



ST MARY UNIVERSITY SCHOOL OF GRADUATE STUDIES

**THE IMPACT OF SERVICE QUALITY DELIVERY ON CUSTOMER
SATISFACTION;
THE CASE OF ETHIOPIAN INSURANCE
CORPORATION (EIC)**

**PREPARED BY
MESFIN KASSAHUN
ID; SGS/0165/2006**

June, 2015

Addis Ababa

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**Thesis Submitted to St. Mary University School of Graduates
Business Administration Program in Partial Fulfillment of the
Requirements for the Degree of Masters of Arts in Business
Administration.**

June, 2015

Addis Ababa

APPROVAL

St. Mary University School of Graduates

MBA (in General Management)

Name: Mesfin Kassahun

Degree: Master in Business Administration (MBA)

Title of Thesis: The Impact of Service Quality Delivery on Customer Satisfaction

Approved by Board of Examiners

Dean, Graduate Studies

signature

Advisor

signature

External Examiner

Signature

Internal Examiner

Signature

Endorsement

This is to certify that Mr. Mesfin Kassahun has carried out his research work on the topic titled as “The Impact of Service Quality Delivery on Customer Satisfaction; The Case of Ethiopian Insurance Corporation (EIC)”. The work is original in nature and is suitable for submission for the award of Masters Degree in Business Administration.

Advisor: _____

Signature: _____

Date: _____

DECLARATION

I the under signed hereby declare that this thesis has been prepared by me in partial fulfillment of the requirements for the award of Master’s degree in Business Administration. I wish to state that this work has never been presented in any university or institution of learning apart from references made to works of other people for which i have dully acknowledged. Therefore it is an original work done by me under a close supervision of my advisor.

Mesfin Kassahun

Name

signature

St. Mary University, Addis Ababa

June, 2015

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ACKNOWLEDGEMENTS

First and foremost, I would like to express my gratitude to God for his abundant grace that I am able to be what I am today. I also wish to express my deepest gratitude to my advisor, DR. Tesfaye Wolde for his intelligent guidance, encouragement and helpful advices during the whole process of research writing. Thank you for your support and valuable insight.

This thesis would never been accomplished without the cooperation of six districts employees and retail team leaders. Therefore, I am deeply grateful to all the team leaders and staff that helped me.

Finally I am thankful to all respondents for their cooperation. I deeply wish to pay highest gratitude to my parents especially for my big brother for his support, encouragement and advice.

Mesfin Kassahun

June, 2015

ACRONYMS

ANOVA- An Output of Variance

EIC –Ethiopian Insurance Cooperation

MOT- Moments Of Truth

SPSS-Statistical Package for Social Sciences

B2C-Business-to-Customer

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ABSTRACT

In any business-to-customer (B2C) type of environment, satisfying a customer is the ultimate goal and objective. The primary objective of any business organization is profit maximization. Service giving organizations can maximize their profit by rendering quality service to their customers and this leads to customer satisfaction and loyalty. The general objective of this study is to determine the relationship between service quality and customer satisfaction, and also investigate the strategies utilized by the Ethiopian Insurance Corporation to deliver exceptional service quality and customer satisfaction through customer service. It is also clear from this research that customer service has an impact on service quality perception and customer satisfaction. In this research, the SERVQUAL instrument developed by Parasuraman (1985), has been applied in designing the questionnaire by using five dimensions of service quality: tangibility, reliability, responsiveness, assurance, and empathy. Data collected from respondents are analyzed by using SPSS (statistical package for social sciences), Qualitative analysis, descriptive, correlation, and regression analysis. Questionnaires are distributed to randomly selected customers of the six districts and interview conducted to the six retail team leaders of the corporation. The results revealed that the reliability and responsiveness dimensions raised the highest level of expectation, whereas, the results revealed that all of the five dimensions of service quality scored a negative customer gap. The study also investigates the dimensions and their levels of service quality that have significant effect on customer satisfaction in EIC. The findings shows that all dimensions of service quality (tangibility, reliability, responsiveness, assurance, and empathy) are positively correlated to customer satisfaction. The researcher measure service quality and try to identify those areas that need improvement in order to gain a competitive advantage. In addition, the researcher has examined the relationship between five service quality dimensions and customers' satisfaction in EIC and tried to identify which dimension has the highest impact on customers' satisfaction and which need improvement. Tangibility has the highest impact on customer satisfaction. EIC need to improve the tangibility dimension of service quality, employees of the corporation need to dress up professionally and the physical setting of the corporation needs improvement.

Key Words; Service quality, Customer Expectation and Perception, Customer Satisfaction, SERVQUALInstrument

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Over the last fifteen years, research on service quality has grown extensively and substantively. The study become a great deal for managers and researchers because of the key result of customer perceptions of service quality has on the satisfaction and customer retention, as well as brand equity. Jain & Saakshi, (2009).

Service quality is generally viewed as the output of the service delivery system, especially in the case of pure service system. Moreover, service quality leads to customer satisfaction. (Jain et al, 2009).

Most companies are now beginning to use quality management programs in order to improve their performances, and that in turns leads to a customer satisfaction, Kotler et al, (2002), hence the study is to assess the impact of service quality delivery and its impact on customer satisfaction in the case of Ethiopian Insurance Corporation (EIC).

In light the above facts, it is firmly believe that the success in the future will rest on delivering excellent service to customers and this in turn intensify interest in service quality is, thus, unarguably high. So far, the EIC has not conducted the survey on its service quality and customer satisfaction in a comprehensive manner. Therefore, in today's fiercely competition insurance environment , where Ethiopian insurance companies consider delivery of excellent service quality to customer a key to success and survival, the finding from the study can provide them with the valuable insight in a way of enhancing service quality to induce greater customer satisfaction.

The research was conducted at Ethiopian insurance corporation customers. The corporation renders different kinds of insurance services for its customers. For example, life, motor insurance, personal, workmen's compensation. The researcher assessed the service quality delivery and its impact on customer satisfaction by using GAP model.

1.2 Definition of Terms

Service quality: means the difference between the customer's expectation of service and their perception of perceived service. Zeithaml, et.al., (1990).

SERVQUAL: is an instrument for measuring service quality, in terms of the discrepancy between customers' expectation regarding service offered and the perception of the service received; respondents are required to answer questions about both their expectation and their perception.

Customers Expectation: means uncontrollable factors including past experience, personal needs, word of mouth, and external communication about service of the organization.

Customers Perception: means customer's feelings of pleasure / displeasure or the reaction of the customers in relation to the performance of the organization staff in satisfying / dissatisfying the services.

Service Delivery- refers to how well the service is provided to customers. It includes speed, accuracy, and care attending the delivery process. Jain, et.al., (2009)

1.3 Statement of the Problem

The financial services industry is changing rapidly, Firdaus et. al., (2011). Technology, government regulation, and increasing customer sophistication are forcing financial service institutions to re-evaluate their current business practices. Financial institutions across the globe are re-examining how they are meeting their customer's needs today and developing business plans needed to align them strategically to remain competitive and profitable in the future. Insurance industries that excel in quality service can have a distinct marketing edge since an improved levels of service quality are related to higher revenues, increased cross-sell ratios, higher customer retention, Bennett and Higgins, (1988), and expanded market share, Bowen and Hedges, (1993). Likewise, provision of high quality services enhances customer retention rates, helps attract new customers through word of mouth advertising, increases productivity, leads to higher market shares, lowers staff turnover and operating costs, and improves employee morale, financial performance and profitability , Julian and

Ramaseshan, (1994); Lewis, (1989, 1993). Therefore, delivering quality service to customers is a must for success and survival in today's competitive environment (Samli and Frohlich, 1992).

Providing excellent service quality and high customer satisfaction is the important issue and challenge facing the contemporary service industry. High customer satisfaction and loyalty have long been key concerns for operational management in service industries. Consequently, Customer satisfaction is the key for company success, because it is a major indicator of customer repurchasing intention, it minimize negative word of mouth and it increases customer loyalty.

It is desirable for service providers to uncover what attributes customers utilize in their assessment of overall service quality and satisfaction and which attributes are more important. It is important that the corporation provide high quality services to its customers to survive in the highly competitive business. For this, the EIC first need to understand the attributes that consumers use to judge service quality, and monitor and enhance the service performance.

The intention of this project is, therefore to assess the service quality delivery system of EIC and its quality service provision and assess the impact of service quality delivery on customer satisfaction. The study also addressed the customer gap (the gap between customer expectation and perception). The result of this study revealed that a negative customer gap in all of the dimensions of service quality (tangibility, reliability, responsiveness, empathy & assurance) and the study tried to recommend ways for the corporation to fill the gap.

1.4 Research Questions

In accordance with the stated problem and the objectives indicated below, the study presented and provided answers to the following research questions

1. What are the level of customers' expectation and perception towards service quality?
2. What is the discrepancy gap between customers' expectation and perception towards service quality?
3. What are the main determinants of customer satisfaction in the EIC?

4. What is the relationship between service quality dimensions and customer satisfaction?

1.5 Objectives of the Study

In line with the above problems and research questions the general and specific research objectives are the following.

1.5.1 General Objective

To examine the expectation and perceptions of EIC customers on the service quality delivery of the corporation and to evaluate the performance of the EIC using the Gap model.

1.5.2 Specific Objectives

The specific objective of this research were

- To assess customers expectation and perception level towards service quality of EIC in five dimensions: tangibility, reliability, responsiveness, assurance, and empathy in six selected districts of EIC.
- To analyze the discrepancy or gap between customers' expectation and perception towards service quality.
- To identify the determinant factors of service quality of EIC.
- Identify the areas that need to be improved by the Corporation to deliver superior quality.
 - To evaluate the service quality delivery of the EIC.

1.6 Significance of the Study

This study used as a practical guideline for the Ethiopian Insurance corporation management. The outcome of this study used for developing the service quality of the corporation in order to meet the customers' needs and their satisfaction. The result of the study shows that low score of customer satisfaction, the EIC managers and employees should improve the service and arrange training program for the employees. Moreover the study

- Add up to the store of knowledge on customer satisfaction in the insurance industry in general and in EIC in particular.

- Serves as guidelines for the formulation of policies on the service quality delivery system of the organization.
- Helps recognize that customers hold different types of expectations for service performance.
- Generally, the finding and conclusions of the study help EIC management in decision making by understanding the problems from this findings with regards to the service quality delivery.

1.7 Scope of the Study

- The term “service quality” is a complex, multidimensional concept. This study focuses on the effect of service quality on customer satisfaction. Customer satisfaction relies on customer expectation and customer perception towards 5 service quality dimensions. (Tangibility, Reliability, Responsiveness, Assurance and Empathy)
- From the total number of 53 branches and 8 districts of EIC, the sample of the data was collected from the six districts private customers only.
- The six districts of the EIC only gives General insurance services (non- life insurance) including automobile and home owners polices.
- Public and government clients of the corporation were excluded from the sample.
- The study used SERVQUAL model, regression model and correlation also used to assess the impact of service quality delivery on customer satisfaction, and to evaluate the discrepancy gap between customer expectation of service quality and perceived service quality.

1.8 Limitations

This study is geographically limited to Ethiopian Insurance Corporation in Addis Ababa City Administration, specifically to the six districts. Because of this the findings of this study may not be generalized to other area branches of Ethiopian Insurance Corporation. In addition to the five variables of service quality dimensions there are several variables

affecting customer satisfactions like consumer behavior, environmental factors, etc. which this study did not cover.. This research was limited to the following points:

- The time frame was very limited which limits in-depth treatment of the research topic which will have been done by increasing the number of samples.
- There was limitation of resource especially with respect to finance to travel to the regional states to find more balanced view;
- The absence of a reasonable number of exclusive studies in the assessment of service quality in an insurance companies in Ethiopia, which will be useful to lay a more relevant factual base for the proposed study.
- Sampling frame was taken from six district offices of EIC located at Addis Ababa , which had a limitation on the generalizability of the finding to the whole Country's respondents.

1.9 Organization of the Study

The project paper is organized in to five chapters. Chapter one contains the introduction part which constitutes background of the study, statement of the problem, research questions, objectives of the study, significance of the study and finally the scope and limitation of the paper is enclosed. Chapter two deals with review of the related literatures those are relevant to the research area and empirical reviews. Chapter three contains, the framework of the study, how the entire project is organized and indicates the structure of the paper and the research methodology. Chapter four explores the finding of the study. The final chapter deals with the summary, conclusion, limitation and recommendation part of the study.

CHAPTER TWO - REVIEW OF RELATED LITERATURE

2.1. Defining Services

A service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything. The advance economies of the world are now dominated by services and virtually all companies view services as critical to retaining their customers today and in the future. Even manufacturing companies that, in the past, have depend on their physical goods for their existence but now their come to see and recognize that service provides one of their few sustainable competitive advantages Zeithaml & Bitner, (2003). Different authors give different definitions for service.

Kotler (1997) defines service as follows: “Service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product”.

Jain & Saakshi (2009) defines service as; “a service Is an intangible product involving a deed, performance, or an effort that cannot be physically possessed. Dominant component is intangible.”

Gronroos (1983) defines service as: "An activity or series of activities of more or less intangibles nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and / or systems of service provider, which are provided as solutions to customer problems".

2.2. Service Characteristics

A company must consider five main service characteristics when designing marketing programs: intangibility, inseparability, variability, perishability and lack of ownership kotler (1999, pp-647).

A. Intangibility; Service intangibility means that senders cannot be readily displayed, so they cannot be seen, tasted, felt, heard or lied before they are bought. Because service offerings lack tangible characteristics that the buyer can evaluate before purchase, uncertainty is increased. To reduce uncertainty, buyers look for 'signals' of service quality. They draw conclusions about quality from the place, people, equipment, communication, material and

price that they can see. Therefore, the service provider's task is to make the service tangible in one or more ways. Whereas product marketers try to add intangibles (e.g. fast delivery, extended warranty, after- sales service) to their tangible offers, service marketers try to add tangible cues suggesting high quality to their intangible offers.

B. Inseparability

Service inseparability means that services cannot be separated from their providers, whether the providers are people or machines. If a person provides the service, then the person is a part of the service. The other feature of the inseparability of services is that other customers are also present or involved. The implication for management would be to ensure at all times that customers involved in the service do not interfere with each other's satisfaction.

C. Variability

As services involve people in production and consumption, there is considerable potential for variability. Service variability means that the quality of services depends on who provides them, as well as when, where and how they are provided. As such, service quality is difficult to control. Even the quality of a single employee's service varies according to his or her energy and frame of mind at the time of each customer contact. For example, two services offered by the same solicitor may not be identical in performance.

D. Perishability

Service perishability means that services cannot be stored for later sale or use. The perishability of services is not a problem when demand is steady. However, when demand fluctuates, service firms often have difficult problems. Service firms can use several strategies for producing a better match between demand and supply. On the demand side, differential pricing; that is, charging different prices at different times - will shift some demand from peak periods to off- peak periods. On the supply side, firms can hire part-time employees to serve peak demand. Peak-time demand can be handled more efficiently by rescheduling work so that employees do only essential tasks during peak periods.

E. Lack of Ownership

Service products lack that quality of ownership. The service consumer often has access to the service for a limited time. Because of the lack of ownership, service providers must make a special effort to reinforce their brand identity and affinity with the consumer by offering incentives to consumers to use their service again.

2.3 Service Quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed Gronroos, (1984), Parasuraman et al., (1985, 1988). A number of experts define service quality differently.

1. Intangibility

- Service cannot be inventoried
- Service cannot patented
- Service can not readily displayed or recommended
- Pricing is difficult

2. Heterogeneous

- Service delivery and Customer satisfaction depend on employee action
- Service Quality depends on many uncontrollable factors
- There is no sure knowledge that the service delivered matches what was planned and promoted

3. Inseparability

- Simultaneous production and consumption
- Customers participate in and affect the transaction
- Customers affect each other
- Employees affect the service out come

- Decentralization may be essential mass production is difficult

4. Perishable

- It is difficult to synchronize supply and demand with service
- Service cannot be returned or resold

Parasuraman, Zeithaml and Berry (1985) described service quality as perceived by consumers starting from a comparison of how they feel firms should perform on this dimension with what they actually perceive. It is the gap between a customer's expectations and perceptions that determine service quality; the smaller the gap, the better the quality of service and the greater the customer satisfaction.

Parasuraman et al. (1985) define service quality as: 'The difference between customers' expectation of services and their perceived service. If the expectation is greater than the service performance, perceived quality is less than satisfactory and hence customer dissatisfaction occurs'.

2.3.1 Quality VS Satisfaction

Oliver (1981) summarizes current thinking on satisfaction as follows: 'satisfaction is a summary psychological state resulting when the emotion surrounding disconfirmed expectation is coupled with the consumers' prior feelings about the consumption experience'. Oliver (1981) summarizes the transaction-specific nature of satisfaction, and differentiates it from attitude as follows: Attitude is the consumers' relatively enduring effective orientation for a product, store, or process (e.g., consumer service) while satisfaction is the emotional reaction following a disconfirmation experience which acts on the base attitude level and is consumption- specific. Attitude is therefore, measured in terms more general to product or store and is less situational oriented.

2.3.2 Determinants of the Service Quality

Construct In recent years, it is commonly agreed that service quality is the outcome of evaluations made by the customers. The general logic is obvious, since the customer's own evaluation influences his/her future behavior such as returning next time or positive accounts

to relatives (Zeithaml et al., 1990; Grönroos, 1984; Brown et al., 1991). This fact indicates that service companies cannot solely deliver service according to internal standards which might not match the customers' expectations. Moreover, most service quality writers agree that the customers evaluate service quality by the outcome of a comparison between their expectations of the service performance and their perception of the actual service received.

This is consistent with Garvin's definition on value-based quality (Garvin, 1988), and the condition can also be seen in Grönroos's definition of service quality: "...the perceived quality of a service will be the outcome of an evaluation process where consumers compare expectations with the service they perceive they have got" (Grönroos, 1983)

Furthermore, Zeithaml et al. (1990) support that service quality is evaluated by comparing customer expectations with customer perceptions of the service delivered: "Perceived service quality is a form of attitude, related but not equivalent to satisfaction, and results from a comparison of expectations with perceptions of service performance" (Zeithaml et al., 1990)

Looking at the definition above, Zeithaml et al. go further than saying that service quality is only a comparison of expectations and perceptions. They state that service quality is a form of attitude, meaning that customers can have a perception of a specific service even though they have never used it before. Further, it indicates that service quality is an overall perception that is not transaction specific. Although a single interaction between customer and the service provider influence the service quality, service quality is not based on one specific interaction but merely is a compound of several exchanges. This means service quality is evaluated by the customers who compare the expectations of the service with the perceived service performance experienced in a given service process. Service quality can thus be considered a form of attitude and consequently an overall perception made up by several transactions.

2.3.3 Service Quality Dimensions

Service quality dimensions represent how customers organize information about service quality in their minds (Zeithaml, Bitner, ,2003). On the basis of exploratory and quantitative research, these five dimensions were found relevant for insurance, banking, appliance repair and maintenance.

a. Reliability: Delivering on Promise

Reliability is defined as the ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the company delivers on its promises-promises about delivery, service provision, problem resolution, and pricing. Customers want to do business with companies that keep their promises, particularly their promises about the service outcomes and core service attributes.

b. Responsiveness: Being Willing to Help

Responsiveness is the willingness to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints, and problems. Responsiveness is communicated to customers by the length of time they have to wait for assistance, answers to questions, or attention to problems. Responsiveness also captures the notion of flexibility and ability to customize the service to customer needs.

To excel on the dimension of responsiveness, a company must be certain to view the process of service delivery and the handling of requests from the customer's point of view rather than from the company's point of view. To truly distinguish themselves on responsiveness, companies need well-staffed customer service departments as well as responsive front-line people in all contact positions.

c. Assurance: Inspiring Trust and Confidence

Assurance is defined as employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence. This dimension is likely to be particularly important for services that the customer perceives as involving high risk and/or about which they feel uncertain about their ability to evaluate outcomes.

Trust and confidence may be embodied in the person who links the customer to the company. In such service contexts the company seeks to build trust and loyalty between key contact people and individual customers.

d. Empathy: Treating Customers as Individual

Empathy is defined as the caring individualized attention the firm provides its customers. The essence of empathy is conveying, through personalized or customized service that customers are unique and special. Customers want to feel understood by and important to firms that provide service to them.

e. Tangibles: Representing the Service Physically

Tangibles are defined as the appearance of physical facilities, personnel, and communication materials. All of these provide physical representations or images of the service that customers, particularly new customers, will use to evaluate quality.

2.3.4 The SERVQUAL Approach

The SERVQUAL approach has been applied in service and retailing organizations (Parasuraman et al., 1988 and 1991). Service quality is a function of pre-purchase customers, expectation, perceived process quality, and perceived output quality. Parasuraman et al. (1988) define service quality as the gap between customers' expectation of service and their perception of the service experience.

A more pragmatic approach to SERVQUAL is to develop or design action plans that will lead to the improvement of service quality. It is one thing to know that the gap exists but it is perhaps more important to find ways to close the gap. Berry et al. (1994) suggests several action plans for corporate America. Berry et al. (1990) also pointed out five imperatives for improving service quality: **defining the service roles, competing for talent, emphasizing service teams, going for reliability, and being great at problem resolution.**

SERVQUAL provides a technology for measuring and managing service quality (SQ). Since 1985, when the technology was first published, its innovators Parasuraman, Zeithaml and Berry, have further developed, promulgated and promoted the technology through a series of publications. Service quality (SQ) has become an important research topic because of its apparent relationship to **costs** (Crosby, 1979), **profitability** (Buzzell and Gale, 1987; Rust and Zahorik, 1993; Zahorik and Rust, 1992), **customer satisfaction** (Bolton and Drew, 1991; Boulding et al., 1993), **customer retention** (Reichheld and Sasser, 1990), **and positive word**

of mouth. SQ is widely regarded as a driver of corporate marketing and financial performance.

2.3.5. Criticisms of SERVQUAL

Notwithstanding its growing popularity and widespread application, SERVQUAL has been subjected to a number of theoretical and operational criticisms which are detailed below:

(1) Theoretical:

- **Paradigmatic objections:** SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm; and SERVQUAL fails to draw on established economic, statistical and psychological theory.
- **Gaps model:** there is little evidence that customers assess service quality in terms of P – E gaps.
- **Process orientation:** SERVQUAL focuses on the process of service delivery, not the outcomes of the service encounter.
- **Dimensionality:** SERVQUAL's five dimensions are not universals; the number of dimensions comprising SQ is contextualized; items do not always load on to the factors which one would a priori expect; and there is a high degree of inter correlation between the five RATER dimensions.

(2) Operational:

- **Expectations:** the term expectation is polysemy; consumers use standards other than expectations to evaluate SQ; and SERVQUAL fails to measure absolute SQ expectations.
- **Item composition:** four or five items cannot capture the variability within each SQ dimension.
- **Moments of truth (MOT):** customers' assessments of SQ may vary from MOT to MOT.
- **Polarity:** the reversed polarity of items in the scale causes respondent error.
- **Scale points:** the seven-point Likert scale is flawed.

- Two administrations: two administrations of the instrument cause boredom and confusion.
- Variance extracted: the over SERVQUAL score accounts for a disappointing proportion of item variances. Parasuraman et al. (1988) have claimed that SERVQUAL: Provides a basic skeleton through its expectations/perceptions format encompassing statements for each of the five service quality dimensions. The skeleton, when necessary, can be adapted or supplemented to fit the characteristics or specific research needs of a particular organization.

2.4 Customer Satisfaction

Satisfaction is generally recognized as a pleasurable outcome, ‘a desirable end state of consumption or patronization. Precise definitions of satisfaction vary, but common themes emphasize that it is a customer’s judgment of the consumption experience formed through some kind of psychological process that involves some form of comparison of what was expected with what was received.

Similarly, consumers may form satisfaction judgments about specific attributes of a service (e.g. the responsiveness of staff, the amount of information provided, branch opening hours, etc.) or about the service overall. Different authors define customer satisfaction differently.

Kotler (1996) defines customer satisfaction as follows: “Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations” Consumers form judgments about the value of marketing offers and make their buying decisions based upon these judgments (Kotler pp475, 1996). Customer satisfaction with a purchase depends upon the product's performance relative to a buyer's expectations. A customer might experience various degrees of satisfaction. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted. But how do buyers form their expectations? Expectations are based on the customer's past buying experiences, the opinions of friends and associates, and marketer and competitor information and promises. Marketers must be careful to set the right level of expectations. If they set expectations too low, they may satisfy those who buy, but fail to attract enough buyers. In contrast, if they raise expectations too high, buyers are likely to be disappointed.

What is evident in most discussions of satisfaction (or even delight) is that consumer judgments are made by comparing the service that is experienced against some pre-existing standard. One of the commonest bases for comparison is that of perceptions against expectations. This is commonly referred to as the Disconfirmation Model of Satisfaction.

In simple terms, when perceptions are less than expectations the result is a negative disconfirmation, resulting in a negative evaluation and a lack of satisfaction. Confirmation of expectations or a situation of positive disconfirmation (where performance exceeds expectations) will result in a positive evaluation, usually satisfaction but perhaps also delight (Christine T. Ennew and Nigel Waite).

2.4.1 What Determines Customer Satisfaction

The followings are some of the determinants of customer satisfaction (Zeithaml, Bitner, p-87,2003). These are:

Product and Service Features: Customer satisfaction with a product or service is influenced significantly by the customer's evaluation of the product or service features. In conducting satisfaction studies, most firms will determine through some means (often focus groups) what the important features as well as overall service satisfaction.

Customer Emotion: Customers' emotions can also affect their perceptions of satisfaction with products and services. These emotions can be stable, preexisting emotions-example: mood state or life satisfaction.

Attributions for Service Success or Failure: Attributions are the perceived causes of events, influence perceptions of satisfaction as well. When they have been surprised by an outcome (the service is either much better or worse than expected), customers tend to look for the reasons and their assessment of the reasons can influence their satisfaction.

Perceptions of Equity or Fairness: Customers ask themselves: have I been treated fairly compared with other customers? Did other customers get better treatment, better prices, or better quality services? Did I pay a fair price for the service? Notion of fairness are central to customers' perceptions of satisfaction with products/services.

Other consumers, family members, and coworkers: In addition to products and service features one's own individual feelings and beliefs, consumer satisfaction is often influenced by other people.

2.5. The Gaps Model of Service Quality

Service quality, according to Parasuraman et al. (1994a, p. 202), is “the degree of discrepancy between customers’ normative expectations for the service and their perceptions of the service performance”. A conceptual model of service quality which includes five gaps is proposed by Parasuraman et al. (1985), and Zeithaml et al. (1988).

This conceptual model is useful in that it is easy for practitioners to understand service quality components. However, for service quality improvement, a number of issues need to be examined and resolved first. For example:

- How can these five service quality gaps be measured?
- Is it necessary to react to all service quality indicators or to only those that are below expectations?
- What opportunities exist for further service quality improvement?
- How should potential service quality improvement projects be evaluated?
- Which department is responsible for service quality examination and evaluation?
- Who is responsible for or accountable to service quality gaps?

The gap model positions the key concepts, strategies, and decisions in services marketing in a manner that begins with the customers and builds the organization's tasks around what is needed to close the gap between customer expectations and customer perceptions.

The central focus of the gaps model is the customer gap, the difference between customer expectations and perceptions. Firms need to close this gap-between what customers expect and receive-in order to satisfy their customers and build long-term relationships with them. To close this all-impact customer gap, the model suggests that four other gaps-need to be closed.

- **Gap 1:** difference between consumer expectations and management perceptions of consumer expectations.
- **Gap 2:** difference between management perceptions of consumer expectations and service quality specifications.
- **Gap 3:** difference between service quality specifications and the service actually delivered.
- **Gap 4:** difference between service delivery and what is communicated about the service to the consumer.
- **Gap 5:** difference between consumer expectations and perceptions.

2.6 Closing the Customer Gap

In a broad sense, the gaps model says that a service marketer must first close the customer gap. To do so, the provider must close the four provider gaps, or discrepancies within the organization that inhibits delivery of quality service (Zeithaml, Bitner, 2003). The gaps model focuses on strategies and processes that firms can employ to drive service excellence.

- **Provider gap 1:** not knowing what customers expect
- **Provider gap 2:** not selecting the right service design and standards
- **Provider gap 3:** not delivering to service standards
- **Provider gap 4:** not matching performance to promises

Provider Gap 1: Not Knowing What Customers Expect It is the difference between customers' expectations of service and company understanding of those expectations. Many reasons exist for managers to being aware of what customers expect:

- They may not interact directly with customers,
- Be unwilling to ask about expectations, or
- Be unprepared to address them.

When people with the authority and responsibility for setting priorities do not fully understand customers' service expectations, they may trigger a chain of bad decisions and

suboptimal resource allocations that result in perceptions of poor service quality. An inadequate marketing research orientation is one of the critical factors for provider gap 1. When management or empowered employees do not acquire accurate information about customers' expectations, provider gap 1 is large. Another key factor is lack of upward communication. Front-line Employees often know a great deal about customers; if management is not in contact with front-line with employees and does not understand what they know, the gap widens.

Also related to provider gap 1 is lack of company strategies to retain customers and strengthen relationships with them, an approach called relationship marketing. When organizations have strong relationship with existing customers, provider gap 1 is less likely to occur. The final factor is lack of service recovery. It is critical for service organization to understand the importance of service recovery- why people complain, what they expect when they complain, and how to develop effective service recovery strategies for dealing with inevitable service failures.

Strategies for Closing Provider Gap 1 are:

- Developing formal and informal methods to capture information about customer expectations through marketing research.
- Through variety of traditional research approaches like customer visits, survey research, complaint systems, customer panels.
- Developing well-defined complaint-handling procedure and empowering employees to react on the spot in real time to fix the failure.
- Building strong relationships and understand customer needs over time.

Provider Gap 2: Not Having the Right Service Quality Designs and Standards

It is the difference between company understanding of customer expectations and development of customer-driven service designs and standards. Provider gap 2 exists in service organizations for a variety of reasons. Those responsible for setting standards, typically management, sometimes beliefs that customers' expectation are unreasonable or unrealistic. When service standards are absent or when the standards in place do not reflect

customers' expectations, quality of service as perceived by customers is likely to suffer. In contrast, when there are standards reflecting what customers expect, the quality of service they receive is likely to be enhanced. Therefore, closing provider gap 2- by setting customer-defined performance standards- has a powerful positive effect on closing the customer gap. In addition, the services gap, the physical setting where the service is delivered, must be appropriate.

Strategies for Closing Provider Gap2:

- Developing effective strategies for new services and to use service blueprinting as an implementation tools.
- To develop customer-defined (as opposed to company-defined) service standards.
- To effectively design physical evidence and the service scape to meet customer expectations.

This gap illustrates the potential gap between management perception and service quality specification. Management's correct perceptions of customer expectations are necessary, but not sufficient for achieving superior quality service. Another prerequisite for providing high service quality is the presence of performance standards mirroring the management's perceptions of customers' expectations. In fact the real reason for the potential gap between awareness into appropriate service standards may be the absence of management commitment to service quality (Parasuraman, Zeithaml and Berry, 1995).

Poor Service Design

- Unsystematic new service development process
- Vague, undefined service designs
- Failure to connect service design to service positioning
- Absence of customer-defined standards
- Lack of customer-defined service standards
- Absence of process management to focus on customer requirement

- Absence of formal process for setting service quality goals
- Inappropriate physical evidence and servicescape

Provider Gap 3: Not Delivering to Service Standards

This refers to the gap between the service quality specifications and the service delivery process. Hence, it represents the discrepancy between service quality specifications documented in operating and training manuals and their successful implementation. In the research by Parasuraman, Zeithaml and Berry (1995) executives mentioned a variety of reasons for this discrepancy. Most of these reasons pertain to the willingness or inability of front personnel to meet the standards. Even when guidelines exist for good performing services and proper customer treatment, high quality service performance is not guaranteed.

- Deficiencies in human resource policies
- Failure to match demand and supply
- Customers not fulfilling roles
- Problems with service intermediaries

Provider Gap 4: When Promises Do not Match Performance

This gap illustrates the misfit between service delivery and the external communications to consumers. Hence, it illustrates the potential discrepancy between actual service delivery during the service encounter and the external communications to the customers. The customer should not be promised a certain type and level of service quality unless the service delivery system can achieve or exceed that level. Hence external communication, through sales force or advertising, can affect not only customer expectations about a service but also customer's perceptions of the delivered service. By effectively coordinating actual service delivery and external communications, gap 4 is narrowed and, hence, favorably affects gap 5 as well (Liljander, 1995).

- Lack of integrated services marketing communications
- Ineffective management of customer expectations

- Over promising
- Inadequate horizon communication

2.7 Customer Expectation of Service

Zeithaml & Bitner, (2003), define customer expectations as beliefs about service delivery that function as standards or reference points against which performance is judged. This indicates that customers have something in their mind about the service delivery by the company so that customers can compare their perception of performance. Since the decider for service quality are customers; companies need to deliver services which able to equate their perception from their expectation to exceed their expectation this will results in customer satisfaction and delight respectively to do this service provider need to properly identify and understand the Expectations of customers first. “Being wrong about what customers want can mean losing a customers also mean expending money time and other resources on things that do not count to the customer”(Ibid.)

How do buyers form their expectations? Kotler (2006) suggested that buyers form expectations from past buying experience, friends and associates advice, and marketers and competitors information and promises. If marketers raise expectations too high, the buyer is likely to be disappointed. However, if the company sets expectations too low, it won't attract enough buyers (although it will satisfy those who do buy). Some of today's most successful companies are raising expectations and delivering performances to match. When General Motors launched the Saturn car division, it changed the whole buyer-seller relationship with a New Deal for car buyers: There would be a fixed price (none of the traditional haggling); a 30-day guarantee or money back; and salespeople on salary, not on commission (none of the traditional hard sell).

2.7.1 Managing Customer Expectations

It is evident that quality, value and satisfaction are all influenced by the customer's expectations and perceptions in some form or another (Kotler, 2006). While perceptions are effectively a product of the service encounter and should be managed by careful management

of service delivery expectations (whether ideal or predicted) are formed in advance of experiencing the service.

2.8 Customer Perceived Value

Consumers are more educated and informed than ever, and they have the tools to verify companies' claims and seek out superior alternatives. How then do they ultimately make choices? Customers tend to be value-maximizers, within the bounds of search costs and limited knowledge, mobility, and income. Customers estimate which offer will deliver the most perceived value and act on it. Whether or not the offer lives up to expectation affects customer satisfaction and the probability that he or she will purchase the product again (Kotler, 2006, pp- 141). Customer perceived value (CPV) is the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives. Total customer value is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering. Total customer cost is the bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering, including monetary, time, energy, and psychic costs (Ibid). Customer perceived value is thus based on the difference between what the customer gets and what he or she gives for different possible choices. The customer gets benefits and assumes costs. The marketer can increase the value of the customer offering by some combination of raising functional or emotional benefits and/or reducing one or more of the various types of costs. The customer who is choosing between two value offerings, V1 and V2, will examine the ratio $V1: V2$ and favor V1 if the ratio is larger than one, favor V2 if the ratio is smaller than one, and will be indifferent if the ratio equals one.

2.9 The SERVQUAL Model

Zeithaml et al. has presented a generic model and appertaining measurement system for perceived service quality, which is SERVQUAL. The model prior to SERVQUAL is “the gap model” by the same authors. The gap model presents 5 different gaps which a company should avoid. Gap 5, known as the customer gap, represents the specific construct measured upon in the SERVQUAL model.

SERVQUAL is grounded in the earlier writings of the expectancy-disconfirmation theory in which quality is measured from the difference between the expectations (E) and evaluation of the performance (P). The results can be categorized as confirmation or disconfirmation and the outcome is the level of satisfaction (Oliver, 1980; Parasuraman et al., 1985). Meanwhile, the incorporation of disconfirmation theory in the model indicates the close relation between service quality and satisfaction.

2.10 Empirical Review

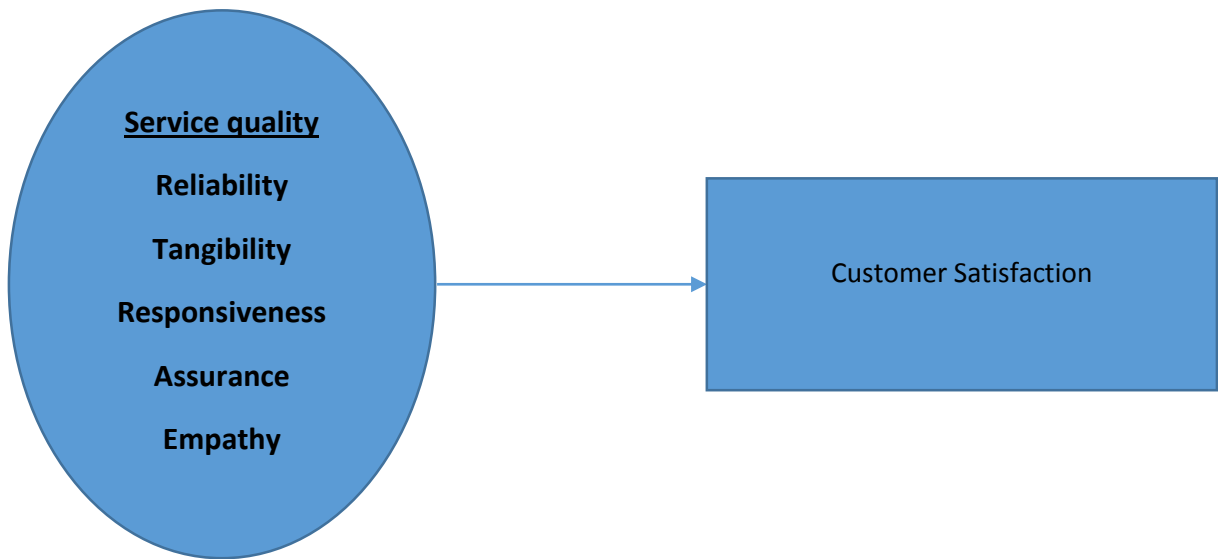
Elias Kassa in his study of measurement of service quality in commercial bank of Ethiopia (2004), he came into conclusion on that tangible dimension of the service quality is highly perceived by borrowers than by the depositor. While, the conclusion for the other four dimensions will be a borrower does give the same weigh for the services quality of reliable, responsiveness, assurance and empathy service quality dimensions than depositors.

A study conducted by Frehiwet G/hiwet on an assessment of service quality and customer satisfaction with broadband internet services of Ethio Telecom (2004), her finding demonstrated that there is a positive significant relationship between the combinations of broadband internet services modified SERVQUAL dimensions and customer satisfaction. This means that the overall service quality dimensions have significant impact on customer satisfaction. Moreover, her study indicated that there is a positive and significant relationship between three dimensions (network quality, reliability and convenience) and customer satisfaction. The network quality is most predictor of service quality followed by reliability and convenience.

Another thesis conducted by Temesgen Yitbarek on international tourist perceptions of Hotels service quality in Lalibela town an importance-performance analysis (2013), and his result of the regression analysis shows that a positive relationship between independent variables and the dependent variable as the coefficient of independent variables carried positive signs. Moreover, all the independent variables have significant contribution to tourists' quality perception.

2.11 Conceptual Frame Work of the Study

Based on five dimension 22 items questionnaires developed by Parasuraman et al.'s (1988), the researcher identified the five service quality dimension (i.e. Tangibles, Reliability, Responsiveness, Assurance and Empathy) that has an impact on customer satisfaction. Figure 1 shows, the five dimension of service quality and the impact that has on customer satisfaction.



Source;_Parasuraman et al.'s (1988)

Figure 1, conceptual frame work of the study

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design and Approach

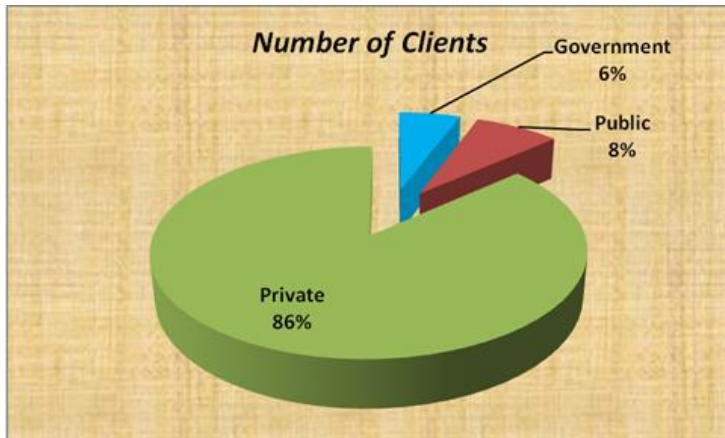
The researcher used a **Mixed approach** On the one hand, service quality was operationalized by using Parasuraman et al.'s (1988) widely known 22- item, five-component concept (i.e. tangibles, reliability, responsiveness, assurance and empathy). The measurement used the **SERVQUAL** scale. Applying a statistics through survey research and using of questionnaires. This study also adopted a quantitative approach to assess the service quality and thereby customer satisfaction level of the EIC.

The purpose of the research was **descriptive and explanatory**. It is descriptive because descriptive data was collected through detailed interview from managers and also **explanatory** since the researcher had to explain the relationship between the service quality variables and customer satisfaction and how these dimensions affect customer satisfaction. The emphasis here is on studying a situation or a problem in order to explain the relationship between variables. The objective with this kind of research is to analyze cause-effect relationship, explaining what cause produces what effect.

3.2 Population and Sampling

A target population consists of the complete group of elements (people or object) that are specifically identified for investigation according to the objectives of the research project (Paurav shukla, 2008). Sampling units was managers and private customers of the six district offices of Addis Ababa. Government and public clients doesn't included in this research. The reason is that the researcher believes that private customers that has an insurance policy already familiar or experience the service of the organization and easily evaluate the service delivery of the corporation. Hence the government and public clients of the corporation usually pay their premiums on behalf of their agents and they are not familiar with the service of the EIC. Moreover, the public and government customers of the corporation only constitute 14 % of the total number of clients and the rest 86% incorporated by private customers.

Figure 2; Pie chart (number of clients of EIC)



Source: EIC Manual, 2014

3.2.1 Sample Size

The researcher took different factors like the nature of the research, time and money into consideration in order to choose the right sample, and used a formula by Yemane Taro (1963) to determine the sample size. Technically, the size of the sample depends on the precision the researcher desires in estimating the population parameter at a particular confidence level.

For this study, the researcher took 392 customers from the total number of 19,617 private customers of the six districts by applying $\pm 5\%$ of precision level. Table 1 shows that the number of private customers of the six districts of Addis Ababa and the number of questionnaires distributed in each of the six districts.

Formula

$n = \frac{N}{1 + N(e)^2}$	$n = \frac{19,617}{1 + 19,617(0.05)^2}$	<p>n=sample size</p> <p>e= level of precision</p> <p>N=Population Size</p>
$= \underline{\underline{392(\text{Customers})}}$		

Table 1; No of Private Clients of The Six Districts Offices of EIC

Name of the District	Number of Clients	No of samples that was selected from each district
Arada District	5,184	80
Central Addis District	4,046	80
Northern District	2,859	58
Western District	2,830	58
Eastern District	2,394	58
Southern District	2,304	58
Total	19,617	392

Source; EIC Manual, 2014

3.2.2 Sampling Techniques

The researcher used **simple random sampling to draw samples from the total population.** A **simple** random sample is a subset of individuals (a sample) chosen from a larger set (a population) (Gujarati, 2002). It's obvious that customers came to get different kind of services in the corporation and the researcher have to identify those customers who already has an insurance policy and make sure that they are familiar with the service delivery system of the corporation. Respondents identified by the six district employees as a client when they came for renewal or other kind of services in the corporation. After the customers identified by the employees, the questionnaires distributed for randomly selected customers of the corporation.

3.2.3 Source of Data

There are two major approaches (primary and secondary data) to gather information about a situation, person, or problem. Sometimes information required is already available and need only be extracted. However, there are times when the information must be collected. Based up on these broad approaches the information gathering data used categorize as primary and secondary data.

In this study both primary and secondary data was used. The secondary data about customer satisfaction and service quality collected from journals, books, articles and from different research previously done. The primary data collected through interviews with corporation's team leaders and from questionnaires adopted for the corporation customers. When performing an interview there are several approaches to choose between like personal interview, telephone interview, and E-mail. In this study, primarily personal interview conducted, implying face-to-face contact with respondent (six districts team leaders). In this study quantitative survey also use as data collection method. A questionnaire adopted to get idea about the customers' experience on service.

3.3 Validity

Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Sounders et. al., 2003). Numbers of different steps was taken to ensure the validity of the study:

- Data was collected from the reliable sources, from respondent who has experiences in using the service of the corporation.
- The participants were asking to give comments on the statements of the questionnaires to avoid subjectivity and ambiguity.
- The statements in the questionnaires adopt it to this purpose of research.

3.4 Reliability Analysis

The researcher conducted a reliability test on the five dimensions of service quality. According to Nunnally (1978) 0.60 is an acceptable level for reliability measure. And based on the data in the table 2 all of the five dimensions has a value greater than 0.60, and it is possible to conclude that all of the five dimensions of service quality under this study are reliable.

Table 2; Reliability Test

No	Item	Cronbach's Alpha	No of Items
1	Tangibility	.627	4
2	Reliability	.847	5
3	Responsiveness	.798	4
4	Assurance	.771	5
5	Empathy	.776	4

Source; Researcher Survey Result, 2015

3.5 Data Analysis Methods

The study was conducted to assess the service quality delivery and its impact on customer satisfaction. The researcher used a structured questionnaires in order to gather primary data. It's a means of confirming data obtained with either unstructured interview or other qualitative method and it's useful for estimating the prevalence of existing beliefs or attitudes.

After collecting all the necessary data the process of data analysis was undertaken. To summarize and rearrange the data several interrelated procedures was performed during the data analysis stage. The data that are collected from managers was analyzed by using **qualitative** data analysis; data that was gathered from customers through questionnaire analyzed by using descriptive statistics, correlation, and regression data analyze techniques.

Descriptive statistics was used to calculate the mean of customers' expectation and perception.

3.6 Ethical Considerations

The researcher had keep the anonymity and the confidentiality of the respondents in this research work and they also participated voluntarily. Adequate care was taken to select an appropriate time to conduct the interview. Circumstances such as busy and high peak office task hours avoided so that managers was given answers to the questions in a relaxed manner. By explaining the purpose and objective of the study, maximum effort was made to make respondents feel secured and confidentiality was maintained.

CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Response Rate

The researcher distributed 392 questionnaires in the six selected districts of the corporation, and was able to collect 320 questionnaires back. That means the response rate for this research was 82%. And the researcher able to had an interview with all of the team leaders of the six districts as proposed and the response rate was 100%.

Table 3; Response rate of Questionnaires Administered

	Customers		
	Correctly filled and returned	Not Correctly filled	Not returned
Number	320	-	72
Percentage	82		8

Source; Researcher Survey Result, 2015

4.1 .1Analysis of Data Gathered from Customers

Table 4; Demographic characteristics of the Respondents (Customers)

Characteristics		Frequency	Percent
Gender	Male	196	61.3
	Female	124	38.8
	Total	320	100.0
Age	< 20 years	6	1.9
	40 - 49 years	106	33.1
	20 - 29 years	77	24.1
	Above 50 years	20	6.3
	30 - 39 Years	111	34.7
	Total	320	100.0

Source; Researcher Survey Result, 2015

Out of the total of 320 respondents 61.3 % are male and 38.8% of them are female. Regarding the age of the participants, the largest group (34.7%) is in the 30-39 years age group. The second largest group (33.1%) fall under in the age group of 40-49 and 24.1% of the respondents are in the 20-29 years age group. 6.3 % of the respondents are in the age group of above 50 and the 1.9% of the respondents are in the age group of less than 20 years.

Table 5; Educational levels of respondents

Characteristics		Frequency	Percent
Level of education	Secondary	85	26.6
	Diploma	87	27.2
	Degree	135	42.2
	Masters	13	4.1
Total		320	100.0

Source; Researcher Survey Result, 2015

As we can observe from table 5, 135 of the respondents (42.2%) have Degree, 87 (27.2%) of them have a Diploma and 85 (26.6%) of them have a secondary school leaving certificate and 13 (4.1%) of them have a master’s Degree.

4.2 Results

4.2.1 Statistics Indicating Service Quality Dimensions For Building Customer Satisfaction

After the collection of the questionnaires from the respondents, the researcher explored the level of customers’ expectation and perception towards service quality of the corporation in five areas: tangibility, reliability, responsiveness, assurance, and empathy.

Besides using descriptive statistics of means and standard deviations, gap analysis is used in comparing means between expectation score and perception score of the respondents. Descriptive analysis was performed in order to examine respondent perceived satisfaction on observed variable, overall satisfaction and specific service quality attribute.

Table 6; Customer Satisfaction Concerning Reliability

Reliability	Expectation			Perception		Gap P-E
	N	Mean	Std. Deviation	Mean	Std. Deviation	
The staff can provide you the services as promised	320	4.34	.751	3.19	1.211	-1.15
The staff provide you accurate information	320	4.35	.809	3.16	1.233	-1.19
The staff perform the service right at the first time	320	4.16	.840	3.13	1.190	-1.03
The staff offer you some help	320	4.12	.977	3.18	1.270	-0.93
Keep records accurately	320	4.12	.886	3.14	1.220	-0.98
overall mean		4.2175	.65596	2.8550	1.05781	-1.36

Source; Researcher Survey Result, 2015

Table 6; shows that overall satisfaction of expectation concerning reliability dimension is high (4.2175), Overall satisfaction of perception towards reliability dimension is at the lowest level (2.8550). Customer expectation of reliability dimension was ranked at the highest level (4.2175). This implies that customers of the EIC are dissatisfied because their expectation are higher than what they perceived from the corporation. The table also shows that customers' expectation of reliability dimension of service quality is high. In addition, customers' perception towards reliability is at the lowest level. Therefore, from the five dimension of service quality reliability affects customers' satisfaction significantly. The customers of EIC gives more importance to the reliability dimensions (delivering on promise) of the service quality and the corporation must work to excel the reliability service dimension of the service quality.

Table 7; Customer Satisfaction Concerning Responsiveness

Responsiveness	N	Expectation		Perception		Gap P-E
		Mean	Std. Deviation	Mean	Std. Deviation	
The staff tells you exactly when services will be provided	320	4.14	.798	3.23	1.171	0.92
The staff give you prompt service	320	4.17	.745	3.18	1.203	0.98
The staffs are willing to help you	320	4.08	.831	3.15	1.186	0.92
Staff respond to requests promptly	320	4.24	.869	3.19	1.216	-1.05
Over all mean		4.1578	.65121	2.8516	1.06538	1.31

Source; Researcher Survey Result, 2015

The responsiveness dimension involves willingness to help customers and provide prompt services. It is crucial that the corporation staffs are willing and able to help customers, provide prompt service and meet customers' expectation.

Table 7; indicates that overall expectation towards responsiveness dimension was at the high level (4.1578). The staffs respond to request quickly received the highest ranking of expectation at 4.24. It is highly possible that customers are satisfied when they receive a quick response from the corporation. Table 7 also shows that overall satisfaction of perception towards responsiveness was at a lowest level (2.8516). Generally, customers' expectation and perception towards responsiveness of the corporation falls under a customer dissatisfaction.

Management and employees of the corporation should give emphasis to customer request, questions and complaints and problems promptly, by doing so the corporation would be able to improve the responsiveness dimension.

Table 8; Customer Satisfaction Concerning Assurance

Assurance	N	Expectation		Perception		Gap P-E
		Mean	Std. Deviation	Mean	Std. Deviation	
The staff has product knowledge of Insurance information	320	4.23	.867	3.49	1.277	-0.73
The staffs have required skill to perform service	320	4.25	.852	3.44	1.256	-0.81
The staff speak with you by using an appropriately address forms	320	3.96	.912	3.42	1.259	-0.54
The staffs are trustworthy.	320	4.18	.896	3.37	1.273	-0.80
The staff makes you feel safe	319	4.17	.901	3.50	1.363	-0.66
Overall mean		4.1550	.73513	3.1208	1.07069	-1.03

Source; Researcher Survey Result, 2015

The assurance dimension refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence including competence, courtesy, credibility and security.

Table 8; shows that overall expectation towards assurance dimension is the highest level (4.1550), with the staffs have required skill to perform the service (m=4.25), the staff has product knowledge of Insurance information (m=4.23) and trustworthiness (m=4.18). This implies that most customers expect the staff to have the required skill and has product knowledge to perform his/her task. The table also indicates that perception of assurance dimension ranked at the lowest level (3.1208), with which all assurance variables being the most important factor (highest level) except The staff speak with you by using an appropriately address forms (3.96). Therefore, front office staff must have broad and deep knowledge, skills, capacity and experience to satisfy customers.

Table 9; Customer Satisfaction Concerning Empathy

Empathy		Expectation		Perception		Gap P-E
	N	Mean	Std. Deviation	Mean	Std. Deviation	
The staffs are able to communicate effectively with you.	320	4.19	.689	3.21	1.199	-0.98
The staff shows personal attention to you	320	4.13	.765	3.14	1.195	-0.99
The staff knows your specific needs	320	4.10	.788	3.11	1.169	-0.98
Convenient time management	319	4.10	.823	3.12	1.199	-0.98
Overall	-	4.1313	.56819	2.8523	1.02548	-1.28

Source; Researcher Survey Result, 2015

The empathy dimension represents the provision of caring and individualized attention to customers including access or approachability and ease of contact, effective communication, and understanding the customers.

Table 9; shows that overall expectation concerning empathy dimension is the highest level (4.1313). Effective communication and personal attention to the customer were considered the most important (expectation) (4.19, 4.13 respectively). The corporation is represent by its staff (employees) and communication and proper time management are vitally important. The overall mean score of customers' perception is less than the overall of their expectation. Therefore, it is possible to say that customers are dissatisfied. By understanding the importance of caring and giving individualized attention to the customer, the EIC management and staff should improve the Empathy dimension of service quality.

Table 10; Customer Satisfaction Concerning Tangibility

Table 10; indicated that overall satisfaction of expectation towards tangibility is at lowest level (3.8891). Customer perception of tangibility dimension was ranked at the lowest level (2.8336). This implies that customers of the bank are dissatisfied because their perceptions are lower than what they expect from the corporation. The table also shows that customers' expectation of tangibility dimension of service quality is low. In addition, customers' perception towards tangibility is also at the lowest level.

Table 10; Customer Satisfaction Concerning Tangibility

Tangibility	N	Expectation		Perception		Gap P-E
		Mean	Std. Deviation	Mean	Std. Deviation	
the interior design of the corporation is attractive	320	3.9	0.856	3.25	1.139	-0.65
the staff dressed up professionally	320	3.78	0.828	3.14	1.123	-0.64
The staff provides the services with smile	320	3.9	0.892	3.17	1.195	-0.73
The staff have attractive appearance i.e. elegant, smart, etc	320	3.98	0.878	3.11	1.221	-0.86
Over all mean		3.8891	0.67666	2.8336	1.04063	-1.06

Source; Researcher Survey Result, 2015

Table 11; Summary of the Gap Analysis

	Service Quality Dimensions	Mean		Gap	Rank
		Perception	Expectation		
1	Reliability	2.8550	4.2175	-1.36	1 st
2	Responsiveness	2.8516	4.1578	-1.31	2 nd
3	Empathy	2.8523	4.1313	-1.28	3 rd
4	Tangibility	2.8336	3.8891	-1.06	4 th
5	Assurance	3.1208	4.1550	-1.03	5 th
Overall mean score		2.9026	4.1101	-1.20754	

Source; Researcher Survey Result, 2015

Table 11; shows the results of the overall importance (expectation) on the five dimensions is high level (4.11) which is significant. The result of customers expectation shows that reliability dimension is at the highest level (4.2175) followed by responsiveness (4.1578), assurance (4.1150), empathy (4.1313), and tangibility (3.88891) in descending orders.

Table 11; also indicates that overall satisfaction of perception on the five dimensions is at a lowest level (2.9026). Most customers perceived assurance dimension at the highest level (3.1208), followed by reliability (2.8550), empathy (2.8523), responsiveness (2.8516), and Tangibility (2.8336) in their descending order. In this study, reliability dimension was the most vital factor in which the customers' expectation was very high but the perceived service quality was low as compared with the other dimensions. The SERVQUAL gap is calculated between the mean score of expectation and perception. The findings of the study show the difference between expectation and perception as shown in table 11. Table 11; also demonstrates the gap between customers' expectation and perception. The study shows that the overall level of perception of tangibility, reliability, responsiveness, assurance, and empathy are lower than level of expectation.

The study reveals that the EIC customers are dissatisfied in all dimensions of service quality. From the five dimensions assurance is the only dimensions that shows the lowest gap which is (-1.03).

4.3 Correlation Analysis

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). A correlation analysis with Pearson's correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. To interpret the strengths of relationships between variables, the guidelines suggested by Field (2005) were followed, mainly for their simplicity. His classification of the correlation coefficient (r) is as follows: 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong.

Table 12; Correlation between Service Quality Dimensions and Customer Satisfaction.

		Satisfaction
Tangibility	Pearson Correlation	.872**
	Sig. (2-tailed)	.000
	N	320
Reliability	Pearson Correlation	.880**
	Sig. (2-tailed)	.000
	N	320
Responsiveness	Pearson Correlation	.853**
	Sig. (2-tailed)	.000
	N	320
Assurance	Pearson Correlation	.800**
	Sig. (2-tailed)	.000
	N	320
Empathy	Pearson Correlation	.853**
	Sig. (2-tailed)	.000
	N	320

Source; Researcher Survey Results, 2015

From table 12; reliability and customer satisfaction has a high correlation of .880. The table also indicate that all of the five dimensions of service quality are highly and positively correlated with the dependent variable (customer satisfaction).

Reliability

The facts of the study shows that there is a positive relationship between reliability and customer satisfaction in the EIC. Delivering on promise (reliability) has a strong positive relationship with customer satisfaction (0.880).

Tangibility

Tangibility (representing the service physically) shows that there is a strong positive relationship with satisfaction (0.872).

Responsiveness

The study shows that responsiveness and customer satisfaction has strong positive correlation. The data in the table also shows that responsiveness and empathy has an equal value of correlation (0.853), this also indicates that both dimensions has a strong positive correlation with customer satisfaction.

Assurance

Assurance shows a positive correlation with customer satisfaction in this study. Inspiring trust and confidence have a strongly positive relationship with customers' satisfaction (800).

4.4 Regression test

The five assumptions done before the researcher conducted a regression analysis and those are linearity, normality, homoscedasticity, multicollinearity and independence of residual and presented and discussed below.

4.4.1 Test for Normality of Data

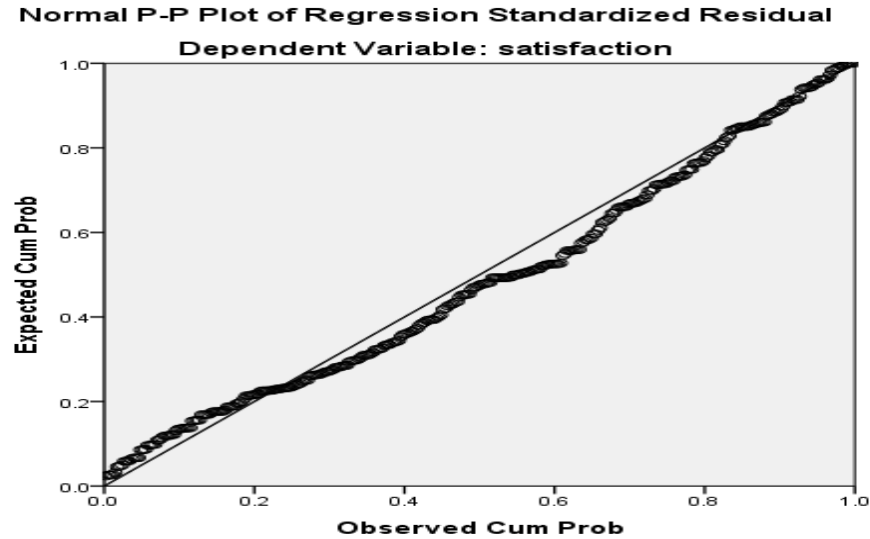
In statistics, normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. Gujarati (2002)

4.4.1.1 Graphical Methods

A graphical tool for assessing normality is the normal probability plot of the standardized data against the standard normal distribution. For a normal data the points plotted in the QQ plot should fall approximately on a straight line. Gujarati (2002). For this study a normality test has been

conducted and the result on graph 3; shows that most of the line falls on the straight line, and it is possible to conclude that the study met the first test of regression.

Figure 3; Test for Normality of Data



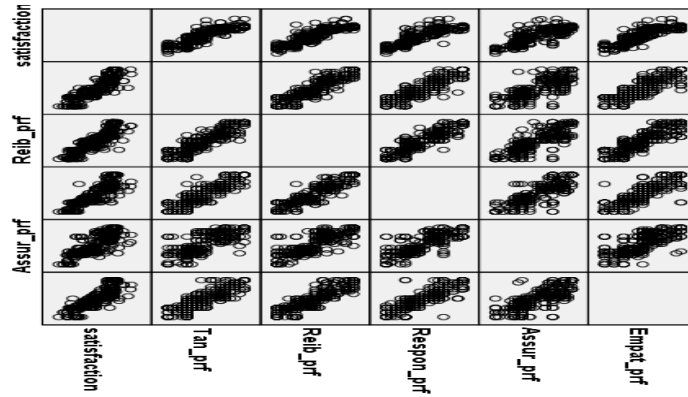
Source; Researcher Survey Result, 2015

4.4.2 Test for Linearity and Homoscedasticity

4.4.2.1 Homocedasticity

In statistics, a sequence or a vector of random variables is homoscedastic if all random variables in the sequence or vector have the same finite variance. This is also known as homogeneity of variance. Gujarati (2002) both assumptions (linearity and homoscedasticity) can be checked by scatterplot diagram stated below.

Figure 4; Test for Linearity and Homoscedasticity



Source; Researcher Survey Result

As we can see from the figure 4; both the homoscedasity and linearity test has met because the scores are distributed evenly around the prediction line for each value of X.

4.4.3 Test for Multicollinearity

In a statistics, multicollinearity (also collinearity) is a phenomenon in which two or more predictor variables in a multiple regression model are highly correlated, meaning that one can be linearly predicted from the others with a non-trivial degree of accuracy. O’Brien (2007)

In this study Variable Inflation Factor (VIF) technique is employed. The VIF is a measure of the reciprocal of the complement of the inter-correlation among the predictors: $(VIF=1/(1-r^2))$. The decision rule is a variable whose VIF value is greater than 10 indicates the possible existence of multicollinearity problem. Tolerance (TOL) defined as $1/VIF$, It also used by many researchers to check on the degree of collinearity. The decision rule for Tolerance is, a variable whose TOL value is less than 0.1 shows the possible existence of multicollinearity problem. (Gujarati, 2002)

Table 13; Tests for Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1 Tan_prf	0.173	5.779
Reib_prf	0.128	7.789
Respon_prf	0.141	7.068
Empat_prf	0.215	4.662
Assur_prf	0.305	3.282

Source; Researcher Survey Result, 2015

Table 13; shows that VIF values for all variables is less than the tolerable value, i.e. 10. And Tolerance value of all variables also is above 0.1 which indicates that this model is free from multicollinearity problem between the dependent variables (service quality dimensions).

4.4.4 Test of Independent of Residuals

Multiple linear regression model assumes that the residuals are independent of one another. The Durbin-Watson statistic is used to test for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50

Table 14; Test of Independent of Residuals

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.917 ^a	.840	.838	.48517	1.525

a. Predictors: (Constant), Assur_prf, Empat_prf, Tan_prf, Respon_prf, Reib_prf

b. Dependent Variable: satisfaction

Source; Researcher Survey Result, 2015

Table 14; shows that the assumption of independence of residuals is met. Durbin Watson value for this study is in the range of 1.5-2.5.

Generally, the study discussed five major assumption that must be fulfilled before analyze the data using multiple linear regression model. Since all the five assumptions were not violated, the researcher examined the data collected by the questionnaires using multiple regression model as follow.

Regressions fit a predictive model to data and use that model to predict the values of dependent variable from one or more independent variables (Andy, 2005). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable.

In multiple regressions we use an equation of

$$y_i = (b_0 + b_1X_1 + b_2X_2 + \dots + b_nX_n) + E_i$$

Where:

y = the outcome variable
(X₀)

b₀ = the coefficient of the first predictor

b₁ = the coefficient of the first predictor (X₁)

b_n = the coefficient of the nth predictor (X_n)

E_i = the difference between the predicted and observed value of y for the ith participant

Therefore, in this study the following multiple regressions were used:

Where: CS_i (y) = customer satisfaction

T(X₁) = tangibility

R(X₂) = reliability

RES(X₃) = responsiveness

A(X₄) = assurance

E(X₅) = empathy

Table 15; ANOVA (Analysis Of Variance)

Model		Sum of squares	Df	Mean Square	F	Sig.
1	Regression	388.568	5	77.714	330.153	.000 ^b
	Residual	73.912	314	.235		
	Total	462.480	319			

Dependent variable; customer satisfaction

Independent variable; reli,prf, tan prf, res,prf,assur,prf,emp,prf

Source; Researcher Survey Result, 2015

The result in table 15; shows that the output report on an analysis of variance (ANOVA). The summary table shows that the various sums of squares and the degrees of freedom associated with each dimensions. Table 15; confirmed that the significance of the overall model by p-value of 0.000 which is below the alpha level, i.e. 0.05, which means, the independent variables or the overall dimensions of service quality has statistically significant relationship with the dependent variable (customer satisfaction) under this study.

Table 16; Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917 ^a	.840	.838	.48517

Source; Researcher Survey Result, 2015

Table 17; Regression Coefficients Result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-4.467	.088		51.051	.000		
Tan_prf	.343	.063	.296	5.459	.000	.173	5.779
Reib_prf	.287	.072	.252	4.006	.000	.128	7.789
Respon_prf	.045	.068	.040	.666	.506	.141	7.068
Empat_prf	.266	.057	.227	4.650	.000	.215	4.662
Assur_prf	.187	.046	.166	4.061	.000	.305	3.282

a. Dependent Variable: satisfaction

Source; Researcher Survey Result, 2015

The other major result under the model summary of table 16; shows that the R or coefficient of correlation of the model is 0.917 or 91% and R Square or coefficient of determination of the model is 0.840 or 84%. The regression analysis has done using customer satisfaction as dependent variable and service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) as independent variable.

Table 17; shows that, all the independent variables have statistically significant relationship with the dependent variable except the responsiveness dimension, since their p-value is below the alpha level which is 0.05. Considering the standardized beta coefficients, the strongest predictor of the dependent variable (service quality dimensions) is tangibility and reliability (0.296 and 0.252) respectively, moreover, empathy, assurance and responsiveness a beta value of 0.227, 0.166 & 0.040 respectively.

All the independent variable have positive relationship with the dependent variable, from the table 18, one can drive the model as follows;

$$\text{Customer sat} = -4.467 + 0.343tan + 0.287rel + 0.045resp + 0.266assur + 0.187emp$$

4.5 Discussion

Methods that the EIC management could use in order to determine those areas that need improvement would be to rank quality dimensions based on their Importance (Expectation) and Performance (Perception) score or based on the gap score between perception and expectation. Thus it is necessary to find out whether customers pay more or less attention to certain aspects when they evaluate EIC service delivery system.

As indicated in the Table 11, perception is measured for each attribute separately, on a five point Likert scale. Based on these ratings, the researcher has obtained the performance (perception) scores for the five service quality dimensions, namely “Assurance (3.1208), Reliability (2.8550), Empathy (2.8523), Responsiveness (2.8516) and Tangibility” (2.8336)

As for the expectation the researcher had to ask respondents to rate the expectation they had on the five dimensions at five point scale. The results indicate that the most important dimension is “Reliability” (4.2175), followed by “Responsiveness” (4.1578), “assurance” (4.1550), “Empathy” (4.1313), and “Tangibility” (3.8891). the results indicated that customers of EIC gives much importance to the reliability dimension (delivering on promise) and the perceived service quality on this dimension shows the lowest score, EIC managers should work to meet or excel the expectation of customers in each dimension.

The data in table 11; also shows that the assurance dimension of the EIC had a lowest customer gap comparing to the other dimensions, but it doesn't mean that customer of EIC are satisfied with the assurance dimension of service quality because the data shows a negative customer gap.

With the help of this information or findings, the researcher can conclude that immediate attention should be given by the corporation management to all of the service quality dimensions and further investment should be directed towards its improvement.

4.6 Interview Analysis

The researcher had conduct an interview with the six district retail team leaders regarding the following questions. Information gained from the six district retail team leaders is analyzed qualitatively as follows.

4.6.1 Service quality and customer satisfaction as an important strategy for EIC

Providing excellent service quality and high customer satisfaction is the important issue and challenge facing the contemporary service industry. High customer satisfaction and loyalty have long been key concerns for operational management in service industries. Consequently, customer orientation, namely, understanding customer requirements and expectations, is the first step service providers must take to enhance service quality.

Based on the above statements an interview was conducted whether service quality and customer satisfactions are important strategies for the EIC.

According to the team leaders of the six districts, EIC are service delivery institution, its deliver their services for customers. In turn customers are the backbone of service providing institutions. Because of these and other factors EIC cannot exist without customers. Providing service to customers is not only the strategy of the EIC, they must retain existing customers, attracting new customers and satisfying their needs. This takes place by applying the concept of service quality and customer satisfaction as a strategy. Therefore, service quality and customer satisfaction are important strategies for EIC. The reason is that according to the team leaders of the six districts if customers are dissatisfied with the corporation service they will going to switch to another insurance company and the corporation cannot operate without its customers.

4.6.2 Strategies applied in the corporation to boost the quality service delivery

It is obvious that service providing institutions are applying different strategies in order to enhance their customer service quality delivery. Therefore, the six district team leaders asked about what strategies the EIC applies in providing service quality or enhance customer service quality delivery. Based on the result of the questionnaires collected from the customers of the six districts, it's possible to conclude that most of customers of the EIC are dissatisfied with the service quality delivery of the corporation. According to the team

leaders, the corporation uses different strategies to boost the quality of its service delivery through the following ways:

- ✓ Changing the process. There is an improvement made in the corporation concerning the speed of service delivery. According to the corporation team leaders, it's been a while since EIC begin to use a system called **INSIS** (for the insurance process), **AGRESSO** (For financial process) and it help the employees of the EIC to give a prompt service to their customers.
- ✓ According to the six district team leaders, the corporation gives different training programs for its employees on the areas of customer service delivery process, how to handle their problem during service encounter and also train them on product knowledge of the corporation. Customer service is the ability of knowledgeable, capable, and enthusiastic employees to deliver products and services to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately results in positive word-of-mouth publicity and return businesses.

4.6.3 Do you think that your corporation has the ability to provide appropriate service quality that customers are satisfied with in the future? If yes, explain?

The result of the Gap analysis shows that most customers of EIC are dissatisfied with all of the dimensions of service quality,

The district team leaders have confirmed that the corporation has the ability to provide appropriate services quality in the future by taking advantage of its 37 years of experience, by cope up with the changes in the external environment and satisfied its employees because employees satisfaction has an impact on their performance. Some of the measures that EIC taken to improve its service delivery are the following

- using network wide systems like INSIS and AGRESSO
- Training, motivating and rewarding employees:
- Applying customer handling system

4.6.4 Many service giving institutions undertake customer satisfaction survey as a strategy to measure the quality of their service. What are the techniques applied to measure service quality in EIC?

Customer satisfaction is one of the performance metrics of measuring satisfaction and service quality. The researcher asked the district team leaders about the techniques EIC applied to measure its service quality and according to the team leaders, EIC used different techniques to measure the satisfaction level of its customers. Customers care officers are assigned in each unit and hear complaints of the customers and suggestion boxes put in each districts office.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Major Findings

Table 15; shows that the overall fitness of the model, this fact has been confirmed by different types of statistical results. The first way is the ANOVA test that produced a P-value of 0.000 which is below the alpha level, i.e. 0.05. That means the overall independent variable have statistically significant relationship with that of the dependent variable, i.e. customer satisfaction.

The R (Coefficient of Correlation) which is simply a measure of the degree of association or co-variation that exists between independent variables (service quality dimensions) and dependent variable. It only measures degree of association or covariation between the two variables. In this case the value of R which is 0.917 shows, there is a very strong relationship between the independent variables (service quality dimensions) and dependent variable (customer satisfaction) or in other words that independent variables and customer satisfaction of the corporation vary together 91.7% of the time.

By checking the R square (Coefficient of Determination), can be defined as the proportion of the total variation or dispersion in the customer satisfaction of the corporation (independent variable) that explained by the variation dependent variables in the regression. With R Square value of 0.840, meaning, 84 % of the variation in customer satisfaction is explained by the linear relationship with all the independent variables.

Generally speaking, the regression model developed under the study can be considered as a good predictor of customer satisfaction of the corporation. The individual effects of the independent variables can be explained by their respective beta coefficients. As per the regression result table 17; the customer satisfaction and tangibility dimension has the strongest positive relationship. 1 unit increment in tangibility dimension can cause about 34.3 % change in customer satisfaction.

The second variable under study was reliability and according to the regression result, it has a positive relationship with the customer satisfaction and a 1 unit increment on this variable will cause about 28.7%.

The third variable was Empathy, this factor also has a positive relationship with the customer satisfaction with a magnitude of 1 unit increase in empathy dimension causes about 26.6 % change increase in customer satisfaction.

The other factor under study was assurance, and this factor has a positive relationship with the customer satisfaction. With 1unit increase in assurance will cause about 18.7 % increase in customer satisfaction.

The final factor under this study was responsiveness dimension and it's not significantly related with the dependent variable (customer satisfaction). Because its beta value is less than 0.00.

5.2 Conclusions

The researcher measure service quality and try to identify those areas that need improvement in order to gain a competitive advantage. In addition, the researcher has examined the relationship between five service quality dimensions and customers' satisfaction in EIC and tried to identify which dimension has the highest impact on customers' satisfaction and which need improvement.

The customer gap is evaluated on the basis of five service quality dimensions encompassing Tangibility, Reliability, Responsiveness, Assurance and Empathy. Based on these five service quality dimensions questionnaire is conducted. The questions posed are all pertaining to service quality attribute aiming to explore the respondents expected and perceived service evaluations in all aspects of the service delivery of the corporation.

This study focused further on the gap between customers' expectation and their perception of the EIC. The results shows that the overall mean score of perception ($m=2.911$) is lower than expectation ($m=4.117$) in all dimensions, yielding a negative SERVQUAL gap.

Moreover, all dimensions portray negative gap values which signify that the actual expected service exceeds the perceived service. The findings of the study show the difference between expectation and perception. Reliability and responsiveness are shows the highest negative gap (-1.36 and -1.31) respectively.

The attributes perceived satisfactory performed are scattered between the five service quality dimensions. The most perceived service quality dimensions are assurance and reliability followed by empathy. However, responsiveness and tangibility are less perceived compared to the other dimensions.

Reliability shows the highest positive correlation ($r=0.880$) with overall service quality and positively correlated with customer satisfaction and tangibility demonstrates the second highest positive correlation ($r=0.872$) with overall service quality and correlates with customer satisfaction. Moreover responsiveness and assurance shows equal value of positive correlation with customer satisfaction ($r=0.853$) and assurance shows the least positive correlation ($r=0.800$) with customer satisfaction.

The relative importance of the significant predictors is determined by looking at the standardized coefficients. All of the dimensions of service quality under this study shows an importance except the responsiveness dimensions of service quality. The strongest predictor of service quality are tangibility and reliability (0.296 & 0.252) respectively. Empathy and assurance are the second and third strong predictor of service quality (0.227 & 0.166) and the responsiveness dimension (0.040)

5.3 Recommendations

Based on the results of the analysis the following recommendations are given which help EIC in service delivery system in order to narrow the gap existed between customer perception and expectation and so as to increase customer satisfaction and delight them.

During service provision interaction occurs from the moment the client and employees contact each other either verbally or non-verbally. Managers should ensure that the benefits offered to customers in promotional activities are delivered as promised.

Delivering a high standard of quality requires management commitment and teamwork. Employees must realize how their performance affects the rest of the team. Therefore, the corporation needs to give due attention to the “Reliability and Tangibility” factors so that customers may have higher expectations helping the corporation to improve.

In the present competitive insurance industry, most of the insurance companies offer the same or similar products around the world and service quality is a vital means to differentiate themselves in the market place. Therefore, to be successful, the corporation must provide a quality service that meets or exceeds the expectations of its customers.

The staff and management of EIC should work hard to close the customer gap, by doing so it will possible to close the other four service quality gaps that stated under the literature review section of this study.

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APPENDIX



St. Mary University School of Graduates department of MBA (general management) Questionnaire to be filled by customers of EIC

APPENDIX; A

This questionnaire is a part of a study for a Masters Degree at St. Mary University School of Graduates. The objective of the research is to evaluate customer expectation and perception levels towards service quality of Ethiopian Insurance Corporation. This questionnaire is to be filled by customers and its objective is to get accurate information about the effect of service delivery system of Ethiopian Insurance Corporation on customer satisfaction. Therefore, your genuine answer to the questions in the questionnaire has an immense value to the completion of this study.

Instruction

- No need of writing your name
- Your confidentiality maintained sincerely.
- Use \surd up on given choices alternatives.

Part I personal data

1. Gender?

Male

Female

2. Age?

18 -24

25-34

35-44

45-54

55-64

65 and over

3. Level of education

School leaving qualification

Bachelor's degree

Post-graduate degree

Other

Part II: Survey of your expectations and perceptions towards service quality of EIC. This survey deals with your opinion about EIC service Delivery System. Please show the extent to which you expect and perceive the organization’s offering services should possess features described by each statement. There is no right or wrong answers all I am interested in is a number that best show your expectations and perceptions about the Service Delivery System of EIC. Based on this please put a tick (√) in the boxes which mostly explain your attitudes.

a) Level of EXPECTATION towards service quality of EIC

b) Level of PERCEPTION towards service quality of EIC The score levels are described as:

- 1- Strongly Disagree 2- Disagree
 3- Neutral 4- Agree
 5- Strongly Agree

Dimensions	Level of expectation					Level of perception				
	5	4	3	2	1	5	4	3	2	1
Tangibility										
1.The interior design of the corporation is attractive and comfortable for customers										
2.the staff has a professional look										
3 The staff provides the services with smile										
4. The staff have attractive appearance i.e. elegant, smart, etc										
Reliability										
5. The staff can provide you the services as promised										
6. The staff provide you accurate information										
7. The staff perform the service right at the first time										
8. The staff offer you some help										
9. Keep records accurately										

Responsiveness										
10. The staff tells you exactly when services will be provided										
11. The staff give you prompt service										
12. The staffs are willing to help you										
13. Staff respond to requests promptly										
Assurance	5	4	3	2	1	5	4	3	2	1
14. The staff has product knowledge of Insurance information										
15. The staffs have required skill to perform service										
16. The staff speak with you by using an appropriately address forms										
17. The staffs are trustworthy.										
18. The staff makes you feel safe										
Empathy	5	4	3	2	1	5	4	3	2	1
19. The staffs are able to communicate effectively with you.										
20. The staff shows personal attention to you										
21. The staff knows your specific needs										
22 Convenient time management										

Thank you for taking your time to fill in this survey!!!!

ማብራሪያዎች ላይ ተመስርተው ከተሰጡት ምርጫዎች ውስጥ የእርስዎን አመለካከት እና ፍላጎት የበለጠ ያሳያል ብለው በሚያምኑበት መልስ ፊት ለፊት ባለው ሳፕን ውስጥ እባክዎትን ይህንን ምልክት <<✓>> ያድርጉበት።

(ሀ) **አመድ** የአገልግሎት ጥራት ላይ ደንበኛው ከድርጅቱ የሚጠበቀው አገልግሎት ደረጃን በተመለከተ

(ለ) **አመድ** የአገልግሎት አሰጣጥ ጥራት ላይ ደንበኛው ያለው የአመለካከት ደረጃን በተመለከተ የተሰጠው የነጥብ ደረጃ ከዚህ በታች ተገልጿል።

1. በጣም አልሰማም
2. አልሰማምም
3. ገለልተኛ (አስተያየት የለኝም)
4. በደንብ እሰማለሁ
5. እሰማለሁ

መጠን	ደንበኞች ከድርጅት የሚጠበቁት አገልግሎት ደረጃ					ከድርጅቱ ያገኙት የአገልግሎት ደረጃ				
	5	4	3	2	1	5	4	3	2	1
ተጨባጭነት										
1) የድርጅቱ የውስጥ ገፊ ድንበኞችን ይስባል										
2) ሠራተኛው አለባበሱ ፕሮፌሽናል ነው										
3) ሠራተኛው ደንበኛን ሲያገለግል በፈጣሪ ነው										
4) ሠራተኛው ቀልጣፋ ነው										
ተአማኒነት										
5) ሠራተኛው በገባው ቃል መሰረት አገልግሎት ሊሰጥዎት ይችላል										
6) ሠራተኛው ትክክለኛ መረጃ ይሰጥዎታል										
7) ሠራተኛው በመጀመሪያው ጊዜ አገልግሎቱን በትክክል ይከውናል										
8) ሠራተኛው እገዛ ወይም እርዳታ ያደርግልዎታል										
9) ሠራተኛው ሪከርድ በትክክል ይይዛል										
ምላሽ መስጠት										
10) አገልግሎት መቼ አንደሚሰጥ በትክክል ይነግርዎታል										
11) ሠራተኛው ተገቢውን አገልግሎት ይሠጥዎታል										
12) ሠራተኞቹ በሙሉ እርስዎን ለመርዳት ፍቃደኛ ናቸው										
13) ሰራተኛው ለሚጠየቀው ጥያቄ ደንበኛ ምላሽ ይሠጣል										

ማረጋገጫ ዋስትና	5	4	3	2	1	5	4	3	2	1
14) ሠራተኛው ስለ መድን በቂ መረጃ አለው										
15) ሠራተኞች አገልግሎቱን ለመስጠት አስፈላጊውን ክህሎት (ችሎታ) አካብተዋል										
16) ሠራተኛው ከርስዎ ጋር ሲነጋገር ተገቢውን እና አስፈላጊውን መንገድ ይጠቀማል										
17) ሠራተኞቹ ሁሉ ታማኞች ናቸው										
18) ሠራተኛው ደህንነት እንዲሰማዎት ያደርጋል										
መረዳት	5	4	3	2	1	5	4	3	2	1
19) ሠራተኞቹ ከእርስዎ ጋር ለመግባባት ብቃት አላቸው										
20) ሠራተኛው በግሉ ለእርስዎ ትኩረት ይሠጣል										
21) ሠራተኛው እርስዎ በተለይ የሚፈልጉትን ነገር ያውቃል										
22) ሠራተኛው ተስማሚውን ጊዜ ይጠቀማል										
23) የደንበኞች አጠቃላይ እርካታ (በአገልግሎቱ) ሲገለጽ										

እናመስግናለን!!!!

APPENDIX B; Interview with the six retail team leaders

Interview with the six districts retail team leaders

First of all I would like to thank you for taking your valuable time to make this interview.

1. Do you think service quality and customer satisfaction are an important strategy for your corporation? Explain?
2. What are the strategies applied in your organization to boost the quality service delivery of the corporation?
3. Do you think that your organization has the ability to provide appropriate service quality that customers are satisfied with? If yes, explain?
4. Many service giving organization undertake customer and employee satisfaction survey as a strategy to measure the quality of their service. What are the techniques applied to measure service quality in EIC?

THANK YOU!!!!!!