

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

**AN ASSESSMENT OF SERVICE
DEVELOPMENT PRACTICE: THE CASE OF
NILE INSURANCE COMPANY**

BY

FASIKA SHEMELIS

**JUNE, 2013
SMUC
ADDIS ABABA**

**AN ASSESSMENT OF SERVICE
DEVELOPMENT PRACTICE: THE CASE OF
NILE INSURANCE COMPANY**

**A SENIOR ESSAY SUBMITTED TO THE
DEPARTMENT OF MARKETING MANAGEMENT
BUSINESS FACULTY
ST. MARY'S UNIVERSITY COLLEGE**

**IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF BACHELOR
OF ARTS IN MARKETING MANAGEMENT**

**BY:
FASIKA SHEMELIS**

**JUNE 2013
SMUC
ADDIS ABABA**

ST. MARY'S UNIVERSITY COLLEGE
AN ASSESSMENT OF SERVICE DEVELOPMENT
PRACTICE: THE CASE OF NILE INSURANCE
COMPANY

BY:
FASIKA SHEMELIS

BUSINESS FACULTY
DEPARTMENT OF MARKETING MANAGEMENT

APPROVAL BY THE COMMITTEE OF EXAMINERS

Department Hade

Signature

Advisor

Signature

Internal Examiner

Signature

External Examiner

Signature

Acknowledgements

First and foremost, I would like to express my deepest gratitude to my advisor W/O Meseret Worku for her patience, willingness to support, valuable comments and marvellous technical advice and guidance throughout the study.

I am greatly thankful to my husband Ato Zelalem Baye for limitless patient and moral support. Also my special thanks goes to my beloved children's Ruth Zelalem and Christian Zelalem because taking care of them I used my time to preparing this paper, their endless support and love during out this paper.

Thank you all!

List of Tables

	Pages
Table 1	Personal Information of NIC Respondents28
Table 2	Work Experience of NIC Employees Respondents30
Table 3	Customers Response regarding t spending Years in the company and Type of Insurance Purchase.31
Table 4	Analyses of Finding of the Study32
Table 5	Respondent Response towards service Development Performance of Nile Insurance Company34
Table 6	Customer Evaluation about Service Development Practices.....35
Table 7	Respondents Level of Satisfaction towards Service Development of Nile Insurance Company37

Tables of Contents

Contents	Pages
Acknowledgements	i
List of Tables	ii
 I. Chapter One:	
1. Introduction	1
1.1 Background of the Study	1
1.2 Statement of the Problem	2
1.3 Research Questions	3
1.4 Objectives of the Study	3
1.4.1 General Objectives	3
1.4.2 Specific Objectives	4
1.5 Scope of the Study	4
1.6 Significance of the Study	4
1.7 Definition of Terms	5
1.8 Research Design and Methodology	5
1.8.1 Research Design	5
1.8.2 Population, Sample Size and Sampling Technique	5
1.8.3 Types of Data Collected	6
1.8.4 Method of Data Collected	6
1.8.5 Data Analysis Method	6
1.9 Limitation of the Study	6
1.10 Organization of the Study	7
 II. Chapter Two:	
Review of Related Literature	
2. Overview of Service	8

2.1	New Product Development	8
2.2	New Service Development	9
2.3	Developing Product Strategy	10
	2.3.1. Benefits of Strategy	10
	2.3.2. Elements of Service Offering	11
	2.3.2.1. Service Concept	11
	2.3.2.2. Service Process	11
	2.3.2.3. Service System	12
	2.3.2.4. Service Customization	12
2.4	The Characteristics of Service	13
	2.4.1 Intangibility	13
	2.4.2 Variability	13
	2.4.3 Inseparability	14
	2.4.4 Perishability	14
	2.4.5 Heterogeneity	15
	2.4.6 Supplementary	15
2.5	The Difference between Product and Service	15
2.6	Type of New Services	16
	2.6.1 Major Innovation	16
	2.6.2 Start-up Businesses	16
	2.6.3 New Services	17
	2.6.4 Service Line Extension	17
	2.6.5 Service Improvements	17
	2.6.6 Style Change	18
2.7	New Product Development Process	18
	2.7.1 Idea Generation	18
	2.7.2 Identifying Prospects and Defining the Target Markets	18
	2.7.3 Concept Development and Testing	19
	2.7.4 Feasibility Analysis	19
	2.7.5 Product Development and Testing	20
	2.7.6 Test Marketing	20

2.7.7 Commercialization	21
2.8. How Service Development Affects the Level of Customer Satisfaction..	21
2.9 Challenges in New Product Development	22
2.9.1 Factors Affecting New Service Development.....	23
2.10 Insurance Service Development What looks like	24
2.10.1 Overview of Insurance	24
2.10.2 Definition of Insurance	24
2.10.3 Insurance Services	25
2.10.4 Meaning of Risk	25
2.10.5 Pure Risk	25
2.10.6 Speculative Risk	26
2.10.7 The Difference between Pure and Speculative Risk	26

III. Chapter Three:

3. Data Presentation, Analysis and Interpretation	27
3.1 General Characteristics of the Respondents	28
3.2 Analyses of Finding of the study	33
3.2 General Suggestion for Open Ended Question and Interview	40

IV. Chapter Four:

4. Summary, Conclusion and Recommendation	43
4.1. Summary	43
4.2 Conclusions	45
4.3 Recommendation	47
Bibliography	
Appendix A	
Appendix B	
Appendix C	

Chapter one

Introduction

1.1 Background of the Study

The product is a bundle of satisfaction that customer buys. It represents a solution to a customer's problems. It is in this context that the marketing definition of a product is more than just what the manufacturer understands it. So long as a product is not bought and consumed, it remains a raw material or at best an intermediate. The product is almost always a combination of tangible and intangible benefits. (Saxene, 2002:193)

New product development shapes the company's future. The company can add new products through acquisition or development. The company develops new products in its own. Or it can contract with independent researchers or new-product development firms to develop specific new products. (kotler 2002:328)

According to Dr.Shekar, (2007:4) Comprehensive review of service development literature commented on the importance and lack of effort to develop specific service development models. The literature suggests that relative to product firms, service firms are less likely to perform concept tests, test marketing, launch activity and are inefficient in predevelopment activities. The early stages of problem description, idea creation, concept definition and screening are vital for the success of the future stages.

Nile Insurance was established on 11th of April, 1995 with a subscribed capital of Birr 12 million and currently the capital of Company is raised to Birr 100 million. It is a legal entity registered with the licensing and supervising body of the National Bank of Ethiopia in accordance with proclamation No. 86/1994 and licenses No. 006/95.

It is one of the oldest private insurance companies entering into the industry serving more than nearly 18 years with diligent and professional experience committing itself to excellence. Currently, the number of its shareholders has reached 101. The company to be a front line insurer with excellence, to provide unmatched value in insurance services and engage in investment through high profile expertise and state of the art technology.

Nile insurance Company supported by the state of the art technology, it serve esteemed customers at 25 locations country-wide it means have twelve city branches operating in Addis Ababa, Ten out line branches and three contact offices all over the country with all insurance business, General and Long-term and Professional and highly committed 300 staffs are assigned at all service point.

Nile Insurance Company provided different types of Services. In line with the objectives and business initiatives of the Company, the following classes of insurance businesses are provide to the public with commitment for efficient and reliable professional service. In Life Insurance (Long Term Insurance) Company provides the following Life Policies to its customers, Endowment, Medical, Term and Riders. And also Non - Life (General Insurance) the company provide Motor, Cargo (Land, Sea & Air transit covers), Property, Engineering, Liability, Pecuniary, Bond and Others insurances.

The primary objective service producers and marketers are the same to that of all marketers to develop and provide offerings that satisfy customer needs and expectations. In the other word service marketers need to be able to close the customer gap between expectation and perception. To achieve this objective, service providers need to understand how consumers choose & evaluate their service offerings.

1.2 Statement of the Problem

New service development, competitive intensity and customer expectations are increasing in nearly all service industries. Thus success lies not only in providing existing services well but also in creating new approaches to service. Because the outcome and process aspects of a service often combine to create the experience and benefits obtained by customers, both aspects must be addressed in new service development. (Lovelock, 2004:137)

According to Kotler, (2006:495) many companies organize new product development process in to orderly sequences that is starting from idea generation and ending with commercialization. Under these sequences' approach, the company department work individually to complete stages of the process and on the other hand companies are adopting a faster team oriented approach which a company's department works closely to gather though cross functional team to save time and increase effectiveness.

Regarding to service development, Nile insurance company's marketing plan mostly depend on the programs to develop the new service or modifying, the Company is working only on improving and modifying the existing services. But due to the new service development program, the company has came with the service which is existed in the market but new to the company; Carriers Liability and Travel Insurance. To implement those services, the company does not follow the whole service development stages rather it only make some amendment on the policies. Regarding to other new services the company is still working on some researches.

The practice related to less new service development in Nile Insurance Company is that, the companies do not give other new services that are already given by its competitors like luggage insurance, traveler, crop and horticultural insurance etc. Those services are not new to the market but to the company.

So the student researcher engages in this study to know why Nile Insurance Company service development practices is not well defined, that means as per the observation of the student researcher, Nile Insurance Company could not have clear procedures (steps) on developing service. Furthermore, the company introduces new services, which are not well assessed with respect to market and customer need.

1. 3 Research Questions

☞ To address the Service Development Problem of Nile Insurance Company and to come up with solution the following question are formulated.

1. What is the service development strategy of Nile Insurance Company looks like?
2. What factors affects Nile Insurance Company in developing new service?
3. What are the challenges that face Nile Insurance Company to develop new service?
4. To what extant Company's services development practice affect it customer satisfaction?

1.4. Objective of the Study

1.4.1. General Objective

The General objective of this study is examining the Service Development Practice of Nile Insurance Company.

1.4.2. Specific Objective

This research was conducted in order to meet the specific objectives listed here under.

- ☞ To describe the service development strategy of Nile Insurance Company
- ☞ To identify factors affecting the company in developing new service.
- ☞ To point out challenges that Nile Insurance Company faces to develop new service.
- ☞ To examine how company services development practices affects customer Satisfaction.

1.5 Scope of the Study

The scope of the study was assessing the product/service development practices of Nile Insurance Company. The company has 25 branches in all of parts of the country, but the student researcher confined on only two branches Legahr Main Branch and Gotera Branch located at Addis Ababa. The student researcher select the two branches is due to the reason that branches serve so many clients and service development activities are accomplish on the two main branches. In addition even if there are many new insurance services in the market the student researcher was delimited to services that are Carriers Liability and Travel Insurance because the company develops those services recently. The student researcher cover the service development practice of Nile Insurance Company from the year 2008 to 2012 because the company set five years strategic plan to develop new service.

1.6 Significance of the Study

This paper was mainly focused on Service development Practice of Nile Insurance Company. The student researcher believes that the outcome of this study help Nile Insurance Company to understand the strengths and weakness of the company towards service development and solving the problems to satisfy customers. And it can help the student researcher in applying the concept and the theories she has learned from different kinds of courses in her stay in the college moreover, it helps other researchers as a secondary source of data.

1.7 Definition of Terms

Policy: A written document that contains the terms of the agreement between an Insurance Company and the owner of the policy (Harriett, 2005: 395)

Claim: A request for payment under the terms of an insurance policy.
(Harriett, 2005:369)

Premium: A specified amount of money an insurer charges in exchange for its specific loss occurs. (Harriett, 2005: 397)

Underwriting: The process of identifying and classifying the degree of risk represented by a proposed insured also known as selection of risks.
(Hailu Zeleke, 2007: 308)

1.8 Research Design and Methodology

1.8.1 Research Design

In order to get necessary data and to address the problem mentioned the student researcher used descriptive research method because according to Malhotra, (2006:82) descriptive research is a type of conclusive research that has its major objective for the description of something. Usually market characteristics or functions to estimate the percentage of units in a specified population exhibiting a certain behavior, to make specific predictions and to make specific predictions to describe the characteristics of relevant groups, such as consumer, sales people organizations or market areas.

1.8.2 Population and Sampling Technique

The student researcher included Customers', employees and Management Members of the company as the Population of the study. Nile Insurance Company customers are unknown in number therefore to gather data from the customer non-probability sampling especially convenience sampling technique was applied. Where us due to the very nature of determining customer of Nile Insurance Company the student researcher selected the customers of Leghar Main Branch and Gotera Branch because of those branches serve all service provide by the company. According to Malhotra (2006:339) Sample sizes used in market research studies for problem solving research minimum of 200 representatives.

Based on this the student researcher have taken 130 customers and 14 employees of Leghar branch, 70 customers and 8 employees of Gotera Branch and 3 management members of Nile Insurance taken as a representative sample.

1.8.3 Types of Data Collected

The student researcher considered both Primary and Secondary data in order to retain relevant and appropriate information.

1.8.4 Method of Data Collected

The student researcher gathered Primary data through questionnaires, interview and observation. The questionnaires were distributed to Nile Insurance Company Customers and employees and also interview was conducted with the company Business Development and Marketing Managers. Secondary data was collected from books, the company's different documents, related research and journals etc.

1.8.5 Data Analysis Method

Table along with percentage and tabulation were used for the presentation of data gathered form questionnaire. Necessary interpretation was made through descriptive analysis method for interpretation of interview that gathered from Business Development and Marketing Department personals.

1.9 Limitation of the Study

The problem during student researcher encounter in conducting this research the research work needs available time and other resource, lack of cooperation (willingness) form some respondents to give enough information and delliance of to collect questionnaires that the limitation of the study, but not restricted by time, resources and others the study may able cover all parts of the Company modification services and all branches cover.

1.10 Organization of the Study

The study was organized in to four chapters. Chapter one Introduction it contains background of the study, statement of the Problem, objective of the study, scope of the study, significance of the study, definition of terms, research design and methodology limitation of the study .Chapter Two about Review the Related Literature. Chapter Three presented Data Presentation, Analysis and Interpretation. Chapter Four provides the Summery, Conclusion and Recommendation.

Chapter Two

Literature Review

2. Overview of Service

As consumers, we use service every day. Turning on a light, listening to the radio, talking on the telephone, taking a bus, getting a haircut and sending clothes to the cleaners all examples of service consumption at the individual level. The institution at which you are studying is itself a complex service organization. In addition to educational services, the facilities at today's college and universities usually comprise libraries, cafeterias, counseling services and placement offices, a bookstore, photocopying services, telephones and internet connections and maybe even a bank. Businesses other organizations and also dependent on a wide array of services, usually purchasing on a much larger scale than individuals or households. (Lovelock, 2004:25)

2.1 New product development

A new product is any product which is perceived by the customer as being new. This could involve repositioning of existing products or offering the existing products at low prices, or marking improvements in the existing product, or adding new product items to the existing product line or for that matter, taking up a product line which is totally new to the organization or new to the world (saxena, 2002:226).

Companies handle the organizational aspect of new-product development in several ways. Many companies assign responsibility for new- product ideas to product managers but product managers are often so busy managing existing lines that they give little thought to new products other than line extensions. They also lack the specific skills and knowledge needed to develop and critique new products. (Kotler, 2003: 354).

“New and improved!” what exactly do we mean when we use term new product? The federal trade commission says that a product must be entirely new or changed significantly to be called new and that a product may be called new for only six months. That definition is fine from a legal perspective. From a marketing standpoint, though, a new product or an innovation is anything that customers perceive as new and different. It may be a completely new product that

provides benefits never available before, such as personal computers when they were first introduced or it may simply be an existing product with a new style in a different color or with some new feature. If an innovation is successful it spreads throughout the population. (Solomon, Marsgall & Sturatr, 2006:237)

Most new products are new in limited ways. New colors here, an added ingredient there, a 30 percent upgrade in capacity, etc. are not earth-shattering innovations. Yet these “slightly new” product account for a tremendous amount of sales volume and profits. They are also often the responsibility of a product, brand or category manager and an integral part of the marketing plan. By contrast, really new products are rare (one packaged goods manufacturer has a database of 5000 product launches of which none may be really new). However, their impact is substantial, greatly expanding or crating new product categories. (Iehamann, 2005:257)

Building on our knowledge of different type of innovations, we’ll now turn out attention to how firms go about developing new products. Products development doesn’t simply mean creating totally new products never before on the market. Of course, a lot of companies do that but for many other firms, product development is a continuous process of looking for ways to make an existing product better or finding just the right shade of purple for this year’s new plants style. For several reasons, new-product development is increasingly to firms. First technology is changing at an ever-increasing rare so that products are developed get adopted and then are replaced by better products faster and faster. In addition, competition in our global marketplace makes it essential for firms to continuously offer choices for consumers if they are to compete which companies all around the world rather than just down the street. (Solomon, Marsgall & Sturatr, 2006:241)

2.2 New service development

Research suggests that products that are designed and introduced and introduced via the steps in a structured planning framework have a greater likelihood of ultimate success than those not developed within a framework. The fact that services are intangible makes it even more imperative for a new service development system to have four basic characteristics. The first one is It must be objective, not subjective, Second It must be precise not vague, third It must be fact

driven, not opinion driven and the fourth It must be methodological, not philosophical.(Zethmal 2001:222)

According to, Venugopal (2001: 91) new product development is the most important component of product management. A growth-oriented firm always looks beyond its existing product or service. In marketing, innovation is the essence of all growth. In the age of scientific and technological advancements, change is a natural phenomenon. The business firm must respond to these dynamic requirements and offer new services. A part from the technological changes, new service becomes necessary due to when its current service reaches the maturity/saturation stage, in order to utilize the spare capacity, an opportunity in the form of unmet needs of the consumers and in order to retain customers, the firm may be forced to introduce new services to its current customers. Thus with change in technology or change in needs of customers, service firm introduce new services either to replace those being phased out or to introduce a new technology in a developing market.

2.3 Developing product Strategy

The reason for doing all the analysis, the selection of product strategy (i.e, the action plan for the product). That action plan should address three related questions; the first one where are we headed? Here the focus is on basic objectives such as growth versus profits. Secondly, how will we get there? This is the core of marketing /product strategy that addresses issues such as whether to focus on existing versus new customers. It is summarized in a targeting and positioning statement defining customer targets, competitive targets and the proposition (general offering) that will enable the firm to succeed in capturing the targeted customers in the face of competition. Third, what will we do? This addresses specific programs or tactics to be employed in order to implement the core strategy. Basically it entails describing the marketing mix (product, pricing, promotion, distribution & service). (Ishamann, 2005:226)

2.3.1 Benefits of Strategy

A successful strategy leads to at least three key outcomes. First, it enhances coordination among functional areas of the organization as well as with in marketing. Different areas of the organization have different perspectives on how to make a product successful. Second, strategy

defines how resources will be allocated. Resources are limited. Typically some resources, such as manufacturing or service capacity, sales force time, money and so forth, will be more limited than others. Third, strategy should lead to a superior market position. A good strategy takes cognizance of existing and potential competitors and their strengths and weaknesses. A competitively sensible marketing strategy has at least one of four main characteristics. It is something a competitor cannot do, it is something a competitor will choose not to do, competitors would be at a disadvantage if they do it and it causes us to gain if the competitor does it. (lehamann, 2005:226)

2.3.2 The elements of a service offering

The prerequisites for a service can be divided into three elements; service concept, service process and service system. The service concept is a description of customer needs and the core of the service that satisfies those needs; the service process consists of the activities that are needed to create the service; and the service system refers to the resources that are required in the service process to realize the core benefit for the customers (Elina & Valtteri, 2010:2).

2.3.2.1 Service concept

The service concept is the way in which the “organization would like to have its services perceived by its customers, employees, shareholders and lenders” addressing targeted customers’ needs and competitive environment. “The term service concept refers to the description of the customer’s needs and how they are to be satisfied in the form of the content of the service or the design of the service package.” Service concept more broadly to encompass the essence of the service for the customer (what the customer buys or uses), the service experience of the service process, and the service outcome (the results and benefits provided). The service concept integrates customer needs, the core service, the way of delivering the service, and the company’s strategic intent. In this paper, the term service concept is used to refer to the essential core service: the service concept is a definition of the customer needs that the service will satisfy, and content of the core service that will satisfy those needs (Elina & Valtteri,2010:2).

2.3.2.2 Service process

A “service process” refers to the chain of activities and tasks which are needed to produce and deliver the service concept. The service process involves the design and control of the customer experience during service delivery Part of those activities take place in the “back stage” of the company, and part of them involve the customer. Service development activities may be targeted

to internal processes or to the processes that take place in the customer interface. Often the front and back-stage processes are intertwined, point out that before the supplier can start with the production and delivery of the service, the customer requirements need to be specified. Furthermore, the customer participates in the process at least to some extent. Customer participation brings a degree of variability to the service process which means that the company has to have control over all parts of the process (Elina & Valteri, 2010:2).

2.3.2.3 Service system

A service system constitutes the resources that are required by or are available to the service process in order to realize the service concept. Frameworks of a service delivery system outline the resources needed to “assemble” and deliver the service to the customer. Framework of a service is produced in interaction between contact personnel, the customer, and physical resources. Typically, a service is produced and delivered in the personal encounter between the contact personnel and the customer. In many service organizations the individual characteristics, competence, skills, or expertise of the staff to a large extent define the service offering. Hence, the staff can be considered a critical resource and prerequisite for the service. (Elina & Valteri, 2010:3).

2.3.2.4 Service Customization

The extent of customer contact and customization are not explained and they do not provide examples of services for each of the matrix quadrants. However, they do identify, as mentioned above, client contact as a classifying dimension but fail to address the ambiguity surrounding it. The issue of customer contact suggested two elements that can be used to classify different kinds of service businesses:

Degree of labour intensity, which is defined as the ratio of the labour cost incurred to the value of the plant and equipment. As it is a ratio, to observe that even a hospital employing large numbers of doctors, nurses, technicians remains comparatively low in labour intensity because of the very expensive plant and equipment it arranges.

Degree of interaction and customization; which is acknowledged by as a more confusing element as it combines two similar but distinct concepts. A high level of interaction is present where a customer can actively intervene in the service process. High customization is in evidence when a service is designed to respond to individual needs and preferences. Although customization and interaction go hand in hand for many services, Schemer does concede

instances where one may be high and the other low. The value of this classification lies in the challenges specified for service management in each quadrant. For example, where the degree of interaction and customization is low standard operating procedures can be adopted whilst at the same time seeking to make the service warm and inviting through design of the service facility. (Elina & Valtteri,2010:2).

2.4 The Characteristics of Service

According to Balaji,(2002:12) service marketing academics and practitioners argued that services required special treatment as a result of their distinctive characteristics. Another Authority Kurtz and Clow, (2002:10) services possess four characteristics not found in goods. These characteristics are intangibility, perishability, inseparability and variability. These characteristics unique challenge for services. To attract new customers and keep current customers coming back, service firms must find ways to meet these challenges.

2.4.1 Intangibility

Intangibility when a product is purchased, something is acquired that can be seen. When a services such as travel, entertainment or education is purchased, there is nothing tangible to show for it (after a day of buying services, the customer still has an empty market basket What the consumer is buying is a performance provided by the seller. The intangibility of services makes advertising and promotions more difficult than for products because the marketer must communicate an idea or concept rather than a physical object.(Venugopal 2001: 8)

As per Kurtz and Clow, (2002:10) refers to the lack of tangible assets which can be seen, touched, smelled, heard, or tasted prior to purchase. Services vary in the degree to which they are intangible. Services such as a college education, air travel and sporting events are highly intangible. The service cannot be seen, touched, smelled, heard or tasted prior to the purchase.

2.4.2 Variability

According to Kurtz and Clow, (2002:13) variability refers to the unwanted or random levels of service quality customers receive when they patronize a service. Variability is primarily caused by the human element, although machines may malfunction causing a variation in the service.

Various service employees will perform the same service differently and even the same service employees will provide varying levels of service from one time to another.

An unavoidable consequence of simultaneous production and consumption is variability in performance of a service. The quality of the service may vary depending on 4 Services Marketing Management who provides it, as well as when and how it is provided. One hotel provides a fast efficient service and another, a short distance away, delivers a slow, inefficient service. Within a particular hotel, one employee is courteous and helpful while another is arrogant and obstructive. Even within one employee there can be variations in performance over the course of a day. (Peter & Angela, 2006:3)

2.4.3 Inseparability

Accordingly inseparability is the characteristic of a service meaning that it is impossible to separate the production of a service from the consumption of that service. Although a firm can manufacture goods prior to sale, a service can take place only at the time the service provider performs an act on either the customer's possession. It's hard to take notes on a lecture when the professor doesn't show. (Solomon, Marshall & Sturat, 2006:299)

2.4.4 Perishability

Service Perishability if services are not consumed when offered they go waste. An empty airline or theater seat represents lost revenue. Shift in demand for product can be accommodated for the most part by taking goods from inventory. But there is no inventory of services. As a result, services have a much more difficult time regulating supply to meet demand, because demand is rarely steady or predictable enough to avoid service perishability. (Venygopal :2001:10)

According to Balaji (2002:32) services cannot be stored for later sale or use. Hotel rooms not occupied air line seats not purchased and college places not filled cannot be reclaimed. As services are performances they cannot be stored. If demand far exceeds supply it cannot be met, as in manufacturing by taking goods from a warehouse. Equally, if capacity far exceeds demand, the revenue and/or value of that service is lost.

2.4.5 Heterogeneity

Heterogeneity is closely linked to inseparability as it is very difficult to apply quality standards to services to ensure an identical service output, when so much depends on the cooperation and participation of individual customers. Capacity level should be available on cope with surges in demand before service levels suffer. Equally, attention has to be given in times of low levels of usage on whether spare capacity will lie idle or whether short-term policies(eg. differential pricing, special promotion), will be adopted to even out fluctuations in demand. (Balaji, 2002:33)

2.4.6 Supplementary

Supplementary- Service innovations take the form of adding new facilitating or enhancing service elements to an existing core service or of significantly improving an existing supplementary service. (Lovelock, 2004:138)

2.5 The Difference between Product and Service

Every product—a term used in this book to describe the core output of any type of industry—delivers benefits to the customers who purchase and use them. Goods can be described as physical objects or devices and services are actions or performances. Early research into services sought to differentiate them from goods, focusing particularly on four generic differences, referred to as intangibility, heterogeneity (or variability), perishability of output, and simultaneity of production and consumption. Although these characteristics are still cited, they have been criticized for over-simplifying the real world environment. This lists nine basic differences that can help us to distinguish the tasks associated with service marketing and management from those involved with physical goods. (Lovelock, 2004:138)

As per Perreault,(2000:134) goods and/or services are the product. A product may be a physical good or services are blend of both. This view needs to thoroughly understand. It is too easy to slip in to a limited, physical product point of view. Pure services differ from pure goods in a number of ways. Services are intangible, the production and consumption of service are inseparable and service cannot be transported or stored. Product is a tangible item. When it is bought the customer owns it. Before the actual purchase it is usually relatively easy to evaluate the product. But service are not physical they are intangible. A service cannot be held, before

purchase it can be difficult for the customer to know exactly what they will get up on purchase. Goods are usually produced in a factory and then sold. Service are often sold first, and then produced. Further, they are produced and consumed in the same time frame. Service often has to be produced in the presence of the customer. So service suppliers often need duplicate equipment and staff at places where the service is actually provided. Services are perishable-they cannot be stored. This makes it harder to balance supply and demand.

2.6 Types of New Services

As we build the new service development process, remember that not all new services are “new” to the same degree. The type of new service options can run the gamut from major innovations to minor style changes.

2.6.1 Major Innovation

Major innovations are new services for markets as yet undefined. Past examples included the first broadcast television services and Federal Express’s introduction of nationwide, overnight small package delivery. Many innovations now and in the future will evolve from information, computer and internet-based technologies. (Zeithaml, 2003:223)

Accordingly to Venyogopal (2001:91) Major Innovations these products are totally new to the world; they are triggered off with technological inventions or research and development. As per Balaji, (2002:67) major innovations these are entirely new service for new markets- the provision of multi user ‘voice mail’ recording services.

2.6.2 Start-up Businesses

Start-up Businesses consist of new services for a market that is already served by existing products that meet the same generic needs. Service examples include the creation of health maintenance organizations to provide an alternative form of health care deliver, online banking for financial transactions and door-to door air port shuttle services that compete with traditional taxi and limousine services. (Balaji, 2002:67)

2.6.3 New Services

New Services for the currently served market represent attempts to offer existing customers of the organization a service not previously available from the company (although, it may be available from other companies) (Zeithaml, 2003 : 223). According to Venugopal (2001:91) in new services the service marketer attempts to offer to the existing customers. Another Authority Balaji, (2002:67) new services that are offered by an organization to its existing customers, although they may be currently available from its competitors – building societies offering current accounts, with cheque books, standing –order facilities.

2.6.4 Service Line Extension

Service Line Extension this represents augmentation of the existing service line such as an airline offering new routes (Venugopal, 2001:91). According to Zeithaml (2003:223) service line extensions represent augmentations of the existing service line, such as a restaurant adding new menu items, an airline offering new routes, a law firm offering additional legal services and a university adding new courses or degrees. As stated by Balaji, (2002:67) service line extensions are additions to the existing service product range- new modes of study for an MBA course at a university.

2.6.5 Service Improvements

Service Improvements this involves changes in the features of the service already being offered in the existing market, through modifications and improvements. This enhances efficiency in operation. (Venugopal, 2001:91)

According to Zeithaml (2003:223) Service improvements represent perhaps the most common type of service innovation. Changes in features of services that are already offered might involve faster execution of an existing service process, extended hours of service or augmentations such as added amenities in a hotel room. Further service improvements involve an actual change to a feature of the service already on offer to an established market – computerization of travel-agency information and booking procedures. (Balaji, (2002:67)

2.6.6 Style change

Style changes represent the most modest service innovations; although they are often highly visible and can have significant effects on customer perceptions, emotions and attitudes. Changing the color scheme of a restaurant, revising the logo for an organization, website redesign or painting aircraft a different color all represent style changes. These do not fundamentally change the service, only its appearance, similar to how packaging changes are used for consumer products. (Zeithaml (2003:223). According to Venugopal: 2001:91) style change does not change the fundamental features of the product but alters only the tangible elements. Another Authority Balaji, (2002:67) style change includes changes in décor or logo- the revised design of telephone.

2.7 New Product Development Process

2.7.1 Idea Generation

The process of new product development starts with the search for product ideas. To be successful, it is important that this search should not be casual. The top management should spell out corporate mission and objectives for new products. Also it should spell out the role of new product development in the firm's growth strategy (saxena, 2002:229).

The idea generated at this phase can be passed through the new service strategy screen described in the preceding step. Many methods and avenues are available for searching out new service ideas. Formula brainstorming, solicitation of ideas from employees and customers, lead user research, and learning about competitor's offerings are some of the most common approaches. Observing customers and how they use the firm's products and services can also generate creative ideas for new innovations. Sometimes referred to as empathic design, observation is particularly effective in situations where customers may not be able to recognize or verbalize their needs. (Zeithaml, 2003:227),

2.7.2 Identifying Prospects and Defining the Target Markets

The second stage is that of identifying prospects or target customer groups. It is important that the firm defines its target customer group in specific terms. It should also examine the cost of serving this group. These factors are important as they will help the firm narrow down its

decision field. At this stage the firm should also identify success factors in different product ideas (saxena, 2002:230).

Another Authority, Zeithaml,(2003: 228), in services businesses, contact personnel, who actually deliver the services and interact directly with consumers, can be particularly good sources of ideas for complementary services to those already in the marketplace and ways to improve current offerings. Whether the source of a new idea is inside or outside the organization, there should exist some established mechanism for ensuring an ongoing stream of new service possibilities.

2.7.3 Concept Development and Testing

Having defined the target group, the next stage is that of developing product concepts and testing them many firms skip this stage in the belief that if they have great ideas, customers will pick them up by themselves. Nothing can be further from the truth (saxena, 2002:231).

Accordingly Zeithaml (2003:228) the inherent characteristics of services, particularly intangibility and simultaneous production and consumption, place complex demands on this phase of the process. Drawing pictures and describing an intangible service in concrete terms are difficult. It is therefore important that agreement be reached at this stage on exactly what the concept is. By involving multiple parties in sharpening the concept definition, it often becomes apparent that individual views of the concept are not the same.

2.7.4 Feasibility Analysis

Once the product concepts have been tested, the next step is to conduct a market feasibility study. This study involves the Estimation of demand in the target market at different price levels, Forecasting sales based on demand estimation and competitive analysis, Estimate the cost of serving the market the segment, taking into account cost of transportation, warehousing, margins required by the trade to market the new product, promotion expenses and sales force cost (if additional sales force is required) and Based on the cost and anticipated sales revenue, calculate the break-even price and the sales volume (saxena, 2002:232).

Accordingly, Zeithaml (2003: 231) assuming the service concept is favorably evaluated by customers and employees at the concept development stage, the next step is to determine its

feasibility and potential profit implications. Demand analysis, revenue projections, cost analysis and operational feasibility are assessed at this stage. Because the development of service concepts is so closely tied to the operational system of the organization, this stage will involve preliminary assumptions about the costs of hiring and training personnel, delivery system enhancements, facility changes and any other projected operations costs. The organization will pass the results of the business analysis through its profitability and feasibility screen to determine whether the new service idea meets the minimum requirements.

2.7.5 Product Development and Testing

In the development of new tangible products, this stage involves construction of product prototype and testing for consumer acceptance. Again, because services are intangible and largely produced and consumed simultaneously, this step is difficult. To address the challenge, this stage of service development should involve all who have a stake in the new service customers and contact employees as well as functional representatives from marketing, operations, and human resources. During this phase, the concept is refined to the point where a detailed service blueprint representing the implementation plan for the service can be produced. (Zeithemal 2003:231)

Moreover, this is the stage where the product ideas now move from the concept and design boards to R&D and manufacturing for physical development. Both these departments should keep the customer feedback in mind while developing the physical version of the product. Also, they must ensure that the products are easy and safe to use by an average customer. This becomes all the more important in durables and other industrial products where the user may not have the same level of knowledge and understanding as the R&D scientists. (saxena, 2002:233).

2.7.6 Test Marketing

The new product is now tested on four parameters: trial, first purchase, adoption (repeat purchase) frequency and the volume bought each time. On account of the risks involved in test marketing, most companies avoid it. But those who do test market know that it can yield valuable information about customers, dealers, marketing mix and strategy. (saxena, 2002:233).

Accordingly, Zeithemal (2003: 232), it is this stage of the development process that a tangible product might be test marketed in a limited number of trading areas to determine marketplace acceptance of the product as well as other marketing mix variables such as promotion, pricing and distribution system. Again, the standard approach for a new manufactured product is typically not possible for a new service due to its inherent characteristics. Because new service offerings are often intertwined with the delivery system for existing services, it is difficult to test new services in isolation. And in some cases, such as a one-site hospital, it may not be possible to introduce the service to an isolated market area because the organization has only one point of delivery. There are alternative ways of testing the response to marketing mix variables, however. The new service might be offered to employees of the organization and their families for a time to assess their responses to variations in the marketing mix.

2.7.7 Commercialization

Once the test marketing is completed and the firm has favorable results, it is then ready to commercialize the product or in other words, launches the new product. The launch plan must consider the timing, place and strategy (Saxena, 2002:233).

As stated by Zeithemal (2003:232) this stage in the process, the service goes live and is introduced to the marketplace. This stage has two primary objectives. The first is to build and maintain acceptance of the new service among large numbers of service delivery personnel who will be responsible day to day for service quality. This task is made easier if acceptance has been built in by involving key groups in the design and development process all along. However, it will still be a challenge to maintain enthusiasm and communicate the new service throughout the system; excellent marketing will help. The second objective is to monitor all aspects of the service during introduction and through the complete service cycle.

2.8 How Service Development Affects the Level of Customer Satisfaction

Attributions- 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 much worse than expected), consumers tend to look for the reasons, and their assessments of the reasons can influence their satisfaction. For example, if a customer of a weight-loss organization fails to lose weight as hoped for, she will likely search for the causes – was it something she did, was the diet

plan ineffective or did circumstances simply not allow her to follow the diet regimen- before determining her level of satisfaction or dissatisfaction with the weight-loss company. For many services customers take at least partial responsibility for how things turn out. Even when they don't take responsibility for the outcome, customer satisfaction may be influenced by other kinds of attributions.(Zeithaml, 2003:87)

Measuring the customer's perception and expectations is vitally important. However, the following question must be asked of the service organization: 'What does it think of customer expectations and perceptions? To arrive at an answer, two variants of the original perceptions/expectations formula might be used. The objective is to determine whether or not any gaps exist between the customers' view and the service organization's perception of the customers' view. A study that examined doctor-patient relationships¹³ found that 'gaps can arise from inconsistent perceptions of expectations and experiences between patients and physicians'. This research was prefaced with a statement that should act as a continuing reminder for all service organizations: From a marketing perspective, the provider would design, develop, and the service offering on the basis of his or her perceptions of client expectations. Likewise, modifications to the service offering would be affected by the provider's perceptions of client experiences. Whether these experiences exceed, match, or are below expectations can have a profound effect on future client/professional relationships. (Peter & Angela, 2006:8)

2.9 Challenges in New Product Development

Companies that fail to develop new products are putting themselves at great risk. Their existing products are vulnerable to changing customer needs and tastes, new technologies, shortened product life cycles and increased domestic and foreign competition. New technologies are especially threatening. Most established companies focus on incremental innovation. Newer companies create disruptive technologies that are cheaper and more likely to alter the competitive space. Established companies are slow to react or invest in these disruptive technologies because they threaten their investment. Then they suddenly find themselves facing formidable new competitors and many fail.(kotler ,2003:349)

Major Challenges For the last few decades, big services companies have themselves either developed small reusable components or huge products, perhaps accidentally, or they have inherited products via acquisitions. Some of these products are highly successful, and some of

them are kept in cold storage. Revenue growth from these successful products from the past is fast declining for various reasons, such as the architecture being old (client-server based, for example), not having support access over internet, being completely out-of-place for cloud model, etc. Some of the recent initiatives for presenting these services as products are met with partial success. Srikanth Inaganti.(2010:6)

2.9.1 Factors Affecting New Service Development

Shortage of important ideas in certain areas, there may be few ways left to improve some basic products. Fragmented Market Companies have to aim their new products at smaller market segments and this can mean lower sales and profits for each product. Social and governmental constraints new product has to satisfy consumer safety and environmental concerns. Cost of development: A company typically has to generate many ideas to find just one worthy of development and often faces high R&D manufacturing and marketing cost. Capital shortage some companies with good ideas cannot raise the funds needed to research and launch them. Faster required development time Companies must learn how to compress development time by using new techniques, strategic partners, early concept tests and advanced marketing planning. Alert companies use concurrent new-product development in which cross-functional teams collaborate to push new products through development to market. Concurrent product development resembles a rugby match rather than a relay race, with team members passing the new product back and forth as they head toward the goal. Shorter product life cycles: when a new product is successful, rivals are quick to copy it.(Kotler, 2003:351)

Another Authority Srikanth Inaganti.(2010:6) The list of challenges for product development within services companies in both building new products as well as in modernizing the existing portfolio of products. i) Most of the initiatives targeting differentiation focus on developing the technology components that cut across different domains. ii) Lack of a long term (more than 3 years) strategy or roadmap for the product compounded by frequent (say within 3 years) changes in LOB leadership or practice owners is another challenge, as is not involving domain and architecture leads in direct discussions on strategy at senior management level. iii) Lack of sustained support for research and development in domain and technology with a focus on building the product – over a long period – is another problem.

2.10 Insurance service Development

The focus of innovation research has long been on physical products and systems. The importance of service innovation is recognized by most academics and there is an important body of literature that has laid emphasis on this. New service development is becoming increasingly important to the competitiveness, growth, and survival of organizations. Life insurance is a professional service which is characterized by high involvement of the consumers, due to the importance of tailoring specific need, the variability of the products available, the complexity involved in the policies and processes and ultimately the need to involve the consumer in every aspect of the transaction. The Global Insurance Industry is facing major changes and the leading insurers are innovating in order to compete. Shifting consumer needs, (Lavanya & vedaginir, 2008)

2.10.1 Overview of Insurance

The meaning of risk its impact and methods of handling it. It also explained that individuals and organizations have the option to either retain pure risks or transfer the financial consequences of these risks to insurance companies. This chapter presents a glimpse of the nature, importance and historical development of insurance in general. It also presents a simplified illustration of how the insurance system works on the principles of pooling of risks and the law of large numbers. It is therefore, hoped that readers can gain basic understanding of the nature and benefits of insurance. (Hailu Zeleke, 2007:1)

2.10.2 Definition of Insurance

Insurance is a mechanism that ensures an individual to thrive on adverse consequences by compensation the individual, his/her loss financially even individual in the world and all activates connected with him/her be if life profession, business, travel or any other pursuits are subject to unforeseen and uncalled of hazards or dangers. The benefits that an individual enjoys in his life by owning a car or house or a factory can be snatched by sudden accident which can render even the individual immobile, and his/her family vulnerable. At his/her critical juncture only insurance helps him/her not only to survive but recover his/her life in a normal manner, which would otherwise be unthinkable. (Ganguly, 2002:1)

2.10.3 Insurance Services

A portion of an insurance policy's holding covers the insurer's cost of providing services to policyholders, such as claims processing and loss control, that a firm would have to undertake or purchase elsewhere if it did not purchase insurance. If the loading were less than the firm's cost of obtaining comparable service, then purchasing insurance would benefit shareholders even if they were diversified. In this case, however, the firm would not be purchasing insurance to reduce risk for shareholders but to obtain claims processing and loss control services at the lowest cost. (Harrington & Niehasus, 2004:171)

2.10.4 Meaning of Risk

The notion of an indeterminate outcome is implicit in all definitions of risk; the outcome must be in question. When risk is said to exist, there must always be at least two possible outcomes. If we know for certain that a loss will occur, there is no risk. Investment in a capital asset, for example, usually involves a realization that the asset is subject to physical depreciation and that its value will decline. Here the outcome is certain and so there is no risk. (Teklegiorgis, 2004:1)

Moreover, At least one of the possible outcomes is undesirable. This may be a loss in the generally accepted sense, in which something the individual possesses is lost, or it may be a gain smaller than the gain that was possible. For example, the investor who fails to take advantage of an opportunity "loses" the gain that might have been made. The investor faced with the choice between two stocks may be said to "loss" if he or she chooses the one that increases in value less than the alternative.

2.10.5 Pure Risk

Pure risk is defined as a situation in which there are only the possibilities of loss or no loss. The only possible outcome is adverse (loss) and neutral (no loss). A pure risk exists when there is a chance of loss but no chance of gain. For example, the owner of an automobile faces the risk associated with a potential collision loss. If a collision occurs, the owner will suffer a financial loss. If there is no collision, the owner does not gain. The owner's position remains unchanged. Other example of pure risk includes premature death, job-related accidentals and damage to property from fire, lightning flood or earthquake. (Teklegiorgis, 2004:11)

2.10.6 Speculative Risk

Speculative risk is defined as a situation in which either profit or loss is possible. A speculative risk exists when there is a chance of gain as well as a chance of loss. For instance, investment in a capital project might be profitable or it might prove to be a failure. If you purchase 100 shares of common stock, you would profit if the price of the stock increases but would lose if the price declines. Other examples of speculative risks are betting on a football match, investing in real estate, and going into business for you. In these situations, both profit and loss are possible. (Teklegiorgis, 2004:11)

2.10.7 The Difference between Pure Risk and Speculative Risk

Pure risks are always distasteful, but speculative risks possess some attractive features. Pure risks also differ from speculative risks in that they generally are repeatable under essentially the same conditions and thus are more amenable to the law of large numbers (a basic law of mathematics that states that as the number of exposure units increases, the more certain it is that actual loss experience will equal probable loss experience). This means that one can more successfully predict the proportion of units that will be lost if exposed to a pure risk than if they are subject to a speculative risk. (Teklegiorgis, 2004:11)

Chapter Three

Data Presentation, Analysis and Interpretation

This chapter includes the analysis, interpretation and discussion of the data obtained from the sample respondents customers, employees and as well as managers of Nile Insurance Company. Part of the data collection was through a questioner which was both open and close ended and interview. The questionnaires were distributed to customers and employees of Nile Insurance Company. The student researcher distributed and collected the questionnaires during the time from Megabit 25 until Miyaza 05 2005 at Leghar Main Branch and Gotera Branch. Also interview that is supposed to assist the successful completion of this research was given (held) the Business Development and marketing manger of Nile Insurance Company.

Out of the customer of Nile Insurance Company in Addis Ababa 200 customers and 22 employees from Leghar Main and Gotera branch were selected as sample respondents. For customers using convenient sampling technique but employees the student researcher teak all of underwriting officers in two branches. First the student researcher made pilot test by distributing 10 samples. Based on the result of pilot test the following amendments were taken by the student researcher.

- Similar questions were replaced by new one.
- Questions that lack clarity and encountered grammar problem were corrected.

After those commented questions are done then the student researcher distributed 200 (Two Hundred) copies of questioners to customer and 22(Twenty Two) employees. However; 182 of customers were successfully filling out the questioner and returned the questionnaires. While 18 were not give their response but all of employees filling out the questioner and returned it back.

The summarized data is then analyzed by applying descriptive analysis method using tables, following detail explanations, at last interpretation is made to demonstrate implications of the major findings.

3.1 General characteristics of the respondents

The following table below shows the classification of respondents by Gender, Age, Educational Background and Occupation.

Table 1- Personal Information of Nile Insurance Customers & Employees Respondents

NO.	Item	No. of Respondent		Percentage (%)	
		Customers	Employees	Customers	Employees
1	Gender				
	A. Male	117	8	64.3	36.4
	B. Female	65	14	35.7	63.6
	Total	182	22	100	100
2	Age				
	A. 18-25	15	2	8.2	9.1
	B. 26-35	58	12	31.9	54.4
	C. 36-50	64	7	35.2	31.8
	D. above 50	45	1	24.7	4.5
	Total	182	22	100	100
3	Educational Background				
	A. Below Twelve Grade	22	0	12.1	0
	B. Twelve Complete	16	0	8.8	0
	C. Diploma	57	3	31.3	13.6
	D. Degree	68	18	37.4	81.8
	E. Above Degree	19	1	10.4	4.5
	Total	182	22	100	100
4	Occupation				
	A. Private Organization	63		43.6	
	B. Government Organization	7		3.8	
	C. NGO	29		15.9	
	D. Own Business	83		45.6	
	Total	182		100	

Accordingly to Table 1, item 1 is about gender category of customers respondents. Among the total respondents 117(64.3%) are Male where as 65(35.7%) are Females. So it is indicates that 117(64.3%) of sample respondents are Male. Whereas employee's respondents among the total respondents 8(36.4%) are Male where as 14(63.6%) are Females. So it is indicates that majority of sample respondents are Female.

In relation to item 2 of table 1 the respondents customers age ranges from 18-25 are 15(8.2%) from 26-35 are 15(31.9%) and from 36-50 are 64(35.2) the remaining 45 (24.7) are 51 and above. This shows that more than half of the Nile Insurance Company sample respondents are matured. And in relation to employees respondents age range of from 20-25, 2(9.1%) from range 26-35, 12(54.5%) and range of 36-50, 7(31.8) the remaining 1(4.7%) are 51 and above. This shows 54.4% of sample employees are in the group between ages 26-35 that implies employee respondents of Nile Insurance Company are adults.

In item 3 of table 1 is state the education level of the customer's respondents. 22(12.1%) of the respondents have below 12 grade educational background, 16(8.8%) of them are 12 grade completed, 57(31.3%) of them are Diploma holders, 68 (37.4%) of them are degree holders and the remaining 19(10.4%) are above degree holders. This implies more than 70% of the respondents are in diploma and above of education level, it is easy to understood insurance Services. Whereas the employees respondents 3(13.6%) of the respondents are Diploma holders, 18 (81.8%) of them are degree holders and the remaining 1(4.5%) are above degree holders. This implies 85% of the sample respondents are degree and above degree. This means Nile Insurance has qualified manpower in terms of education in Insurance Services.

The last item in Table 1 is concerning the occupational status of customer's respondents. The private organization employees are 63(34.6%), 7(3.8%) of them are government organization employees, 29(15.9%) of them are Non-Governmental Organization employees and 83(45.6%) of the responds are engaged in own Business. This indicates that 83(45.6%) of the respondents those who consume service of Nile Insurance are working on their own business.

Table 2- Work Experience of Nile Insurance Company Employees Respondents

No.	Item		No. of Respondent	Percentage (%)
1	How long to work in the company?	A. Less than 1 Year	1	4.5
		B. 1-2 Years	1	4.5
		C. 3-5 Years	2	9.1
		D. 6-9 Years	4	18.2
		E. Greater than 9 Yeas	14	63.6
	Total		22	100

Accordingly to Table 2 is concerning the employees work experience in Nile Insurance Company. 1(4.5%), of the respondent works less than 1 year, 1(4.5%) of them are 1-2 years experience, 2(9.1%) of them are 3-5 years experience, 4(18.2%) of the responds are 6-9 years experience and 14(63.6%) of the respondent has above 9 years experience. This indicates that more than 63.6% of the employees have long service relationship with Nile Insurance Company.

Table 3- Customers Response Regarding to Spending Years in the Company and Type of Insurance purchase.

No.	Item		No of Respondent	Percentage (%)
1	Since when, have you been using Nile Insurance Company Services?	A. From 1- 3 years	33	18.1
		B. From 4-8 years	95	52.2
		C. From 9 – 12 years	18	9.9
		D. above 12 years	36	19.8
	Total		182	100
2	What type of Insurance cover do you have?	A. Motor	88	48.4
		B. Marine	31	14.3
		C. Liability	26	17.03
		D. Travel	13	7.1
		E. Others	24	13.2
	Total		182	100

As indicated in item 1 of Table 3, 33(18.0%) of the respondents are the client of Nile Insurance Company for less than 4 years, 95(52.2%) of the respondents spent 4-8 of years, in becoming a customer of this insurance company 18(9.9%) of sample respondents spent 9-12 years and remaining 36(19.8%) of the respondents have more than 12 years experience of Nile Insurance Company. This shows that majority of respondents 95(52.2%) of the respondents have 4-8 years of relation with Nile Insurance Company as a customer. This indicates that most of the customers do have longest relationship with Nile Insurance Company. As well they do have good knowledge about of the Insurance Company service.

In item 2 of table 3 which types of insurance coverage do respondents have respondent's replays as follows. 88(48.4%) of the respondents have Motor insurance, 31(17.03%) of them have Marine insurance, 26(14.3) of them have Liability insurance, 13(7.1%) of them have Travel insurance and the remaining of them 24(13.2%) have other insurance services. This impales that

majority 88(48.4%) of respondents has motor insurance coverage than the other insurance service from Nile Insurance Company.

3.2 Analyses of Finding of the Study

This part is consists of the analysis of respondents of customers about the service development practice of Nile Insurance Company.

Table 4- Respondents Awareness about Nile Insurance Company Service Development

No.	Item		No. of Respondent	Percentage (%)
1	The company takes information from its customers as an in put	A. Strongly Agree	7	3.8
		B. Agree	22	12.1
		C. Nutral	94	51.6
		D. Disagree	50	27.5
		E. Strongly Disagree	9	4.9
	Total		182	100
2	To what extent do you know about the implimentation of New Service Development	A. Vary High	49	26.9
		B. High	42	17.6
		C. Medim	67	36.8
		D. Low	22	12.1
		E. Vary low	12	6.6
	Total		182	100
3	Nile Insurance Company informes its customers about the newly implimented with respect to New Service Development?	A. Strongly Agree	21	11.5
		B. Agree	45	24.7
		C. Nutral	51	28.0
		D. Disagree	53	29.1
		E. Strongly Disagree	12	6.6
	Total		182	100

According to the information in item 1 of table 4 respondents provide their answer about Nile Insurance Company consideration of customer information as an input. Based on this 7(3.8%) of

respondents are Strongly Agree on the statement, 22(12.1%) of them are Agree, 94(51.6%) of them are Neutral, 50(27.5) of them are Disagree. The remaining 9(4.9%) of respondents are Strongly Disagree. From this table we can infer that majority of 94(51.6%) of respondents could not have clear answer for the above equation. This indicates that Nile Insurance Company has lack of experience or culture in including the customer's information as an input for its New Service Development.

With respect to the company side, the management said that, company is capable enough in collecting information from customer's depending on designing new service. As he said that the company has the proper infrastructure and qualified manpower in order to gather extensive data or information whenever there is new service or product design. Potential customers, other stake holders are also optimally contacted for the required feedback. This indicates that there is a gap between company manager's response and customer's response.

In the item 2 of table 4 the question says do customers have knowledge about the implementation of new service development customers replied as follows. 49(26.9%) of the respondents have very high knowledge about new service development, whereas 32(17.6%), 67(36.8%), 22(12.1%) and 12(6.6%) of the respondents do have high, medium, Low and very low knowledge about the implementation of Nile Insurance new service respectively. This implies that more than half of the respondents 101(55.5%) of respondents do not knowledge about the company new service development. from this we can infer that Nile Insurance Company do not have stronger link (bond) with its customers.

As shown in item 3 of table 4 company informs to its customers about newly implemented service. For this question 21(11.5%) of the respondents are Strongly Agree, 45(24.7%) of them are Agree, 51(28.0%) of them are Neutral, 53(29.1%) of them are Disagree and 12(6.6%) of the respondents are strongly disagree. This result shown as 116(63.7%) of the samples respondents do not agree on information of the newly implemented services (Carriers liability and Travel insurance). This shows that more than half of the respondents do not know what is going on service development aspects of Nile Insurance Company. This means Nile Insurance Company there is not inform its customer for newly developed services.

Table 5- Respondent Response towards Service Development performance of Nile Insurance Company

No.	Item		No of Respondent	Percentage (%)
1	How do you get the new Service Development Practice?	A. Vary Good	7	3.8
		B. Good	27	14.8
		C. Medim	86	47.3
		D. Poor	53	29.1
		E. Vary Poor	9	4.9
	Total		182	100
2	How do you rate the performance of Nile Insurance Company in introducing new service development?	A. Vary High	15	8.2
		B. High	47	25.8
		C. Medim	70	38.5
		D. Low	38	20.9
		E. Vary low	12	6.6
	Total		182	100

Item 1 of table 5 is about respondents answer on the new service development Practice. 7(3.8%) of the respondents believe that service development performance of Nile Insurance Company is vary good, 27(14.8%) of them said good, 86(47.3%) of them said Medium, the rest 53(29.1%) said poor and 9(4.9%) of the respondents evaluate the service development performance of Nile Insurance Company as vary poor. This show us more than half of 148 (81.30%) of sample respondents are un satisfied by the company new services development.

As presented in item 2 of table 5 it is concerned about performance of Nile Insurance Company in introducing new service. 15(8.2%) of the respondents rates Very high, 47(25.8%) of them rates High, 70(38.5%) of them rate medium, 38(20.9%) of them said Low the remaining 12(6.6%) of respondents rate new service introduction is Very Low. This shows that Nile Insurance Company there is not working at its level best to accommodate the needs of customer on its service development.

Table 6- Customer Evaluation about Service Development Practices

No.	Item		No. of Respondent	Percentage (%)
1	Have you use the newly developd Service of Nile Insurance Company like Curriers Liability and Travel Insurance	A. Yes	83	45.6
		B. No	99	54.4
	Total		182	100
2	Have you ever noticed any improvement on the part of service that you have alredy rendered	A. Yes	105	57.3
		B. No	77	42.3
	Total		182	100
3	Do you want Nile Insurance Company to add more services to its current business	A. Yes	140	76.9
		B. No	42	23.1
	Total		182	100

As presented in item 1 of table 6 were asked customers' respondents about using newly developed service of Nile Insurance Company. 83(45.6%) of the respondent use the newly developed service which are curries liability and Travel Insurance but the rest 99(54.4%) of the sample respondents do not use those newly implemented service. This impels the company should develop new service according to the need and wants of customers.

According to item 2 of table 6 customer were asked about the improvement on the part of service already rendered. 105(57.3%) of the respondents are noticed improvement of services. But 77(42.3%) of respondents are not noticed any improvement. This shows us the 105(57.3%) of the samples respondents are noticed the company is working with improving its services. But NIC though there an improvement is still in need of providing new service development while fulfill the rest of customer's respondents need.

As same as customer's respondents, employees were agreed that the company improves its insurance service coverage by including amended endorsements and service offers like third party liability property damage limit, workmen's compensation with travel are some of the company's improvement on its part of service development.

In item 3 of table 6 customers where asked about their want with respect to Nile Insurance Company adding more services other than current once. 140(76.9%) of the respondents want the company add more services whereas, 42(23.1%) of the respondents do not have the need (want) for additional service. This indicates that majority 140(76.9%) of the respondents are in need of new additional services from Nile Insurance Company. This from to us can deduce that there is a gap by the side of Nile Insurance Company in meeting the requirement of its customers.

Regarding the question stating that type of insurance should be add by the company, customers and employee sample respondents belief Nile Insurance Company better to add some insurance service like worldwide health insurance , plant, education endowment, live stock and crops agricultural product and security and pension insurance. Now a days the country economic depending on agricultural & industry system it invites so many foreign investor in different types of business industry.

Table 7- Respondents Level of Satisfaction towards Service Development of Nile Insurance Company

No.	Item		No. of Respondent	Percentage (%)
1	Nile Insurance Company work hardly in the introduction or launching of New product /service to meet its customers demand?	A. Yes	57	31.3
		B. No	125	68.7
	Total		182	100
2	Customers are satisfied by service, which are currntely developed (Curries liability and Travel Insurance).	A. Highly Satisfied	10	12.04
		B. Satisfied	18	21.70
		C. Nutral	29	34.93
		D. Disatisfied	19	22.90
		E. Highly Disatisfied	7	8.43
	Total		83	100
3	How do you rate the Company new service development practice in increasing your satisfaction	A. Execllent	10	5.5
		B. Vary Good	37	20.3
		C. Medim	67	36.6
		D. Poor	50	27.5
		E. Vary Poor	18	9.9
	Total		182	100

In relation to item 1 of table 7 it's about the feeling (matching) of the company new service development with introduced or launching of new service to meet its customers demand. 57(31.3%) of the respondents are agreed by Nile Insurance Company meeting customers demand. But 125(68.7%) of the respondents do not agree on the company in meeting customers

demand. So this implies that most of sample respondents 125(68.7%) are doubt that the company service development meets customers demand.

Whereas manager said, the company is working to meet or match customers demand by improving or developing existing services and introducing new ones. Through hearing satisfied customers word of mouth communication, providing immediate and standardized service up on customers request and counter checked through customer's service feedback mechanism such as suggestion box, customers visit etc. This indicates that there is a gap in Nile Insurance Company service development practice still not able to meet its customers demand.

Item 2 of table 7 customer's response for their satisfaction for currently developed services is presented as follows. 10(12.04%) of respondents are highly satisfied, 18(21.70%) of them are satisfied, 29(34.93%) of them are Neutral, 19(22.90%) of them are Dissatisfied and the reaming 7(8.43%) of them are Highly Dissatisfied. That implies above 55 (66.26%) of the respondent are not satisfied by the service of Nile Insurance Company currently developed. From this table we can depict that Nile Insurance Company designs new service development not regarding to the customers need or wants but from its own point of view. This occurred due to that Nile Insurance there is not follow the standard stages for developing new service. Also its lacks some sound service development plans (design).

However, data collated from the employees show that 7(31.8%) of the employees agreed that customers are satisfied. Whereas 15(68.2%) of them are agreed that customers are not satisfied by service development practice of the company. This means the majority of sample respondent of employees are believe the company shall improve its system to increase its customer's satisfaction.

Furthermore the company manger agreed that the customers are satisfied by its service development practice. The manager said customers are always in need of better product and service delivery in terms of quantity (by increasing the service type), quality (by providing quality claim handling service), appropriate time, place and general working environment. This shows that there is a gap between the customers reopens and managers believe. But this impels Nile Insurance Company service development activity there is not linked (worked) from the grass root level which means customers and employees.

Item 3 of table 7 asks customer to rate the company new service development practice increasing their satisfaction. 10(5.5%) of the respondents assign service development practice for increase customers satisfaction rates Excellent, 37(20.3%) of rate Very good, 67(36.8%) of them rate as medium, 50(27.5%) of them rate Poor and the remaining 18(9.9%) of the respondents rates Very Poor. This shows that majority of the customers sample respondents 135(74.2%) are agreed that the company does not work to increasing its customer's satisfaction. This impales Nile Insurance Company service development practice is not well design to regarding to increasing customer's satisfaction.

3.3 General Suggestion given by the respondents Open Ended Question

Some customer respondents answer on open ended question what kind of problem they identify in the newly introduced services. They believe in carriers liability insurance policy written in English version they understand only the company employees information some complication occur during the time of claim.

The customer respondents were also provide answer about what are the major strengths of the company in terms of Developing New Service activities. As per the respondents customer, the strength of the company is in terms of manpower it has well trained employees, they work hard and they have team spirit. And also the company upgrade its system by technology advancement.

Customer respondents answer what are the major weakness of the company in terms of applying its Service Development activities. Some of company weakness in service development are the company do not take information from its customers, they did not gather information from the market, its marketing department is not work hardly assessing market research and the company set the premium that is very high than other insurance company.

Finally customers were asked to put their comment about measure that should be taken by Nile Insurance Company (S.C.) to its' service development. The customer suggestion to the company to improve its service development and it may settle claim on time with out buerocrasiy and also the company must motivate its employess to increase there initiatives and by providing questioners to its customer for need assesement and develop its marketing and public relation departements to helps socity awarenes cereation on rduceing accident. Moreover, the company

may add hire skilled employees and reducing the rate for calculating the premium as comparing to other insurance companys.

❖ **Accordingly Mangers also explaine some question which were forwarded by the student researcher.**

Who is responsible to design and materialization new service. The Reinsurane & Branch Opration with Business Development (currently, Marketing and Planning Department) take the initiatives and finalizes the service in cooperation with others concerned bodies.

The management also asked about company service development strategy the manager said, the company strategy depending on Service Development strategy. For this strategy Nile Insurance Company works on Product/Service development the company use new to the company but not new the market to offer its services to its customers. This impales the service development strategy practice of Nile Insurance Company is to improvement and modification on the existing market.

To what extent your company goes to conduct technological advancement. Manger said the company has been networked with all its branches through PREMIA technology it is on the process for the implementation of Web Site and other related technological advancements.

According to Kotler,(2003:351) factors affecting new service development is shortage of important ideas in certain areas, there may be few ways left to improve some basic products. Fragmented Market Companies have to aim their new products at smaller market segments and this can mean lower sales and profits for each product. Social and governmental constraints new product has to satisfy consumer safety and environmental concerns. Cost of development: A company typically has to generate many ideas to find just one worthy of development and often faces high R&D manufacturing and marketing cost.

Furthermore, factors that considered by Nile Insurance Company in offering a new service to the market. To get competitive advantage, this means the company new service to teak under consideration of its competitors offers to the market then the company to compete to the market.

In addition, to the company compare its offer to other competitors to get comparative advantage. And the company to increase its market share and get new and potential customers.

What kind of problems (challenge) is encountered in the company on its way of developing new service or modifying existing services? Unfair competition of similar firms, unavailability of adequate information, lack of adequate cooperation in providing required information, shareholders not willing to develop new services and financial resources.

What strategies are primarily followed by the company in new service offer? The company strategy in new service development is using improvement in the existing services, pre-production advertizing like be open soon or becoming soon, preparing feasibility study and also through promotional and advertizing strategy, awareness creation, press release.

Chapter Four

Summary, Conclusion and Recommendation

From the analysis and interpretation made in the previous chapter the following summary, conclusion and recommendation are drawn.

4.1 Summary of the Major Findings

- In relation to Nile Insurance Company consideration of customer information takes as an input the majority of 94(51.6%) of respondents could not have clear answer for the above question and more than half of 101(55.5%) of respondents do not have knowledge about the company implementation of new service development.
- The study indicates majority which is 116(63.7%) the respondents replied that the company do not inform to its customers about the newly implemented services (Carriers liability and Travel insurance).
- Regarding the customers response of NIC about new service development practice majority 148(81.3%) of sample respondents are not satisfied by the company new services development practice and performance of in introducing new service.
- Based on the study 99(54.4%) sample respondents do not use those newly implemented service of Nile Insurance Company
- According to the study majority 105(57.3%) of customers respondents agreed that there is an improvement on the part of service already rendered by the company.
- Based on the study majority 140(76.9%) of the respondents are in need of new additional services other than current once from Nile Insurance Company.
- According to the study customers response for their satisfaction for currently developed services is most of 55(66.26%) of the respondent are not satisfied by the service Nile Insurance Company currently developed.
- According to managers interview Nile Insurance Company problems (challenge) is encountered in the company on its way of developing new service or modifying existing

services. Unfair competition of similar firms, unavailability of adequate information, lack of adequate cooperation in providing required information, lack of shareholders willingness to develop new services and financial resources.

- At the time of interview the manger side primarily strategies are followed by Nile Insurance Company offering in new service development is using improvement in the existing services, pre-production advertizing like be open soon or becoming soon, preparing feasibility study and also through promotional and advertizing strategy, awareness creation, press release.
- According to the manager interview factors considered by the company in offering new service to the market, to get competitive advantage, comparative advantage, to increase its market share and get new and potential customers.

4.2 Conclusion

Depending on the finding discussed above the following conclusions are drawn

- Nile Insurance Company by concedering the research finding or with service the company did not have clearly placed service development strategy. This can be shown from the response of customers(customers donot know service strategy developmetn). Moreover, the inenterviwi response also dipict that the company put compititive and comparative strategies as its service development strategy. This two strategies are not deirectly releated with service development. So thus, the Company does not follow the formal stages of developing or improving their service that is form idea generation up to commercialization. Furthermore doses not interact (participate) responses suggestion and comment, the Company closed its door for the customer need and want.
- As it is observed from analysis the major factors which affects Nile Insuranc company service development implimentation are : not considering customers information as an input in its service development, inability to includ to identifay the basic insurance need of customers, lack of finace and not converting the paper research work in to the real practice. So Nile Insurance Company is not able to perform its service development acctivity adequately
- As the study reaveld that, Nile Insurance Company encountered challenges in on its way of developing new service or modifying existing services. Unfair competition of similar firms, unavailability of adequate information, lack of adequate cooperation in providing required information, shareholders not willing to develop new services and financial resources and also by reducing commotion of intermediaries (Insurance Brokers and Sales Agents) the company loss the market share and the company set the premuim that is very high than other. Those are some of the challenges NIC encountred, not be develop new service to its clients.
- According to research finding, NIC did not gather information from the market, its marketing departmetn is not work hardly in assessing market research. Thus, the company new service development practice could not regard to the customers need or wants but from its own point of view. This occurred due to that Nile Insurance could not

follow the standard steps for developing new service. Also it lacks some sound service development plans (design).

- This indicates that Nile Insurance Company lacks experience or culture in including the customer's information as an input for its New Service Development. From this we can infer that Nile Insurance Company do not have stronger link (bond) with its customers.
- As the study analysis infer that, Nile Insurance Company produces a new service and offer places the service in the market. Then the customer may not receive enough information about the services. The company could not inform its customer for newly developed services.
- The company could not able to encourage customers for idea contribution when the developing and modifying of the service. This resulted made Nile Insurance Company evaluates be less conceder about customers demand. Due to this NIC service development practice becomes poor. In addition to that the company new services are not matching with customers need and want expectation. So the customer is not highly satisfied. This implies the companies do not develop new service according to the need and wants of customers.
- As the study concludes that, Customers need Nile Insurance Company to add more services other than current once. Customers and employee sample respondents believe that Nile Insurance Company have to add some insurance service like worldwide health insurance , plant, education endowment, live stock and crops agricultural product and security and pension insurance. Therefore, there is a gap by the side of Nile Insurance Company in meeting the requirement of its customers.
- According to the finding of the study, Nile Insurance Company improve on the part of service already offer to its customers. This is noticed the company is working with improving its services. As well as customers Employees were agreed that the company improves its insurance service coverage by including amended endorsements and service offers like third party liability property damage limit, workmen's compensation with travel are some of the company's improvement on its part of service development. Thus, even if there is improvement, NIC is still in need of providing new service development to fulfill the rest of customer's respondents need.

4.3 Recommendation

After doing analysis of the finding, summary and conclusions were made. Based on those summary and conclusions to avoid the problems of the company and make corrective action the following things are recommended.

- In order to assess its position in the market and come up with good (sound) market development services the company must have own research and development department. Also the company shall conduct market research to evaluate its strength and weakness on the part of its service development, collect data from the target customers and also evaluate the performance of the company.
- Better new services ideas also come from watching and listening to customers. The company analyze customer question and compliant to find new service that better answer customer problem. Furthermore, Nile Insurance Company should deliver its own service development strategy (guide line) to facilitate its service development activities.
- The company it will be better improves its services by considering the customers want and need to fulfill their need by doing each stages of service development program. The company if followed properly the procedure stages in developing services. To provide competitive service the company has to deliver new service which passes thorough this development stage.
- Then the company adds luggage, worldwide travel, crop and horticultural etc insurance service. Nile Insurance Company adds those types of insurance services to satisfy its customers and be competent in the market. Even those services are not new to the market but it's new to the company. If the company engages those services, it will be an opportunity to satisfy customers, as well as to attract new ones, increasing company's market share and profitability.
- Generally, the student resercher suggest regureding to its' service development; Nile Insurance Company (S.C.) must improve its service in the way of competitive advantage that means over competitive advantage offering consumers greater value. This greater value is offered to consumers either through lower price or by providing the customers more benefits that justify higher prices. A company offer should be differentiated along

the lines of products, services channels, people or image. Thus, NIC should settle claim on time with out buerocracy and also the company must motivate its employess to increase there initiatives and by distributing questioners to assess need of its customer and develop its marketing and public relation departements to inceases society awareness on reducing accident. Moreover, the company should add hire skilled manpower and reducing the rate for calculating the premium as comparing to other insurarnce companies.

- Finally, this is not an ending in the area of service development so, the student researcher suggested that extra study should be conduct in this area because, it influence on the profitability of a given company as well as on the good image of the company.

Appendix B

St. Mary's University College

Business Facility

Department of Marketing Management

Questionnaires to be filled by Nile Insurance Employees

This questionnaire is prepared for the partial fulfillment of senior essay by prospective graduate of St. Mary's University College in the field of marketing management. The main objective of this questionnaire is to assess the new service development strategy of Nile Insurance S.C. Therefore you are requested to fill this questionnaire honestly and with due care. Because correctness of the answer will have paramount importance for the outcome of the research.

Thank you in advance for you're sincere cooperation.

Note:-

- ❖ It is not necessary to write your name.
- ❖ For the question asked below put \surd mark for the answer your chose and write your idea on the provided space.
- ❖ Please provide your unreserved/accurate response.
- ❖ Your answer of this questionnaire is only the complement of the research.

Part I General Characteristics of the Respondent

1. Gender

A. Male

B. Female

2. Age Category

A. 20 – 25

B. 26 – 35

C. 36 – 50

D. above 50

3. Educational Background

A. Twelve Complete

B. Diploma

C. Degree

D. above Degree

Part II Question Related with Services

1. For how long you been working in Nile Insurance Company?

A. less than 1 years

B. From 1 - 2 years

E. above 9 years

C. From 3 -5 years

D. From 6 – 9 years

2. Do you believe that the company service development objectives succeeded in the competitive market

A. Yes B. No

3. Based on the question 2 if your answer is No what is the reason could be?

4. Do you think the company measures its new service development practice or trend regularly?

A. Yes B. No

5. Based on the question 4 if your answer is No what is the reason could be?

6. Do you think the time frame that provided for new service development is reasonable from interms of market demand?

A. Yes B. No

7. Based on the question No.6 if your answer is No please state your reason briefly?

8. Could you identify the major problem that your company faced during its service development?

9. What are the selective service that the company should apply in the competitive insurance market?

10. Do you think that customers satisfied with the service which is currently provided by the company ?

A. Yes B. No

11. If your answer for Question No. 10 is what should be done by the company to improve their satisfaction?

Bibliography

Anand Ganguly(2002): **Insurance Management**

New Delhi: New age Int'l Limited Publisher

Beri C.G (2000): **Marketing Research 3rd Edition**

New Delhi: Tata McGraw – Hill Publishing Comp. Limited

Balaji B. (2002): **Service Marketing and Management**

New Delhi: Schand and Comp. Limited

Elina & Valtteria (2010) **Turku School of Economics, University of Turkey paper**

Presentation in the AMA services International Service Research
Conference 2010

Hailu Zeleke (2007): **Insurance in Ethiopia**

Addis Ababa:

Harrington E. & Niehaus R. (2004): **Risk Management and Insurance**

New Delhi: Tata McGraw – Hill Publishing Comp. Limited

Kotler P. and G. Armstrong (2002): **Principle of Marketing 10th Edition**

New Delhi: Prentice – Hall of India PL Printing Press.

Kotler P. and G. Armstrong (2003): **Marketing Management 11th Edition**

Delhi: Tomson Press (I) Ltd.

Kurtz and Clow (2002): **Marketing Management**

New York: John Wiley and Sons Private Limited

Lavanya & Vedagirl Communication of the International Business Information

Management Association (IBIMA) Volume 1, 2008

Lehmann R. & Winer S. (2005): **Product Management 4th Edition**

New Delhi: Tata McGraw – Hill Publishing Comp. Limited

Lovelock H. Christoprer & Wirtz Jachen (2004): **Services Marketing People,**

Technology, Strategy 5th Edition

Delhi: Baba Barkha Nath. Printing Press

- Lovelock H. Christopher & Wright Lauren (2004): **Principles of Services Marketing Management**
- Malhorta K. Naresh (2006): **Marketing Research an Applied Orientation 5th Ed.**
New Delhi: Prentice – Hall of India PL printing Press
- Perreault, McCarthy, Parkinson & Stewart (2000): **Marketing European Edition**
London: McGraw- Hill Publishing Company
- Peter & Anglea,(2006): **Service Marketing Management 3 Editions**
Oxford: Elsevier Ltd.
- Saxema Rajan (2002): **Marketing Management 2nd Edition**
New Delhi: Tata McGraw – Hill Publishing Comp. Limited
- Shajahan S. (2001): **New product Strategy and Management 1st Editions**
Himalaya publishing- house
- Shekar A. DR. (2007): **“An innovative model of Service Development”**
Massey University, Auckland, New Zealand
The innovation Journal:, Volume 12(1), 2007, Article 4
- Solomon, Mrshall & Stuart (2006): **Marketing Real People, Real Choices 4th Edition**
New Jersey: Pearson printing Hall
- Srikanth Inaganti 2010 All Rights Reserved. www.bptrends.com.
- Tekelegiorgis Assefa (2004): **Risk Management and Insurance**
Mekele : Mekle University Facility of Business and Economics
- Venugopal V. & Raghu V. (2001): **Service Marketing**
Mumbai: Himalaya Publishing House
- [www.clinivation.com docs/product_development cycle.doc](http://www.clinivation.com/docs/product_development_cycle.doc)
- Zeithaml A Valarie. & Jo Bitner Mary (2003): **Service Marketing Integrating Customer Focus across the Firm 3 Editions**
New Delhi: Tata Mc Graw – Hill publishing company

APPENDIX

ቅድስት ማርያም ዩኒቨርስቲ ኮሌጅ
ቢዝነስ ፋክልቲ
ማርኬቲንግ ማኔጅመንት የትምህርት ክፍል

በናይል ኢንሹራንስ ኩባንያ አ.ማ. ደንበኞች የሚሞላ መጠይቅ

ይህ መጠይቅ የተዘጋጀው በ2005 ዓ.ም በማርኬቲንግ ማኔጅመንት የትምህርት ክፍል ተመራቂ በሆነች ተማሪ ሲሆን መጠይቁ የሚያተኩረው በናይል ኢንሹራንስ ኩባንያ አ/ማ አዲስ የኢንሹራንስ አገልግሎት ማሳደግን በተመለከተ ነው። ስለዚህም መልሶቹን በትክክል መሙላት ለውጤቱ ከፍተኛ አስተዋጽኦ የሚኖረው ሲሆን በዚህ መመሪያ ጽሑፍ ላይ ትብብር ስላደረጉልኝና ጊዜዎንና ጉልበትዎን በመስዋትዎ በቅድሚያ አመሰግናለሁ።

ማሳሰቢያ:

- ❖ በመጠይቁ ላይ ስም መጻፍ አስፈላጊ አይደለም
- ❖ በተዘጋጀው ወይም ለተጠየቁት ጥያቄ ከተሰጡት አማራጭ መልሶች ትክክለኛ ነው ብለው ባሰቡት ላይ “√” ይህንን ምልክት ያድርጉ። ተጨማሪ ሀሳብዎን በተሰጡት ክፍት ቦ ላይ ባጭሩ ይመልሱ።
- ❖ በዚህ መጠይቅ ላይ የሰጡት መልስ ለጥናቱ ማጠናቀቂያ ብቻ ይውላል።

ክፍል 1: የተጠቃሚ ጠቅላላ መረጃ

1. ጾ
 ሀ/ወንድ ለ/ ሴት

2. ድሜ
 ሀ/ 18-25 ዓመት ለ/ 26-35 ዓመት
 ሐ/ 36-50 ዓመት መ/ ከ50 ዓመት በላይ

3. የትምህርት ደረጃ
 ሀ/ ከ12ኛ ክፍል በ ች ለ/ 12ኛ ክፍል ያጠናቀቀ ሐ/ ዲፕሎማ
 መ/ ዲግሪ ሠ/ ከዲግሪ በላይ

4. የስራ መስክ
 ሀ/የግል ድርጅት ለ/የመንግስት ድርጅት
 ሐ/መንግስት ወይም የልሆነ ድርጅት መ/የግል ንግድ

ክፍል 2: ከአገልግሎት ጋር ተያያዥነት ያለው መጠይቅ

1. በናይል ኢንሹራንስ ኩባንያ አ.ማ. አገልግሎት መጠቀም ከጀመሩ ምን ያህል ጊዜ ይሆንዎ ል?

ሀ/ 1-3 አመት ለ/ 4-8 አመት
ሐ/ 9-12 አመት መ/ከ12 አመት በላይ

2. የየትኛው አይነት የኢንሹራንስ ሽፋን ተገልጋይ ነዎት?

ሀ/ የተሸከርካሪ ለ/ የቃጠሎና የመብረቅ ሠ / የጉዞ
ሐ/ የውሃ ላይ ሽፋን መ/ የተጠያቂነት ረ/ሌላ ካለ ይግለፁ

3. አዲስ አገልግሎቶችን ለማስተዋወቅና ለማሻሻል ድርጅቱ ከደንበኞቹ መረጃ ይቀበላል?

ሀ/ በጣም ስማማላሁ ለ/ ስማማላሁ ሐ/ መካከለኛ
መ/አልስማማም ሠ/ በጣም አልስማማም

4. የናይል ኢንሹራንስ ኩባንያ አ.ማ. አዲስ አገልግሎት የማሳደግ ተግባር ንዴት አገኙት?

ሀ/ . በጣም ጥሩ ለ/ በጣም ጥሩ ሐ/መካከለኛ
መ/ደካማ ሠ/ በጣም ደካማ

5. ናይል ኢንሹራንስ ኩባንያ አ.ማ. ኬሪየርስ ሊያቢ.ሊ.ቲ (የአንጓዝ ላይነት) ና (ትራቭል) የጉዞ አገልግሎት በተግባር ላይ መዋሉን ምን ያህል ያውቃሉ?

ሀ/በጣም ከፍተኛ ለ/ከፍተኛ ሐ/መካከለኛ
መ/ዝቅተኛ ሠ/በጣም ዝቅተኛ

6. ናይል ኢንሹራንስ ኩባንያ አ.ማ. አዳዲስ የኢንሹራንስ አገልግሎቶች መጀመሩን ለደንበኞቹ አስ ውቋል::

ሀ/ በጣም ስማማላሁ ለ/ ስማማላሁ ሐ/ መካከለኛ
መ/አልስማማም ሠ/ በጣም አልስማማም

7. ናይል ኢንሹራንስ ኩባንያ አ.ማ. የደንበኞቹን ፍላጎት ለማሟላት አዳዲስ አገልግሎቶችን በተመለከተ በቂ ገለፃና መረጃ ይሰጣል ብለው ያምናሉ::

ሀ/አዎን ለ/የለም

8. ለጥያቄ ቁጥር 7 መልስዎ አዎን ከሆነ በምን ዓይነት መንገድ አሳውቆዎ ል?

9. ናይል ኢንሹራንስ ኩባንያ በቅርቡ በአስፋፋው አገልግሎት ላይ ደስተኛ ነኝ።

ሀ/ በጣም ስማማለሁ ለ/ ስማማለሁ ሐ/ መካከለኛ

መ/ አልስማማም ሠ/ በጣም አልስማማም

10. ናይል ኢንሹራንስን አዲስ አገልግሎት ማስ ዋወቅ፣ ማሳደግ የደንበኞችን ርካ ከመጨመር አንጻር የሚያደርጋቸውን ንቅስቃሴዎች ንዴት ይለኬቸዎል?

ሀ/ .በጣም ጥሩ ለ/ በጣም ጥሩ ሐ/ ጥሩ

መ/ ደካማ ሠ/ በጣም ደካማ

11. ናይል ኢንሹራንስ ኩባንያ አ.ማ. አሁን ባለው አገልግሎት ላይ ሌሎች ተጨማሪ አገልግሎቶችን ንዲጨምር ይፈልጋሉ?

ሀ/አዎን ለ/የለም

12. ለ ጥያቄ ቁጥር 11 መልስዎ አዎ ከሆነ የትኞችን አገልግሎቶችን ይጨምር?

13. ናይል ኢንሹራንስ ኩባንያ አ.ማ. ለደንበኞች አዲስ አገልግሎት የመስጠት ብቃቱን ንዴት ይገምቱ ል?

ሀ/ .በጣም ጥሩ ለ/ በጣም ጥሩ ሐ/ ጥሩ

መ/ ደካማ ሠ /በጣም ደካማ

14. ናይል ኢንሹራንስ ኩባንያ አ.ማ. አዲስ ከአስፋፋው አገልግሎት የአንጓኝር ና የጉዞ አገልግሎትን ተጠቅመዋል?

ሀ/አዎን ለ/የለም

15. ለ ጥያቄ ቁጥር 14 መልስዎ አዎ ከሆነ ባክዎን አገልግሎቱን ሲጠቀሙ የገጠመዎት ችግር ካለ ይግለጹልን?

16. በአዲስ በተጀመሩት አገልግሎቶች ላይ ምን አይነት ችግር አስተውለዋል?

17. ከዚህ ቀደም በሚጠቀሙዎቸው አገልግሎቶች ላይ ማሻሻያ አይተዋል?

ሀ/አዎን ለ/የለም

18. ለጥያቄ ቁጥር 17 መልስዎ አዎ ከሆነ ባክዎን የማሻሻያውን ዓይነት ይዘርዝሩ?

19. አዲስ አገልግሎት በመጀመር ላይ ድርጅቱ ያለው ጠንካራ ጎን ምንድን ነው?

20. አዲስ አገልግሎት ለመጀመር በሚያደርገው ንቅስቃሴ ላይ ድርጅቱ ደካማ ጎኑ ምንድን ነው?

21. ባክዎ ናይል ኢንሹራንስ ኩባንያ አ.ማ. በአገልግሎት ማሻሻያ ኘሮግራሙ ላይ ሊያደርግ፣ ሊያሻሽል የሚገባው ነገር ቢጠቁሙን።

ቅድስት ማርያም ዩኒቨርሲቲ ኮሌጅ
ቢዝነስ ፋክልቲ
ማርኬቲንግ ማኔጅመንት የትምህርት ክፍል

በናይል ኢንሹራንስ ኩባንያ ኢ.ማ. ሠራተኞች የሚሞላ መጠይቅ

ይህ መጠይቅ የተዘጋጀው በ2005 ዓ.ም በማርኬቲንግ ማኔጅመንት የትምህርት ክፍል ተመራቂ በሆነ ተማሪ ሲሆን መጠይቁ የሚያተኩረው በናይል ኢንሹራንስ ኩባንያ አ/ማ አዲስ የኢንሹራንስ አገልግሎት ማሳደግን በተመለከተ ነው። ስለዚህም መልሶቹን በትክክል መሙላት ለውጤቱ ከፍተኛ አስተዋጽኦ የሚኖረው ሲሆን በዚህ መመሪያ ጽሑፍ ላይ ትብብር ስላደረጉልኝና ጊዜዎንና ጉልበትዎን በመስዋትዎ በቅድሚያ አመሰግናለሁ።

ማሳሰቢያ:

- ❖ በመጠይቁ ላይ ስም መጻፍ አስፈላጊ አይደለም
- ❖ በተዘጋጀው ወይም ለተጠየቁት ጥያቄ ከተሰጡት አማራጭ መልሶች ትክክለኛ ነው ብለው ባሰቡት ላይ “√” ይህንን ምልክት ያድርጉ። ተጨማሪ ሀሳብዎን በተሰጡት ክፍት ላይ ባጭሩ ይመልሱ።
- ❖ በዚህ መጠይቅ ላይ የሰጡት መልስ ለጥናቱ ማጠናቀቂያ ብቻ ይውላል።

ክፍል 1: የተጠቃሚ ጠቅላላ መረጃ

1. ጾ

ሀ/ወንድ	<input type="checkbox"/>	ለ/ሴት	<input type="checkbox"/>
-------	--------------------------	------	--------------------------
2. ድሜ

ሀ/ 20-25 ዓመት	<input type="checkbox"/>	ለ/ 26-35 ዓመት	<input type="checkbox"/>
ሐ/ 36-50 ዓመት	<input type="checkbox"/>	መ/ ከ50 ዓመት በላይ	<input type="checkbox"/>
3. የትምህርት ደረጃ

ሀ/ 12ኛ ክፍልን ያጠናቀቀ	<input type="checkbox"/>	ለ/ ዲፕሎማ	<input type="checkbox"/>
ሐ/ ዲግሪ	<input type="checkbox"/>	መ/ ከዲግሪ በላይ	<input type="checkbox"/>

ክፍል 2: ከአገልግሎት ጋር ተያያዥነት ያለው መጠይቅ

1. ናይል ኢንሹራንስ ኩባንያ ኢ.ማ. ውስጥ ምን ያህል ጊዜ አገልግለዋል?

ሀ/ ከ1 ዓመት ያነሰ	<input type="checkbox"/>	ለ/ ከ1-2 ዓመት	<input type="checkbox"/>	ሐ/ ለ3-5 ዓመት	<input type="checkbox"/>
መ/ ከ6-9 ዓመት	<input type="checkbox"/>	ሠ/ ከ9 ዓመት በላይ	<input type="checkbox"/>		
2. ባለው የውድድር ገበያ ላይ ድርጅትዎ አገልግሎትን የማሳደግ አላማ የተሳካ ነው ብለው ያምናሉ?

ሀ/አዎን	<input type="checkbox"/>	ለ/አይደለም	<input type="checkbox"/>
-------	--------------------------	---------	--------------------------

3. ለጥያቄ ቁጥር 2 መልስዎ አይደለም ከሆነ ምክንያቱ ምን ይመስልዎ ል?

4. ናይል ኢንሹራንስ ኩባንያ አ.ማ. የአዳዲስ አገልግሎቶችን ውጤ ማነት በየጊዜው ይገመግማል ብለው ያምናሉ?

ሀ/አዎን ለ/የለም

5. ለጥያቄ ቁጥር 4 መልስዎ አይደለም ከሆነ ምክንያቱ ምን ይመስልዎ ል?

6. አዲስ አገልግሎት ለመጀመር የመደበው የጊዜ ገደብ ካለው ከደንበኞች ፍላጎት አንጻር አሳማኝ ነው ብለው ያስባሉ?

ሀ/ አዎን ለ/ የለም

7. ለጥያቄ ቁጥር 6 መልስዎ አይደለም ከሆነ ምክንያቱን ያብራሩ?

8. አዲስ አገልግሎት በመተግበር ላይ ድርጅቱ የገጠመው ማንኛውም አይነት ችግር ካለ ይግለፁ?

9. ናይል ኢንሹራንስ ምን ምን ዓይነት የመድን አገልግሎቶችን ማካተት አለበት ብለው ያምናሉ?

10. ደንበኞች አሁን በቀረቡት አገልግሎቶች ላይ ደስተኞች ናቸው ብለው ያስባሉ?

ሀ/ አዎን ለ/ አይደለም

11. ለጥያቄ ቁጥር 10 መልስዎ አይደለም ከሆነ የደንበኞችን ርካ ለመጨመር ድርጅቱ ምን ማድረግ አለበት?

DECLARATION

Candidates Declaration

I the undersigned, declare that this senior research is my original work, prepared under the guidance of W/o Meseret Worku. All sources of materials used in the manuscript have been duly acknowledged.

Name **Fasika Shemelis**

Signature _____

Place of submission **St Mary's University College**

Date of submission _____

Advisors Approval

This senior research has been submitted for examination with my approval as an advisor

Name **W/o Meseret Worku**

Signature _____

Date _____