



**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**Assessment of Service Quality and Customer Satisfaction: The  
Case of Bunna Insurance S.Co.**

**BY**  
**YARED LEGESSE**

**June, 2021**  
**Addis Ababa, Ethiopia**

**ASSESSMENT OF SERVICE QUALITY AND CUSTOMER  
SATISFACTION:  
(THE CASE OF BUNNA INSURANCE S.CO)**

**BY  
YARED LEGESSE**

**ADVISOR: Mesfin Tesfaye (PhD)**

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**Assessment of Service Quality and Customer  
Satisfaction: The Case of Bunna Insurance S.Co.**

**By**

**YARED LEGESSE**

**SGS/0129/2011A**

Approved by the Board of Examiners:

Mesfin Tesfaye (Ph.D)	_____	_____
Advisor	Signature	Date
_____	_____	_____
Examiner	Signature	Date
_____	_____	_____
Examiner	Signature	Date

## Statement of Declaration

I hereby declare that this thesis is my original work. Furthermore, all sources of materials used for the project has been duly acknowledged.

Name: YARED LEGESSE (SGS/0129/2011A)

Signature\_\_\_\_\_

Date: \_\_\_\_\_

St. Mary's University, Addis Ababa

June, 2021

## **Letter of Certification**

This is to certify that Yared Legesse Zewide has done a study on the topic “Assessment of Service Quality and Customer Satisfaction: (The case of Bunna Insurance S. Co.). This study is of his original work and all the sources of materials used for the thesis had been duly acknowledged.

Advisor’s Name: Mesfin Tesfaye (Ph.D)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

St. Mary’s University, Addis Ababa

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## **List of Acronyms**

**S.Co** – Share Company

**SPSS** – Statistical Package for Social Sciences

**SD-** Standard Deviation

**VAR** – Variance

## **List of Annex**

**Annex I**..... Descriptive Statistics Report

**Annex II** ..... Group Mean, Correlation Report

**Annex III**..... Questionnaire

## ABSTRACT

*It has been learned that many scholars have studied the effects of service quality on satisfaction i.e. meeting customers' needs and requirements and how well the service delivery matches the customers' expectations. Despite the fact that factors such as quality, price, delivery terms, etc. can affect customer satisfaction; perceived service quality is a component of customer satisfaction. It has been identified that the most widely used service quality measurement tools include SERVQUAL. The SERVQUAL model suggests that service quality can be measured by identifying the gaps between customers' expectation and perceptions of the performance of the service using five-dimensions: reliability, assurance, tangible, empathy, and responsiveness. The main objective of the study is, thus, to assess the effect of quality service on customer satisfaction in Buna Insurance S.C. The research adapted a descriptive approach. The target populations of the research are customers of the Company located at various branch offices in Addis Ababa; Out of 227 customers, 145 customers were selected as samples with 95% confidence interval and questionnaires distributed using simple stratified sampling and convenience sampling methods. The research used primary and secondary data sources. The study applied Likert Scale to measure respondents' attitude toward quality service delivery and their satisfaction level in the questionnaire. The findings of the study revealed that the Company has shown some strength on SERVQUAL dimensions. Some factors of tangibility dimension found to be in good conditions: communication channels (reachable via phone, fax, internet access), attractive appearance and standard dressing, it has fulfilled basic office utilities (like waiting room, car parking, rest room...), made its service procedures clear and accurate; some positive sides of responsiveness: employees are willing to help their customers, to get the right information at the right time during insurance process; reliability dimension: the company employees' are efficient and knowledgeable on their duties and tasks, easy accessibility to information on the services; assurance dimension: the company has (i.e. agents and employees) provided value added services to customers, employees are professional enough to deal with insurance activities; finally the research has identified empathy as important SERVQUAL dimension by which the following strength pointed out: the company's employees are distinguished to be good to deal with customers in cooperative way to extend advice and support to the customers. However, the research identified that the company showed some drawbacks in delivering quality service to maximize its customer satisfaction: limitation to conduct customer need assessment, the charges for insurance premium is a bit incomparable to service delivery, inability to inform its customers exactly what the service will be performed and when his/her insurance policy expired. Finally the research forwards recommendations.*

**Key words:** *quality service, tangibility, responsiveness, reliability, assurance, empathy, customer satisfaction.*

# CHAPTER ONE

## 1. INTRODUCTION

This chapter presents an overview of the entire study. It includes the background of the study, statement of the problem, objective of the study, basic research questions, significance of the study, scope and limitation of the study and organization of the study.

### 1.1 Background of the Study

Customer Satisfaction and Service Quality are leading components in the system of external relations of each organization, as today they largely determine its competitiveness. Service quality focuses on meeting the customers' needs and requirements and how well the service delivered matches the customers' expectations of it (Philip and Hazlett, 1997) while satisfaction as Lonial and Zaim, (2000) cited in Oladepo & Abimbola (2014) put it is customers' positive or negative feeling about the value that was received after the consumption of ideas, goods and services.

Customer satisfaction is seen as a key differentiator which is evident that many market leaders are found to be highly superior-customer-service orientated. Despite the fact that factors such as price, delivery terms, etc. can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml, 2006). By strengthening this idea, Oliver (1997) suggested that service quality would be antecedent to customer satisfaction whether these constructs were cumulative or transaction-specific. Some researchers have found empirical justification for this view, where customer satisfaction came as a result of service quality (Anderson & Sullivan, 1993; Fornell 1996; Spreng & Macky1996).

This research is conducted to find out the quality of service provided by Bunna Insurance S.Co, how do its customers perceive the service provided by the company and also the research will also help to understand the service gap and service quality provided by the insurance company using SERVQUAL measures to determine service quality and customer satisfaction. SERVQUAL scale is the measures of service quality based on the gap between expectation and performance. Within SERVQUAL model there are five

specific dimensions of service quality: tangibles, reliability, responsiveness, assurance and empathy (Parasuraman, Zeithaml & Berry, 1988).

Bunna Insurance S.C was established by 237 Shareholders on the 25<sup>th</sup> of May 2013 with an initial Paid-up capital of birr 6,715,000 to provide General Insurance Service to the public. The Company is registered by licensing and supervising body of Ethiopia under proclamation No.764/2004 and license No.019/13. The company has commenced its operation on August 1, 2013.

## **1.2 Statement of the Problem**

The concept of service quality is complex, diffuse, and abstract- largely due to three distinctive features of a service: intangibility, heterogeneity, and inseparability of production and consumption (Carman, I 990; Zeithaml , 1988; Parasuraman et al. , 1985) .If service quality is conceived from consumer perspective, it is usually linked to the levels of customer satisfaction, which gives the concept of a subjective nature (based on perceived quality), rather than an objective nature, based on technical or mechanical quality (Carman, 1990). In this regard, Parasuraman et al., 1988) defined perceived service quality as "a global judgment or attitude relative to the degree of excellence or superiority of service".

One of the most significant challenges facing services organizations today is to provide consistently high-quality services. The delivery of consistent service quality is arguably the most vital factors that contribute to the establishment of credibility and reputation of the organizations in the eyes of the public. It is well recognized that providing high quality services has a beneficial effect on the bottom-line performance for the organization. Indeed, there is a growing body of empirical evidence indicating that providing top quality services enhances profitability, improves productivity, spreading positive word-of-mouth, increases market share and return on investment, and reduces costs (Sachdev SB, Verma HV (2004) Empirically, researches support the concept that there is a positive relationship between customer satisfaction and financial performance (Rust & Zahorik, 1993; Anderson et al., (1994)

Like many other services organizations, most organizations in the insurance service industry have acknowledged the significance of the quality of the service they render. It is also a well known fact that it is both expensive and difficult to attract new customers.

As one player in the insurance industry, Bunna Insurance Co. has to make sure that it is meeting customers' requirements, expectation to keep on and possibly expand its current performance. Besides, to remain competitive and fulfill the shareholders' aspiration for high return in the form of cash flow, the company has outlined major business directions which focus on delivering service with high quality and secure customer satisfaction. In order to give the company's top management a rational ground for developing effective marketing strategies, yet there is the need to identify and understanding some factors that determine customer perception, expectation and hence to increase their satisfaction. Nevertheless, the company has research gap which hinder the management to make decision based on fact (information).

Therefore, the purpose of this study is to assess the service delivery quality of Bunna Insurance based on SERVQUAL model and dig out solutions for the problem leading to customer satisfaction to ensure long term business success of the Company.

### **1.3 Basic Research Questions**

Based on the identified research problems, the following research questions were used to assess the service quality and its effect on customer satisfaction. The study mainly focuses on answering these questions.

- How do customers perceive the overall service quality in Bunna Insurance S.Co.?
- What are the major problems of Bunna Insurance Co. to deliver quality service based on SERVQUAL standards?
- Are customers satisfied with service quality in Bunna Insurance S.Co.?
- What is the level of customer satisfaction of Bunna Insurance S. Co.?



## **1.4 Research Objectives**

### **1.4.1 General Objective**

The general objective of this study is to assess service quality and customer satisfaction of Bunna Insurance S.C.

### **1.4.2 Specific Research Objectives**

Based on the general objectives, the following are the specific objectives of the research:

- To assess the level of service quality provided to customers of Bunna Insurance Co.
- To assess the level of Customers satisfaction with service quality offered by Bunna Insurance Co.
- To identify major problems of Bunna Insurance S.Co. to deliver quality service based on SERVQUAL standards
- To identify those dimensions that bring satisfaction to customers

## **1.5 Significance of the Study**

This research has a great deal of significance for the managers, and employees of Bunna Insurance S.Co., because it provides information about service quality dimensions, and perceptions of customers from the point of view of the customers. It also help them to know whether the company is delivering service as per the quality dimensions, keep its promise to the customers and also it provides them insight about the gap between customer's perception and expectation of service and ways to improve them. The research gives some insight about service quality and customer satisfaction in the overall insurance industry too. It serves as a spring board for other researchers to undertake further investigation on similar arena.

## **1.6 Scope and Limitations of the Study**

Bunna Insurance S.Co. has engaged in the insurance service delivery since 2013. It has been observed that the company runs its daily operation under high competitive business environment. So to be successful, the company looks for better business strategies. This

is why most research topics of insurance companies focus particularly on marketing, business development and customer management. Therefore, the scope of this study is limited to effects of service quality on customer satisfaction particularly on four selected branch offices of the company in Addis Ababa.

The limitations of this study can arise from the scope of the study. This study was descriptive study limited in scope and sample size. This is mainly due to:

- Due to time and financial constraint, the study does not cover all branches of the insurance Co.
- Impact of Corona virus (COVID-19) outbreak on distribution and accessibility of information from respondents.
- Further complex statistical analysis methods are not used.

## **1.7 Organization of the Study**

This research is organized into five chapters. Chapter one contains background of the study, statement of the problem, research questions and objectives, significance, scope and limitations of the study and organization of the paper. Chapter two mainly focuses on existing literatures which covers theoretical framework related to the study, empirical studies related to the company and the topic under study and finally to develop conceptual frame work from the theories and empirical studies with hypothesis. Chapter three discusses the methodology employed in the study, including, research design, sample size and sampling technique, data source and collection method, procedure of data collection and method of data analysis. Chapter four is about data analysis and discussion of results. Finally, chapter five contains summary, conclusions and recommendations.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

This chapter provides the assessment of the literary work relevant to this research study and also offers the theoretical framework. The first part of the chapter will be a review of the definitions of service quality and customer satisfaction and this will be followed by literature on the dimensions of the principles of service quality and consumer satisfaction and the relationship between the two principles.

#### **2.1 Theoretical explanation of service**

Because of their diversity, services have traditionally been difficult to define. The way in which services are created and delivered to customers is often hard to grasp since many inputs and outputs are intangible. Most people have little difficulty defining manufacturing or agriculture, but defining service can elude them (Lovelock & Wright, 1999).

Some of the definitions of service are the following:

A service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production (Lovelock & Wright, 1999 pp. 84).

A service is an activity or a series of activities of a more or less intangible nature that normally, but not necessarily, takes place in the interaction between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems (Gronroos 2001).

Services are economic activities that take place in an interaction process for creating customer satisfaction, although this interactive consumption does not always lead to material possession (*Zeithmal, Bitner and Grenler 2006*).

## 2.2 The Characteristics of Service

There are five main service characteristics: intangibility, inseparability, variability, perishability and lack of ownership (Kotler, et al., 2005).

### ✓ **Intangibility**

Service intangibility means that services cannot be readily displayed, so they cannot be seen, tasted, felt, heard or smelt before they are bought. A buyer can examine in detail before purchase the color, features and performance of an audio hi-fi system that he or she wishes to buy. In contrast, a person getting a haircut cannot see the result before purchase. Airline passengers have nothing but a ticket and the promise that they and their luggage will arrive safely at the intended destination, hopefully at the same time. Because service offerings lack tangible characteristics that the buyer can evaluate before purchase, uncertainty is increased. To reduce uncertainty, buyers look for 'signals' of service quality. They draw conclusions about quality from the place, people, equipment, communication material and price that they can see. Therefore, the service provider's task is to 'manage the evidence' – they try to 'tangibles the service' or to provide concrete evidence of the benefits offered (Kotler, et al., 2005).

### ✓ **Inseparability**

Physical goods are produced, put into inventory, distributed through multiple intermediaries, later sold to users and, still later, consumed. In contrast, services are first sold, then produced and consumed at the same time and in the same place. **Service inseparability** means that services cannot be separated from their providers, whether the providers are people or machines. If a service employee provides the service, then the employee is a part of the service. Because the customer is also present as the service is produced, *provider– customer interaction* is a special feature of services marketing. Thus, it is important for service staff to be trained to interact well with clients.

A second feature of the inseparability of services is that other customers are also present or involved. The concert audience, students in the class, other passengers in a train, and customers in a restaurant, all are present while an individual consumer is consuming the service. Their behavior can determine the satisfaction that the service delivers to the

individual customers. Because of the simultaneity of service production and consumption, service providers face particular difficulty when demand rises (Kotler, et al., 2005).

✓ **Variability (heterogeneity)**

As services involve people in production and consumption, there is considerable potential for variability. Service variability means that the quality of services depends on who provides them, as well as when, where and how they are provided. As such, service quality is difficult to control. The ability to satisfy customers depends ultimately on the behavior of frontline service employees. A brilliant marketing strategy will achieve little if they do their job badly and deliver poor-quality service (Kotler, et al., 2005).

✓ **Perishability**

Service perishability means that services cannot be stored for later sale or use. Some dentists and general practitioners charge patients for missed appointments because the service value existed only at that point and disappeared when the patient did not show up (Kotler, et al., 2005).

## **2.3 The Gap Model**

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

✓ **Gap-1 consumer expectation – management perception gap**

Discrepancies between executive's perception and consumer's expectation exist. In essence service firm executive's may not always understand what features connote high quality to consumers in advance, what features a service must have in order to meet consumers need and what and what level of performance on those features are needed to deliver high quality service.

E.g. the physical and security features of credit cards are important for the customer but didn't have critical importance from the view point of executive's. The gap between

consumer expectation and management perception of those expectations will have an impact on the consumer's evaluation of service quality.

✓ **Gap 2- Management perception – service quality specification gap**

A variety of factor-resources consternates, market conditions, and / or management indifference may result in discrepancy between management perception of consumer expectation and the actual specifications established for a service. This gap between management perception of consumer expectation and the firm's service quality specifications will affect service quality from the consumer view point.

✓ **Gap-3 service quality specification – service delivery gaps**

Even when guide lines exist for performing service well and treating customers correctly, high quality service may not be a certainty. Executives recognize that service firm employees exert a strong influence on the service quality perceived by consumers and employees' performance cannot always be standardized. The gap between service quality specification and actual service delivery will affect service quality from consumers stand point.

✓ **Gap-4 service delivery – external communication gap**

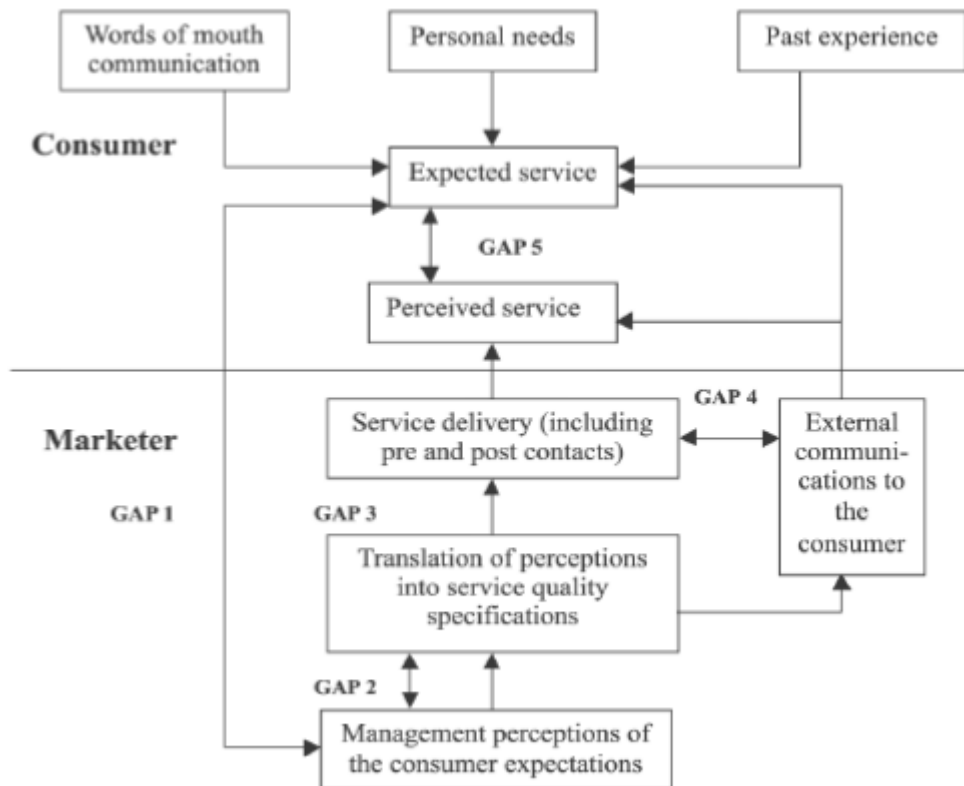
Media advertising and other communications by a firm can affect consumers' expectation. If expectations play a major role in consumer perception of service quality firms need to be certain not to promise more in communication than it can deliver in reality. Promising more than can be delivered will raise initial expectation but lower perception of quality when promises are not fulfilled.

External communications can affect not only consumer expectation about service but also consumer perception of delivered service. Alternatively, discrepancies between service delivery and external communication in a form of exaggerated promises and / or the absence of information about service delivery aspects intended to serve consumers well can affect consumers 'perception of service quality. So this gap between service delivery and external communication will affect service quality from consumers' standpoint.

✓ **Gap-5 expected service – perceived service gap**

The key to ensuring good service quality is meeting or exceeding what consumers expect from the service. Judgments of high and low service quality depend on how consumers perceive the actual service performance in context of what they expected.

The quality that a consumer perceives in a service is a function of the magnitude and direction of the gap between expected service and perceived service.



Source: Parasuraman et al. (1985)

## 2.4 SERVQUAL

Research has shown that the quality of service and the achievement of customer satisfaction and loyalty are fundamental for the survival of insurers. The quality of after sales services, in particular, can lead to very positive results through customer loyalty, positive word-of-mouth, repetitive sales and cross-selling (Taylor, 2001). However, many insurers appear unwilling to take the necessary actions to improve their image. This

creates problems for them as the market is extremely competitive and continuously becomes more so (Taylor, 2001).

Extensive research has been undertaken on different aspects of service quality providing a sound conceptual foundation. Authors (Parasuraman et al., 1988; 1991; Carman, 1990) agree that service quality is an abstract and elusive concept, difficult to define and measure. Empirically, various service quality models and instruments have been developed for measuring service quality. According to Gronroos (1982), there are two dimensions of customer's perceptions of any service, namely technical quality (what is provided) and functional quality (how the service is provided). Sasser et al. (1978) suggested three different attributes (levels of material, facilities, and personnel) all dealing with the process of service delivery. Subsequently, Gronroos (1990) identified six specific dimensions viz., professionalism and skills, reliability and trust worthiness, attitudes and behavior, accessibility and flexibility, recovery, and reputation and credibility, on which service quality could be measured. Perceived service quality has been defined as a global judgment or attitude relating to the superiority of a service (Zeithaml and Bitner, 2000).

The most widely used service quality measurement tools include SERVQUAL (Parasuraman et al., 1988; Boulding et al., 1993) and SERVPERF (Cronin and Taylor, 1992). The SERVQUAL model suggests that service quality can be measured by identifying the gaps between customers' expectation and perceptions of the performance of the service using 22 items and five-dimensions: reliability, assurance, tangible, empathy, and responsiveness. In the SERVPERF scale, service quality is measured through performance on score based on the same 22 items and five dimensional structure of SERVQUAL. The SERVQUAL have been used to measure service quality in the insurance industry (Stafford et al., 1998; Lesteand Vittorio, 1997; Westbrook and Peterson, 1998; Mehta et al., 2002; Evangelos et al., 2004; Goswami, 2007; Gayathri et al., 2005; Siddiqui et al., 2010).

The achievement of the quality of services is a goal and a marketing tool at the same time, because achieving high quality services leads to achieving the clients' satisfaction, so companies must measure the quality of services. In 1988, Parasuraman and others



examined the sample of the service quality which was improved in 1985. These researchers developed a sample called SERVQUAL for measuring the quality of service.

SERVQUAL was created to measure service quality and is based on the view that the customer's assessment of service quality is paramount. It is operationalized in terms of the relationship between expectations and outcomes (Gilmore, 2003, pp40)

It is widely accepted that customers compare the service they expect with perceptions of the service they receive in evaluating service quality (Grönroos, 1982); (Parasuraman *et al.*, 1985) as cited on (Gilmore and Carson, 1996)

SERVQUAL is a concise multiple item scale with good reliability and validity that retailers can use to better understand the service expectations and perception of consumer and, as a result, improve service. The instrument has been designed to be applicable across a broad spectrum of services. As such, it provides skeleton through its expectation/perceptions format encompassing statements for each of the five service quality dimensions (Parasuraman, Zeithaml and Berry, 1988)

The exploratory research conducted by (Parasuraman, Zeithaml and Berry, 1985) revealed that the criteria used by consumers in assessing service quality fit 10 potentially overlapping dimensions. these dimensions are: tangibility, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing customers and access (Parasuraman, Zeithaml and Berry, 1988) as cited on (Philip and Hazlett, 1996). These were subsequently condensed into five dimensions of service performance known as SERVQUAL namely this five scale items are :

**Table 2.1 SERVQUAL Dimensions .**

Dimensions	Definition
R e l i a b i l i t y	The Ability to perform the promised Service dependably and accurately
A s s u r a n c e	The knowledge and courtesy of employees and ability to convey trust and confidence
T a n g i b l e s	The appearance of Physical facilities, equipment personnel and communication materials
E m p a t h y	The provision of caring, individualized attention to customers
R e s p o n s i v e n e s s	The willingness to help customers and to provide prompt service

Source: Buttle (1995)

## 2.5 Customer Expectation, Perception and Satisfaction

### 2.5.1 Customer expectations

Customer expectations are beliefs about a service that serve as standards against which service performance is judged (Zeithaml *et al.*, 1993); what customers think a service provider should offer rather than what might be on offer (Parasuraman *et al.* 1988). Expectations are formed from a variety of sources such as the customer's personal needs and wishes (Edvardsson *et al.* 1994), the customer's personal philosophy about a particular service, by promises (staff, advertising and other communications), by implicit service promises (such as price and the tangibles associated with the service), by word-of-mouth communication (with other customers, friends, family and experts), as well as by past experience of that service (Zeithaml & Bitner, 1996).

Customer expectations vary internal standards that customers use to judge the quality of a service experience. Customers' expectations about what constitutes good service vary from one business to another. Customer expectations embrace several different elements, including desired service, adequate service, predicted service, and a zone of tolerance that falls between the desired and adequate service levels (Lovelock & Wright, 2001).

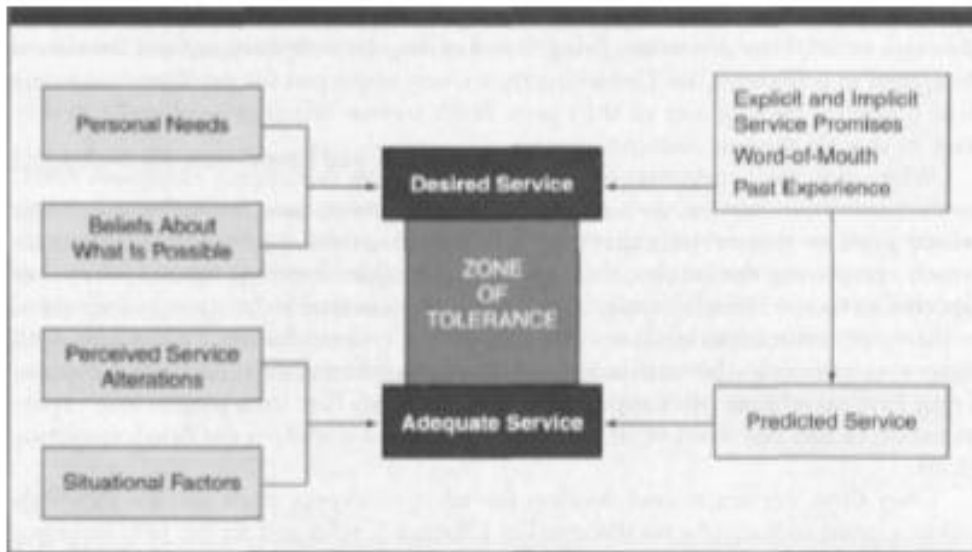
**Desired service:** the "wished for" level of service quality that a customer believes can and should be delivered

**Adequate service:** the minimum level of service that a customer will accept without being dissatisfied

**Predicted service:** the level of service quality a customer believes a firm will actually deliver

**Zone of tolerance:** the range within which customers are willing to accept variations in service delivery. The inherent nature of services makes consistent service delivery difficult across employees in the same company and even by the same service employee from one day to another. The extent to which customers are willing to accept this variation is called the **zone of tolerance** a performance that falls below the adequate service level will cause frustration and dissatisfaction, whereas one that exceeds the desired service level will both please and surprise customers, creating the "customer

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



**Figure 2.2 Factors That Influence Customer Expectations of Service**

*Source: Parasuraman et al (1993)*

### **2.5.2 Customer Perception of Service Quality**

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

## **2.6 Customer Satisfaction**

Customer satisfaction can be defined as a person's felt state, either pleasure or discontent, ensuing from comparing a product's perceived performance (or outcome) in relation to the person's expectations as cited on (Zhilin, Minjoon, Robin ,2004 ).

Customer satisfaction has long been recognized as one of the critical success factor in today's competitive business environment as it affects companies' market share and customer retention. “Satisfied customers tend to be less influenced by competitors, less price sensitive, and stay loyal longer” as cited by (Zhilin, Minjoon, Robin, 2004).

Several studies seem to conclude that satisfaction is an affective construct rather than a cognitive construct (Oliver, 1997; Olsen, 2002). Rust and Oliver (1994) further defined satisfaction as the “customer's fulfillment response,” which is an evaluation as well as an emotion-based response to a service. It is an indication of the customer's belief on the probability of a service leading to a positive feeling as cited on (Festus, Maxwell, & Godwin J, 2006). Satisfaction is “an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire (Hansemark & Albinson, 2004).

## **2.7 Empirical Review of the study**

### **2.7.1 The Relationship between Service Quality and Customer Satisfaction**

The relationship between customer satisfaction and service quality has received a good deal of attention in the literature Bolton and Drew; (1994). Defined service quality and customer satisfaction as “service quality is a global judgment, or attitude, relating to the superiority of the service, whereas satisfaction is related to a specific transaction” Satisfaction is a “post consumption experience which compares perceived quality with expected quality, whereas service quality refers to a global evaluation of a firm's service delivery system” (Parasuraman et al, 1988).

The key difference between service quality and customer satisfaction is that quality relates to managerial delivery of the service while satisfaction reflects customers' experiences with that service. They argue that quality improvements that are not based on customer needs will not lead to improved customer satisfaction (Iacobucci et al, 1995).

Bolton and Drew (1994) pointed out "customer satisfaction depends on pre-existing or contemporaneous attitudes about service quality".

There is also a lot of argument regarding whether customer satisfaction is the antecedent of service quality or the outcome of service quality.

"Initially scholars take the position that satisfaction is an antecedent of service quality since to reach an overall attitude (service quality) implies an accumulation of satisfactory encounters." (Bolton & Drew, 1991)

However, other scholars take the opposite view that service quality is the antecedent of customer satisfaction (Cronin & Taylor, 1992); (Ekinici, 2004); (Rust & Oliver, 1994); as cited on (Harr, 2008).

Empirical research by Cronin & Taylor, (1992) "showed that service quality has a significant effect on customer satisfaction." Similarly, recent studies by González & Brea, (2005); & Ekinici (2004) as cited on (Harr, 2008) using recursive structural models provided empirical support that service quality results in customer satisfaction. Customer satisfaction "is a broader concept than service quality which focuses specifically on dimensions of service (Zeithamlet al.2006).

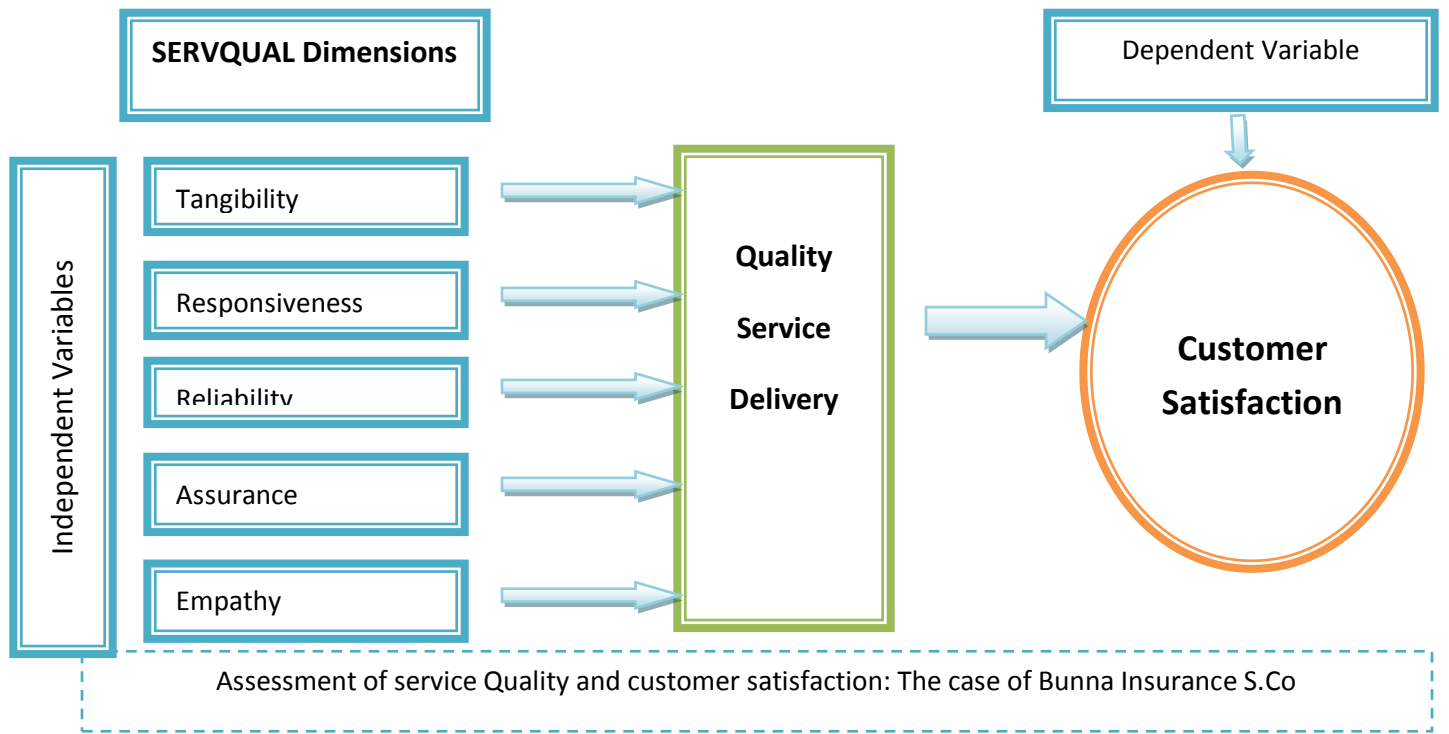
### **2.7.2 Measurement of Service Quality**

Measurements need to take account of the service process, they need to measure both tangible and intangible aspects of services and they should take account of the specific context in which a service occurs .Given that services are processes, measurements need to take account of the complete service process. Such measurements need to address all stages in the service experience, the pre-, during and post-service experience of the customer and, where the design of a service is linked to technology, if appropriate(Gilmore, 2003).

There have been several attempts made by a group of researchers who have systematically identified the variables that quantify service quality, among which the two most popular metrics are SERVQUAL and SERVPERF (Varambally and Motlagh, 2010). SERVQUAL is based on the conceptualization of service quality as the difference between consumer's Perceived performance and Expectation (Parasuraman et al., 1988). On the other hand, SERVPERF is purely a Performance based approach to the measurement of service quality (Cronin and Taylor, 1992). Even though SERVQUAL and SERVPERF are the most commonly used scales of service quality measurement Among these two the most commonly used measure is SERVQUAL (Duff and Hair, 2008), (Ladhari, 2009) as cited on (Varambally, Motlagh,2010). There is no universal and encompassing approach to service quality dimensions which can be appropriate and applicable to all service industries and across all socio-cultural and economic environments. But as discussed by many researchers SERVQUAL has a wide range of applications in service quality measurement which includes: health care applications (Woodside et al., 1989); Reidenbach and Sandifer-Smallwood, (1990); Babakus and Boller, (1992); Lytle and Mokwa, (1992); (Bebko and Garg, 1995); (Licata et al., 1995) as cited on (Varambally, Motlagh, 2010). even though there is not one universally accepted measurement model of service quality that is applicable for all types of services as already mentioned there are two most popular models namely SERVQUAL and SERVPERF because SERVQUAL provides rich information and also as a measurement tool it also help as identify which parts of the service provided are contributing positively and which aspects of the service needs implement as a result the study used SERVQUALA model.

## **2.8 Conceptual framework of the study**

It has been learned that some efforts done to measure the some variables that determine service quality. The delivery of quality service affects customer satisfaction. Therefore, under this topic, the research identified variables to examine the effects of quality service delivery on customer satisfaction in Bunna Insurance S.C. The conceptual frame work of the study is, thus, outlined as follows: Independent variables: tangibility, responsiveness, reliability, assurance, empathy; Dependent variable is customer satisfaction.



## **CHAPTER THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

This chapter discusses methods used in undertaking this study from the collection of data to methods applied to analyze the collected data. Research design, sample and sampling technique, instrument of data collection, data collection procedure and finally data analysis technique discussed in this chapter.

#### **3.1 Research approach**

The research approach is deductive and conducted as a quantitative research approach; a research that focuses primarily on the construction of the quantitative data.

#### **3.2 Research design**

A research design provides a framework for the collection and analysis of data. The research is a descriptive research, and applied cross sectional survey design. The study was a descriptive in that it seeks to describe the level of customer satisfaction and service quality in Bunna Insurance S.C and thus, giving an in-depth understanding of the reality of customer satisfaction with service quality in the Company. To understand the relationship between service quality and customer satisfaction, the research focused on five dimensions service quality (tangibility, reliability, assurance, responsiveness and empathy)i.e. variables analyzed.

#### **3.3 Sampling design and procedure**

##### **3.3.1 Target Population**

The target population of the research is customer of Bunna Insurance S.C located in Addis Ababa.

##### **3.3.2 Sampling technique**

Probabilistic sampling technique particularly stratified sampling method was employed to get respond from respondents. Because it ensures each subgroup within the population



receives proper representation within the sample and then stratified random sampling formula applied which is as follows:

### 3.3.3 Sample size

In principle, accurate information about given population could be obtained only from census study. However, due to time and cost constraint, in many cases, a complete coverage of population is not possible; thus sampling is one of the methods, which allow the researcher to study relatively small number of units representing the whole population (Sartnakos, 1998).

The target population of the research derived from Buna Insurance S.C. The company has 17 branches in Addis Ababa. As the study used convenience sampling and simple stratified sampling methods to select the sample from the available population; the sample of this study are recruited directly from four branch offices of Addis Ababa. In determining the sample, the following sample size determination formula will be used as shows below:

$$n=N/1+ (Ne^2)$$

Where

n= sample size

N= population size

e= margin of error (0.05%) or maximum tolerable error.

The researcher, thus, decided to employ 227 total customers as population (N).

$$N=227/1+ (227*(0.05)^2)=144.82=145$$

Accordingly 145 samples are taken from the branch offices, thus questionnaire distributed in equal proportion i.e. 36.25.

### 3.4 Sources of Data

For the sake of achieving the purpose of this study the relevant data collected or obtained from primary and secondary source of data.

### **3.4.1 Primary source**

It is clear that data obtained from primary source very important for the reliability of research output. Because it help a researcher to generate a clear and more detailed understanding of problem at hand. Primary data obtained through the administering of questionnaires.

### **3.4.2 Secondary source**

It is suggested that most business research should be started by using secondary source of data, because it provide good background information about the issues that related business activities. But for more reliability of secondary data must be combined with primary data. Secondary data was bulletin, brochures and company data base were gathered from the company. As well as the data will be gathered from articles to review related theories and empirical findings in order to have better understanding of customer satisfaction, service quality and SERVQUAL model.

## **3.5 Data Collection methodology**

The study used both primary and secondary data. Primary data collected from the sample customers by using questionnaire. Because questionnaire are easy to administered. And secondary data was collected from written documents such as journals, books, and magazine and soon.

## **3.6 Data collection instrument**

The major tools used for data collection is, questioners for Bunna Insurance S.C. customers in Addis Ababa who have access to use the services. In order to obtain the required information from primary source while secondary data obtained by referring internal documents.

## **3.7 Data analysis methods**

After the relevant data was collected, it analyzed using statistical package for social sciences (SPSS). Each research questions is answered accordingly and output of the analysis is presented in tables and finally their implications explained. Descriptive statistics like frequency, percentages, standard deviation, variance, mean and correlation

results applied to analyze background information of respondents, to analyze respondents' perception on service quality and satisfaction as well as relationship between service quality dimensions, overall service quality and customer satisfaction.

### **3.8 Validity and reliability**

#### **3.8.1 Validity**

The validity is assured by evaluating its construct validity. Validity is defined as the extent to data collection method or methods accurately measure what they were intended to measure (Sounders et. al, 2003). To assure the validity of the dimensions whether they can measure the predefined dependent variables or not different theories and empirical studies are assessed to assure its validity. External validity is related to generalization (Bryman and Bell, 2003,). In this study the target population is customers in Addis Ababa and it is assumed that the sample will be enough to generalize for the whole population of Bunna Insurance S.C customers. So external validity is strong and can be generalized.

#### **3.8.2 Reliability**

Reliability is the consistency of a set of measurements or measuring instrument, often used to describe a test. Reliability is inversely related to a random error (Coakes & Steed, 2007).

There are several different reliability coefficients. One of the most commonly used is called Cronbach's Alpha. Cronbach's Alpha is based on the average correlation of items within a test if the items are standardized. Cronbach's alpha reliability analysis is conducted on the independent variables in order to determine the reliability of the instrument is used. It is a reliability coefficient that indicates how well the items in a set are positively related to one another. Reliability is calculated in such a way that it represents the reliability of the mean of the items, not the reliability of any single item. Lack of reliability is a serious drawback of an outcome measure as it indicates errors in measurements (Powell, 1999).

### **3.9 Research Ethics**

There is a growing emphasis on overcoming the ethical issues in business research because of the increased involvement of social responsibility and consumer's well being (Ghauri and Gronhaug, 2005,). All the information treated and kept secretly with high confidentiality without disclosure of the respondents' identity. No information will be changed or modified, hence the information will be presented as collected and the same with the literatures collected for the purpose of this study. There is no any intention to use unfair means to influence the participants to obtain information. The questionnaires are anonymous and high level of confidentiality is considered. The information gathered through questionnaire used only for its purpose i.e. for the fulfillment of the requirement of MBA degree.

## **CHAPTER FOUR**

### **4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

Based on the data gathered through questionnaire and interviews, this chapter will focus on presenting, analyzing and interpreting the data.

#### **4.1 Demographic Information of the Respondents**

The following sections described the respondents' attitude toward quality service delivery in Bunna Insurance S.C. The study has used 145 respondents' responses for analysis. The respondents returned back the questionnaire in time by filling thoroughly. The statistical reliability of the research is 0.824 Crobach's Alpha (see annex I).

##### **4.1.1 Age –Gender-Composition of Respondents**

The first part of the questionnaire consists of the demographic information of the participants. This part of the questionnaire requested a limited amount of information related to personal and professional characteristics. Accordingly, the following variables about the respondents were summarized and described in the following tables. These variables includes: number of years the customers served in the Buna Insurance S.C., age, sex, and the highest educational level achieved.

As indicated in table 4.1 below the age of the respondents, the largest group (56.2%) was in 41-50 years. The second largest age group (18.6 %) were in the 51-60 the remaining age group where as 17.2% and 6.9% indicate their age were in the 31-40 and above 61 age groups respectively. From this it is possible to infer that the composition of the respondent are adult thus may give concrete observation for the study.

As shown in Table 4.2 below the gender composition of respondents, the largest group (73.8%) was males while 26.2% was females.

**Table 4.1: Age of the Respondents**

Age of the Respondents					
Valid	Description	Frequency	Percent	Valid Percent	Cumulative Percent
	31 - 40 yrs	25	17.2	17.2	17.2
	41 - 50 yrs	83	57.2	57.2	74.5
	51 - 60 yrs	27	18.6	18.6	93.1
	above 61 yrs	10	6.9	6.9	100
	Total	145	100	100	

Sources: Survey Result, 2021

**Table 4.2: Gender of Respondents**

Gender of Respondents					
Valid	Description	Frequency	Percent	Valid Percent	Cumulative Percent
	male	107	73.8	73.8	73.8
	female	38	26.2	26.2	100
	Total	145	100	100	

Sources: Survey Result, 2021

As shown in table 4.3 below the marital status of the respondents were asked; the largest group (51.7%) was married. The second largest age group (40.7 %) was single, the remaining age group where as 5.5% and 2.1% stated that their marital status as divorced

and widowed respectively. From this it is possible to infer that the compositions of the respondents are adult married thus may give their response responsibly.

**Table 4.3: Marital status of Respondents**

Marital status of Respondents					
Valid	Description	Frequency	Percent	Valid Percent	Cumulative Percent
	married	75	51.7	51.7	51.7
	single	59	40.7	40.7	92.4
	divorced	8	5.5	5.5	97.9
	widowed	3	2.1	2.1	100
	Total	145	100	100	

Sources: Survey Result, 2021

As indicated in table 4.4 below the nationality of the respondents were asked; the majority group (93.8%) was Ethiopian, while the rest 6.2% are foreigners. From this it is possible to deduce that the compositions of the respondents, as customers, are Ethiopian and Foreigners, this may give different experience on the quality assessment of Buna Insurance S.C.

**Table 4.4: Nationality of Respondents**

Nationality of Respondents					
Valid	Description	Frequency	Percent	Valid Percent	Cumulative Percent
	Ethiopian	136	93.8	93.8	93.8
	Foreign	9	6.2	6.2	100
	Total	145	100	100	

Sources: Survey Result, 2021

#### 4.1.2 Educational and Work Experience of the respondents

The study has included the educational and work experience (as customers) of respondents. As indicated in figure 4.1 below, the majority of the respondents are first degree holders (53.1%) where as 38.8% of the respondents are Master’s degree holders, only13.1% identified to have college diploma. From this it could be stated that the respondents are highly educated customers so that the many quality service demanded from the company and it in return should do its best to satisfy their needs.

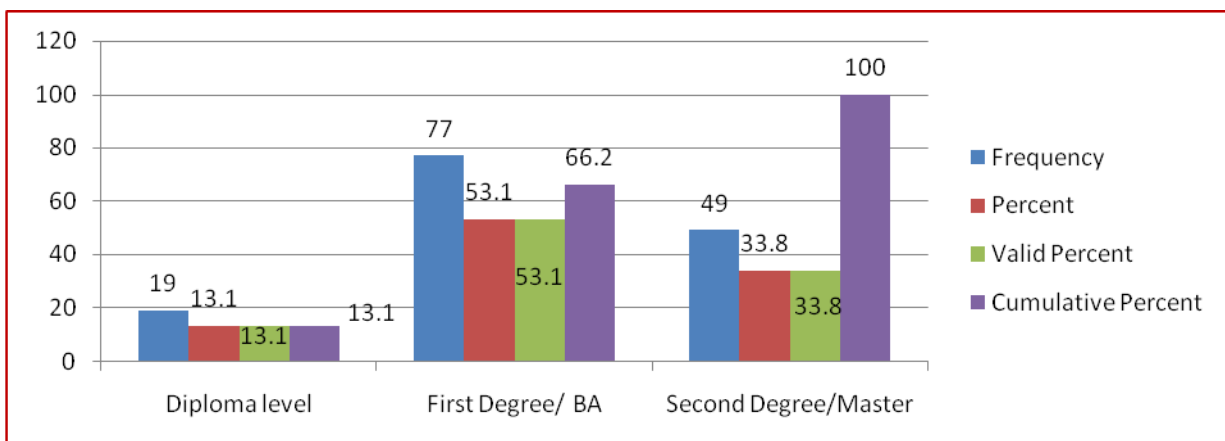
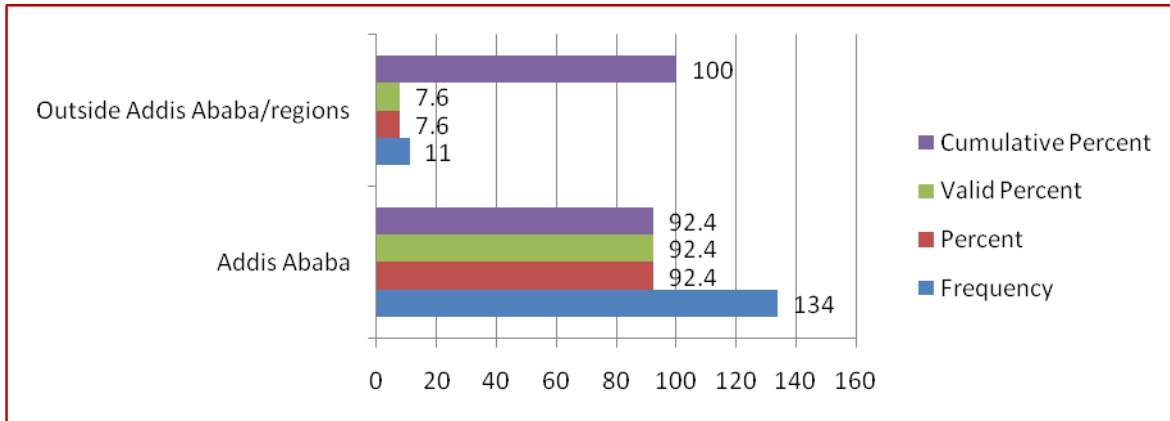


Figure 4.1 Educational Levels of Respondents

Respondents were asked at where they initiated their insurance service. As indicated in figure 4.2 below, the majority of the respondents (92.4%) purchase/initiated their insurance policy at Addis Ababa whereas 7.6% of the respondents outside Addis Ababa.





**Figure 4.2 Place of Insurance Services Started**

Respondents were asked to identify their customer category. As indicated in table 4.5 below, the majority of the respondents (40%) identified as individual, 23.4% as agents, 16.6% as NGOs, 12.4% as consultants firms, and 7.6% as governmental organization. From this it could be stated that the respondents were from diversified working areas.

Table 4.5: Types of respondent as a customer category

Types of respondent as a customer category					
Valid	Description	Frequency	Percent	Valid Percent	Cumulative Percent
	individual	58	40	40	40
	Consultants	18	12.4	12.4	52.4
	Agents	34	23.4	23.4	75.9
	governmental	11	7.6	7.6	83.4
	NGOs	24	16.6	16.6	100
	Total	145	100	100	

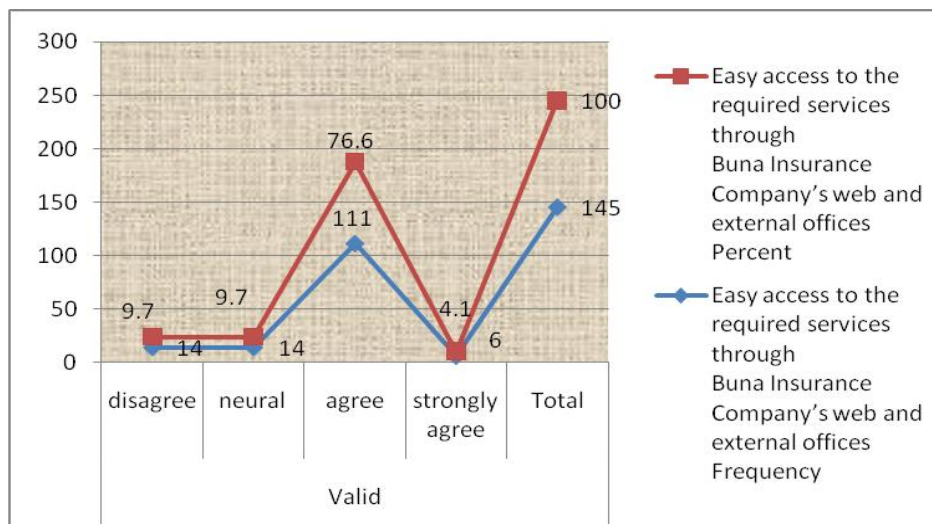
Sources: Survey Result, 2021

## 4.2 REGARDING TANGIBILITY: -General Impression of Buna Insurance S.C

As it is mentioned in earlier (reviews of literature), tangibility can be defined as the appearance of Physical facilities, equipment personnel and communication materials; the tangible variables shows that group mean 4.002, Standard Deviation 0.2125 and correlation 0.5474, which indicates that the variable has moderate positive effect on customer satisfaction. The study presented here under the assessed variables in detail (see annexed II).

### ▪ Accessibility of the Company’s web and External Offices

As shown in figure 4.3 below, the respondents asked to response whether Buna Insurance S.C has created access to its customers or not. Based on this premise the majority respondents stated that (n=111, 76.6% agree, n=6, 4.1% strongly agree) the Company has good access (via reachable offices, internet access), while the rest 9.7% of the respondents disagree, 9.7% of the respondents neutral; statistically the data shows Std. Deviation 0.682, Variance 0.466 (see annex I). This indicated that respondents have small variation over the premise; their responses outlined the necessity of internet access to deliver quality service to customer.



**Figure 4.3 Accessibility of Buna Insurance Services Delivery**

Sources: Survey Result, 2021

- **Customer Communication with the Company**

As shown in figure 4.4, the respondents asked to response whether Buna Insurance S.C has created easy communication channels (i.e. phone, email...) to its customers or not. Based on this premise the majority respondents stated that (n=110, 75.9% agree, n=12, 8.3% strongly agree) the Company has good communication channels (reachable via phone, fax, internet access), while the rest 9% of the respondents was disagree, 6.9% of the respondents was neutral; statistically the data shows Std. Deviation 0.697, Variance .486 (see annex I). This indicated that respondents have shown similarity on the premise; their responses confirmed that to deliver quality service to customer the company has made its communication channels conducive.

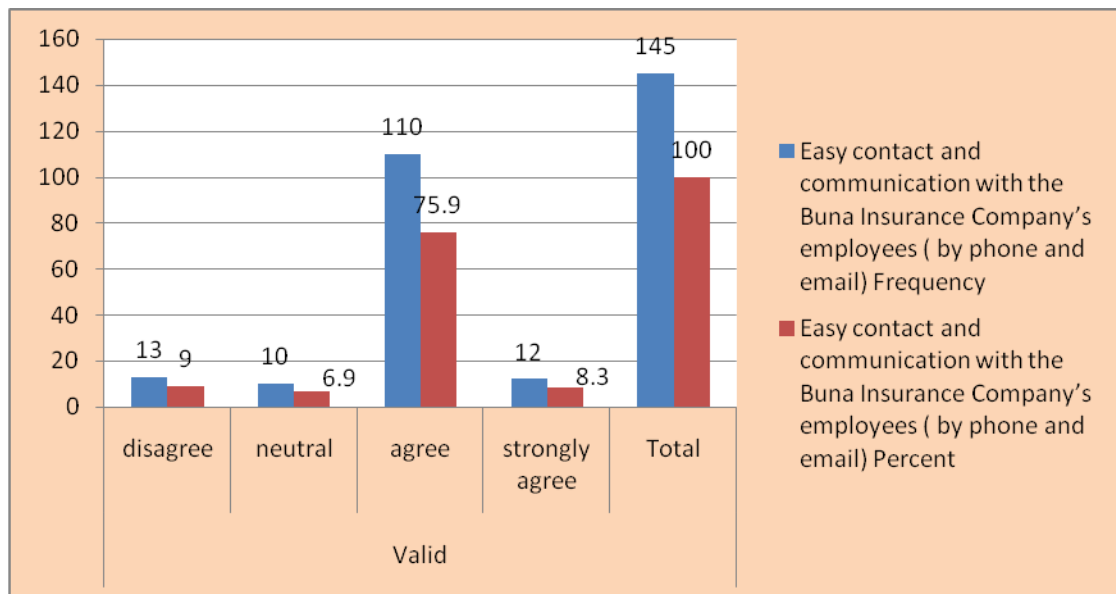


Figure 4.4 Easy communications with Buna Insurance Company's Employee

Sources: Survey Result, 2021

- **Appearance and uniforms of employees**

As indicated in figure 4.5 below, the respondents asked to response whether Buna Insurance S.C has attractive uniform dressing i.e. good appearance among its employees or not. Based on this premise the majority respondents stated that (n=95, 65.5% agree, n=43, 29.7% strongly agree) the Company's employees has attractive appearance and standard/uniform dressing, while the rest few 3% of the respondents was disagree, 2.8%

of the respondents was neutral; statistically the data shows Std. Deviation 0.598, Variance 0.358 (see annex I).From this statistical result, standard dressing i.e. good appearance has its effects on customer perception.

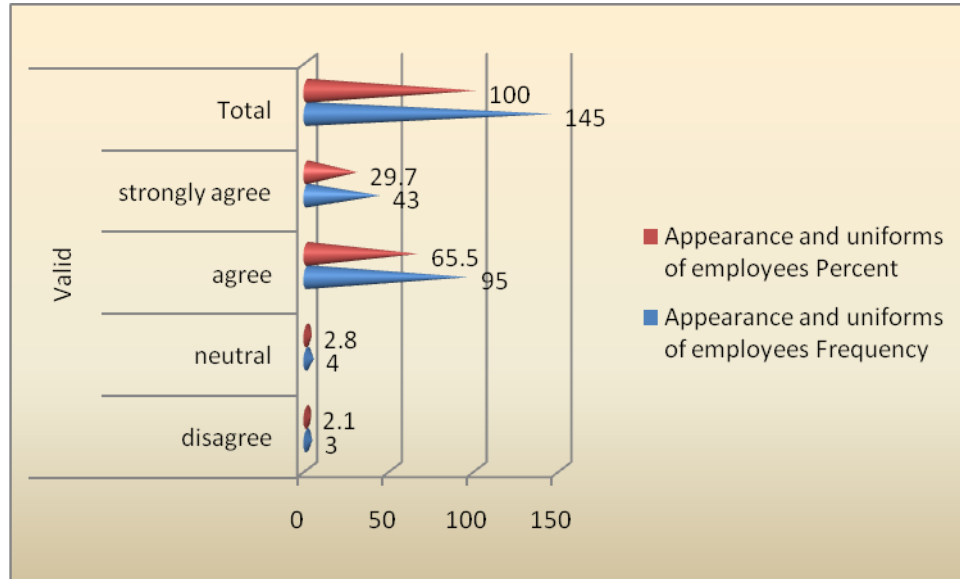


Figure 4.5 Attractiveness of Appearance of Buna Insurance Company's Employee

▪ **Customer Need Assessment**

In the following table 4.6 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, conduct customer need assessment or not. Based on this premise the majority respondents stated that (n=115, 79.3% agree, n=10, 6.9% strongly agree) the Company's has conducted customer need assessment, while the rest few 9.7% of the respondents was disagree, 4.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.687, Variance 0.472 (see annex I).This indicated that respondents have shown small variance on the premise; their responses confirmed that customer need assessment significant to improve service delivery.

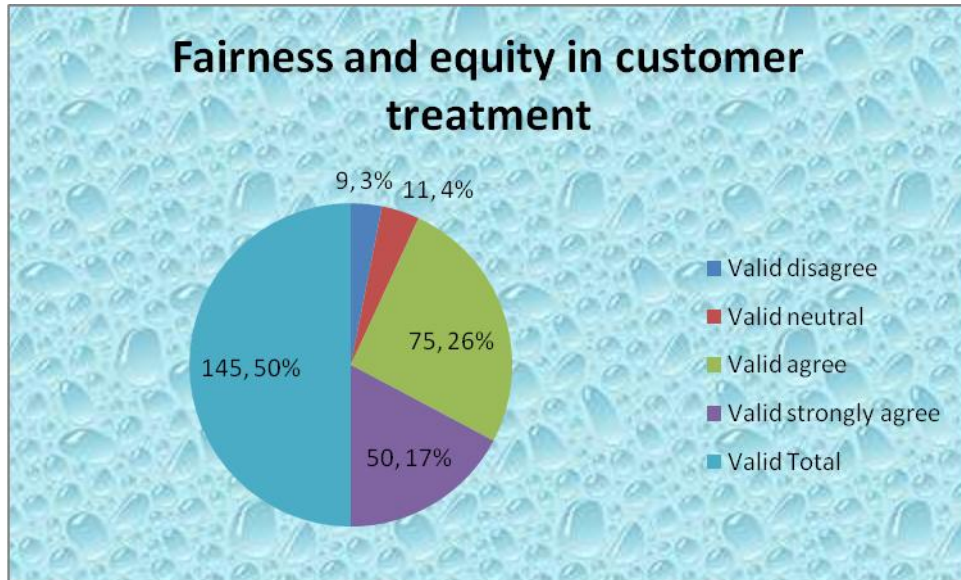
**Table 4.6: The Company study customers' needs**

The company study customers' needs and develop, update the services delivery according to the feedback					
Valid	Description	Frequency	Percent	Valid Percent	Cumulative Percent
	disagree	14	9.7	9.7	9.7
	neutral	6	4.1	4.1	13.8
	agree	115	79.3	79.3	93.1
	strongly agree	10	6.9	6.9	100
	<b>Total</b>	<b>145</b>	<b>100</b>	<b>100</b>	
	<b>Descriptive statistics</b>	<b>N</b>		<b>Std. Deviation</b>	<b>Variance</b>
		145		0.687	0.472

Sources: Survey Result, 2021

▪ **Fairness and equity in treatment**

As shown in figure 4.6 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, serve its customers with fairness and equity or not. Based on this premise the majority respondents stated that (n=75, 52% agree, n=50, 34.5% strongly agree) the Company serve its customers with fairness and equity, while the rest few 6% of the respondents was disagree, 8.5% of the respondents was neutral; statistically the data shows Std. Deviation 0.808, Variance 0.652 (see annex I).This indicated that respondents have shown similarity on the premise; their responses confirmed that the company serve its customer in fairness.



**Figure 4.6 Customer Treatments in Buna Insurance Company**

Sources: Survey Result, 2021

- **Availability of utilities (parking, waiting places and public conveniences...)**

As shown in table 4.6 below the respondents asked to response the availability of office utilities (like waiting place, car parking, rest room...) at Buna Insurance S.C. Based on this premise the majority respondents stated that (n=114, 78.6% agree, n=17, 11.7% strongly agree) the Company has fulfilled basic office utilities (like waiting place, car parking, rest room...), while the rest few 4.1% of the respondents was disagree, 5.5% of the respondents was neutral; statistically the data shows Std. Deviation 0.617, variance 0.381 (see annex I). This specified that respondents have shown similarity by confirming availability of utilities in the company has effects on customer satisfaction.

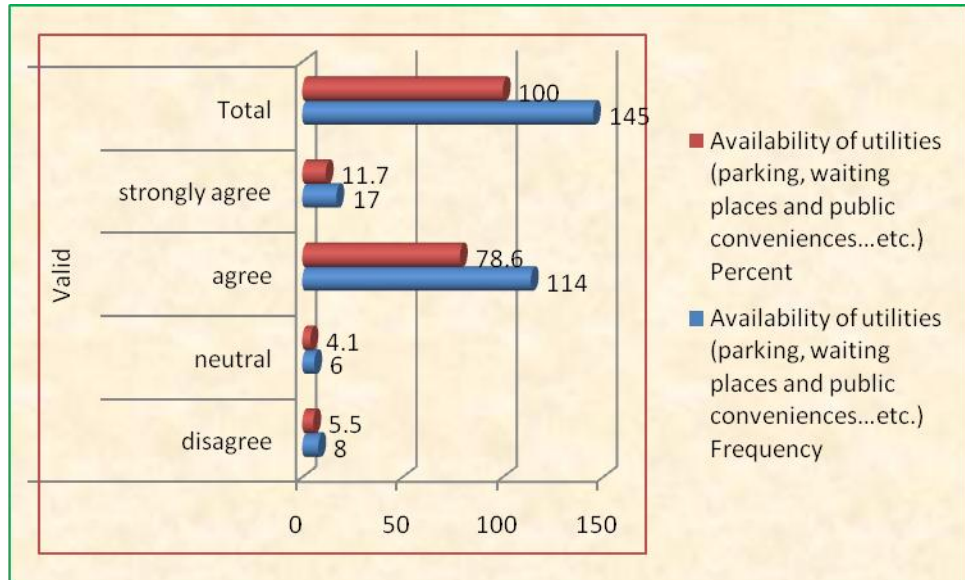


Figure 4.7 Availability of utilities in Buna Insurance Company

Sources: Survey Result, 2021

- **Services branded for quality (legislations & laws, Registration & licensing, Inspection...)**

As indicated in table 4.7 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, make its services branded for quality (legislations & laws,

Registration & licensing, Inspection...etc.)or not. Based on this premise the majority respondents stated that (n=119, 82.1% agree, n=20, 13.8% strongly agree) the Company has made its services branded for quality, while the rest few 2.1% of the respondents was disagree, 2.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.487, variance 0.237 (see annex I). This specified that the service brand significant effects on customer satisfaction.

**Table 4.7: The Company Services branded for quality**

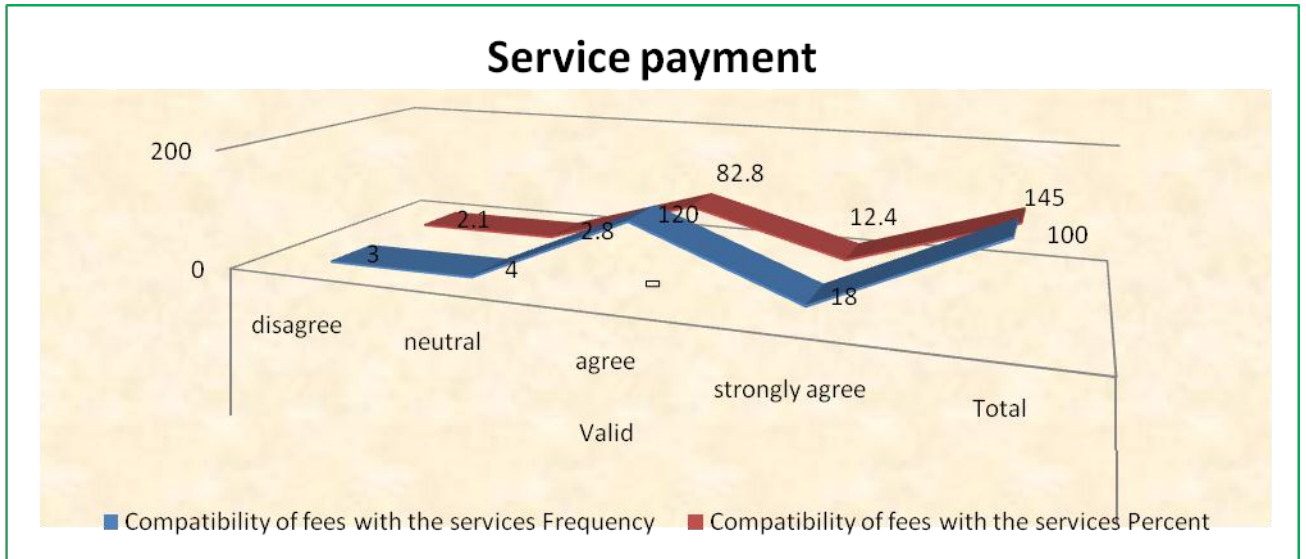
Services branded for quality (legislations & laws, Registration & licensing, Inspection...etc)					
Valid	Description	Frequenc	Percen	Valid	Cumulative
d		y	t	Percent	Percent
	disagree	3	2.1	2.1	2.1
	neutral	3	2.1	2.1	4.1
	agree	119	82.1	82.1	86.2
	strongly agree	20	13.8	13.8	100
	Total	145	100	100	
	statistics	N	Std. Deviation		
		145	0.487		

Sources: Survey Result, 2021

▪ **Compatibility of fees with the services**

In the following figure 4.8 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, make its services payment compatible with the service delivered or not. Based on this premise the majority respondents stated that (n=120, 82.8% agree, n=14, 9.7% strongly agree) the Company has made its services payment compatible with the service delivered, while the rest few 2.1% of the respondents was disagree, 2.8% of the respondents was neutral; statistically the data shows Std. Deviation 0.483 (see annex I). This specified that respondents have shown similarity by confirming service fees of the company has significant effects on customer satisfaction.

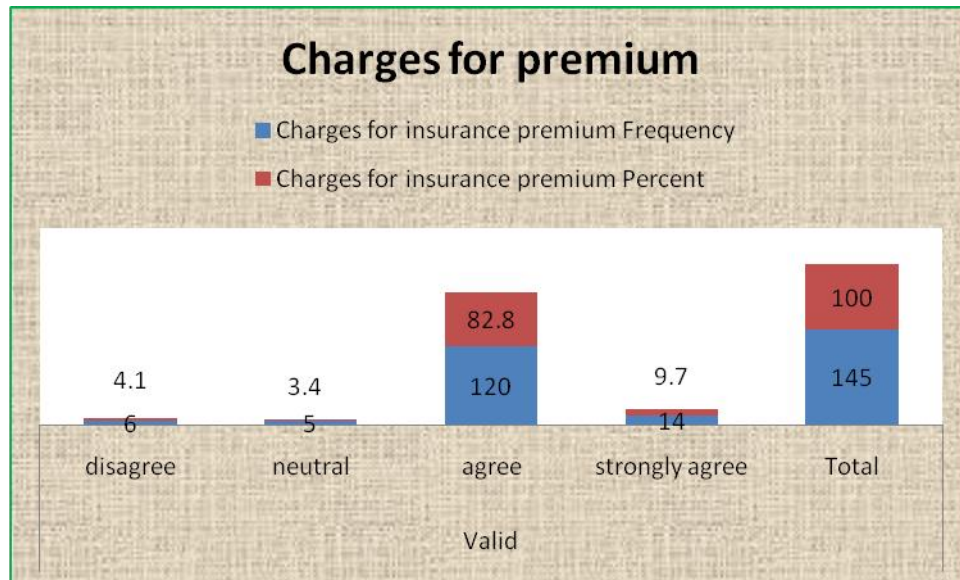




**Figure 4.8 Compatibility of service fee in Buna Insurance Company**

- **Charges for insurance premium**

As indicated in figure 4.9 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, make its charges for insurance premium comparable to the service delivered or not. Based on this premise the majority respondents stated that (n=120, 82.8% agree, n=14, 9.7% strongly agree) the Company has made its make its charges for insurance premium comparable to service delivered (i.e. has economic advantage to customers), while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral; statistically the data shows Std. Deviation 0.546, variance 0.298 (see annex I). This specified that a charge for premium of the company has significant effects on customer satisfaction.

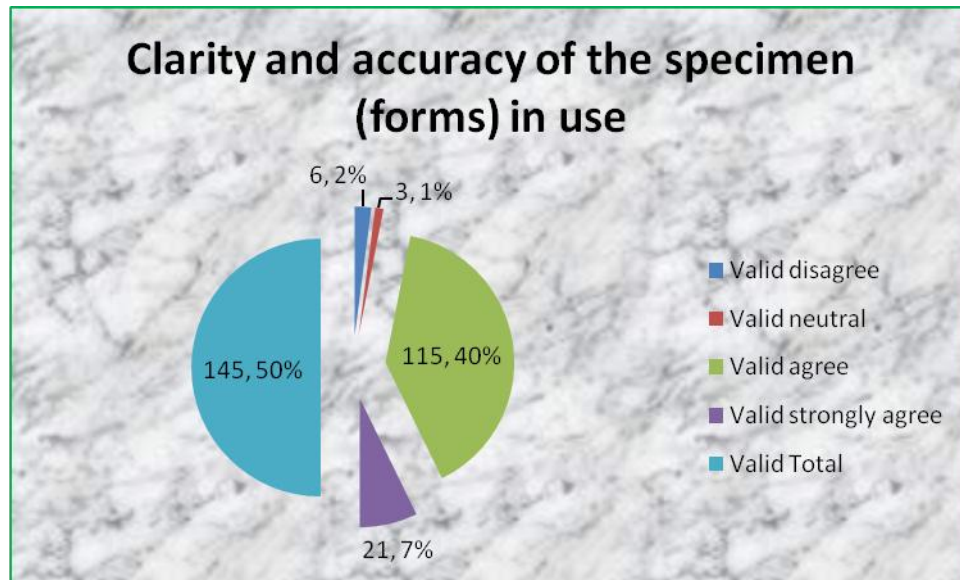


**Figure 4.9 Charges for premium in Buna Insurance Company**

Sources: Survey Result, 2021

- **Clarity and accuracy of the specimen (forms) in use**

As shown in figure 4.10 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, make its forms (specimen) clear and accurate for customers or not. Based on this premise the majority respondents stated that (n=115, 80% agree, n=21, 14.5% strongly agree) the Company has made its forms (specimen) clear and accurate for customers), while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.576, variance 0.332 (see annex I). This indicated that the variable i.e. clarity and accuracy of forms has significant effects on customer satisfaction.



**Figure 4.10 Clarity and Accuracy of forms**

Sources: Survey Result, 2021

- **Extent of using new and modern techniques i.e. ICT, e-services**

As indicated in table 4.8 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, make effective utilization of information technology (ICT) in service delivery or not.

Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) the Company has made effective utilization of information technology (ICT) in service delivery, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral; statistically the data shows Std. Deviation 0.612 (see annex I). This specified that utilization of ICT significantly affect quality service.

**Table 4.8: The Company’s Utilization of ICT technology**

Extent of using new and modern techniques i.e. ICT, e-services					
Valid	Description	Frequency	Percent	Valid Percent	Cumulative Percent
	disagree	5	3.4	3.4	3.4
	neutral	11	7.6	7.6	11
	agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100
	Total	145	100	100	

Descriptive statistics	N	Std. Deviation	Variance
	145	0.612	0.375

Sources: Survey Result, 2021

▪ **Clarity and accuracy of service procedures**

As shown in table 4.9 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, make its service procedures clear and accurate or not. Based on this premise the majority respondents stated that (n=115, 79.3% agree, n=21, 14.5% strongly agree) the Company has made its service procedures clear and accurate, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.576, variance 0.233 (see annex I). This specified that clarity and accuracy of procedures has significant effects on customer satisfaction.

From similar table 4.9 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, make its suitability of services as to procedures, duration, and

meeting customers' needs or not. Based on this premise the majority respondents stated that (n=120, 82.8% agree, n=18, 12.4% strongly agree) the Company has made suitability/convenience of services as to procedures, duration, and meeting customers' needs, while the rest few 2.1% of the respondents was disagree, 2.8% of the respondents was neutral; statistically the data shows Std. Deviation 0.483, variance 0.233 (see annex I). This indicated that suitable service has effects on customer satisfaction.

**Table 4.9: Clarity, accuracy and suitability of service procedures**

Clarity and accuracy of service procedures					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	4.1	4.1	4.1
	neutral	3	2.1	2.1	6.2
	agree	115	79.3	79.3	85.5
	strongly agree	21	14.5	14.5	100.0
	Total	145	100.0	100.0	
	Descriptive statistics	N		Std. Deviation	Variance
		145		0.576	0.332
Suitability of services as to procedures, duration, and meeting customers' needs					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	3	2.1	2.1	2.1
	neutral	4	2.8	2.8	4.8
	agree	120	82.8	82.8	87.6
	strongly agree	18	12.4	12.4	100.0
	Total	145	100.0	100.0	
	Descriptive statistics	N		Std. Deviation	Variance
		145		0.483	0.233

Sources: Survey Result, 2021

### 4.3 REGARDING RESPONSIVENESS

As it is mentioned in earlier part responsiveness can be defined as the willingness to help customers and to provide prompt service (Buttle, 1995); thus the study assess Buna Insurance S.C's employees responsive to their customers. The responsiveness variables shows that group means 4.0241, Standard Deviation 0.3257 and correlation 0.9196, which indicates the variable has strong association on customer satisfaction. In the following section, the study presented the analysis of variables in detail (see annexed II).

- **The company gives prompt service and willingness of its employees**

As shown in table 4.10 below, the respondents asked to response whether Buna Insurance S.C, as a business firm, give prompt service to its customers or not. Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) the Company has given prompt service to its customers, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral. Statistically the data shows Std. Deviation 0.612, variance 0.375 (see annex I). This indicated that prompt service has important effects on customer satisfaction.

From similar table 4.10 below, the respondents asked to response whether Buna Insurance S.C's employees' are willing to help their customers willingly or not. Based on this premise the majority respondents stated that (n=115, 79.3% agree, n=21, 14.5% strongly agree) the Company's employees are willing to help their customers, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral. Statistically the data shows Std. Deviation 0.576, variance 0.332 (see annex I). This indicated that employee willingness to help customer has significant effects on customer satisfaction.

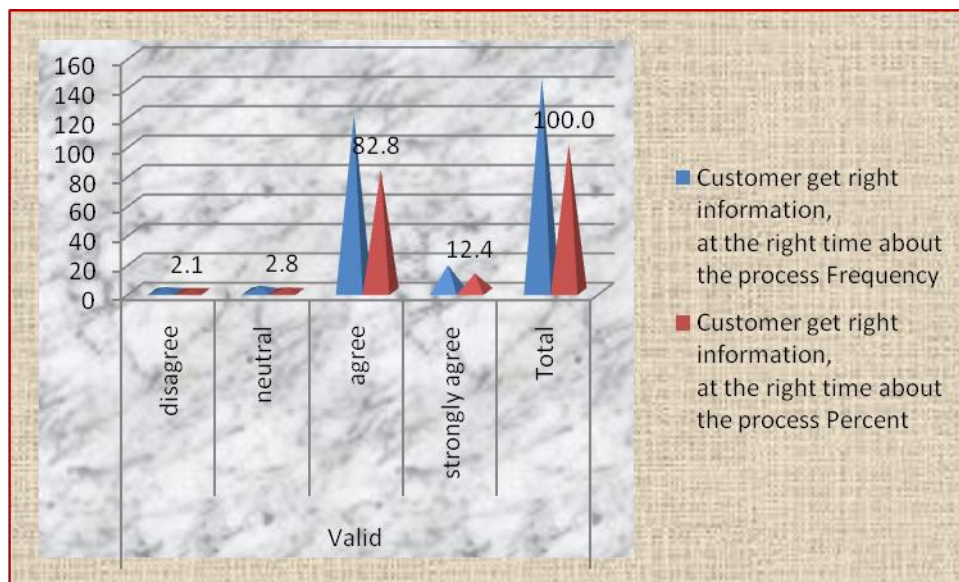
**Table 4.10: Prompt Service delivery and employee’s willingness**

The company gives prompt service to its customers					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	5	3.4	3.4	3.4
	neutral	11	7.6	7.6	11.0
	agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
	Descriptive statistics	N		Std. Deviation	Variance
		145		0.612	0.375
The employee are willing to help their customers willingly					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	4.1	4.1	4.1
	neutral	3	2.1	2.1	6.2
	agree	115	79.3	79.3	85.5
	strongly agree	21	14.5	14.5	100.0
	Total	145	100.0	100.0	
	Descriptive statistics	N		Std. Deviation	Variance
		145		0.576	0.332

Sources: Survey Result, 2021

- **Customer get right information, at the right time about the process**

As shown in figure 4.11 below, the respondents asked whether they get right information or not. Based on this premise the majority respondents stated that (n=115, 82.8% agree, n=21, 12.4% strongly agree) as a customer they get the right information at the right time during insurance process, while the rest few 2.1% of the respondents was disagree, 2.8% of the respondents was neutral. Statistically the data shows Std. Deviation 0.483, variance 0.233 (see annex I). This signified that providing right information at the right time to customer has significant effects on customer satisfaction.



**Figure 4.11 Customer get right information at right time**

Sources: Survey Result, 2021

- **The employee are approachable**

As indicated in table 4.11 below, the respondents asked whether employees have approachable and easy to contact or not. Based on this premise the majority respondents stated that (n=120, 82.8% agree, n=21, 12.4% strongly agree) as a customer they get the right information at the right time during insurance process, while the rest few 2.1% of the respondents was disagree, 2.8% of the respondents was neutral; statistically the data shows Std. Deviation 0.612, variance 0.375 (see annex I), variance 0.332 (see annex I). This indicated that employee approach to customer has significant effects on customer satisfaction.



As shown in table 4.11 below, the respondents asked to response whether Buna Insurance S.C employees' has excellent ability to communicate clearly with customers or not. Based on this premise the majority respondents stated that (n=115, 79.3% agree, n=21, 14.5% strongly agree) the company employees' has excellent ability to communicate clearly with customers, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.576, variance 0.332 (see annex I). This signified that employee's communication ability has significant effects on customer satisfaction.

**Table 4.11: Employees have approachable and communicable**

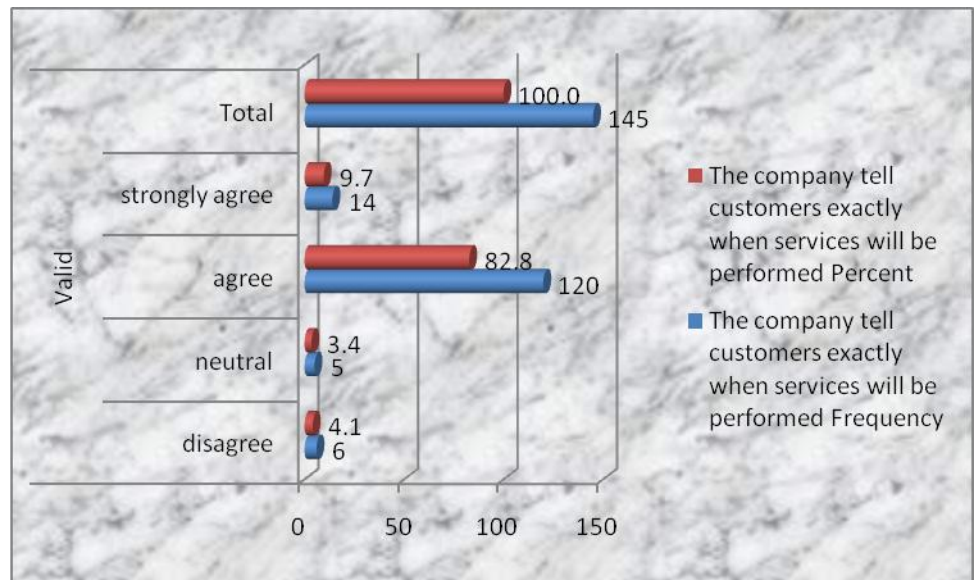
Employees have approachable and easy to contact					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	5	3.4	3.4	3.4
	neutral	11	7.6	7.6	11.0
	agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
statistics		N	Std. Deviation		Variance
		145	0.612		0.375
Employees' has excellent ability to communicate clearly with you					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	4.1	4.1	4.1
	neutral	3	2.1	2.1	6.2
	agree	115	79.3	79.3	85.5
	strongly agree	21	14.5	14.5	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.576	.332

Sources: Survey Result, 2021

- **The Company inform customers about the service delivered**

As shown in figure 4.12 below, the respondents asked whether the company tells its customers exactly what the service/process will performed or not.

Based on this premise the majority respondents stated that (n=120, 82.8% agree, n=14, 9.7% strongly agree) the company has told its customers exactly what the service/process will performed, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral; statistically the data shows Std. Deviation 0.5460 (see annex I).This indicated that informing customer about service delivered significantly affect customer satisfaction.



Sources: Survey Report, 2021

#### **4.4 REGARDING RELIABILITY**

Reliability defined as the ability to perform the promised service dependably and accurately (Buttle, 1995); thus the study has assessed the reliability of Buna Insurance S.C for its customers. In the analysis of reliability variables shows that group means 4.0115, Standard Deviation 0.2921, Variance 0.0853and correlation 0.5258, which indicate that the variable has moderate effects on customer satisfaction. The study presented here under the assessed variables in detail (see annexed II)

- **Information access and efficiency**

As indicated in table 4.12 below, the respondents asked whether the company facilitate system for easy access to information on the services or not. Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) the company has facilitated easy access to customer to get information on services processed, while the rest few 4.1% of the respondents was disagree, 6.9% of the respondents was neutral; statistically the data shows Std. Deviation 0.6824, variance 0.466 (see annex I). This indicated that information access has significant effects on customer satisfaction.

From similar table 4.12 below, the respondents asked whether the company employees' are efficient and knowledgeable on their duties and tasks or not. Based on this premise the majority respondents stated that (n=120, 82.8% agree, n=14, 9.7% strongly agree) the company employees' are efficient and knowledgeable on their duties and tasks, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral, statistically the data shows Std. Deviation 0.5460, variance 0.298 (see annex I). This indicated that employee's knowledgeable on their duties and task has significant effects on customer satisfaction.

**Table 4.12: Information access and knowledge of employee's on their tasks**

Easy accessibility to information on the services					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	4.1	4.1	4.1
	Neutral	10	6.9	6.9	11.0
	Agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
Statistics		N		Std. Deviation	Variance
		145		.6824	.466
Company employees' efficiency and knowledge of their duties and tasks					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	4.1	4.1	4.1
	Neutral	5	3.4	3.4	7.6
	Agree	120	82.8	82.8	90.3
	strongly agree	14	9.7	9.7	100.0
	Total	145	100.0	100.0	
Statistics		N		Std. Deviation	Variance
		145		.546	.298

Sources: Survey Result, 2021

- **Availability of insurance manuals**

In the following table 4.13 below, the respondents asked whether insurance manuals, documents and information relevant to the services are availability in the company or not. Based on this premise the majority respondents stated that (n=120, 82.8% agree, n=14,

9.7% strongly agree) insurance manuals, documents and information relevant to the services are availability in the company, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral; statistically the data shows Std. Deviation 0.546, variance 0.298 (see annex I). This indicated that availability of insurance manual has significant effects on service delivery.

From similar in table 4.13 below, the respondents asked whether the extent of rendering swiftly, efficiently and timely services in the company is effective or not. Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) the extent of rendering swiftly, efficiently and timely services in the company is effective, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral; statistically the data shows Std. Deviation 0.6122, variance 0.375 (see annex I). This signified that rendering effective service (timely, swift) has significant effects on customer satisfaction.

**Table 4.13: Availability of manuals, and Service delivery**

Availability of manuals, documents and information relevant to the services					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	4.1	4.1	4.1
	neutral	5	3.4	3.4	7.6
	agree	120	82.8	82.8	90.3
	strongly agree	14	9.7	9.7	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.546	.298
Extent of rendering the services swiftly and efficiently, timely					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	5	3.4	3.4	3.4
	neutral	11	7.6	7.6	11.0
	agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.612	.375

Sources: Survey Result, 2021

- **The company keep its promise and awareness**

As shown in table 4.14 below, the respondents asked whether the company keep its promise and will do in time or not. Based on this premise the majority respondents stated that (n=107, 73.8% agree, n=23, 15.9% strongly agree) the company keep its promise and will do in time, while the rest few 3.4% of the respondents was disagree, 6.9% of the respondents was neutral; statistically the data shows Std. Deviation 0.606, variance 0.368 (see annex I).This indicated that keeping promise to customer has significantly affect customer satisfaction.

From similar in table 4.14 below, the respondents asked whether extent of making customers aware of the services (handing out booklets, notices...etc.) or not. Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) extent of making customers aware of the services (handing out booklets, notices...etc.)in the company is effective, while the rest few 4.1% of the respondents was disagree, 6.9% of the respondents was neutral; statistically the data shows Std. Deviation 0.629, variance 0.396 (see annex D).This indicated that making customers aware of the services has significant effects on customer satisfaction.

**Table 4.14: The Company keep its promise and awareness creation**

The Company keep its promise and will do in time					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	5	3.4	3.4	3.4
	Neutral	10	6.9	6.9	10.3
	Agree	107	73.8	73.8	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.606	.368
Extent of making customers aware of the services (handing out booklets, notices...etc.)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	4.1	4.1	4.1
	Neutral	10	6.9	6.9	11.0
	Agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.629	.396

Sources: Survey Result, 2021

- **The company flexibility in giving service**

As indicated in figure 4.13 below, the respondents asked whether the company work in flexible way toward customers' need or not. Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) the company work in flexible way toward customers' need, while the rest few 4.1% of the respondents was disagree, 6.9% of the respondents was neutral; statistically the data shows Std. Deviation 0.6291 (see annex I). This implied that the extent of flexible service has significant effects on customer satisfaction.



**Figure 4.13 the Company extent of flexibility in dealing with customers**

- **Commitment of the company to pay claim**

In the following table 4.15 below, the respondents asked to what extent does the insurance company committed to pay the claim in the required date. Based on this premise the majority respondents stated that (n=115, 79.3% agree, n=21, 14.5% strongly agree) the company has committed to pay the claim in the required date, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.5758, variance 0.332 (see annex I). This signified that the extent does the insurance company committed to pay the claim in the required date has significant effects on customer satisfaction.

From similar table 4.15 below, the respondents asked to what extent the insurance company tells the customer when his/her insurance policy expired. Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) the company has told the customer when his/her insurance policy expired, while the rest



few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral; statistically the data shows Std. Deviation 0.6122, variance 0.375 (see annex I). This signified that the extent the insurance company tells the customer when his/her insurance policy expired has significant effects on customer satisfaction.

**Table 4.15: The Company commitment to pay on time, and customers' insurance policy**

To what extent does the insurance company committed to pay the claim in the required date					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	4.1	4.1	4.1
	neutral	3	2.1	2.1	6.2
	agree	115	79.3	79.3	85.5
	strongly agree	21	14.5	14.5	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.576	.332
To what extent the insurance company tells the customer when his insurance policy expired					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	5	3.4	3.4	3.4
	neutral	11	7.6	7.6	11.0
	agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.612	.375

Sources: Survey Result, 2021

- **Availability of necessary information for insurance service**

As shown in figure 4.14 below, the respondents asked about the availability of the necessary information on prerequisites of getting the insurance services. Based on this premise the majority respondents stated that (82% agree, 10% strongly agree) about the availability of the necessary information on prerequisites of getting the insurance services, while the rest few 4% of the respondents was disagree, 4% of the respondents was neutral; statistically the data shows Std. Deviation 0.5460 (see annex I). This implied that the availability of the necessary information on prerequisites of getting the insurance services has significant effects on customer satisfaction.

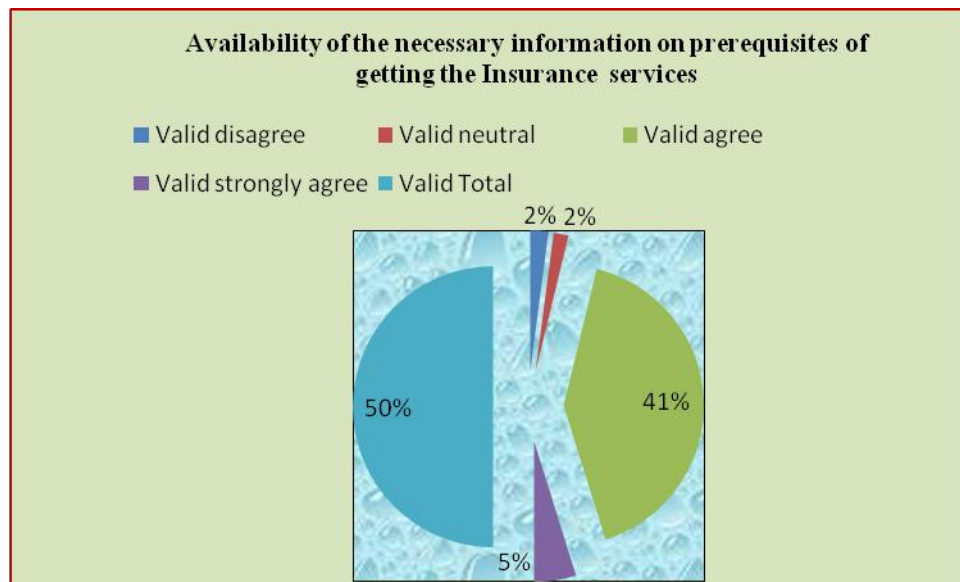


Figure 4.14 the availability of necessary information on prerequisite

Sources: Survey Report, 2021

- **Company’s customer confidence level, and transparency**

In the following table 4.16 below, the respondents asked whether agents and employees instill confidence in customers through proper behavior or not. Based on this premise the majority respondents stated that (n=115, 79.3% agree, n=21, 14.5% strongly agree) the company has (i.e. agents and employees) instilled confidence in customers through proper behavior, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.5758, variance

0.332 (see annex I). This implied that instilling confidence in customers through proper behavior has significant effects on customer satisfaction.

From similar table 4.16 below, the respondents asked about the company transparency in service follow up. Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) the company has good transparency in service follow up, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral; statistically the data shows Std. Deviation 0.6122, variance 0.375 (see annex I). This implied that transparent service has significant effects on customer satisfaction.

Table 4.16: Company’s customer confidence level, and transparency

Agents and employees who instill confidence in customers through proper behavior					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	4.1	4.1	4.1
	Neutral	3	2.1	2.1	6.2
	Agree	115	79.3	79.3	85.5
	strongly agree	21	14.5	14.5	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.576	.332
Transparency in service follow up					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	3.4	3.4	3.4
	Neutral	11	7.6	7.6	11.0
	Agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
statistics		N		Std. Deviation	Variance
		145		.612	.375

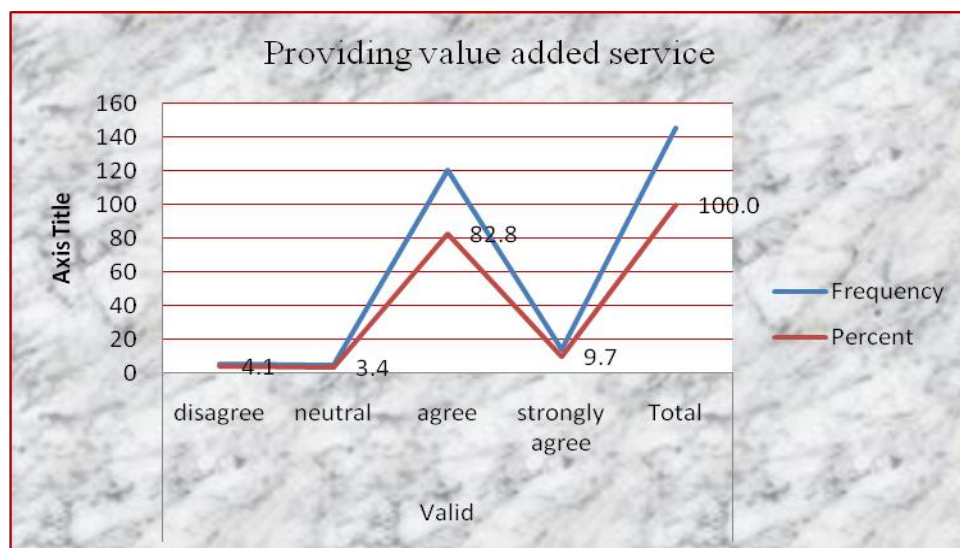
Sources: Survey Result, 2021

## 4.5 REGARDING ASSURANCE

Assurance can be defined as the knowledge and courtesy of employees and ability to convey trust and confidence (Buttle, 1995); thus the study has made efforts to assess the company's assurance to its customers in service delivery. In the analysis of reliability variables shows that group means 3.9931, Standard Deviation 0.2932, Variance 0.0859 and correlation 0.8743, which indicate that the variable has strong association on customer satisfaction. In the following section, the study presented analyzed variables in detail (see annexed II).

- **Delivering value added services to customers**

As indicated in figure 4.15 below, the respondents asked whether Buna Insurance Company provide value added services to customers or not. Based on this premise the majority respondents stated that (n=120, 82.8% agree, 9.7% strongly agree) the company has (i.e. agents and employees) provided value added services to customers, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral; statistically the data shows Std. Deviation 0.5460 (see annex I). This signified that providing value added service to customers has significant effects on customer satisfaction.



**Figure 4.15 Ability to provide variety of value added services**

Sources: Survey Result, 2021

- **Sincerity and behavior of employees of the company**

As shown in table 4.17 below, the respondents asked whether the company's employees are sincere and patience in resolving customers' complaints/problems or not. Based on this premise the majority respondents stated that (n=106, 73.1% agree, n=23, 15.9% strongly agree) company's employees are sincere and patience in resolving customers' complaints/problems, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral; statistically the data shows Std. Deviation 0.6122, variance 0.375 (see annex I). This implied that employees are sincere and patience in resolving customers' complaints/problems has positive effects on customer satisfaction.

From similar table 4.17 below, the respondents asked about the company employee's behavior to instill confidence in customers. Based on this premise the majority respondents stated that (n=115, 79.3% agree, n=21, 14.5% strongly agree) the company employee's behavior to instill confidence in customers, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.5758, variance 0.332 (see annex I). This indicated that employee's behavior importantly affects customer satisfaction.

**Table 4.17: Solving customers’ problems and behaviors of employees**

Sincerity and patience in resolving customers’ complaints/problems					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	3.4	3.4	3.4
	Neutral	11	7.6	7.6	11.0
	Agree	106	73.1	73.1	84.1
	strongly agree	23	15.9	15.9	100.0
	Total	145	100.0	100.0	
	Descriptive statistics	N		Std. Deviation	Variance
		145		.612	.375
The behavior of employees in instilling confidence in customers					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	4.1	4.1	4.1
	Neutral	3	2.1	2.1	6.2
	Agree	115	79.3	79.3	85.5
	strongly agree	21	14.5	14.5	100.0
	Total	145	100.0	100.0	
	Descriptive statistics	N		Std. Deviation	Variance
		145		.576	.332

Sources: Survey Result, 2021

- **Clear instruction to solve conflicts and interest of regulator**

As shown in table 4.18 below, the respondents asked whether there is a clear instruction to solve conflicts which may rise with the company or not. Based on this premise the majority respondents stated that (n=115, 79.3 agree, n=17, 11.7% strongly agree) there is a clear instruction to solve conflicts which may rise with the company, while the rest few 4.8% of the respondents was disagree, 4.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.5947, variance 0.354 (see annex I). This implied that clear instruction of the company significantly affects customer satisfaction.

From similar table 4.18 below, the respondents asked about the interest of regulators in customer's complaints on insurance companies. Based on this premise the majority respondents stated that (n=116, 80% agree, n=20, 13.8% strongly agree) the regulator has interest in complaint handling system of insurance company, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.5702, variance 0.325 (see annex I). This signified that interest of regulators in customer's complaints significantly affects customer satisfaction.

**Table 4.18: Conflict management and complaints handling system**

There is a clear instruction to solve conflicts which rise with the company					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	7	4.8	4.8	4.8
	neutral	6	4.1	4.1	9.0
	Agree	115	79.3	79.3	88.3
	strongly agree	17	11.7	11.7	100.0
	Total	145	100.0	100.0	
	statistics	N		Std. Deviation	Variance
		145		.596	.354
The interest of regulators in customer's complaints on insurance companies					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	4.1	4.1	4.1
	neutral	3	2.1	2.1	6.2
	Agree	116	80.0	80.0	86.2
	strongly agree	20	13.8	13.8	100.0
	Total	145	100.0	100.0	
	statistics	N		Std. Deviation	Variance
		145		.570	.325

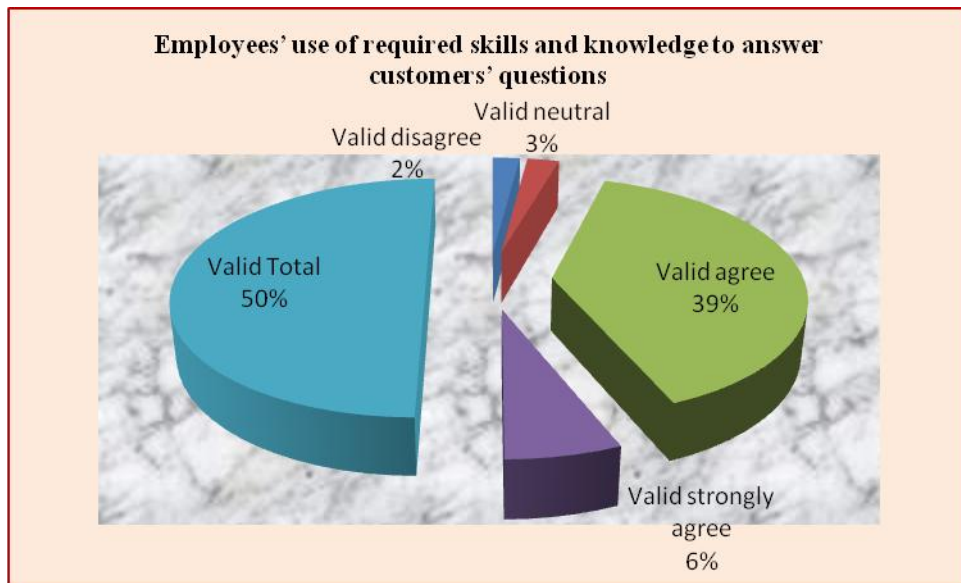
Sources: Survey Result, 2021



- **Employees’ use of required skills and knowledge to answer customers’ questions**

In the following figure 4.17 below, the respondents asked whether employees use of required skills and knowledge to answer customers’ questions in the company or not.

Based on this premise the majority respondents stated that (n=114, 79% agree, n=18, 12% strongly agree) employees use of required skills and knowledge to answer customers’ questions in the company, while the rest few 4% of the respondents was disagree, 5% of the respondents was neutral; statistically the data shows Std. Deviation 0.5832 (see annex I). This signified that employees use of required skills and knowledge to answer customers’ questions has significant effects on customer satisfaction.



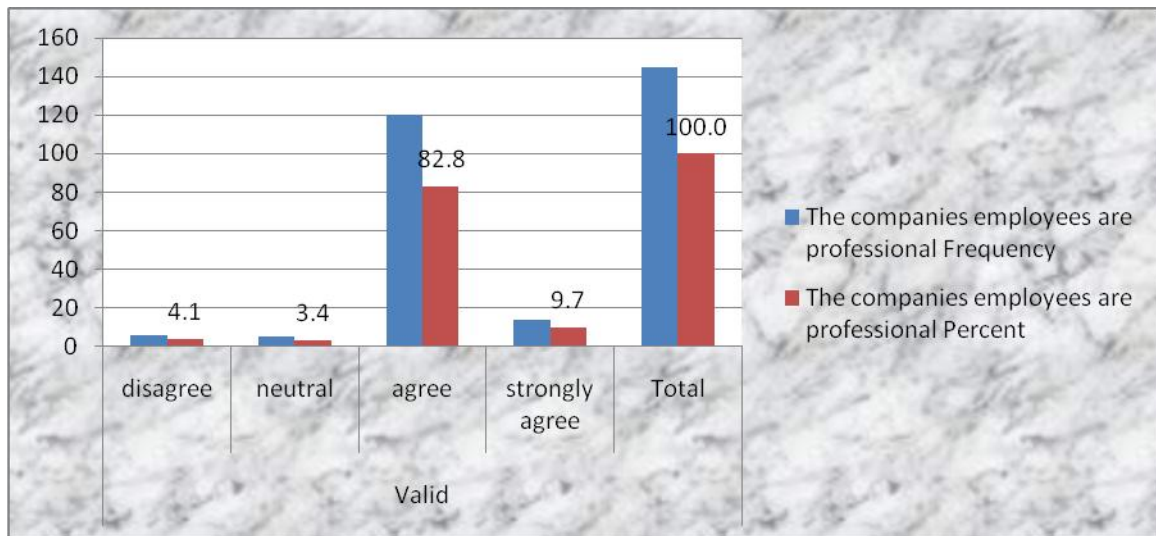
**Figure 4.16 Employees’ knowledge and skills**

Sources: Survey Result, 2021

- **The companies employees are professional**

As shown in figure 4.18 below, the respondents asked whether the company’s employees are professional or not. Based on this premise the majority respondents approved that (82.8 agree, 9.7% strongly agree) the company’s employees are professional, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral;

statistically the data shows Std. Deviation 0.5460 (see annex I). This indicated that employee’s professionalism has significant effects on customer satisfaction.



**Figure 4.17 Employees are professional**

Sources: Survey Result, 2021

- **The company’s insurance law clear and understandable**

As indicated in table 4.18 below, the respondents asked whether the company’s insurance law is clear or not. Based on this premise the majority respondents stated that (n=114, 78.6% agree, n=17, 11.7% strongly agree) the company’s insurance law is clear, while the rest few 4.8% of the respondents was disagree, 4.8% of the respondents was neutral; statistically the data shows Std. Deviation 0.6002, variance 0.360 (see annex I). This signified that clearness of the company’s insurance law has significant effects on customer satisfaction.

From similar table 4.18 below, the respondents asked about the mechanisms used in courts to resolve outstanding issues with insurance company. Based on this premise the majority respondents stated that (n=120, 82.8% agree, n=14, 9.7% strongly agree) the mechanisms used in the courts to resolve outstanding issues with insurance company, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral; statistically the data shows Std. Deviation 0.5460, variance 0.298 (see annex I).

This indicated that mechanism of the company to solve outstanding issue has significantly affect customer satisfaction.

**Table 4.19: Company’s insurance policy**

The company’s insurance law/policy clear and understandable					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	7	4.8	4.8	4.8
	Neutral	7	4.8	4.8	9.7
	Agree	114	78.6	78.6	88.3
	strongly agree	17	11.7	11.7	100.0
	Total	145	100.0	100.0	
	statistics	N		Std. Deviation	Variance
		145		.600	.360
Mechanisms used in the courts to resolve outstanding issues with insurance company					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	4.1	4.1	4.1
	neutral	5	3.4	3.4	7.6
	agree	120	82.8	82.8	90.3
	strongly agree	14	9.7	9.7	100.0
	Total	145	100.0	100.0	
	statistics	N		Std. Deviation	Variance
		145		.546	.298

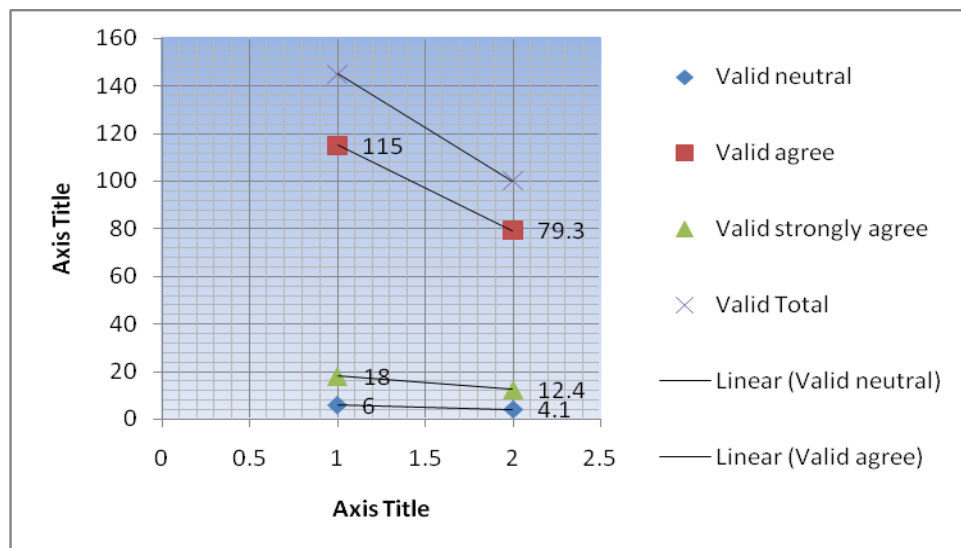
Sources: Survey Result, 2021

## 4.6 REGARDING EMPATHY

Empathy is the provision of caring, individualized attention to customers (Buttle, 1995); thus the study has assessed the company's employees deal with their customers in cooperative manner, understanding and solve their problems/complains. The analysis of reliability variables shows that group means 3.9810, Standard Deviation 0.3487, Variance 0.1216 and correlation 0.5450, which indicate that the variable has moderate positive effects on customer satisfaction. In the following section, the study presented assessed variables in detail (see annexed II).

- **Employees are cooperative to customers**

As indicated in figure 4.19 below, the respondents asked whether the company's employees are distinguished to be good to deal with customers in cooperative way or not. Based on this premise the majority respondents approved that (79.3 agree, 9.7% strongly agree) the company's employees are distinguished to be good to deal with customers in cooperative way, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral; statistically the data shows Std. Deviation 0.5773 (see annex I). This implied that dealing in cooperative manner has significant effects on customer satisfaction.



**Figure 4.18 Employees are cooperativeness**

(Sources: Survey Result, 2021)

- **Employees cooperativeness to customers**

In the following table 4.20 below, the respondents asked extent of cooperation extended by the company's employees to give advice and support to the customers. Based on this premise the majority respondents stated that (n=120, 82.8 % agree, n=14, 9.7% strongly agree) the company's employees are cooperate to extended advice and support to the customers, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral; statistically the data shows Std. Deviation 0.5460, variance 0.298 (see annex I). This signified that extended advice and support to the customers has significant effects on customer satisfaction.

From similar table 4.20 below, the respondents asked about responding of customers' suggestions in respect of the services rendered. Based on this premise the majority respondents stated that (n=114, 78.6% agree, n=17, 11.7% strongly agree) responding of customers' suggestions in respect of the services rendered, while the rest few 5.5% of the respondents was disagree, 4.1% of the respondents was neutral; statistically the data shows Std. Deviation 0.6170, variance 0.381 (see annex I). This signified that responding of customers' suggestions in respect of the services rendered has significant effects on customer satisfaction.

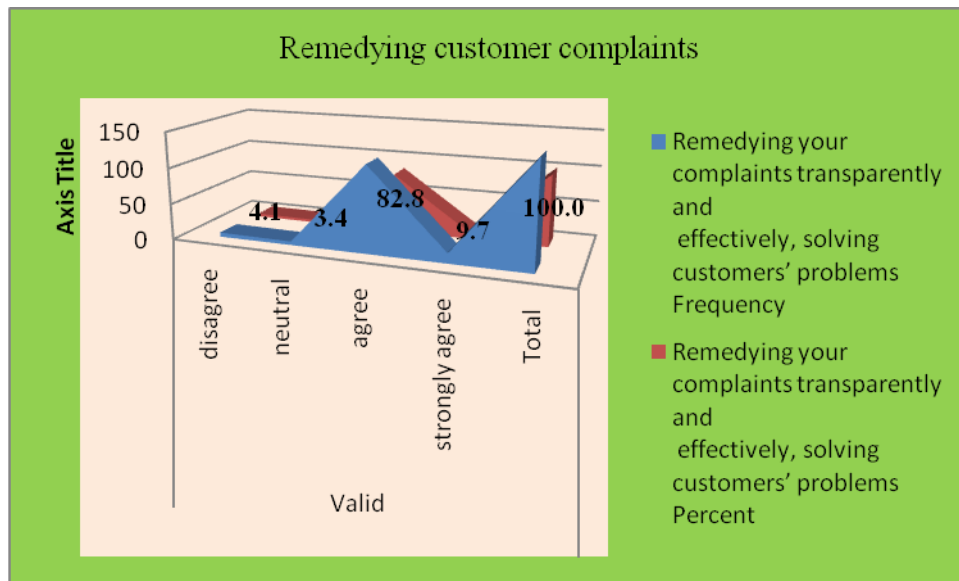
**Table 4.20: Extent of cooperation extended by our employees**

Extent of cooperation extended by the company's employees to give advice and support to the customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	4.1	4.1	4.1
	Neutral	5	3.4	3.4	7.6
	Agree	120	82.8	82.8	90.3
	strongly agree	14	9.7	9.7	100.0
	Total	145	100.0	100.0	
	Statistics	N		Std. Deviation	Variance
		145		.546	.298
Responding to customers' suggestions in respect of the services rendered					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	5.5	5.5	5.5
	Neutral	6	4.1	4.1	9.7
	Agree	114	78.6	78.6	88.3
	strongly agree	17	11.7	11.7	100.0
	Total	145	100.0	100.0	
	Statistics	N		Std. Deviation	Variance
		145		.617	.381

Sources: Survey Result, 2021

- **Remedying your complaints transparently and effectively, solving customers' problems**

As shown in figure 4.20 below, the respondents asked whether the company's employees are remedying customers' complaints and effectively solving their problems or not. Based on this premise the majority respondents approved that (82.8 agree, 9.7% strongly agree) the company's employees are remedying customers complaints and effectively solving their problems, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral; statistically the data shows Std. Deviation 0.5460 (see annex D). This indicated that remedying customers' complaints has significant effect on customer satisfaction.



**Figure 4.19 The Company employees solve customers' problems/complaints**

Sources: Survey Result, 2021

## CHAPTER FIVE

### 5. SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

In the following section, data that were analyzed and interpreted are summarized, concluded and then finally based on the result recommendation presented.

#### 5.1 Summary of major findings

- ✓ From the data it has been identified that the majority of the respondents (92.4%) purchase/initiated their insurance policy at Addis Ababa whereas 7.6% of the respondents outside Addis Ababa and also the majority of the respondents (40%) identified as individual (customers), 23.4% as agents, 16.6% as NGOs, 12.4% as consultants firms, and 7.6% as governmental organization. From this it could be stated that the respondents were from diversified working areas.
- ✓ From the data it has been learned that the company has created good access to customers (via reachable offices, internet access) confirmed by the majority respondents (76.6% agree, 4.1% strongly agree), while the rest 9.7% of the respondents disagree, 9.7% of the respondents neutral.
- ✓ From the data it has been learned that the company has good communication channels (reachable via phone, fax, internet access) confirmed by the majority respondents (i.e.75.9% agree, 8.3% strongly agree), while the rest 9% of the respondents was disagree, 6.9% of the respondents was neutral.
- ✓ From the data it has been learned that the company's employees has attractive appearance and standard/uniform dressing stated by the majority respondents (i.e. 65.5% agree, 29.7% strongly agree), while the rest few 3% of the respondents was disagree, 2.8% of the respondents was neutral.
- ✓ From the data it has been recognized that, the company has conducted customer need assessment in a given year confirmed by the majority respondents stated that (79.3% agree, n=10, 6.9% strongly agree) while the rest few 9.7% of the respondents was disagree, 4.1% of the respondents was neutral.



- ✓ From the data it has been recognized that Buna Insurance S.C, as a business firm, serve its customers with fairness and equity which stated by the majority respondents (52% agree, 34.5% strongly agree), while the rest few 6% of the respondents was disagree, 8.5% of the respondents was neutral.
- ✓ From the data it has been learned that the majority respondents (i.e. 78.6% agree, 11.7% strongly agree) stated that Buna Insurance S.C has fulfilled basic office utilities (like waiting place, car parking, rest room...), while the rest few 4.1% of the respondents was disagree, 5.5% of the respondents was neutral.
- ✓ From the data it has been acknowledged that, the majority respondents stated that (i.e. 82.1% agree, 13.8% strongly agree) the company has made its services branded for quality, while the rest few 2.1% of the respondents were disagreed, 2.1% of the respondents was neutral.
- ✓ From the data it has been recognized that, the majority respondents stated that (i.e. 82.8% agree, 9.7% strongly agree) the company has made its services payment compatible with the service delivered, while the rest few 2.1% of the respondents was disagree, 2.8% of the respondents was neutral.
- ✓ From the data it has been learned that, the majority respondents stated that (i.e. 82.8% agree, 9.7% strongly agree) the company has made its make its charges for insurance premium comparable to service delivered (i.e. has economic advantage to customers), while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ From the data it has been learned that, the majority respondents stated that (i.e. 80% agree, 14.5% strongly agree) the company has made its forms (specimen) clear and accurate for customers), while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral.
- ✓ From the data it has been stated that, majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) the company has made effective utilization of information technology (ICT) in service delivery, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral; statistically the data shows Std. Deviation 0.576 (see annex I).

- ✓ From the data it has been stated that, the majority respondents stated that (i.e. 79.3% agree, 14.5% strongly agree) the company has made its service procedures clear and accurate, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral.
- ✓ From the data it has been learned that, the majority respondents stated that (i.e. 82.8% agree, 12.4% strongly agree) the company has made suitability/convenience of services as to procedures, duration, and meeting customers' needs, while the rest few 2.1% of the respondents was disagree, 2.8% of the respondents was neutral.
- ✓ From the data it has been stated that, the majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) the company, as a business firm, has given prompt service to its customers, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral.
- ✓ From the data it has been confirmed that, the majority respondents stated that (79.3% agree, 14.5% strongly agree) the company's employees are willing to help their customers, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 82.8% agree, 12.4% strongly agree) as a customer they get the right information at the right time during insurance process, while the rest few 2.1% of the respondents was disagree, 2.8% of the respondents was neutral.
- ✓ Based on the data the majority respondents stated that (i.e. 82.8% agree, 12.4% strongly agree) as a customer they get the right information at the right time during insurance process, while the rest few 2.1% of the respondents was disagree, 2.8% of the respondents was neutral.
- ✓ Based on the data the majority respondents confirmed that (i.e. 79.3% agree, n=21, 14.5% strongly agree) the company employees' has excellent ability to communicate clearly with customers, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 82.8% agree, 9.7% strongly agree) the company has told its customers exactly what

the service/process will performed, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.

- ✓ Based on the data the majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) the company has easy accessibility to information on the services, while the rest few 4.1% of the respondents was disagree, 6.9% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 82.8% agree, 9.7% strongly agree) the company employees' are efficient and knowledgeable on their duties and tasks, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ Based on the data the majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) the company has easy accessibility to information on the services, while the rest few 4.1% of the respondents was disagree, 6.9% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents agreed (i.e. 82.8% agree, n=14, 9.7% strongly agree) on the company the company employees' are efficient and knowledgeable on their duties and tasks, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ Based on the data the company's insurance manuals, documents and information relevant to the services are available, this premise confirmed by the majority respondents (i.e., 82.8% agree, 9.7% strongly agree), while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 73.1% agree, n=23, 15.9% strongly agree) the extent of rendering swiftly, efficiently and timely services in the company is effective, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral.
- ✓ Based on the data the majority respondents stated that (i.e. 73.8% agree, 15.9% strongly agree) the company keep its promise and will do in time, while the rest few 3.4% of the respondents was disagree, 6.9% of the respondents was neutral.
- ✓ Based on the data, the majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) extent of making customers aware of the services (handing out

booklets, notices...etc.) in the company is effective, while the rest few 4.1% of the respondents was disagree, 6.9% of the respondents was neutral.

- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) the company work in flexible way toward customers' need, while the rest few 4.1% of the respondents was disagree, 6.9% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 79.3% agree, n=21, 14.5% strongly agree) the company has committed to pay the claim in the required date, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) the company has told the customer when his/her insurance policy expired, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral.
- ✓ Based on the data the majority respondents confirmed that (82% agree, 10% strongly agree) in the company the availability of necessary information on prerequisites of getting the insurance services, while the rest few 4% of the respondents was disagree, 4% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 79.3% agree, 14.5% strongly agree) the company has (i.e. agents and employees) instilled confidence in customers through proper behavior, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) the company has good transparency in service follow up, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral.
- ✓ From the data it has been confirmed the majority respondents stated that (i.e. 82.8% agree, 9.7% strongly agree) the company has (i.e. agents and employees) provided value added services to customers, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.

- ✓ From the data it has been confirmed that the majority respondents stated that (i.e. 82.8% agree, 9.7% strongly agree) the company has (i.e. agents and employees) provided value added services to customers, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ Based on the data the majority respondents stated that (i.e. 73.1% agree, 15.9% strongly agree) company's employees are sincere and patience in resolving customers' complaints/problems, while the rest few 3.4% of the respondents was disagree, 7.6% of the respondents was neutral.
- ✓ Based on the data the majority respondents stated that (i.e. 79.3% agree, 14.5% strongly agree) the company employee's behavior to instill confidence in customers, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral.
- ✓ Based on the data the majority respondents stated that (i.e. 79.3 agree, 11.7% strongly agree) there is a clear instruction to solve conflicts which may rise with the company, while the rest few 4.8% of the respondents was disagree, 4.1% of the respondents was neutral.
- ✓ From the data it has been learned that the majority respondents (i.e. 80% agree, n=20, 13.8% strongly agree) agreed on the company employee's behavior to instill confidence in customers, while the rest few 4.1% of the respondents was disagree, 2.1% of the respondents was neutral.
- ✓ Based on the study premise the majority respondents (i.e. 79% agree, n=18, 12% strongly agree) agreed on employees use of required skills and knowledge to answer customers' questions in the company, while the rest few 4% of the respondents was disagree, 5% of the respondents was neutral.
- ✓ From the data it has been confirmed that the majority respondents (82.8 agree, 9.7% strongly agree) approved that the company's employees are professional, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ Based on the study premise the majority respondents (i.e. 78.6% agree, n=17, 11.7% strongly agree) agreed on the company's insurance law is clear, while the rest few 4.8% of the respondents was disagree, 4.8% of the respondents was neutral.

- ✓ From the data it has been confirmed that the mechanisms used in the courts to resolve outstanding issues with insurance company, confirmed by the majority respondents (i.e. 82.8% agree, 9.7% strongly agree), while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ Based on the study data the majority respondents approved that (79.3 agree, 9.7% strongly agree) the company's employees are distinguished to be good to deal with customers in cooperative way, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ From the data it has been confirmed the majority respondents stated that (i.e. 82.8 % agree, 9.7% strongly agree) the company's employees are cooperate to extended advice and support to the customers, while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.
- ✓ From the data it has been learned that, responding of customers' suggestions in respect of the services rendered claimed by the majority respondents (i.e. 78.6% agree, 11.7% strongly agree), while the rest few 5.5% of the respondents was disagree, 4.1% of the respondents was neutral.
- ✓ From the data it has been confirmed that the company's employees are remedying customers complaints and effectively solving their problems stated by the majority respondents approved that (82.8 agree, 9.7% strongly agree) while the rest few 4.1% of the respondents was disagree, 3.4% of the respondents was neutral.

Based on the above data analyzed and interpretation in chapter four of the study, the following Conclusions and recommendations are made.

## 5.2 Conclusion

Based on the finding analysis; the following results are concluded in term of five quality dimensions: tangibility, responsiveness, reliability, assurance and empathy. From tangibility dimensions of the study result it has been concluded that the company has created good access to customers (via reachable offices, internet access), has good communication channels, employees has attractive appearance, it serve its customers in fairness and equity as confirmed by the majority respondents, it has fulfilled basic office utilities (like waiting place, car parking, rest room...), it has made its services branded for quality, the company has made its services payment compatible with the service delivered confirmed by the majority, the company has made its make its charges for insurance premium comparable to service delivered confirmed by the majority respondents, the company has made effective utilization of information technology (ICT) in service delivery as it claimed by majority respondents, the company has made its service procedures clear and accurate as stated by the majority respondents, the company has made suitability/convenience of services as to procedures, duration, and meeting customers' needs as claimed by the majority respondents.

The other dimension of service quality is responsiveness from which the following conclusions are drawn: the company has given prompt service to its customers confirmed by the majority respondents, the company's employees are willing to help their customers stated by the majority respondents, customer they get the right information at the right time during insurance process which claimed by the majority respondents, the company employees' has excellent ability to communicate clearly with customers stated by the majority respondents confirmed, the company has informed its customers exactly what the service/process to be performed.

Based on this reliability dimension the following conclusions are drawn: the company has easy accessibility to information on the services, the company employees' are efficient and knowledgeable on their duties and tasks which confirmed by the majority respondents, the company has easy accessibility to information on the services, the company employees' are efficient and knowledgeable on their duties and tasks, the company's insurance manuals, documents and information relevant to the services are

available, the company keep its promise and will do in time, the company has committed to pay the claim in the required date which stated by the majority respondents, the company has told the customer when his/her insurance policy expired which claimed and the company has good transparency in service follow up.

The study has taken into account assurance dimension so the following conclusions are drawn: the company has (i.e. agents and employees) provided value added services to customers which claimed by the majority respondents, the company's employees are sincere and patience in resolving customers' complaints/problems confirmed by the majority respondents, the company employee's behavior to instill confidence in customers, it has a clear instruction to solve conflicts which may arise from its customer, which stated by the majority respondents, the company employee's behavior to instill confidence in customers, employees use of required skills and knowledge to answer customers' questions in the company, the company's employees are professional which approved by the majority respondents, the company's insurance law is clear which stated by the majority respondents and there is effective mechanisms used in the courts to resolve outstanding issues.

Based on this empathy dimension the following conclusions are drawn: the company's employees are distinguished to be good to deal with customers in cooperative way which approved by the majority respondents approved, the company's employees are cooperate to extended advice and support to the customers which confirmed by the majority respondents, responding of customers' suggestions in respect of the services rendered stated by the majority respondents and the company's employees are remedying customers complaints and effectively solving their problems. In general the research has recognized the company's efforts in delivering quality brand service and hence to increase its customers satisfaction. These determinants indicated the existence of relationships/effects to customer satisfaction and statistical result shows positive correlation (see annex II).

However, the research documented that the company showed some drawbacks in delivering quality insurance service and hence to maximize its customer satisfaction. The main limitation/problems observed are: the company has limitation to conduct



customer need assessment in a given year, to some extent there is some problems to serve customers in fairness and equity, the charges for insurance premium is somewhat incomparable to service delivered (i.e. has economic advantage to customers), in the effective utilization of information technology (ICT) in service delivery, in giving prompt service, employees ability to communicate clearly, to tell its customers exactly what the service/process will performed, easy accessibility to information on the services, extent of rendering swiftly, efficiently and timely services, in keeping its promise and will do in time, making customers aware of the services (handing out booklets, notices...etc.), working in flexible way toward customers' need i.e. to satisfy its customers, to tell the customer when his/her insurance policy expired and employees are sincere and patience in resolving customers' complaints/problems. Therefore, the research concluded that the company has some weakness in providing quality insurance service in competitive way, and learned that these affect the satisfaction of customer.

### **5.3 Recommendations**

Based on the conclusion of the research, the following recommendations are drawn.

- In the competitive market environment, the satisfaction of customers is one of determining factor for business success. Therefore, Bunna Insurance S.C should conduct a continuous customer need assessment so that every new suggestion could be considered in service delivery.
- Bunna Insurance S.C should give high emphasis to quality service to address customers' demands. Therefore, top management of the company is advised to redesign the existing business practices to customer oriented approach and revise its policy on fair premium charges and equity service practices so as to maximize customer satisfaction.
- Bunna Insurance S.C should modernized its utilization of information technology (ICT) in service delivery, and make accessible to customer which help to give prompt service, enable employees to tell its customers exactly what the service/process will performed easy accessibility to information on the services and to render swift, efficient and timely services.

- In order to increase Bunna Insurance S.C customers' satisfaction, it is important to keep customers informed about the service standards and get back suggestions from them. Therefore the company should emphasize to develop the ability of its employees' to communicate clearly with customers.
- Bunna Insurance S.C policy should be flexible one to meet customers' need and expectation i.e. to satisfy its customers, in keeping its promise and will do in time, making customers aware of the services (handing out booklets, notices...etc.), and to tell the customer when his/her insurance policy expired.
- Bunna Insurance S.C should focus to human resources development programs that upgrade its employee's capacity and behavior in handling customers' issues i.e. to make them sincere and patience in resolving customers' complaints/problems.

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## ANNEX I

### Descriptive Statistics

	N	Mean		Std. Deviation	Variance
	Statistic	Statistic	Std. Error	Statistic	Statistic
Easy of accessibility to the required services through Buna Insurance Company's web and external offices	145	3.75	.057	.682	.466
Easy of contact and communication with the Buna Insurance Company's employees (by phone and email)	145	3.83	.058	.697	.486
Appearance and uniforms of employees	145	4.23	.050	.598	.358
The company study customers' needs and develop, update the services delivery according to the feedback	145	3.83	.057	.687	.472
Fairness and equity in treatment	145	4.14	.067	.808	.652
Availability of utilities (parking, waiting places and public conveniences... etc.)	145	3.97	.051	.617	.381
Services branded for quality (legislations & laws, Registration & licensing, Inspection... etc.	145	4.08	.040	.487	.237
Compatibility of fees with the services	145	4.06	.040	.483	.233
Charges for insurance premium	145	3.98	.045	.546	.298
Clarity and accuracy of the specimen (forms) in use	145	4.04	.048	.576	.332

clarity and accuracy of service procedures	145	4.04	.048	.576	.332
Extent of using new and modern techniques i.e. ICT, e-services	145	4.01	.051	.612	.375
Suitability of services as to procedures, duration, and meeting customers' needs	145	4.06	.040	.483	.233
The company gives prompt service to its customers	145	4.01	.051	.612	.375
The employee are willing to help their customers willingly	145	4.04	.048	.576	.332
Customer get right information, at the right time about the process	145	4.06	.040	.483	.233
Employees have approachable and easy to contact	145	4.01	.051	.612	.375
Employees' has excellent ability to communicate clearly with you	145	4.04	.048	.576	.332
The company tell customers exactly when services will be performed	145	3.98	.045	.546	.298
Easy accessibility to information on the services	145	4.01	.052	.629	.396
Our employees' efficiency and knowledge of their duties and tasks	145	3.98	.045	.546	.298
Availability of manuals, documents and information relevant to the services	145	3.98	.045	.546	.298
Extent of rendering the services swiftly and efficiently, timely	145	4.01	.051	.612	.375



The company keep its promise and will do in time	145	4.02	.050	.606	.368
Extent of making customers aware of the services (handing out booklets, notices...etc.)	145	4.01	.052	.629	.396
Extent of flexibility in dealing with customer problems	145	4.01	.052	.629	.396
To what extent does the insurance company committed to pay the claim in the required date	145	4.04	.048	.576	.332
To what extent the insurance company tells the customer when his insurance policy expired	145	4.01	.051	.612	.375
Availability of the necessary information on prerequisites of getting the Insurance Authority's services	145	3.98	.045	.546	.298
Agents and employees who instill confidence in customers through proper behavior	145	4.04	.048	.576	.332
Transparency in service follow up	145	4.01	.051	.612	.375
Ability to provide variety of value added services to customers, e.g. loan facilities, etc.	145	3.98	.045	.546	.298
Sincerity and patience in resolving customers' complaints/problems	145	4.01	.051	.612	.375
The behavior of employees in instilling confidence in customers	145	4.04	.048	.576	.332

There is a clear instruction to solve conflicts which rise with insurance companies.	145	3.98	.049	.595	.354
The interest of regulators in customer's complaints on insurance companies.	145	4.03	.047	.570	.325
Employees' use of required skills and knowledge to answer customers' questions.	145	3.99	.048	.583	.340
The company employees are professional	145	3.98	.045	.546	.298
The company's insurance law clear and understandable	145	3.97	.050	.600	.360
Mechanisms used in the courts to resolve outstanding issues with insurance companies	145	3.98	.045	.546	.298
Whether our employees are distinguished to be good to deal with and cooperative	145	4.00	.048	.577	.333
Extent of cooperation extended by our employees to give advice and support to the customers	145	3.98	.045	.546	.298
Responding to customers' suggestions in respect of the services rendered,	145	3.97	.051	.617	.381
Remedying your complaints transparently and effectively, solving customers' problems	145	3.98	.045	.546	.298
Valid N (listwise)	145				

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.824	.845	51

## ANNEX II

**GROUP MEAN**

Descript ion	Tangibili ty	Responsive ness	Reliabil ity	Assura nce	Empat hy
Mean	4.002	4.024	4.011	3.993	3.981
SD	0.2125	0.3257	0.2921	0.2932	0.3487
VAR	0.0452	0.1061	0.0853	0.0859	0.1216
CORRE L	0.5474	0.9196	0.5258	0.8743	0.3014
Ttest	0.4858	0.7281	0.5930	0.7500	0.5450

**COMPARING MEAN**

Educational background of Respondents		Tangibility	Responsiveness	Reliability	Assurance	Empathy
Diploma level	Mean	3.8381	4.0439	3.9649	3.9064	3.8947
	N	19	19	19	19	19
	Std. Deviation	.25755	.34624	.34056	.32555	.39366
First Degree/ BA	Mean	3.9620	4.0281	4.0271	3.9856	3.9643
	N	77	77	77	77	77
	Std. Deviation	.21383	.41128	.35854	.34358	.40497
Second Degree/Master	Mean	4.1272	4.0102	4.0051	4.0385	4.0408
	N	49	49	49	49	49
	Std. Deviation	.09493	.07143	.08741	.16126	.19991
Total	Mean	4.0016	4.0241	4.0115	3.9931	3.9810
	N	145	145	145	145	145

**COMPARING MEAN**

Educational background of Respondents		Tangibility	Responsiveness	Reliability	Assurance	Empathy
Diploma level	Mean	3.8381	4.0439	3.9649	3.9064	3.8947
	N	19	19	19	19	19
	Std. Deviation	.25755	.34624	.34056	.32555	.39366
First Degree/ BA	Mean	3.9620	4.0281	4.0271	3.9856	3.9643
	N	77	77	77	77	77
	Std. Deviation	.21383	.41128	.35854	.34358	.40497
Second Degree/Master	Mean	4.1272	4.0102	4.0051	4.0385	4.0408
	N	49	49	49	49	49
	Std. Deviation	.09493	.07143	.08741	.16126	.19991
Total	Mean	4.0016	4.0241	4.0115	3.9931	3.9810
	N	145	145	145	145	145
	Std. Deviation	.21250	.32571	.29210	.29316	.34871

ANOVA Table

		Sum of Squares	df	Mean Square	F	Sig.
Tangibility * Educational background of Respondents	Between Groups (Combined)	1.401	2	.701	19.501	.000
	Linearity	1.388	1	1.388	38.626	.000
	Deviation from Linearity	.014	1	.014	.377	.540
	Within Groups	5.101	142	.036		
	Total	6.503	144			
Responsiveness * Educational background of Respondents	Between Groups (Combined)	.018	2	.009	.084	.919
	Linearity	.018	1	.018	.168	.682
	Deviation from Linearity	.000	1	.000	.000	.985
	Within Groups	15.258	142	.107		
	Total	15.277	144			
Reliability * Educational	Between Groups (Combined)	.062	2	.031	.359	.699



background of Respondents	Linearity		.005	1	.005	.061	.805
	Deviation from Linearity		.057	1	.057	.657	.419
	Within Groups		12.225	142	.086		
	Total		12.286	144			
Assurance * Educational background of Respondents	Between Groups (Combined)		.248	2	.124	1.454	.237
	Linearity		.243	1	.243	2.843	.094
	Deviation from Linearity		.005	1	.005	.064	.800
	Within Groups		12.128	142	.085		
	Total		12.376	144			
Emphaty * Educational background of Respondents	Between Groups (Combined)		.338	2	.169	1.398	.250
	Linearity		.338	1	.338	2.794	.097
	Deviation from Linearity		.000	1	.000	.003	.955
	Within Groups		17.172	142	.121		
	Total		17.510	144			

**Measures of Association**

	R	R Squared	Eta	Eta Squared
Tangibility * Educational background of Respondents	.462	.213	.464	.215
Responsiveness * Educational background of Respondents	-.034	.001	.034	.001
Reliability * Educational background of Respondents	.021	.000	.071	.005
Assurance * Educational background of Respondents	.140	.020	.142	.020
Empathy * Educational background of Respondents	.139	.019	.139	.019

Correlation

**Descriptive Statistics**

	Mean	Std. Deviation	N
Tangibility	4.0016	.21250	145
Responsiveness	4.0241	.32571	145
Reliability	4.0115	.29210	145
Assurance	3.9931	.29316	145
Empathy	3.9810	.34871	145

### Correlations

		Tangibilit y	Responsivene ss	Reliability	Assurance	Empathy
Tangibility	Pearson Correlation	1	.547**	.532**	.494**	.301**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	145	145	145	145	145
Responsiveness	Pearson Correlation	.547**	1	.920**	.387**	.032
	Sig. (2-tailed)	.000		.000	.000	.702
	N	145	145	145	145	145
Reliability	Pearson Correlation	.532**	.920**	1	.526**	.248**
	Sig. (2-tailed)	.000	.000		.000	.003

	N	145	145	145	145	145
Assurance	Pearson Correlation	.494**	.387**	.526**	1	.874**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	145	145	145	145	145
Empathy	Pearson Correlation	.301**	.032	.248**	.874**	1
	Sig. (2-tailed)	.000	.702	.003	.000	
	N	145	145	145	145	145

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

### **ANNEX III**

**St Mary's University**

**School of Graduate Studies**

I am a graduate student at St. Mary's University pursuing Masters in Business Administration (MBA). I have designed a questionnaire to gather information on customer satisfaction of BUNNA INSURANCE Company in delivering quality services.

Please note that any information you give will be treated confidential and will not be used for any other purpose other than for this thesis. Your timely and valuable response is highly appreciated, thank you.

Notice:-

- ❖ No need to write your name.
- ❖ Please put a “√” mark in the boxes for your answers

Thank you very much, in advance, for your sincere cooperation. If you have any comment and questions you can contact me through the following address; (+251911 604729) ([yared.legesse@gmail.com](mailto:yared.legesse@gmail.com))

## YARED LEGESSE

### KEY WORDS

- ❖ **Tangibles** = *Physical evidence of the service; physical facilities, tools and equipment; appearance of providers; appearance of other customers in the service facility are the tangibles*
- ❖ **Reliability** = *Consistency of performance and dependability; performs service right at the first time; honors its promises; keeps accurate records, corrects billing, and performs services at the designated times are the parameters of reliability.*
- ❖ **Responsiveness** = *It is the willingness of the firm's staff to help customers and to provide them with prompt service. Readiness to provide the service; timeliness and setting up appointments promptly are the symptoms of responsiveness.*
- ❖ **Assurance** = *Knowledge, competence and courtesy of employees; trust and confidence; required skills and knowledge; politeness, respectfulness, considerate, friendliness; trustworthiness, believability, honesty are signs of assurance.*
- ❖ **Empathy** = *Caring; individualized attention, approachability, easiness of contact; effort in understanding the customers' needs are signs of empathy.*

## SECTION I

### GENERAL INFORMATION

***Instruction-1- Please select your best answer from the given choice***

1. Gender a- M b- F
2. Nationality a-Ethiopian b-Non Ethiopian/ Foreigner
3. Age of the Respondents
  - a. 18 -30
  - b. 31 - 40
  - c. 41 - 50
  - d. 51 - 61
  - e. Over 61
4. Marital Status of respondents
  - a- Married b- Single c- Divorced d- Widowed e- Separated
5. Educational Background
  - a- Diploma level b- First Degree /bachelor/ c- Second Degree /Master/ d- PhD /Doctorate level/
6. Place of service requested, as a customer
  - a- Addis Ababa b- Outside Addis Ababa
7. Category of Customer
  - a. Individuals
  - b. Consultants
  - c. Agents
  - d. Gov't Enterprise
  - e. NGOs
  - f. Brokers
8. For how long have you worked in Buna Insurance Company (i.e. work relationship)?
  - a- Below 2 years b- 3 – 5years c- 6 to 8years



**SECTION II**

**RESPONDENTS' ATTITUDE TOWARD SERVICE DELIVERED AT BUNA  
INSURANCE COMPANY: LIKERT SCALE**

**Instruction-2- Please selects your level of satisfaction on Buna insurance from service  
delivery**

SN	SERVICE QUALITY DIMENTION	Extent of Your Satisfaction					Remark
		Strongly	Agree	Neutral	Disagree	Strongly	
		5	4	3	2	1	
	<b>TANGIBILITY:- General Impression</b>						
1	Easy of accessibility to the required services through Buna Insurance Company's web and external offices						
2	Easy of contact and communication with the Buna Insurance Company's employees ( by phone and email)						
3	Appearance and uniforms of employees						
4	The company study customers' needs and develop, update the services delivery according to the feedback						
5	Fairness and equity in treatment						
6	Availability of utilities (parking, waiting places and public conveniences...etc.)						
7	Services branded for quality (legislations & laws, Registration & licensing, Inspection...etc.)						

8	Compatibility of fees with the services						
9	Charges for insurance premium is comparable (has economic advantage to customers)						
10	Clarity and accuracy of the specimen (forms) in use						
11	Extent of using new and modern techniques i.e. ICT, e-services						
12	clarity and accuracy of service procedures						
13	Suitability of services as to procedures, duration, and meeting customers' needs						
SN	<b>RESPONSIVENESS</b>						
14	The company gives prompt service to its customers						
15	The employee are willing to help their customers willingly						
16	Customer get right information, at the right time about the process						
17	Employees have approachable and easy to contact						
18	Employees' has excellent ability to communicate clearly with you						
19	The company tell customers exactly when services will be performed						
SN	<b>RELIABILITY</b>						
20	Easy accessibility to information on the services						

21	Our employees' efficiency and knowledge of their duties and tasks						
22	Availability of manuals, documents and information relevant to the services						
23	Extent of rendering the services swiftly and efficiently, timely						
24	The company keep its promise and will do in time						
25	Extent of making customers aware of the services (handing out booklets, notices...etc.)						
26	Extent of flexibility in dealing with customer problems						
27	To what extent does the insurance company committed to pay the claim in the required date						
28	To what extent the insurance company tells the customer when his insurance policy expired						
29	Availability of the necessary information on prerequisites of getting the Insurance services						
30	Agents and employees who instill confidence in customers through proper behavior						
31	Transparency in service follow up						
<b>SN</b>	<b>ASSURANCE</b>						
32	Ability to provide variety of value added services to customers, e.g. loan facilities, etc.						

33	Sincerity and patience in resolving customers' complaints/problems						
34	The behavior of employees in instilling confidence in customers						
35	There is a clear instruction to solve conflicts which rise with insurance companies.						
36	The interest of regulators in customer's complaints on insurance companies.						
37	Employees' use of required skills and knowledge to answer customers' questions.						
38	The companies employees are professional						
39	The company's insurance law clear and understandable						
40	Mechanisms used in the courts to resolve outstanding issues with insurance companies						
<b>SN</b>	<b>EMPATHY</b>						
41	Whether our employees are distinguished to be good to deal with and cooperative						
42	Extent of cooperation extended by our employees to give advice and support to the customers						
43	Responding to customers' suggestions in respect of the services rendered,						
44	Remedying your complaints transparently and effectively, solving customers' problems						