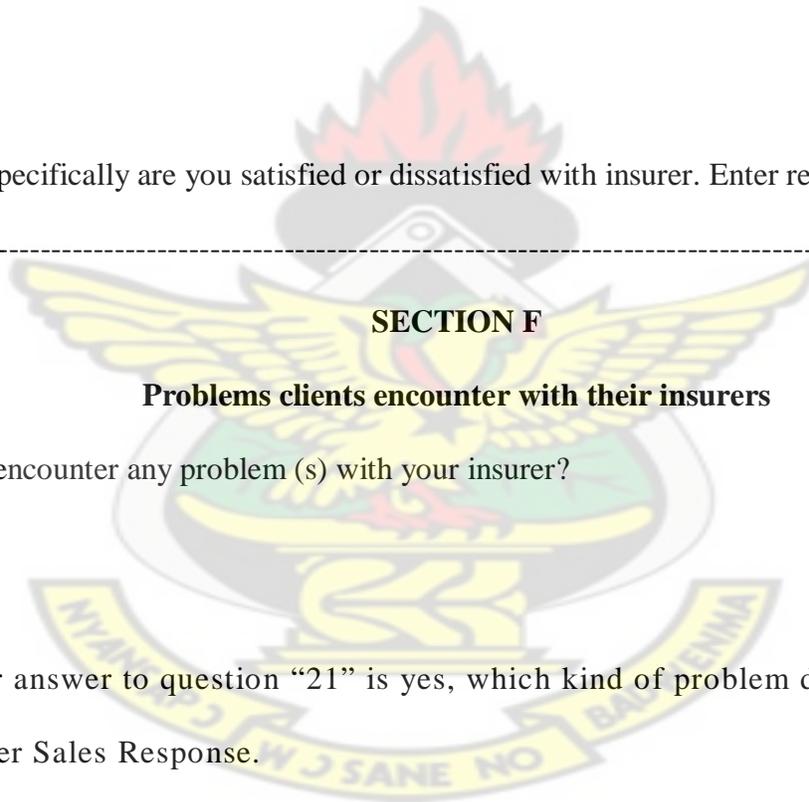
SECTION F

Problems clients encounter with their insurers

Q22 Do you encounter any problem (s) with your insurer?

[ ] Yes

[ ] No

 Q23 If your answer to question "21" is yes, which kind of problem do you face?

 [ ] Poor after Sales Response.

 [ ] Higher price and less services.

[ ] Lack of Trust worthiness on Company.

[ ] Don't understand the rules and regulation of the Policy.

 [ ] Claim was not given at time of needed

[ ] Other (Specify..)

Q24 Would you offer some suggestions on how your insurer could serve you better?

SECTION G

Personal particulars of customer

ID---

ADDRESS: ---

TELEPHONE NUMBER: ---

EMAIL ADDRESS: **---**

NAME OF INSURANCE COMPANY: --

BRANCH MANAGERS' INTERVIEW GUIDE

1. How important is customer satisfaction to your company?

2. Does your company give customer satisfaction priority attention? How?

3. What measures/strategies have you put in place to ensure customer satisfaction?

4. How do you get feedback from your customers?

5. How important is effective communication between you and your customers

6. How often do you communicate with your customers and what modes of communication do you use most?

7. How do you receive complaints from your customers and how do you deal with such complaints?

8. Do you conduct customer satisfaction surveys?

9. What challenges do you face in your attempts to satisfy your customers?

10. In your opinion, what steps can be taken to overcome those challengers?

THANK S FOR YOUR TIME AND GOD BLESS YOU

KNUST