



ST.MARY'S UNIVERSITY COLLEGE  
FACULTY OF BUSINESS  
DEPARTMENT OF MANAGEMENT

The Assessment of Customer Service Delivery In Insurance Industry  
The Case of Global Insurance Share Company

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In Management

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# **ST. MARY'S UNIVERSITY COLLEGE**

## **An Assessment of Customer Service Delivery in Insurance Industry: The Case of Global Insurance Share Company**

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**DEPARTMENT OF MANAGEMENT**

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# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

Today's customers are much more educated and demanding. Their quality expectations have been elevated by the practices of superior service renders. Companies wanting to win, let alone survive, need a new philosophy. Only customer-centered companies will win those that can deliver superior value to their target customers

To create customers satisfaction, companies must manage their value chain as well as the whole value delivery system in customer-focused way. The company's goal is not only to get customers but even more importantly, to retain customers.

The customer perceives the level of service quality as being a function of the magnitude and direction of the gap between expected services and perceives service. Management of a company may not even realize that delivering poor quality service due to differences in the way managers and customers view acceptable quality levels. To minimize this problem and avoid losing customers, firm must be aware of the determinants of service quality.

Service quality is a powerful competitive weapon requires continuous striving for service superiority-consistently performing above the expected service level and capitalizing on opportunities for exceeding the desired service level. Relentless efforts to continually improve service attitude towards the firm is needed. It is obvious that to be successful, a service firm must have both an effective means to measure customer satisfaction and committed staffs to provide high quality service. (James A Fitzsimmons 2000).

### 1.2. Background of the Organization

Global Insurance company (GIC) is one of insurance company operating in the county. It was established in January 1997 with a paid up capital of Birr 3,750,000 by 23 founding members under license No. 008-97 issued by the national bank of Ethiopia. It started its



operation in a small office at old air port area and one contact office in Arada sub city. Currently the company's paid up capital reaches to 18.33 million Birr and the number of share holders increased to 130. It is now operating in 11 branches of which 6 are in Addis Ababa. GIC has currently 96 permanent employees and it becomes one of the promising players in a local insurance market from the day it started its operation with the following vision and values.

The new 8 story GIC head office building at area known as Somali Tera has been completed at a cost of 30 million Birr from own fund and has started operation as of October 2008. The company has a vision to play dynamic role in the local market and mission to provide efficient and effective quality service to customers which focused on viable investment alternatives.

### **Vision**

GIC aims to play dynamic role in the local market in order to maintain and expand its local market share and then expand to the markets of neighboring countries.

### **Mission Statement**

GIC is a financial institution aiming to expand to the Ethiopian insurance market and steadily to neighboring countries through

- Developing new and improving existing products
- Entering in to profitable investment ventures;
- Attracting new and retaining existing clients
- Reducing cost of collection and decreasing receivables.

### **Values of GIC**

- Honesty
- Respect of customer
- Efficiency
- Smooth relationship

The GIC is a financial institution rendering insurance services to clients. It provides different insurance policies. Namely, Motor insurance, Marine insurance, Fire and lightning insurance, Burglary insurance, Workmen's compensation insurance, Bond,

Group personal accident, Money insurance, Fidelity insurance, Engineering insurance, Public liability insurance, Professional liability insurance, Credit insurance, Plate glass insurance, BSG insurance, and Travel and health insurance

### **1.3. Statement of the Problem**

The existence of service giving organization is totally depending on the existence of customers. Not giving better customer service has an impact on achieving the company objective. Customer service is anything the company does for the customer to enhance the customer experience. Customers have varying idea of what they expect from customer interaction. The customer service provider must get to know his or her customers and strive to provide them with excellent customer service. Contrary to this study had observed that Global Insurance Company lacks quality service to satisfy demands of customer's which has an impacts in establishing long term customer loyalty and pull back customers from choosing GIC for their insurance need.

For this and other reasons the researcher has designed this study to assess and evaluate the practice of customer's service delivery in GIC and study the Attitude of GIC towards exploring new ways of providing service and better customer service knowing that GICs customers service delivery was supplemented by skilled personals, and capable managers.

### **1.4. Research Questions**

Customer service is one of the vital factors that determine the competitiveness of the organization. Therefore, the study was designed to answer the following question.

- Does GIC evaluate the quality of service delivery in accordance with customer's perception?
- How well the organization values employees working environment from employees Job satisfaction in order to give quality service?
- Is there skill based training designed to improve service quality?
- How is customer complaints are received and addressed with a view to retain existing customers?
- What is the attitude of GIC to explore new ways of providing service and better customer service?

## **1.5. Objective of the Study**

### **General Objective**

The general objective of this study was to investigate factors that affect customer's service delivery and evaluate service quality in order to find out possible solution to the problems of Global Insurance Company.

### **Specific Objectives**

The following specific objectives were drawn from the above general objective.

- Discuss how the quality of service delivery in accordance with customer's Perception.
- Evaluate the overall working environment from employee's job satisfaction and impact that has on quality of service to be rendered.
- Skill based training design to improve service quality.
- Looking in to the way and means of handling new customers and retaining the existing one.

## **1.6. Significance of the Study**

By and large the significance of the study was reviewed as it is shown below:

- The study might help the company (GIC) to recognize its weakness, of customer service, and take corrective measures to strengthen a market.
- It is hoped that the findings and recommendations to be suggested in this study will be helpful for GIC to identify problem areas and to set improvement goals.
- It is expected that data gathering from representative samples will help managers to have a clue on how well are the customer's needs and wants satisfied in respect of quality parameter.
- It might help the company to narrow the gap between the service delivery and customer's expectation of quality.
- It will help the student researcher to have experience in conducting research.

## **1.7. Scope of the Study**

For the reason that research on large population needs much time, fund and manpower, this survey excluded all regional branches and some branches in Addis Ababa and resided only on the three branch of the company, namely the Main branch, the T/Haimanot Branch and the Arada Branch.

## **1.8. Research Design and Methodology**

### **1.8.1. Research Design**

This research used descriptive design method and it was meant to assess customer service delivery practices of the Global Insurance Company.

### **1.8.2. Population and Sampling Technique**

The target population for the research was all customers and employees of Global insurance company in Addis Ababa it doesn't include regional Branch. An Attempt was made to collect reliable information by encompassing most representative sample elements of the entire population. In view of these, three of the highest grade branches, Main branch, Tekle Haimanot branch and Arada branch, were selected. This has been done for the reason that the aforementioned braches comprise the largest number of potential customers and stuff members.

There were 365 customers and 32 employees. The study has implemented non probability technique, called judgmental sampling method, to formulate a sample of size 40 of customers who had claim record in the past two years and 20 selected employees to represent the total population.

### **1.8.3. Types of Data Collected**

The types of data that was gathered in the survey were two in type, namely primary and secondary. Hence, the information obtained from different respondents [primary data] and documents [secondary data] was assumed to bestow the researcher a clear picture of the problems areas in which the survey has focused.

### **1.8.4. Methods of Data Collection**

The methods employed to collect the primary data was unstructured personal interview and questionnaire which include open and close ended question for customers and the organization officials. Moreover, secondary data was collected from relevant books, journals and other documents of the company have been used to enrich the paper with facts.

### **1.8.5. Methods of Data Analysis**

After the data collection completed the data was edited, summarized and rearranged based on their common characteristics and the necessary data analyzed by descriptive analysis method with the support tables and percentages, which were second-handed for data interpretation and description.

### **1.10. Limitation of the Study**

Disinclination to show some secondary data by some workers were one among the major problems faced by the student researcher. Moreover, some respondents were suspicious to tell the truth for artificial reasons. These constraints restricted the thorough investigation that the researcher has intended to achieve at the end of the survey.

### **1.9. Organization of the Study**

The entire study has four chapters. The first chapter deals with the introduction in which, background of the study, statement of the problem, research questions, objective, significant, scope and research design and methodology of the study. In the second chapter review of the related literature was presented in order to get information about the subject under study and draw experiences from others. In the third chapter analysis of the collected data and interpretations of the findings has been considered. The fourth chapter considers and attempts to give summary, conclusions, and recommendations for problems encountered by GIC.

# CHAPTER TWO

## REVIEW OF RELATED LITERATURE

### 2.1. Overview of Customers Service

Customer Service is a task, other than common operations, that involves interactions with customers in person, or by telecommunication, mail or automated process.

'Customer service is anything we do for the customer that enhances the customer experience. Customers have varying idea of what they expect from customer interaction. The customer service provider must get to know his or her customers and strive to provide them with excellent customer service. No matter how accurately we see our definition of customer service, we still have to live up to what our customer thinks that customer service is. The customer's satisfaction is the goal to attain' (Elaine K. Harris, 2004)

A certain company may sell best products and services in the market place, but it is how customers feel about the products and service that ultimately determine how successful the business will be. If customers feel good, they will buy and come back. If they don't they won't.

#### 2.1.1. Nature and Characteristics of a Service

A company must consider four special service characteristics when designing marketing programs Intangibility, Inseparability, and Variability and Perishability.

##### **Service Intangibility**

It means that services cannot be seen, tasted, felt, heard, or smelled before they are bought for example, people buying insurance policy cannot see the result before the purchase. Airline passengers have nothing but a ticket and the promise and the end that their luggage will arrive safely at the intended destination, hopefully at the same time.

To reduce uncertainty, buyers look for 'signals' of service quality, they draw conclusions about quality from the place, people, price, equipment and communications that they can see. Therefore the service provider's task is to make the service tangible in one or more ways. Whereas product marketers try to add intangibles to their tangible offers, service marketers try to add tangibles to their intangible offers, physical goods are produced then

stored, latter sold, and still later consumed. In contrast, services are first sold, then produced and consumed at the same time.

### **Service Inseparability**

It means that services cannot be separated from their providers, whereas providers are people or machines. If a service employee provides the service, the employee is a part of the service. Because customer is also present as the service is produced provider customer interaction is a special feature of services marketing. Both the provider and the customer affect the service outcome.

### **Service Variability**

It means that the quality of services depends on who provides them as well as when, where, and how they are provided.

### **Service Perish ability**

It means that service cannot be stored for later sale or use.

## **2.1.2. Marketing Strategies for Service Firms**

Just like manufacturing businesses, good service firms use marketing to position themselves strongly in chose target marketing to position themselves strongly in chosen target markets. However, because services differ from tangible products, they often require additional marketing approaches. In services employees interact to create the services. Thus services providers must interact effectively with customers to create superior value during service encounters. Effective interaction, in turn depends on the skills of front line service employees and on the services production and support processes backing these employees.

### **The Services-Profit Chain**

According to Palmer and Cole (1995), successful Service companies focus their attention on both their customers and their employees. They understand the service profit chain which links service from profits with employee customer satisfaction. This chain consists of five links.

*Internal service quality:*

Superior employee selection and training, a quality work environment, and strong support for those dealing with customers,

*Satisfied and productive service employees:*

More satisfied, loyal, and hard working employees, which result in high profit,

*Greater service value:*

More effective and efficient customer value creation and service delivery,

*Healthy service profit and growth:*

Superior service firm performance therefore reaching service profit and growth goals begins with taking care of those who take care of customers, satisfied employees deliver high service value, which then creates satisfied customers. Satisfied customers in turn, creates sales and profits for a company.

All these suggest that service marketing requires more than just traditional external marketing using the four P's.

Service marketing also requires internal marketing and interactive marketing.

### **Internal Marketing**

It means that the service firm must effectively train and motivate its customers-contact employees and all the supporting service people work as a team to provide customer satisfaction.

### **Interactive Marketing**

It means that service quality depends on the quality of the buyer-seller interaction during the service encounter.

### **2.1.3. Evaluating Service Quality**

Quality is a measure of how closely a product confirms to customers needs, wants and expectations. It is the degree to which a product conforms to customer expectations and specifications.

Palmer and Cole (1995) express their definition of service quality and its contributions to customer satisfaction: "Quality has been defined as "conforming to requirements." This implies that organizations that establish requirements and specifications. Once these specifications are established, the quality goal of various functions of an organization is to



comply strictly with them. Quality can be defined only by customers and occurs when organizations supply goods or services to a specification that satisfies customers need.”

Service quality as perceived by the customer may differ from quality of the service actually delivered. This is because of the distinction between technical quality, or what is perceived by customer, and functional quality or how a service is provided.

The later (Functional) is the most critical aspect and is concerned with the psychological interaction taken place during exchange transaction. It is based on the customers’ perception and is therefore extremely subjective.

Measuring service quality cannot end with measuring customer satisfaction. Technical quality; which is based on the ability of people and the service system to deliver good (professional) quality, must also be monitored.

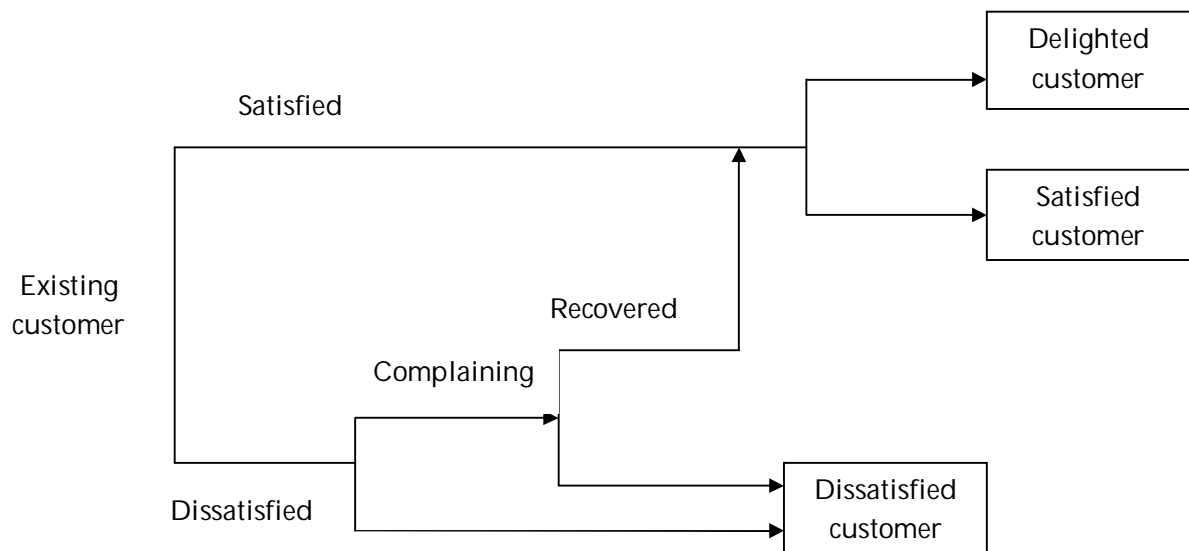
In trying to explain the gap between expected service quality and perceived service quality, Parasuraman et al. (1996) came up with a gap model consisting of four causes leading to this gap:

- The gap between the management perception of consumer expectations and expected service by the customer
- The gap between management perception of consumer expectations and the translation of those perceptions in to service quality specifications.
- The gap between service quality specifications and the actual service deliver. Lack of resource can make it impossible for employees to meet the quality specifications.
- The gap between the actual service delivery and the way the organization communicates about it.

The conclusion is that customer is a subjective concept, not only because of the perception filter but also because expectations will vary from customer to customer. Any organization trying to assess how well it is performing should distinguish between measuring customer satisfaction, customer perceived service quality and technical quality. This distinction is particularly important in services, given their inherent simultaneity and intangibility.

## Service Satisfaction Frame Work

Satisfaction and dissatisfaction are seen as two ends of a continuum where the location is defined by a comparison between expectations and outcomes. A customer will be satisfied if the outcome of the service meets his or her expectations; the service provider is in the happy position of having a delighted customer. A customer will be dissatisfied when the perceived overall service quality is below his or her expectations.



**Figure 1.1:** Service Framework

A service satisfaction framework shows that only a certain percentage of customers who are dissatisfied voice their complaints, while others do not. Complaints should be considered germs for the company, as they provide information helpful for continuous improvement as well as an opportunity to recover customers. Service recovery in itself is a big opportunity to make customers even more loyal than those consistently satisfied with the firm's service. Customer retention through effective complaint management creates more value than attracting new customers.

Customers who do not complain cannot be recovered. These customers tell everyone how bad the service is, and it is these customers who can deeply damage the business. "In evaluating service quality, an assessment of an organization is not enough. This provides little or no insight into the shortcomings and excellent parts of the service delivery. Managers cannot take any decision based on such and overall judgment. It is not specific enough for managerial purpose. It is, therefore, necessary to describe service by a number

of characteristics, which can be applied deliberately to measure service quality.” (Kasper, Helsdingen and Vires Jr., 1999: 99)

#### **2.1.4. Measuring Service Quality**

The overall satisfaction, loyalty and referral measures are complemented by measures relating to specific aspects of the service. When considering the more specific aspects of the service, the whole service can be broken down according to two types of frameworks: the moments of truth and then quality of dimensions of the service.

##### **Moments of Truth**

In deciding on what aspects of service to measure, the most common approach is to follow the customer through the service process. Listing the moments of truth in customer experiences will result in a comprehensive inventory of the service attributes. However, one of the major pitfalls of this so-called attributes-based method of measuring customer satisfaction is the inclusion of too many service aspects and consequently too many questions, in a trustless attempt to be exhaustive. The true challenge is to reduce this comprehensive list down to a more concise and workable one.

##### **SERVQUAL Model**

The SERVQUAL model was developed by Parasuraman, Zeithaml and Berry (-2000), and has been presented as a service quality measurement instrument. These researchers listed ten determinants of dimension of service quality: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customers and tangibles.

##### **Reliability:**

It involves consistency of performance and dependability. It means that the firm honors its promises. Specifically, it involves: accuracy in billing, keeping records correctly and performing the service at the designated time.

##### **Responsiveness**

It concerns the willingness or readiness of employees to provide service. It involves timeliness of service: mailing a transaction slip immediately, calling the customer back quickly and giving prompt service (e.g., setting up appointment quickly).

##### **Competence**

It means possessions of the required skills and knowledge to perform the service. It involves: Knowledge and skill of the contact personnel, Knowledge and skill of operational support personnel and research capability of the organization.

### **Access**

It involves approachability and ease of means: the service is easily accessible by telephone (lines are not busy and they don't put you on hold), waiting time to receive service is not extensive, convenient hour's operation, and convenient location of service facility.

### **Courtesy**

It involves politeness, respect, consideration, and friendliness of contact personnel (including receptionists, telephone operations, etc.) It includes: consideration of the customers properly, clean and neat appearance of public contract personnel.

### **Communication**

It means keeping customers informed in language they can understand and listening to them. It may mean that the company has to adjust its language for different customer. Increasing the level of sophistication with a well-educated customer and speaking simply and plainly with a novice involves explaining the service itself, explaining how much the service will cost and assuring the customer that a problem will be handled.

### **Credibility**

It involves trustworthiness, and honesty. It involves having the customer's best interest at heart. Contribution to credibility are:- company name, company reputation, personal characteristics of contact personnel and the degree of good will involved in interaction with the customer.

### **Security**

It is freedom from danger, risk or doubt. It involves: physical safety, financial security and confidentiality.

### **Understanding/Knowing the customer**

It involves making the effort to understand the customer's needs. It involves: learning the customer's specific requirements, providing individualized attention and recognizing the regular customer.

### **Tangibles**

It includes the physical evidence of the service: physical facilities, appearance of personnel, tools or equipment used to provide the service and physical representation of the service, such as statement.

John E. G. (1995), also points out the most recent work of Christian Gronross service quality dimensions. It concerns about the technical (what), functional (How), and corporate image (whom) of quality measurement.

#### **The technical quality**

It concerns the outcome of the service (what is offered and received?)

#### **The functional quality**

It concerns the way in which the service is delivered (How it is offered and received?)

These two dimensions together determine the image of the service provider. The service organizations image determines service quality, in turn, and thus whether a customer continues the relationship with the service provider or not. If the image is negative, there is little chance that new customers will actually be attracted.

#### **Rational quality**

It reefers the corporate image that concerns about by whom is the service delivered?

### **2.1.5. Quality and profitability**

One means of improving profitability is neglected in many organizations is to improve quality. By dealing with service quality more competently and more whole-heartedly revenue and cost will be influenced in a way that will greatly improve the turn. Now a day, more and more organization is becoming aware of the clear connection it has between quality and profitability.

Studies have shown that the cost of poor quality (often called poor quality costs) usually represents around 20-40 percent of total costs. It is important that everyone is aware of how high poor quality costs are to the company, and to their own department, and that they then take systematic measure to lower these costs. Services of high and uniform quality lead to more satisfied customers and, thus, to improved competitive strength and ultimately, to higher income. (Hans Kasper and wouter de virses, 1999)

### **2.1.6. Customer Value, Satisfaction and Loyalty**

Customer Value is the difference between the values the customer gains from owning and using a product and the costs of obtaining the product.

Customer satisfaction depends on a product perceived performance in delivering value relative to a buyer. Dissatisfied if performance matches expectation, the buyer is satisfied. If performance exceeds expectation, the buyer is delighted. Outstanding marketing companies go out of their way to keep their customer satisfied.

Customers make repeat purchases, and they tell others about their good experience with the product. The key is to match customer expectations with company performance. Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promise.

A customer's satisfaction is closely linked to quality. In recent years, many companies have adopted total quality management (TQM) programs, designed to constantly improve the quality of their products, services, and marketing process. Quality has a direct impact on product performance and hence on customer satisfaction.

Customer satisfaction is generally defined as the customer's feeling regarding the gap between his or her expectations towards a company, product or service and the perceived performance of the company, product or service.

If the perceived performance matches or even 'exceeds' customers' expectations they are satisfied. If it does not, they are dissatisfied. This is why organizations need to manage the expectation of their customers well, so that there is no room for misunderstanding regarding what the organization intends to provide. (John E. G., 1995: - -)

Customer loyalty is defined as customer behavior characterized by a positive buying pattern during an extended period (measured by means of repeat purchases, frequency of purchase, or other indicators) and driven by a positive attitude towards the company and its products or service.

Since customer attitude is difficult to measure, for financial and practical purposes, customer retention is most widely used as an indicator of customer loyalty.

- Truly loyal - customers are willing to seek out a particular service, location or brand.

- Spuriously loyal-customers tend to be more motivated by impulse, convenience and habit-that is, if the conditions are right.
- Latent loyalty – applies to customers who are loyal simply because they have no other choice.
- No loyalty – obviously there will always be some consumers who display no loyalty to a particular company or brand.

The different loyalty types can be matched with different forms of relationships, interaction frequency (long-term relationships). While interaction frequency solely focuses upon the buying pattern of customer, interaction profundity is strongly related to the attitudinal component of customer loyalty. The more profound the relationship between a service provider and its customers, the more positive the customers' attitude are likely to be.

### **2.1.7. Relationship between Customer Satisfaction and Customer Loyalty**

Customer satisfaction studies should form an integral part of the management of the service delivery process. The common belief that customer satisfaction automatically translates into customer loyalty, there is often only a weak correlation between satisfaction scores and loyalty many satisfaction surveys reveal that 90 percent of customer questioned are 'satisfied' to very satisfied while only 30 to 40 percent of these customers repurchase the product or service . there are several reasons for this weak correlation.

1. Positive and negative feelings can coexist. A customer may feel good about a company, but may dislike on aspect of its service.
2. Factors not directly related to company service can play an important role.
3. Satisfaction scores are self-reported by customers, and thus are to a great extent influenced by the unstable and temporary conditions the respondent is in.

A Close relationship does exist between customer loyalty and high level of customer satisfaction (customer delight). This customers\ expectations, but should try to 'excite' other customers in one-way or another. Very loyal customers can be found in the affection zone, which also consist of very satisfied customers. Terrorists are extremely dangerous for the company' they grab every opportunity to complain about their bad experiences with the company. The attribute zone contains customers who show low levels of

satisfaction and as a result are also less loyal. Customers in the indifference zone show no true loyalty. Their satisfaction level is only moderate

### **2.1.8. Measuring Customer Satisfaction**

Measuring is an important part of management. One of the reasons for this is that what gets measured gets done. However, Measurement is just a start, in order for a measure to have any impact, a reference point is required-standard according to which an employee or company can judge performance, where it is good or bad, better or worse. In other words benchmark is what is needed.

In customer satisfaction measurement, the most common benchmarks are:

- Development over time
- The different organizational units (for instance branches, subsidiaries or business units)
- Competition

Evolution over time is the best indicator of whether an organization's customer focus efforts are paying off. Therefore, most customer satisfaction measurements assess the rate of improvement since comparisons are only possible if the measurement system is standardized over times, conceiving customer satisfaction measurement system should be carried out with the at most care. Indeed, adjusting the system regularly will sender comparisons this does not mean that temporary performance measures linked to improvement projects and/or, individual or team performance can not be used at certain points in time.

Quit used at a service organization separates multi-site facilities with different branches to service units at different places. This often makes it possible to carry out enter-organization benchmarking special techniques such as data development analysis have been developed to carry out such benchmarking measuring customer satisfaction across different service units is necessary to create peer pressure and internal competition, in order to create willingness in all units to improve customer satisfaction.

In competitive environment, outperforming competitors may yield more than simply achieving the highest performance. Therefore, it is common to benchmark customer



satisfaction scores against those of the competition, both in terms of the actual performance and in terms of the rate of improvement. As customer satisfaction affects the customer loyalty and as the loyalty may eventually result in referrals, a measurement instrument will typically cover these aspects: overall satisfaction, customer loyalty and referrals.

### **Overall satisfaction**

Customer should be asked explicitly about their overall satisfaction with the organization performance. A distinction should be made in measuring satisfaction between what some people call relationship satisfaction and transaction satisfaction measurement. Transaction satisfaction refers to a more general feeling of satisfaction with the organization as whole.

### **Customer loyalty**

Establishing a customer loyalty measure allows us to assess the relationship between satisfaction and loyalty in the organization ideally it will eventually be possible to assess the impact of individual improvement project on customer loyalty and ultimately on the bottom line. This assessment will help to justify investment in customer satisfaction. However, measuring customer loyalty is not easy in multiple-supplier situations it is even difficult to define customer loyalty.

If customers buy the same service from different suppliers, loyalty can be defined either according to the customer's intent or behavior.

- Intent- customers are loyal to a supplier if they consider this supplier to be their preferred supplier.
- Behavior-obviously a more powerful concept of loyalty is based on the customer's buying behavior.

### **2.1.9. Relationship Marketing**

Beyond creating short-term transactions, marketers need to build long – term relationships with valued customers distributors, dealers, and suppliers. They want to build strong economic and social connections by promising and consistently delivering high-quality products or good services and fair prices. Increasingly, marketing is shifting from trying to maximize the profit on each individual transaction to building mutually beneficial relationships with customers and other parties. In fact, ultimately, a company wants to

build a unique company asset called a marketing network. A marketing network consists of the company and all its supporting stakeholder customer employees, suppliers, distributors, retailers and others with whom it has built mutually profitable business relationships. Increasingly, competition is not between companies but rather between whole networks, with the prize going to the company that has built the better network. The operating principle is simple build a good network of relationships with key stakeholders and profit will follow. (Kotler and Armstrong, 1998: 97)

## **2.2. Customer Handing**

Market oriented service providers are not focusing on single transaction with customers. Their main objective is starting, developing, and maintaining relationships with customers. In some situations, it may also mean that relationships are ended, e.g. when the service provider cannot meet customer's specific demands any longer.

"Relationship marketing concerns attracting, developing and retaining customer relationship. Its central tenet is the creation of true customers-customers who are glad they selected firm, whom perceive they are receiving valued, who are likely to buy additional services from the firm and who are unlikely to defect to a competitor. True customers are the most profitable of all customers. They spend more money with the firm on a per year basis and they stay with the firm for more years. They spread favorable word of mouth information about the firm, and they may even be willing to pay a premium price for the benefits the service offers" (Kasper, Helsdingen and Vries Jr., 1999: 103)

Companies with such customers will have lower marketing costs. Relationship marketing is favored by customers in the service business. Customers often want to have a partner whom they can trust and who cares about them. This allows for closer and more personalized contacts.

### **2.2.1. Ten Ways to give 'wow' Service**

Today, Competition is too tough to simply satisfy customers companies need to 'wow' them. There are ten ways to 'wow' people so that they become loyal lifetime customers.

1. Listen;
2. Solve problems before you are asked to;

3. Follow up- if a customer has a bad experience with your organization, fix it as soon as you can. Then make sure he/she is happy with the solution you have devised. Don't assume customers are satisfied with an apology;
4. Solicit feedback- People like to be asked for their opinions. Ask customers what they of your business and how they would make it better. Encourage them to use a suggestion form they would make it better, reward customer suggestion form, even better, reward customer suggestions that you use;
5. Contact them- Once someone buys from your business you should contact that person repeatedly over time;
6. Own the experience- after detecting failures form suggestions taking responsibility and alleviating the problem is mandatory;
7. Protect customers;
8. Add Value- when customer who buys the product has a confused look on his face, further explanations and treatments will add value to the basic service;
9. Anticipate unmet needs- this is where you empathize with the customer. Put yourself in her shoes and ask the question: "what would make this customer's experience perfect"; and
10. Reward customer loyalty- Customers who come back or refer others to you should be rewarded, for most business this means discounted merchandize. Instead, many businesses, focus on luring new customers and forget about these who are already on board assuming those are loyal for life (Karl Walin, 2003: 102)

### **2.2.2. Handling Dissatisfied Customers**

Dealing with angry, upset customer's taker a lot of self Control as a service giver, dealing with your customers, whatever the situation may be, you must be the controller and learn to take on the responsibility of the problem.

Some of the steps for handling dissatisfied customers are:

- Listen with understanding- it diffuses anger and demonstrates your concern. Show a sincere interest and willingness to help. No matter responsibility for fixing the problem and do whatever you can to solve it as rapidly as possible.
- Paraphrase and record what the customer tells you.
- Find out what the customer wants.

- Propose a solution and get his support-state you r solution in a positive manner. Act quickly.
- If the customer does not like your solution, ask him what he would consider a fair settlement.
- Make a follow-up call to insure satisfaction.

### **2.2.3. Discontent Analysis**

According to Palmer and Coles (1995), when customers are dissatisfied, they can undertake different kinds of action as well. It May Sound strange, but the first caution is, in fact, to do nothing at all. One can Express Dissatisfaction in many ways, for example, by complain to the service provider or to a customer union. Another action could be to never visit the service provider again.

“Research has shown that only 1 out of 25 dissatisfied customers complain to the fire. The remaining 24 show their displeasure by engaging in what is known as fire-switching behavior of negative word of mouth communication. In other words, for every customer that does complain, there are approximately 24 customers who were dissatisfied but do not complain but rather buy elsewhere in the future.” (Kurtz and Clow, 1998: 76).

### **2.2.4. Source of Discontent**

Because the service sector tend to be labor intensive, conflicts among people will occur more often than in the manufacturing sector. An increase in conflict results in increased employee stress. An increase in employee stress leads to an increasing in employee health problems and absenteeism. Accordingly decline in productivity and efficiency can also occur.

Kurtz and Clow (1998) have defined seven different types of conflict. Three type of conflict occur with employees, three occur with customers, and one between customers and employees.

#### **Conflict occur with Employees**

##### *Employee role conflict*

A major cause of employee role conflict is the inequality dilemma in that service employees, by the very nature of their job, are often required to assume subservient roles

respective to customers. Further, customer contract personnel are expected to build up “ego” of their customers. It is the service employee’s job to make the customer special. If customers are rude or impolite, service employees are expected to smile and take it. The old saying that the customer is always right is standard operating philosophy of many service companies. The subservient role expected of service employees does not always coincide with the employee’s self image, for some employees, it is difficult to act as a servant. When customers are rude or impolite, service employees find it difficult to follow their expected roles.

In addition to prescribing employee behavior, many firms also have policies concerning employee appearance. Dress code has been passed on by word of mouth to new employees and is expected to be followed.

#### *Employee Organization Conflict*

As a result of the boundary spanning role of customer contract personnel, they are often street in to the two boss dilemmas in which the demands of the customers clash with the policies of the employer. Both of these demands must be met in order for the employee to perform his or her job. Conflict between the employee and organization is intensified when the service employee disagrees with the firm’s policy.

#### *Employee – employee Conflict*

Most conflicts among service employees occur between customer-contact personnel and support personnel. The lack of clear communication is often the reason for this conflict.

Part of the reason for this conflict between the customer contact personnel and the support personnel is the problem of who is boss. Often customer-contact personnel will assume they are of a higher rank than support personnel because they take the order from the customer. This dilemma for who is the boss is intensified if the support personnel are paid more than the customer-contact individuals.

Conflict can occur among a firm’s customer-contact employees as well as among their support staff. Part of this conflict may be clash of personalities. It may also be caused by competition for customers if there is any type of commission or bonus paid on sales.

Conflict can occur among employees concerning workload responsibilities. Unless clear distinctions are made in job duties, employees may feel that a fellow employee is not carrying his or her share of the workload. If the supervisor does not assign specific job tasks, there may be conflicts because one employee may have slack time and refuse to help the others.

### **Conflict occur with Customers**

#### *Customer-role conflict*

Occasionally there is a conflict between the customers and their expected roles. Professional service such as accountants and attorneys will occasionally face this situation. The client is to assume a passive role, which is often that of an information provider. Occasionally, however, the client will want to take control of the situation and tell the attorney how to handle the case. The customer does not fulfill the role that is expected.

#### *Customer organization conflict*

Conflicts between the customers on the organization are common. Most of these situations occur as a result of the policies of the organization. In most cases, the individual's conflict is with the organization and not with the service personnel. For example, however may have a conflict with his insurance company over settlement for fire damage in his home. The customer may feel the settlement was insufficient while the insurance company believes it was fair. In most cases, the insurance adjuster are not blamed because he is following the claim policies developed by the insurance company.

#### *Customer – Customer conflict*

Conflicts sometimes arise between customers when they are served simultaneously or when one customer is served in the presence of other customers.

Conflicts sometimes occur among customers who have different expectations. A customer who wants quick, speed service may be annoyed at the customer in front of him who wants to talk and wants personalized service. Occasionally a customer may even interrupt the service being provided to another customer. For example, a hotel employee may be giving some tourists information about local attractions while another guest may interrupt asking for directions to the sauna.

## **Conflicts between Customers and Employee**

Conflict may occur between employees and customers when either party does not follow the expected role. A patron at a four star restaurant may expect the server to address him as 'sir' and to provide for his every need. He may also expect the service to be available whenever needed. The server, on the other hand, has several customers to service and may feel this open particular customer is too demanding.

Although the server may be working in a subservient role, he or she does not expect to be treated in a demeaning manner.

Another type of employee-customer conflict involves behavior. Both customer and service personnel are expected to behave in accordance with their role scripts. When behavior deviates from the script, a conflict will arise.

### **2.2.5. Customer Complaints**

Seeking out and identifying customer complaints is one of the most potentially profitable activities that a business can engage in. Fitzsimmons (2000), states that customer complaints offer several advantages in measuring service quality, some are:-

- Companies gain valuable information on how customers feel about their service. Service firms may believe they are supplying good service, but if customers do not feel the same and do not express their feeling, service providers cannot understand their weaknesses to take corrective action and make customers to come back.
- Complaints point out areas that need improvement. Understanding how customers feel about a service will provide firms with information that can be used to improve their efforts to better meet customer needs.
- Complaints are a wonderful opportunity to strengthen customer loyalty. Complaints give you a chance to really show your customers to do whatever is reasonable possible to see that they are satisfied.

Customer complaints have three disadvantages:

- Customer surveys do not reflect the opinion of non – customers which may be valuable information.

- Customers evaluate the service provider comparative information of competitors or the overall industry.
- Major problem of customer complaints is getting unbiased information. Responses are often biased because some customers are extremely unhappy and some are extremely pleased with the service. Both may have distorted views of the firm.

### **2.2.6. Complaint Management**

Perhaps what matters even more than a customer's Satisfaction with the service is what happens in a crisis, or when something simply goes wrong? Mistakes are an inevitable part of every service. While companies may not be able to prevent all problems, they can still listen to their customers and learn to recover from their mistakes.

Service organizations are more and more attention to complaints and have developed a system to handle and manage complaints because of the following reasons.

#### **Customer retention**

Since complaints are the expressive of dissatisfaction, the way the organization deals with complaints will determine whether it will retain or lose the complaining customer alone.

#### **Continuous improvement**

Customers will only go to the trouble of complaining if the service defect is important to them. Therefore complaints provide valuable information on what is important to customers and on the frequency with which specific service failures occur. Complaint is an opportunity for learning and continuous improvement.

#### **Building a customer**

Focused organization, the way top management treats complaints sends clear signal to all staff on how important it considers customer satisfaction and retention. The handling of complaints is more difficult to manage in service as up to 90 percent of all customers complain directly to the contact personnel serving them. Therefore, developing complaint handling skills through training cannot be limited to a central customer service department, but should be offered to all contact personnel.



## CHAPTER THREE

### DATA ANALYSIS AND INTERPRETATION

This Chapter deals with analysis and interpretation of the collected data. Based on the stated methodology Data were collected from the selected potential customers and employee of three branches of GIC in Addis, namely Tekle haimanot, Arada and main Branches. As stated in the first chapter of this senior essay, the data were collected by conducting interviews with selected staff member. Observation method was used to see the actual customer service and spontaneous reactions of clients. Some relevant documents (annual reports) have also been reviewed. The analysis is made based on the data collected through interview, questionnaires and observation.

#### **Distributed and Returned Questionnaires**

A Total of 40 questionnaires were distributed to the selected customers of GIC who frequently use those three branches of the company. Out of which 75% of them were returned. On the other hand , 20 questionnaires were distributed to staff members working at different level with a great exposure to the front line service out of these questionnaires 85% of them were returned and 15% of them unreturned summary of respondents, distributed and returned questionnaires is presented below:

**Table 1:** Number of distributed and returned questionnaires

Respondents	Distributed questionnaires	Returned questionnaires	
		N <sup>o</sup> .	%
Customers	40	30	75
Employees	20	17	85
<b>Total</b>	<b>60</b>	<b>47</b>	<b>78.3</b>

**Source:** Questionnaire, 2010

As it has been indicated in the Table 1 above 25% of the total questionnaires that have been distributed to customers were not returned for the reasons unknown.

### 3.1. Background Characteristics of Respondents

**Table 2:** Background characteristics customers of respondents

<b>Nº.</b>	<b>Items</b>	<b>Nº. of respondent</b>	<b>%</b>
1	<b>Sex</b>		
	Male	22	73
	Female	8	27
	<b>Total</b>	<b>30</b>	<b>100</b>
2	<b>Age in completed years</b>		
	Less 18	-	-
	18-25	9	30
	26-35	14	47
	Above 36	7	23
	<b>Total</b>	<b>30</b>	<b>100</b>
3	<b>Educational status</b>		
	Grade 12complete or Less	4	13
	Certificate	6	20
	Diploma	9	37
	Degree and above	11	30
	<b>Total</b>	<b>30</b>	<b>100</b>

**Source:** Questionnaire, 2010

According to item no.1 of table 1 the male respondents of customers account for 73% and 27% respectively.

Item 2 indicates the age groups of the customer respondents. Out of 30 respondents, 77% are in the age of 18-35 the rest 23 % are above the age of 36.

Item No.3 indicates the level of education of customer respondents. Of the respondents 13 % of them are below and equal to grade 12. The remaining 20%, 37%, 30% are certificate diploma and degree and above holders respectively. It is safe to say that they can give reliable information with regard to their feelings and level of satisfaction they have

**Table 3:** Background of employee respondents

<b>Nº.</b>	<b>Items</b>	<b>Nº. of respondents</b>	<b>%</b>
1	<b>Sex</b>		
	Male	10	59
	Female	7	41
	<b>Total</b>	<b>17</b>	<b>100</b>
1	<b>Age in completed years</b>		
	18-30	10	59
	30-45	6	35
	46 and above	1	6
	<b>Total</b>	<b>17</b>	<b>100</b>
2	<b>Educational status</b>		
	Certificate	2	12
	Diploma	9	53
	Degree and above	6	35
	<b>Total</b>	<b>17</b>	<b>100</b>
3	<b>Work experience in completed years</b>		
	1-5	10	59
	6-10	5	29
	11 and above	2	12
	<b>Total</b>	<b>17</b>	<b>100</b>

**Source:** Questionnaire, 2010

As shown in items1; 59% of respondents are within the age of 18-30 and remaining 35% and 6% are age groups of 30-45 and above 46 respectively. This implies the front line staffs are young and productive. In item 3 of table2, 88% of the employee respondents have got diploma and degree, and only 12% of respondent have certificate. Therefore it is safe to suggest that, they have considerable knowledge of college or university education to serve their customers properly. Item No. 3 indicates 59% of the respondents have experience of 1-5 and the rest 41% respondents are staying from 6 to eleven years. Therefore most of the employees are not stay for longer period of time in the company.

## 3.2. Analysis of the Findings of the Survey

### 3.2.1. Customer Services

#### The role of customers in service promotion

Because of the very nature of insurance, the basic requirements of all type of claimant (customers) are the same to have their valid claims met speedily in respect of loss events. Like any other services, Insurance services cannot be evaluated until delivery i.e. selling of insurance policies & prompt settlement of claims are complete, so that customers tend to rely more on personal sources of information than company produced ones. To this end, satisfied customers can help as referrals and there insurance needs.

With this regard, an attempt was made to identify which promotional activity play the best to attracting customers to the insurance company. Respondents were asked to indicate whether they were or were not aware of the available services when they came to GIC for the first time. They also were asked to state their source of information if they had been informed in advance about the company's services being offered. Almost all customers who the study is based on, said that they have some information about what GIC does, prior to service delivery by pointing out the source as can be seen on table 2 below.

**Table 4:** Information sources for services

Information sources for services	N <sup>o</sup> . of respondents	%
Employees	20	67
Customers	8	27
Advertising	1	3
Others	1	3

**Source:** Questionnaire, 2010

As can be seen from table 3, employees as a source of information take the highest share 67% in persuading customers and motivating them to act. It also be observed that 27% of the source were those delighted customers who tell their friends to use the global insurance for any insurance needs. Advertising and other sources like brochures contribute 3% each in service promotion. This implies that the company attracts means of disseminating information about its services. It is also indicated that the contribution of

customers in promoting service is promising as it better convinces large group of customers than just any advertising the company can spend its many on.

### 3.2.2. How do Customers Perceive Service Quality?

Service quality as perceived by customer may differ from quality of the service actually delivered because of the distinction between ‘what’ is perceived by customers and ‘how’ a service is provided. Collecting data to identified customers expectation regularly and comparing with actual performance would help the company to narrow the gap and keep customers for life. Under this section customer perception as to strengths and weaknesses of the company is pointed out.

#### Customers view of documents required by the insurance company

In Order to cross check the ownership title, customers are asked to present ID card. If the required service is performance bond insurance, collaterals must be presented to insurer. At times of loss events, they would also be asked to notify the insurer immediately and fill claims notification form and to complete an accident report form that may be affected by telephone in some circumstances.

Customers were asked to state consent to the requirements they have been requested to get their needs of service. See table 3 below.

**Table 5:** Customers view towards the required documents

Customers view towards the required documents	N <sup>o</sup> . of respondents	%
Highly disagree	-	-
Disagree	3	10
Agree	24	80
Very Agree	3	10
<b>Total</b>	<b>30</b>	<b>100</b>

**Source:** Questionnaire, 2010

From the above table, we can understand that 80% of customers have no complaints with the relevance of different documents that the company is in need of before rendering a given service. 10% of the respondents expressed their extreme agreement on the

requirements of documents to be presented for the reason that those documents highly protect the insurance Co. from the possible moral hazard to occur. The remaining 10% disagrees specially with documents related to claims notification as it hinders prompt payment of indemnity.

This implies that, most of the time underwriters or front line personnel require incoming customers to present those documents which are directly related to the subject matter of the insurance as well as the propose or customer to dig out relevant information that would influence their Judgment in fixing the premium or determine whether to take or reject the risk after investigating it on top of the information gathered within the framework of the policy and procedure of the company. In the event of loss or damage most of the claimant would be asked to present relevant supportive documents to the company to help claims committee establish whether the claim was valid and ascertain whether the policy was in force and whether it covered the loss.

Such a less bureaucratic underwriting documentation and claim handling practices will benefit the company to standardize its documentation requirements and achieve better reputation in the minds of customers.

### **Delay in meeting customer needs**

As far as insurance is concerned, customers often request a variety of services that will take a considerable time to complete. Selling of insurance policy passes through underwriting processes like formation of policy, at the beginning, risk analyzing, selection and classification and contract formation, at the end. Customer's needs for collecting compensation also takes some time to be addressed properly a time required for the insurer to check both the circumstances of the loss and the amount that is being claimed.

With this regard customers were asked to evaluate and tell their response concerning the time taken to process what they ordered. Summary of their responses are shown bellow in table 4.

**Table 6:** Time taken to process customer order

Time taken to process customers order	Nº. of respondents	%
Very slow	1	3
Slow	15	50
Fair	11	37
Quick	3	10
Very quick	-	-
<b>Total</b>	<b>30</b>	<b>100</b>

**Source:** Questionnaire, 2010

As the above table clearly shows, 50% of the respondents considered the time required to respond customers order as slow. According to the data collected, the time taken to process duties related to claims contributes the highest share for the time to address customers order to be rated as slow in the eye of clients. Only 37% respondents believe that the time taken is fair.

These indicate that Global Insurance Co. is not responding customer's inquiries related to compensation as promptly as possible as compared to customers expectation. The highest complaint rate that goes to delay in processing claim issues also implies that since timely settlement of claim is one of the major measurements to evaluate the service quality of the insurer, customers would tend to switch to competitors that can outperform in their claims handling practices if GIC's management could not take corrective actions with this regard.

Senior claims officers were interviewed to state the reason why claims handling processes are being delayed. According to claims staff, it is quite normal to take considerable time in order to analyze the claims with its supporting documents and policy cover. Besides, customer's are not willing to submit details of the claim within a specified time and the insurers (company's) duty to investigate both the circumstances of the loss and the amount that is being claimed are among those factors indicated by claims committee. All this shows that the time taken cannot be reduced to zero.

## Quality parameters

Discussions about quality can easily become very abstract and lose touch with reality if they are limited to general definitions. Therefore, the researcher put some of the quality dimensions in to consideration that have been discussed in chapter two to analyze how well are the customer needs satisfied in respect of these parameters. Table 5 shows customers' level of satisfaction in connection with quality parameters.

**Table 7:** Evaluations of service quality dimensions

Quality parameters	Responses									
	Very low		Low		Fair		High		Very High	
	Nº.	%	Nº.	%	Nº.	%	Nº.	%	Nº.	%
Reliability	3	18	9	11	13	12	5	7	-	-
Responsiveness	-	-	3	4	16	14	9	13	2	10
Competence	-	-	5	6	10	9	10	14	5	25
Access	-	-	-	-	5	5	20	28	5	25
Courtesy	-	-	16	19	11	10	3	4	-	-
Communication	5	31	15	18	10	9	-	-	-	-
Credibility	-	-	9	11	10	9	11	16	-	-
Security	2	13	10	12	15	14	3	4	-	-
Understanding	2	13	-	-	10	9	10	14	8	40
Tangibles	4	25	16	19	10	9	-	-	-	-
<b>Total</b>	<b>16</b>	<b>100</b>	<b>83</b>	<b>100</b>	<b>110</b>	<b>100</b>	<b>71</b>	<b>100</b>	<b>20</b>	<b>100</b>

**Source:** Questionnaire, 2010

In reference to the data of table 5, interpretation and analysis would be presented as follows.

**Reliability** – different questions were presented to customers to help them rate consistency of company's performance and accuracy in billing keeping records correctly. For this, a total of 43% respondents reported that the consistency of company's performance in rendering quality service seems to be fair though it is not the same all the time. The other 30% of the respondents give lower mark for reliability and 10% of them



consider it as very low. The rest 17% out of the total respondents feels comfortable with the service they have got and consider it as highly reliable.

The reliability of a firm's performance is highly dependent on front-line personnel's ability to give the service as promised dependably and accurately with regard to this; Variations can be shown as result of frequent movement of customer contact personnel because of resignation transfer, promotion, dissatisfaction etc. and lack of intensive training for substitutes on how to handle customers.

**Responsiveness** – the vast majority, i.e. 53% of the respondents are fairly satisfied with timeliness of the service offering and readiness of employees to provide services as well. 30% of them also said that they are highly satisfied with employee's responsiveness to give prompt service and 7% of them express their highest level of satisfaction while the rest 10% gave low rate to it.

This result shows us most of the customers are gaining satisfaction from the willingness of company's staff to help customers and to provide them a prompt service. This in my opinion implies that the respect and concern that staffs have got from customers influences for good to try their best in taking the initiative and willingness to help and meet customers needs irrespective of the unattractive recognition and reward system made available by GIC with this regard the company is fortunate to have such a good staff who can give more than what they have received from it as an intensive by placing the interest of customers above their own.

**Competence**- questions were distributed related to competence to come up with an analysis regarding the required skills and knowledge possessed by employees to perform the service. The result shows that majority of the respondents wear in fever of the knowledge and skill of staff members because 66% of them wear at least fairly satisfied with the competence level. Equal number of respondents marked competence as low and very high, i.e. 17% each.

From this we can understand that GIC has somehow competent employees who have acquired relevant skills, knowledge and experience to undertake the service and then enable the company to secure the highest market share it deserves in the long run. The

above data also implies that company's skill full staffs being a bridge between it and its clients are effectively acting as a check and balance mechanism and assuring sound service quality by meeting requirements of extensive effort to service the existing and new business as a whole to the expectation of the client competitively and professionally.

**Accessibility**-as can be seen from the table 66% of respondents are highly satisfied with the accessibility of the service, ease of means and convenient hours operation. 17% of them are also fairly satisfied with the waiting time to get served while same numbers of respondents are very satisfied with this parameter.

This indicates that almost all respondents comfortable with approachability of firm's service.

**Courtesy**- one can see in the table that 53% of the respondents replied they recognized the degree of courtesy as low. 37% of the respondents are fairly satisfied while the remaining, 30% argue that courtesy of workers is high. This implies that most contact personnel's lacks politeness respect, considerations and friendliness while serving customers.

**Communication**- customers were asked to express their level of satisfaction with GICs ability in keeping them informed in language they can understand. As result , 50% of them implied that they have been getting little or low explanation from employees. And 17% of respondents express their disappointment with this issue so that they marked it as very low. Only 33% out of total number of respondents are fairly satisfied with the information they have got.

This result shows that though employees are equipped with the required skills, they become reluctant to explain the service itself, and to assure the customer that the problem will be handled. Since insurance itself is so much sophisticated, it needs to be explained clearly in local languages so that disputes arising out of information they have got .

**Creditability**- As we observe the points given to this parameter, only 30% of the respondents gives a lower grade to trust worthiness and honesty 33% are fairly satisfied with honesty and employees commitment to have customer's best interest at hear. With this regard 37% have high level of satisfaction.

From this data, we can say that the company secures high level of customers satisfaction regarding company name and company reputation resulting from personal characteristics of contact personnel.

**Security** – A given environment is said to be secured if it is free from danger, risk or doubt. Customers were asked to point out the condition of parking lot and the degree of safety-ness around. And 7% of the respondents pointed out very low while 33% marked low, but 50% of the respondents are fairly satisfied with the security around parking lot. The rest 10% said that they have observed high level, this show s that there is a sound and fair degree of security around working environment in the eyes of customers.

**Knowing the customer** – Based on the data collected, 33% of the respondents confirm that employees have fair understanding to respond to customer needs. Equal numbers of respondents also assure their high level of satisfaction. And the other 27% of the respondents are very satisfied with contact personnel's understanding while the remaining 7% become very dissatisfied.

From this we can say that almost all employees are good enough in understanding and knowing customers needs which helps to give prompt service. And also the company has employees who can anticipate and understand needs of customers this can improve the basic insurance services which would result in higher profitability and success rate secured from satisfied clients.

**Tangibles** – Questions related to physical evident are of the service such as physical facility, appearance of personnel, were presented to customers. Most 53% of the response shows that the tools or equipment used to provide the service is of lower quality and less attractive. 13% of them are very dissatisfied with the physical facilities, while 33% of the total respondents rated the tangible as fair with regard to front line personnel dressing an neatness.

The above data shows as nothing but customers discomfort with the physical facility made available by the company which affects productivity.

### Level of customer value

In order to know the difference between the value the customers gains from owning insurance policies and the cost of obtaining the insurance cover, two questions were asked that helps to know how the service delivery system and customer care looks like as compared to the prior information and expectation that customers had. Table 6 shows us the result.

**Table 8:** Customer value

Customer value	N <sup>o</sup> . of respondents	%
Very dissatisfied	-	-
Dissatisfied	-	-
Fair	15	50
Satisfied	11	37
Very Satisfied	4	13
<b>Total</b>	<b>30</b>	<b>100</b>

**Source:** Questionnaire, 2010

Half of the total respondents replied that they are fairly satisfied with the offered service compared to their expectation. 37% of them is performance of GIC exactly matches their prior expectations and the rest 13% are those who are delighted as company's performance exceeds what they were expecting.

This finding shows that the customer's feeling regarding the gap between his or her expectations towards a company and its service and the perceived performance of the company and its service is at least fairly satisfactory.

**Table 9:** Customers buying pattern from competitors

Customers buying pattern from competitors	N <sup>o</sup> . of respondents	%
Frequently	16	53
Rarely	6	20
Never	8	27
<b>Total</b>	<b>30</b>	<b>100</b>

**Source:** Questionnaire, 2010

As we can see from the table, 53% respondents are frequently using competitors for their insurance needs and 20% are rarely willing to seek out a particular service from competitors. Only 27% respondents are truly loyal to GIC.

This shows that even though many customers choose the company for their insurance needs, they do not have strong and close relationships with it.

Those respondents who have been using competitors as an alternative and those who are still loyal to the company also reason out their response and suggest what they think is best to the question ' what should be done in order to retain them as loyal customer for life?

According to them some of the reasons are

- There are some insurance policies, which are not yet offered by Global insurance like life, Business interruption, and children's education insurances.
- When the volume of the business written (value of property insured) is very high, they doubt on the dependability of the firm's capacity.
- They have no clue about the company's stand in the market so that they frequently use others as an alternative to reduce their level of worry.
- The cost of obtaining some insurance policies is high and they feel they are paying an unfair premium.
- Some also pointed out that they get good service but not best in comparison.
- Some are not loyal because of their past claim experience.
- There should be promptness and fairness on claim settlement.
- The company has to open branches in order to compete.
- Slow music, art, periodical magazines help customers to relax in waiting time for service.
- Automatic generator should be used to prevent work interruptions owing to electric power termination.

### **3.2.3. Employees Satisfaction**

Reaching service profit and growth goals begin with taking care of those who take care of customers. To take care of customers the company must first take care of employees this may create satisfied customers. Because employees satisfaction has a direct relationship with

the company profitability and its service delivery system, Job satisfaction of employees and their work environment would be examined under this section.

### **Satisfaction in the nature of work**

Employees were asked whether they are satisfied or not with the nature of work they are responsible for. According to data collected from 17 respondents, 53% employees are fairly satisfied, 29% are satisfied but the remaining 18% expressed their dissatisfaction with their nature of work.

82% of employees who explain their satisfaction work in Underwriting department and the remaining 18% dissatisfactory employees work in claim department.

Work load is another factor that leads employees to dissatisfy. A question was asked with regard to the amount of work they are expected to perform. More than 65% of the respondent said that they are satisfied with the amount work expected to perform there is no burden of job but 35% of the employees working in finance and claims departments are dissatisfied with their work as the volume of work to be performed is high.

This shows that even though the majority feels comfortable there are still employees who have heavy tasks because of shortage of staffs.

### **Satisfaction in the organizational policy**

Respondents were asked to site the level of encouragement they and their colleagues have got to present new ideas to the top managers for setting customer handling policy and how well are they satisfied with set of instructions help to treat customers. See the response below.

**Table10:** Level of satisfaction in participating in policy formulation

Level of satisfaction in participating in policy formulation	Nº. of respondents	%
Very dissatisfied	3	18
Dissatisfied	10	59
Neutral	1	10
Satisfied	3	18
Very Satisfied	-	-
<b>Total</b>	<b>17</b>	<b>100</b>

**Source:** Questionnaire, 2010

From table 8, only 18% the total respondents working as department heads were encouraged to contribute their best opinion in the formation of company's customer handling policies. The vast majority of subordinates i.e. 76% respondents have never been encouraged to communicate with top managers are not giving due consideration for employees participation in formulating company policy.

From this we can say that company customers handling policy was developed by top managers and departmental head without giving a chance to subordinates who ultimately determines the implementation phase.

**Satisfaction in customer's characters.**

It is not uncommon for misunderstanding to occur while exchanging ideas with those customers who are difficult to deal with. And this intern spoils employee's contentment if it happens time and gain. Employees were asked about the degree of respect and concern they receive from customers.

**Table 11:** Respect and concern from customers

Respect and concern from customers	<b>N<sup>o</sup>. of respondents</b>	<b>%</b>
Very Dissatisfied	-	-
Dissatisfied	3	18
Neutral	1	-
Satisfied	12	71
Very Satisfied	2	12
<b>Total</b>	<b>17</b>	<b>100</b>

**Source:** Questionnaire, 2010

Table 9 shows 71% of respondents reported that they are happy with the respect and concern they have received from customers and those employees who are very satisfied with customer willingness to honor the procedures of duty in giving time and waiting line discipline are 12 % in number. The remaining 18% are not feeling comfortable with some customer's behavior.

### Support and guidance from top managers

It is a necessary condition for the top and line manager to show their subordinates how to do things when necessary. Staff members working at every level should help each other and work in harmony to achieve their common organizational goal. To evaluate this fact, employees were asked questions regarding the freedom they have granted to do what they think is best in a view to offer better customer service and amount of support and guidance they got from managers. Responses are shown in table 10.

**Table 12:** Satisfactions work on supervision and freedom

Description	Degree of freedom		Level of support and guidance	
	Number	%	Number	%
Very High	-	-	-	-
High	3	18	2	12
Moderate	4	24	4	24
Low	10	59	9	53
Very Low	-	-	2	12
<b>Total</b>	<b>17</b>	<b>100</b>	<b>17</b>	<b>100</b>

**Source:** Questionnaire, 2010

We can observe from the above table 59% of respondent marked low in the degree of freedom, according to 41% of respondent, company's policy towards employees degree of freedom while doing things is at least moderate and at most high out of which 24% of them are fairly satisfied with it.

As far as support and guidance is concerned, we can see from the same table that 53% respondents have low guidance from supervisors and top managers and the other 12% have very low. In contrast 24% of the respondent believed that managers support and guidance is somehow moderate that makes them fairly satisfied and the remaining 12% indicate the high level of support & guidance made available to them by top managers.

This indicates that the majority of respondent .i.e. 65% are not satisfied because of the support and guidance made available is below average.



### Technological Support

These days' manual business transactions are placed by computerized system with a view to keep up with technological advancements and increase productivity, employers are asked to evaluate their company's focus toward technology.

**Table 13:** Focus on technology

Focus on technology	N <sup>o</sup> . of respondents	%
Very high	-	-
High	-	-
Fair	3	18
Low	9	53
Very low	5	29
<b>Total</b>	<b>17</b>	<b>100</b>

**Source:** Questionnaire, 2010

According to 82% of the respondent the company over all focus to come up with new technology having an intention to cope up with changing business environment is below average out of which 53% of them cited the existing low technological support and the remaining stated is as very low

From this we can understand that top managers are not giving due consideration to the technology whatever the reasons are so that they are practicing labor intensive strategy.

### Training in customer handling

As stated in chapter 2, market oriented service provider are not focusing on a single transaction with customers. Because their objective is maintaining customers for life they need to train their employees on how to win customers to make them loyal for long. Here, respondents were asked to cite the availability of skill based training designed to improve service quality. The responses are summarized in table 14.

**Table 14:** Level of satisfaction in training policy

Level of satisfaction in training policy	Nº. of respondents	%
Very dissatisfied	4	24
Dissatisfied	5	47
Neutral	-	-
Satisfied	5	29
Very satisfied	-	-
<b>Total</b>	<b>17</b>	<b>100</b>

**Source:** Questionnaire, 2010

As we can see from this data, only 29% of the total respondents are satisfied with the company's training policy and confirm the availability of skill based training on service quality and customer handling the remaining 71% of the respondents complained that there is lack of proper training.

This shows that most of the front line personnel's do not given proper training on a timely basis which in turn leads them to learn by themselves from their mistakes.

### **Recognition and reward**

It is known that an intention to take care of customer can only be achieved first by taking care of employees since they are internal customers to the organization. A question was presented to employees to help them evaluate the reward and recognition received from top managers.

**Table 15:** Level of recognition and reward

Level of recognition and reward	Nº. of respondents	%
Very dissatisfied	7	41
Dissatisfied	2	12
Neutral	3	18
Satisfied	5	29
Very Satisfied	-	-
<b>Total</b>	<b>17</b>	<b>100</b>

**Source:** Questionnaire, 2010

As it can be seen from the above table, 18% respondents are neutral to the question and 29% is satisfied respondent but the remaining 56% respondents are not happy with this situation.

This shows that most employees are suffering from unfair salary payment, which will contribute to the high turnover rate in the company.

### **Team spirit**

Developing team spirits among team members if any could be a valuable asset for a company to achieve its vision, missions, and objectives. With this regard employees were asked to express whether they have put an effort for effective team formation.

Most i.e. 76% of the respondents confirm that they have been contribute the best they can to work in teams through the teams were not formally organized by top management with a specific task to be accomplished and according to them they were satisfied with their deeds and team accomplishments. Besides 88% of respondents indicated that the company made little attempt to make work area to be well organized.

### **Problems in service delivery process**

In an open ended question, employees were asked to state major problems they have encountered while undertaking their duty some employees said that customers do not have the basic knowledge about insurance some are not even willing to give ears for explanation because they are busy. And other reported that most business person who buys marine insurance policy do not come in person to be served. They rather send their messengers who don't have a clue what insurance means which intern leads to disputes arising from misunderstanding of terms, conditions and exceptions of the policy. And still others working in claims department complained that most customers who came for compensation do not understand wordings of the policy. This creates communication gap in between.

### **Major customer complaints**

Employees were asked to cite what customers are complaining according to the front line personnel most of the time customers are complaining about lack of prompt claims

settlement or compensation payment. Some of the respondents said that customers complain about the absence of customer service department so that they found it difficult to formally present their complaint about the service.

### **Suggestion of employees**

Finally respondents were asked to air their personal opinion on the how to improve customer handling techniques in the company the overall summary of suggestions are the following.

- Hiring professionals and competent employees.
- Giving sustainable skill based training to employees on a timely basis
- Setting customer handling technique standards so that uniformity in service quality can be achieved.
- Giving immediate response to customers request
- Tea and coffee services should be accommodated if the waiting time for services is elongated.
- The company has to assign the right person in the right place.
- The company has to give special attention to its office equipments tables and chairs, and place it by modern ones.
- Salary increments, promotions and other incentives should be given special attention to retain skilled and competent staffs for life.
- Customer service department should be opened so as to gather and address complaints on time.

## **3.3. Findings from Senior Official Interviews**

### **Availability of quality training program**

All senior officials confirm that there is no formally prepared quality training program in the company

### **Response to customer complaint**

With this regard, senior officials replied that they always received complaints from customers. Even though they are sensitive to the issues, they found it difficult to address the complaints on the due to lack of coordination among functional units.

## **Employee Encouragement**

Interviewees were asked about how the company encourages customer contract personnel and how it gives due consideration to employees dissatisfaction with a view to reduce the possible impact it has on service quality. They said that due to budget constraint customer contact personnel are not motivated well as compared to employees working in competing insurance companies they also indicated that the company do not have proper mechanism to handle employee's dissatisfaction and they comment the human resource department to think over it.

## **Impact Assessment on poor customer service & Service quality**

Most of the respondents cited that they individually have made an impact assessment when the production of their respective branch decreases. But teams dealing with quality improvement are not yet developed so that the impact assessment was not conducted in companywide .Besides they state some of the impacts of both poor customer service delivery system and poor service quality based on their experiences as follows.

- Customers will go to competitors so that the production revenue will be decreased.
- Loss of reputation – loss of good will, bad publicity and loss of customer.
- Appraisal costs like cost of inspection, supervision and auditing will go up.
- The company will incurred additional costs when the jobs are redone again.

## **Opinions in performance improvement**

All of the selected official were asked to elaborate what they intend to do in order to enhance improvements in service quality and its delivery systems. The responses are summarized as follow.

- Establishing strong marketing and sales force.
- Opening customer relations department, which is responsible to gather data about customer's reaction to the company and address, complains effectively.
- Improvement of the functional units and enhancing integration among them.
- Hiring skilled manpower and giving training to new entrance.
- Wordings of insurance policies must be re-written in a local and simplified language in a way that customers can easily understand.
- Employees turn over must be resolved and minimized by giving attention to their reasons of resignation so that consistent service quality could be provided.

## CHAPTER FOUR

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This research was conducted to come up with a dependable finding after assessing and evaluating the customer service delivery system in global insurance. In order to back up the research with reliable information data was collected from stakeholders and direct interviews conducted to senior officials. Finally, the researcher found out conclusions and recommendations that would be useful to the company.

#### 4.1. Conclusions

Based on the analysis and finding of the study the under mentioned conclusions are drawn.

- Many potential customers visit the company for all their insurance needs because of the good image they have developed about the
- company and its services. This is more so because employees have tried their best to promote their services. Besides, delighted customers refer other to use GIC.
- Half of the customers are not satisfied with the time taken to respond requests related to claims/compensation payment/because it is slow.
- According to the data collected using the ten quality parameter, most respondents indicated that they are at least fairly satisfied with the perceived service quality in respect of reliability, responsiveness, employees competence and ability to understand customer needs, accessibility of the service, credibility and security. However, they are dissatisfied with employee's good manners, communication and tangibles.
- Customers who are satisfied with the value they have got from the service outweigh those who are not. Most customers are not truly loyal to the company.
- Employees working in finance and claims department are dissatisfied with the nature of work and work environment.
- Employees have never been encouraged to communicate their view in formulation of customer handling policy because of organizational policy. They are also dissatisfied with the level of support and guidance received from supervisors.
- Except few customers who are difficult to deal with, most customers have good attitude respect and concern to employees therefore employees satisfied with

- customer's willingness in honoring the procedures of duties and waiting line disciplines.
- With regard to technological support the company gives little focus which intern dissatisfied employees. Beside the majority of employees are dissatisfied with the recognition and rewards received from the company and this will have negative impact to service quality.
  - It is found that skill based and proper training was not given to most front line employees on regular basis so that they are teaching them selves through time from their mistakes.
  - The company has made no or little attempt in making work area well organized and team formation, however most employees said that they have put their effort for specific task force to be formed and they were satisfied with the scored team accomplishments.
  - Lack of customers Awareness to the insurance business was stated as one of the major problems that hinder the smooth business relationship with customers.
  - According to the findings from senior officials interviews and front line personnel, we can conclude that customers are not getting a prompt and quick response to their compensation needs.
  - There is no a formally designed quality training program set available to employees and the human resource department has not yet prepared a proper mechanism to asses and alleviate causes of employee discontent.
  - With regard to complaint and suggestion system there is no a particular department in the company which is specially designed in such a way that it can collect, address and manage customers complaints on a timely basis in order to restore customers confidence and patience.
  - Company's trial to assess impacts of poor service quality and customers service is not that much satisfactory.

## **4.2. Recommendations**

The Following recommendations and suggestions are forwarded after a carefully problem assessment is undertaken.

- Currently the company is trying to increase its production through aggressive door-to-door service through branch managers. This method is costly and address

limited number of customers as compared to promotion. Therefore the company should create good will among the public by conducting well-tailored advertising (both in printed and visual media, promotion and sponsorship so that it can increase its local market share by attracting many more customers than ever before.

- Because claims handling can make or break companies, the claims committee should institutionalize efficient and prompt claims settlement by setting schedules for payment of compensations according to priority, type and complexity of claims and making this available to clients. Claims department must also improve recovery process through a timely notification of cases to the legal work unit. It should also effectively co-ordinate with other work units to restore the confidence of half of the dissatisfied customers. With these regard rapid action in loss assessment and decision-making; and openness in the process of handling claims are the qualities that should be considered.
- Employees should be rewarded and motivated to keep them strong in areas of reliability, receptiveness competence and their ability understanding customer needs. They should also be given on the job and off the job training as necessary to help them improve weaknesses in areas of courtesy and communication.
- Usually buyers look for “signals” of service quality to reduce uncertainty. They then draw conclusions about quality from the place, people, price, equipment and communications that they can see. It is therefore to suggest that top managers should give due consideration to upgrade the quality of such physical representation of the service.
- In order to retain customers and make them loyal for life, there should be promptness and fairness in claims settlement. Besides, higher officials have to give attentions to reengineering the existing products and designing and developing new insurance policies which is not available in GIC in response to clients needs and requirements through market research so that similar insurance companies will not take advantage of GIC in product differentiation.



- A considerable attention should be given to the importance of organizing work area and creation work units to test the fruit of team accomplishments.
- Company's customer handling policy should be re-designed in such away that it could participate front-line personnel.
- The company should focus on its human resource for the following reason.
- There is no product differentiation that allows any one insurer to have competitive advantage over others because products are, by and large, similar in all insurance companies. Therefore, GIC need to create competitive advantage through its human resource moreover, the industry desperately needs competent future leaders (management succession) to enhance national competitiveness. With this regard the human resource managers should strengthen management competencies through provisions of management competing training in leadership, interpersonal skills, analytical thinking dynamism and operational effectiveness. Staffs competence should regularly be reviewed and continues training be given.
- Quality and customer service training should also be in place to front-line personnel.
- Since the future is visualized as immensely competitive and technology focused and insurance in particular is information- intensive industry top managers of GIC should equip the firm with advanced technologies and exploit the Benefits of ICT to the fullest extent possible to enhance efficiency in service delivery.
- Global insurance as a customer centered organization should recognize the fact that customer feedback is as important to a company as water is to a parched person and then should develop a fool proof method for gathering complements and suggestions so that managers can get good ideas that enable them to act more rapidly to resolve problems and set improvement goals. Customer service officers should be hired to specifically follow up and manage complaints.

- There is an overall feeling that salaries are lower than similar insurance organizations. With this regard a salary survey should be conducted as a basis for establishing a new competitive salary scale and benefit scheme.
  
- Using radio & TV advertisement print advertisement website advertisement, product specific brochures and face – to – face meetings the company should teach its potential customers with a view to increase their awareness about insurance.
  
- As we all know Ethiopia has shown interest to join WTO in the year 2003 and is in the process of accession to the world trade organizations at the moment. When the decision is made to open up the local financial market and potentially new foreign entrants join the insurance sector, existing insurers are likely to face intense competition. Only those firms who can secure sustainable competitive advantages through constant innovation and improvement will survive and take the lead in Global markets. So CEO's have to think over the matter in line with their competing strategy in domestic market.

## EXECUTIVE SUMMARY

This Study was conducted in Assessing customer's service delivery system in Global Insurance Company. The overall assessment is made on matters related to customer service, Service quality, customer's perception towards service quality, customer loyalty, value and satisfaction using the ten service quality parameters (reliability, Responsiveness competence, Access, courtly, communication, credibility, security, understanding and tangibles) so as to see what the company's Customer service delivery system looks like. Human factors in service such as employees job satisfaction, company's recognition and reward practice, training and team building practice is also assessed. Besides company's complaint management practice is also reviewed.

Three branches of GIC were selected because of the largest potential customers and staff members they comprised. The sample size was determine based on 10% of customers who had claim record in the past two years by implementing Judgment sampling technique. Data was collected using primary sources and secondary sources.

The result of the study showed that GIC is not responding customer's inquiries related to compensation as promptly as possible when comprised of customer expectations. On the other hand, most customers was observed to be satisfied with the perceived service quality in respect of reliability employees, responsiveness, Competence & ability to understand customer needs, accessibility of the service, credibility and security. However, they are dissatisfied with employee's courtesy, communication and tangibles. With regard to value and loyalty perceived customers who are satisfied with the value they have got from the service outweigh those who are not. And most customers are not truly loyal to the company.

It is found that there is no customer service department to manage and address customer's complaints.

Finding related to human factor shows that the majority of employees are not satisfied in respect of the level of participation in policy formation, technological support, team building practices, training policy of the company and above all with the reward and recognition made available by their employer.

Based on the above finding the following recommendation is forwarded to the company.

- Because claims handling can make or break companies, the claims committee should institutionalized efficient and prompt claims settlement by setting schedules for payment of compensation according to priority, type and complexity of claims and making this available to clients to the best of their excitement.
- A considerable attention should be given to the important of organizing work area and creation work units to test the fruit of team accomplishment.
- Company customer handling policy should be re designed in such away that it could participate front line personnel.
- Staff competence should regularly be reviewed and continues training be given and quality and customer service training should also be in place to front line personnel.
- Top Managers GIC should equip the firm with advanced technologies to enhance efficiency in service delivery.
- Salary survey should be conducted as a basis for establishing a new competitive salary scale and benefit scheme.
- In order to retain customers and make them loyal for life, there should be promptness and fairness in claims settlement.
- With a regard to tangibles, quality of physical facilities and representation of the service like office equipment and furniture's must be upgraded.

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## **GLOSSARY OF INSURANCE TERMS**

- Premium: The consideration payable by the insured for insurance company
- Insured: The person covered by a policy of insurance
- Insurer: The party to a contract of insurance who is liable to pay claims arising under it.
- Policy: A document setting out the terms, conditions and exceptions of a contract to the insured.
- Indemnity: An exact financial compensation in respect of a loss event occurred by insured risk.
- Underwriter: A person who is in charge of assessing the risk presented to him/her and accept or reject the business on behalf of an insurer.

## **APPENDICES**

### **A. Questionnaire [English Version]**

**St. Mary's University College**

**Faculty of Business**

**Department of Management**

**Survey on the Assessment of Customer Service Delivery of Insurance Industry:**

**The Case of GIC**

**For Use with Employee Aged 15-59**

**Addis Ababa 2010**

#### **Informed Confidentiality and Consent**

This questionnaire is designed by the final year degree management students of St. Mary's University College for the partial fulfillment of the Bachelor Degree of Arts in Management

#### **Dear respondent**

The aim of this questionnaire is to gather data and opinions of employees who have direct contact with customers on issues related to customer service delivery system and the level of satisfaction with their work environment to make discontent analysis of selected branches of GIC and thereby to come up with suggestions and recommendations on improvement actions to be taken. Therefore your cooperation in filling out the questionnaires is valuable to the fulfillment of the research paper. Your answers are completely confidential. Your name will not be written on this form, and will never be used in connection with any of the information you tell me.

Put a mark on the check boxes that best fit your response and provide your opinion when necessary in the given space. Thank you in advance.

Thank you!

**Part One: Background Characteristics of Respondents**

- 1. Sex of the respondents  
Male   
Female
- 2. How old were you at your last birthday? Age in completed year |\_\_|\_\_|  
Does not know    
No response
- 2. How long have you been staying continuously in the organization?  
years |\_\_|\_\_|  
Always    
No response
- 3. Have you ever attended formal school?  
Yes    
No
- 4. What is the highest grade you had completed?  
Grade |\_\_|\_\_|   
Technical/vocational cert.   
University/ college diploma   
University/ college degree
- 5. Current Position in the organization \_\_\_\_\_

**Part Two: General Question on Customer Service Delivery**

- 1. The level of satisfaction with the nature of your work   
Satisfied  Fairly satisfied   
Very satisfied  Dissatisfied   
 Very dissatisfied
- 2. Do you have fair and same treatment to all customers   
Yes  No  Explain \_\_\_\_\_
- 3. Are you satisfied with a set of instructions, which is made available to you on ho to treat customers?  
Satisfied  Fairly satisfied   
Very satisfied  Dissatisfied   
Very dissatisfied



	Very dissatisfied	Dissatisfied	Neutral	Satisfied	Very satisfied
4. The level of encouragement you and your colleague have got to present new ideas to managements for setting customer handling policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The freedom you have granted to do what you think best	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The amount of support and guidance you receive from to managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The degree of respect and concern you receive from customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. How the organization values employees work area to be well organized	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Company\'s focus on keeping up with technological advances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. The degree to explore new ways of providing service, new market and better customer service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. GIC emphasis\'s on hiring the right people who are initiative to handle problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Skill base training that should be designed to teach you improve service quality
13. Your strength to control your feelings in dealing with angry customers who are upset about none of your fault
14. Customers willingness to honor the procedures of your duty with giving time, waiting line, discipline etc
15. Your effort to make an effective team and pride in team accomplishments
16. Managers recognition of high achievements and offer reward for good customer service (Reward can be high salary increment, bonus, promotion, etc)
17. The over all work environment and conditions in your branch
18. The amount of work you are expected to perform
19. Your personal problem that makes you bore to offer good customer service

20. The number of potential customers who use competitors as an additional service provider

21. The number of customers who are difficult to deal with

22. Major problems that you face during the service delivery process

23. What do customers complain?

24. What do you suggest to improve customer handling techniques in your organizations?

## **B. Questionnaire [Amharic Version]**

**St. Mary's University College**

**Faculty of Business**

**Department of Management**

**Survey on the Assessment of Customer Service Delivery of Insurance Industry:**

**The Case of GIC**

**For Use with Customers Aged 15-59**

**Addis Ababa 2010**

### መግቢያ

ይህ መጠይቅ በቅድስት-ማሪያም ዩኒቨርሲቲ ኮሌጅ ማኔጅመንት ትምህርት ነገረ-ምረቃ የመጨረሻ ዓመት ተማሪ ለመመሪያ ጽሁፍ ይረዳ ዘንድ "ለሰሚናር ማኔጅመንት" ኮርስ ማሟያ እንዲሆን ታስቦ የተዘጋጀ ነው።

### ውድ ደንበኛ

መጠይቁ በግሎባል ኢንሹራንስ የሚታየውን የደንበኛ አገልግሎት አሰጣጥና ተዛማጅ ቅሬታን አስመልክቶ ከደንበኞች መረጃ በማሰባሰብ የመድሀን አገልግሎት ጥራት ችግር ካለ ለይቶ ለማውጣትና ብሎም የመፍትሄ ሀሳቦችን በመጠቀም ለደንበኞች የተሻለ አገልግሎት መስጠት የሚቻልበትን መንገድ ለማመቻቸት ታስቦ የተዘጋጀ ነው።

የዚህን ጥናታዊ ጽሁፍ ዓላማ ከግብ ለማድረስ የአገልግሎቱ ተጠቃሚ የሆኑ ድርጅቶችና ግለሰቦች የአገልግሎት ጥራትን በሚመለከት ለቀረቡት ጥያቄዎች የሚሰጡት ነፃና ትክክለኛ ምላሽ ወሳኝ ነው። ስለሆነም በጉደዩ ላይ የሚሰማዎችን ምልክት በሳጥኖች ውስጥ በማስቀመጥና በተሰጠው ክፍት ቦታ ሀሳቦን በመግለጽ በአንድ ሳምንት ጊዜ ውስጥ መጠይቁን ሞልተው እንዲመልሱ በትህትና እየጠየቅኩ ድርጅትዎ የሚሰጠው ምላሽ ለት/ት ዓላማ ብቻ እንደሚውልና በሚስጥር የሚያዘ መሆኑንም በቅድሚያ ለመግለጽ እወዳለሁ።

ስለሚያደርጉት ቀና ትብብር በቅድሚያ አመሰግናለሁ።

**Part One: Background Characteristics of Respondents**

1. ስጋ \_\_\_\_\_
2. እድሜ \_\_\_\_\_
3. የትምህርት ደረጃ \_\_\_\_\_
4. በደንበኝነት የቆዩበት ጊዜ \_\_\_\_\_
5. የማሪንና የጨረታ መድሃኒት የሚገዙ ከሆነ በሳምንት ምን ያህል ጊዜ ይገለገላሉ \_\_\_\_\_

**Part Two: General Question on Customer Service Delivery**

1. በመጀመሪያ ደረጃ ወደ ኢንሹራንስ ኩባንያው ሲመጡ ስላለው የደንበኞች አገልግሎት ያውቁ ኖሯል?  
 አውቃለሁ  አላውቅም
2. በቁጥር 1 ላለው ጥያቄ መልስዎ "አውቃለሁ" ከሆነ መረጃውን ከየት አገኙት?  
 ከማስታወቂያ  ከሌሎች ደንበኞች   
 ከድርጅቱ ሠራተኞች  ከሌላ
3. የሚያስፈልገዎትን የመድሃኒት አገልግሎትም ሆነ የካሳ ክፍያ ሲጠይቁ እንዲያሟሉ በሚጠየቁት መስፈርቶች  
 በጣም አልስማማም  አልስማማም   
 እስማማለሁ  በጣም እስማማለሁ
4. የጠየቁት አገልግሎት ተግባራዊ የሚሆነው /ማንኛውንም ዓይነት የመድሃኒት ሽፋንና ካሳ ክፍያዎች በሚመለከት/  
 በጣም ዘግይቶ  ዘግይቶ   
 በተገቢው ጊዜ  በፍጥነት   
 በጣምበፍጥነት

	በጣም ዝቅተኛ	ዝቅተኛ	በቂ	አፍተኛ	በጣም አፍተኛ
5. የሠራተኞች የሚሰጠኝ ቀልጣፋ አገልግሎት	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. የሠራተኞች ትህትናን አስመልክቶ የሚሰጡት ነጥብ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. የሠራተኞችን መታመን አስመልክቶ የሚሰጡት ነጥብ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. የሠራተኞችን ብቃት አስመልክቶ የሚሰጡት ነጥብ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. ያለው የሥራ ሰዓት ከእርስዎ የመገልገል ፍላጎት አንፃር	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. ጥራት ያለው የአገልግሎት አሰጣጥ ወጥነት /አለመዋኝቅ/	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. ቅድም ተከተልን ለጠበቀ መስተንግዶ የሚሰጠው ትኩረት	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. ቅሬታዎን ለመግለጽ ያለው የተመቻቸ ሁኔታ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. ለቀረበው ቅሬታ ድርጅቱ የሚሰጠው መልስ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. ቅሬታዎን እርሶ በሚፈልጉት መንገድ ለመፍታት የሚደረገው ርብርብ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. ፍላጎትዎን ለማሟላት የሚደረገው የበታች ሠራተኞች ትጋት፣ ተጨናቂነት፣ ከበራታ ወዘተ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ፍላጎትዎን ለማሟላት የሚደረገው የኃላፊዎች ጥረት	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. ስለሚገዙት የመድሀን ዋስትና ከሠራተኞች የሚያገኙት አሳማኝ ትንታኔዎች ወይም ሙያዊ ማብራሪያዎች	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. የሠራተኞች አለባበስና ንጽህና	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. የቢሮና የመገልገያ ዕቃዎች ዘመናዊነት እና ንጽህና	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. ጉዳይዎ እስኪያልቅ በሚቆዩበት ክፍሎች የተዘጋጀው የወንበት ብዛት፣ የሚነበቡ ጽሁፎች፣ ስዕሎች፣ ጣዕም ያላቸው ዜማዎች ወዘተ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

21. ለተሽከርካሪዎች የተዘጋጀው የማቆሚያ ስፍራና ደህንነት
22. በተግባር ያረጋገጡት የአገልግሎት አሰጣጥ ቀደም ሲል  
 ከነበርዎ መረጃ ወይም ግምት ጋር ሲነፃፀር ምን ይመስላል?
23. እዚህ የሚደረግልዎ እንክብካቤ ከሌሎች ተወዳዳሪ ኩባንያዎች  
 የአገልግሎት አሰጣጥ ጋር በንጽጽር ሲታይ
24. በንብረትዎ ላይ አደጋ በደረሰ ጊዜ አገልግሎቱን ለማግኘት  
 የሚያስፈልጉትን መረጃዎች ከሠራተኞች የማግኘት ዕድል
25. ካሳን በአፋጣኝ የመክፈል ሁኔታ በእርስዎ እይታ

26. ከካምፓኒው እስከሁን ባገኙት አገልግሎት ቅር ብሎዎት ያውቃል?  
 ሁል ጊዜ  አንዳንድ ጊዜ   
 አልፎ አልፎ  በጭራሽ አያውቅም

26.1 የተፈጠረውን ቅሬታ እንዴት ነው የሚያስታርቁት \_\_\_\_\_

27. ለተራ ቁጥር 26 መልስዎ አዎ ከሆነ ቅሬታዎ የተፈጠረው  
 ከውል ክፍል ጋር በተያያዘ   
 ከካሳ ክፍል ጋር በተያያዘ
28. በኢንሹራንስ ኩባንያው መገልገል ከጀመሩ በኋላ በሌሎች ተወዳዳሪ ኢንሹራንስ ካምፓኒዎች ይጠቀማሉ?  
 በጣም እጠቀማለሁ  አልፎ አልፎ እጠቀማለሁ   
 በጭራሽ አልጠቀምም
29. የተሻለ የደንበኞች አገልግሎት በማቅረብ እርስዎ ወደ ተወዳዳሪዎች እንዳይሄዱ ምን ይደረግ ይላሉ?

## **DECLARATION**

I, the undersigned, declare that this senior essay is my original work, prepared under the guidance of Ato Daniel Meriad. All sources of materials used for the manuscript have been duly acknowledged.

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Signature: \_\_\_\_\_  
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Date of submission: \_\_\_\_\_



## **SUBMISSION APPROVAL SHEET**

This Senior Research Paper has been submitted to the Department of Management in partial fulfillment for the requirement of BA Degree in Management with my approval as an advisor.

Name: Daniel Merread

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

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