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THE EFFECTS OF SERVICE QUALITY ON CUSTOMER SATISFACTION:
THE CASE OF GLOBAL INSURANCE COMPANY CLAIMS SERVICE

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**THE EFFECTS OF SERVICE QUALITY ON CUSTOMER SATISFACTION:
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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr. Aderaw Gashaye (PhD.). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Signature

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
GENERAL BUSINESS ADMINISTRATION

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LIST OF ACRONYMS

Acronyms	Description
GIC	Global Insurance Company
SPSS	Statistical Package for Social Science
TAN	Tangibility
REL	Reliability
RES	Responsiveness
ASS	Assurance
EMP	Empathy
SERVQUAL	Service Quality
CS	Customer Satisfaction

ABSTRACT

The purpose of this study is to examine the Effect of Service Quality on Customer Satisfaction in the case of Global Insurance Company Claim Service using five dimensions of SERVQUAL model. The research used descriptive and explanatory research design to describe the service quality dimensions and to understand the relationship between the variables. From the entire population of 455 samples of 211 respondents were selected using simple random and convenient sampling techniques respectively. Both primary and secondary methods of data collection were applied and questionnaire was used as a source of primary data. Data analysis was done using descriptive and inferential statistics in order to present the perception of the respondents. The findings of the descriptive statistics showed that customers agreed with the service provided and the regression analysis indicates that the service quality dimensions tangibility have a negative insignificant effect. The other dimensions empathy, assurance, reliability and responsiveness have significant effect on overall customer satisfaction. Person correlation analysis was conducted to examine the relationship between service quality dimensions and customer satisfaction and the results shows that all the five dimensions of service quality have a strong positive and significant relationship with customer satisfaction. It was recommended that GIC claims service needs to give more emphasis and due attention to empathy and reliability dimensions of service quality to improve the level of customer satisfaction.

Key Words: *Service Quality, Customer Satisfaction, Tangibility, Reliability, Responsiveness, Assurance, Empathy.*

CHAPTER ONE

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

1.1 Background of the study

The quality of service provided determines the extent of satisfaction of the customer; even if what's seen as quality by one customer might not necessarily be quality to another. Customer satisfaction could also be a measure of how products and services supplied by an organization meet or exceed customer expectation. During a competitive market where a business plays major role, customer satisfaction could also be a key element of business strategy and an asset that need to be monitored and managed like all physical asset.

In today's business environment to realize success, commitment to excellent customer service is significant and it's the foremost vital issue affecting organizational existence and survival of any business. Empirically, researcher's support that there's positive relationship between service quality and customer satisfaction (Rust & Zohorit 1993; Andersueet.el. (1994). Toran (1993) points out that pure service like insurance may, therefore call up different expectations than that of services that include tangible products and quality should be at the core of what the insurance industry does. Berry (1995) suggested that thanks to the amount of money that's typically invested in a policy, customers seek long-term relationships with their insurance companies and respective agents to reduce risks and uncertainties.

Insurance unlike other tangible products it's only a promise sold. The trustworthiness of the corporate to stay its promise and meet customer's expectation is most crucial issue. In today's competitive insurance business policy holders expect fast quality service. Research has shown that the standard of services, the accomplishment of customer satisfaction and trustworthiness are essential for the survival of insurers (Elnan & Anderson, 1999; Sureshchandar, 2002). But insurance companies are exposed with difficulties when it involves satisfying their customers at the time of claims. Claims service excellence is one among the competitive weapons that companies add trying to take care of a far better position within the market to carry their existing

customers also on attract potential customers from the market. Insurance companies with ineffective claims handling causes failure which affects their business dealings caused by lack of recent technology, insufficient information and facilities to reinforce the claim handling procedure. Correspondingly the insurance industry is observed as being quick to gather premium but slow/unwilling to reply to claims quickly.

In addition, Customer satisfaction is influenced by the sort of service provided. High levels of customer satisfaction bring several positive aspects to a company; it's believed that customer satisfaction features a positive relationship with economic profit (Anderson, Fornell, and Lehmann, 1994). Any organization that has satisfied customers is sure to increase customer base and profitability. Satisfied customers may sell your organization either consciously or unconsciously. Consistent with (Parasuraman et al. 1988, 1991) define the essential dimension of service quality as **Reliability**: is that the ability to perform the promised service dependably and accurately. **Responsiveness**: is that the willingness to assist customers and supply prompt service. **Assurance**: is employee's knowledge, courtesy and their ability to inspire trust and confidence. **Empathy**: is being caring, individualized attention given to customers. **Tangibility**: is appearance of physical facilities, equipment's, personnel and written materials

In the insurance industry, the main approach to differentiate and therefore the principal means by which one insurer can distinguish itself from another is by the service provided before and after the sale of policy (Stafford & Wells, 1996). An outstanding claims handling service is an insurance company's competitive advantage which is that the pillars on which it operates and this research plan to determine whether the service provided meets customer expectations, whether customers are being satisfied by those services using SERVQUAL measures and to figure out service quality supported the gap using SERVQUAL model dimensions of service quality reliability, tangibility, responsiveness, assurance and empathy (Parasuraman, Zeithaml & Berry, 1988).

1.2 Statement of the Problem

Research has shown that the quality of services and thus the achievement of customer satisfaction and loyalty are fundamental for the survival of insurers. Most studies confirm that there is a relationship between service quality and customer satisfaction (Parasuraman &

Zeithaml, 1988) and (Caruana, 2002) found a positive relationship between service quality and customer satisfaction. (Al-Azzam, 2015) also found that perceived service quality influences customer satisfaction. Similarly, assured that service quality features a positive effect on customer satisfaction which suggests that the upper quality of service attracts more customers who have bought back the desire and intention to recommend. Taylor (2001) concluded that the quality of after sales services can cause very positive results through customer loyalty, repetitive sales and cross-selling. Raj Arora, Charles Stoner, (1996) found that perceived service quality features a big effect on the attitude towards obtaining insurance. Strong relationship is found between satisfaction level and thus the service quality dimensions (Gayathri et al., 2005).

According to Krishman (2010), a claim on a policy could also be a requirement on an insurance company to satisfy its portion of the promise, committed to while writing the contract with the insured. Capgemini (2011a) argued that a highly effective claims practice is usually a crucial contributor to attracting new customers and strengthening customer loyalty to provide a valuable customer experience. Claims service plays an important role in customer satisfaction which helps to assure that customers are satisfied with their policy they purchases. To provide a service which satisfies the extent of customer satisfaction is interest of the service provider also it's the interest of customer. Research have indicated that the key parameters like past experience, personal needs, external communication, word of mouth, and active clients significantly influence service quality of the insurance sector (Barkur et al., 2007).

Furthermore, many researchers have tried to review customer satisfaction with service quality in various industry contexts (Million Tsegaye, 2017; Mary Rehema Odhiambo, 2015; Gorji and Sargolzaee, 2014; Akalu, 2015) few have related it to the insurance industry context. However, coming to GIC this type of study isn't investigated. This may create a big knowledge gap and also most of the study during this area mainly specialize in life and non-life insurance point of view and not seen its effect from claims side which is additionally taken as another gap which makes it different from others and that initiates the researcher to conduct on effect of service quality on customer satisfaction at GIC claims service.

1.3 Research Questions

In view of the above background of the study and statement of the problem the main research question for the study are:

1. What is the level of service quality in GIC Claims Service?
2. To what extent are customers satisfied in GIC Claims Service?
3. What is the relationship between service quality and customer satisfaction in GIC Claims Service.
4. What is the effect of service quality on customer satisfaction of GIC Claims Service?

1.4 Objectives of the Study

This study was conducted by drawing general and specific objectives which are clearly stated as shown below:

1.4.1 General Objective

The general objective of this study was to examine the effects of service quality on customer satisfaction in context of Global Insurance Company Claims Service.

1.4.2 Specific Objectives

Specifically the study try's to hit the following specific objectives:

- ❖ To assess the level of service quality in context of GIC Claims Service.
- ❖ To examine the extent of customer satisfaction in context of GIC Claims Service.
- ❖ To identify the relationship between service quality and customer satisfaction in context of GIC Claims Service.
- ❖ To investigate the effect of service quality and customer satisfaction in context of GIC Claims Service.

1.5 Research Hypothesis

After reviewing different theoretical and empirical literature, the researcher developed the following alternative hypotheses to discover the cause and effects relationships between service quality dimensions and customer satisfaction.

- H1:** Tangibility has a significant effect on customer satisfaction of GIC claims service.
- H2:** Reliability has a significant effect on customer satisfaction of GIC claims service.
- H3:** Responsiveness has a significant effect on customer satisfaction of GIC claims service.
- H4:** Assurances has a significant effect on customer satisfaction of GIC claims service.
- H5:** Empathy has a significant effect on customer satisfaction of GIC claims service.

1.6 Significance of the Study

This study examined the effect of service quality on customer satisfaction at claims service of GIC. The study is important because it provides an insight on the amount service quality has on customer satisfaction. The findings of the research benefited the following stakeholders at different levels:

To the Organization: it helps for the Organizational improvement of service which it provides, by deeply understanding of service quality that could influence customer's satisfaction.

To the Management: provide information about the extent of quality service the corporate is providing to its customers from customers point of view. It also help them to understand whether the corporate is delivering its promise to the purchasers and it provide them awareness about the gap between customer's perception and expectation of service they supply and ways to enhance the service.

To the body of Knowledge: it enables to wide up more knowledge on the issue of service quality and customers satisfaction.

To other researchers: the result of the study serves as a literature to throw more light on the effect of service quality on customer satisfaction. The outcome further serves as secondary data for future research on the topic.

1.7 Definition of Terms

1.7.1 Conceptual Definition of Terms

- ❖ **Service:** is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not

normally result in ownership of any of the factors of production (Lovelock and wright, 1999).

- ❖ **Quality:** is the extent to which the customers or users believe the product or service surpasses their needs and expectations (Gitlowet al, 1989). Also features and characteristics in a product or service that bear upon its ability to satisfy needs (Hardie & Walsh 1994).
- ❖ **Service Quality:** is how well a delivered service level matches customer's expectation. (Parasuraman et al. 1988, 1991) as sited on Sang-Lin Han, (Bitneret al 1990) define service quality as "the consumers" overall impression of the relative inferiority/superiority of the organization and its services." As sited on Sang-Lin Han.
- ❖ **Customer Perception:** is the actual level of service the customers received. Perceived service quality is a component of customer satisfaction.
- ❖ **Customer Satisfaction:** is a person's feeling of pleasure or disappointment resulting from comparing a product's performance (outcome) in relation to his or her expectation (Kotler & Keller, 2006).
- ❖ **Reliability:** it's the ability to perform the promised service dependably and accurately (Parasuraman et al. 1988, 1991).
- ❖ **Tangibility:** is appearance of physical facilities, equipment's, personnel and written materials (Parasuraman et al. 1988, 1991).
- ❖ **Responsiveness:** it's the willingness to help customers and provide prompt service (Parasuraman et al. 1988, 1991).
- ❖ **Assurance:** its employee's knowledge and courtesy and their ability to inspire trust and confidence (Parasuraman et al. 1988, 1991).
- ❖ **Empathy:** it's being caring, individualized attention given to customers (Parasuraman et al. 1988, 1991).

1.7.2 Operational Definition of Terms

- ❖ **Insurance:** system under which the insurer, for a consideration usually agreed upon in advance, promises to reimburse the insured or to render services to the insured in the event that certain accidental occurrences result in losses during a given period. It thus is a method of coping with risk. Its primary function is to substitute certainty for uncertainty as regards the economic cost of loss –producing events.
- ❖ **General (non –life) insurance:** are insurance related to Property, Pecuniary, Motor, Liability and Marine policy.
- ❖ **Life Insurance:** are insurance related to Life, Pension and Permanent health policy.
- ❖ **Claim Service:** is a formal request to an insurance company asking for a payment based on the terms of the Insurance policy. Insurance claims are reviewed by the company for their validity and then paid out to the insured or requesting party (on behalf of the insured) once approved.

1.8 Scope of the Study

This study focused on the effect of service quality on customer satisfaction of claims service at GIC. Additionally, tangibility, reliability, responsiveness, assurance and empathy were considered as service quality dimension which were broadly studied in regard of the whole service delivery of the insurance claims process.

Furthermore, the study was restricted to Global Insurance Company located in Addis Ababa, Ethiopia. Because the claims service is located at its headquarter which is found in Addis Ababa.

Methodologically, effect of service quality on customer’s satisfaction was measured by using service quality model. All claimant customers of the insurance who exist during the data collection period were included in the study.

1.9 Limitation of the Study

Because of time constraints, the research was limited only in GIC claims service while comparison of different insurances was much better for that reason the researcher could not allow to make broad research on a big scale. This bounded the finding to just one insurance company while no other comparisons were made among other competitors.

The study was analyzed from the customer perspective only and it measures the effect of SERVQUAL on customer satisfaction. Though customer satisfaction is the result of many other variables especially in the insurance industry, Even though there were different operating activities in the insurance industry, this study only covers about claims service.

Lack of research documents and reference in the area of claim service particularly in Ethiopia insurance industry had also limited the study. Sufficient records and publications were not available. In order to overcome the problem, the researcher reviewed different books and articles regarding effect of SERVQUAL on customer satisfaction.

The researcher was expected to collect more than 85% of questionnaire, but due to Covid-19 the respondents delayed in filling and returning back the given questionnaires only about 72% was returned so this problem has made its impact on the research report writing process.

1.10 Organization of the Study

The study was organized into five major chapters. The first part is the introductory part composed of background of the study, research problem and questions, research objectives, significance of the study, scope of the study, limitation of the study, and organization of the study. The second chapter deals with review of related literature, in the third chapter deals with research design and methodology, the fourth chapter focuses about data presentation analysis and interpretation and finally in fifth chapter summery of findings, conclusions and recommendations presented.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

This chapter gives an overview of literature related covering the theoretical framework, empirical evidences and conceptual frameworks. In the theoretical frame work customer service, service quality, customer's perception expectation and satisfaction, the SERVQUAL model, dimensions and insurance fitted to the SERVQUAL model are highlighted.

2.1 Theoretical Review

2.1.1 Definition of Concepts

Customer: The word "custom" means "habit", a person who goes to a store on a frequent basis to purchase their products or services, thus it is their habit to buy from that particular store. Customers are those who use the output of work, the end users of products or services. They may be internal to the organization such as the employees and directors or external like members of the public, other businesses, or government. In other words customer is a person who buys goods or services from the service provider. It may also refer to any potential buyer.

Services: Several scholars tried to define service in different ways. Kotler and Amstrong (1991) defined service as “an activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.” According to the definition of Gronroos (2000), “a service is a process that consists of a set of activities which take place in interactions between a customer (people), goods and other physical resources, systems and/or infrastructures representing the service provider and possibly involving other customers.” which aim at solving customers problems.

Services are economic activities offered by one party to another in exchange for money, time effort, service customers expect value from access to goods, labor, professional skills, facilities, networks, and systems; but they do not normally take ownership of the physical elements involved. A service occurs when an interaction is established between customers and service providers and/or the physical component of the service and/or the systems through which the service is delivered (Shahin and Janatyan, 2011).

Based on the above definitions, service is an interaction between the service provider (producer) and the customer (consumer). Unlike goods it is intangible, cannot be inventoried or stored, and cannot be produced until the customer is ready to consume it.

Customer Service: is an organization's ability to provide their customer's wants and wishes. Customer service is that the providing of service to customers before, during and after a sale. It also means serving the customer, and involves all contact with the customer either face to face or by indirect contacts. Consistent with Turban et al (2002), "it may be a series of activities designed to reinforce the extent of customer satisfaction that's, the sensation that a product or service has met the customer expectation." Customer service could also be provided by an individual like sales and repair representative or by automated means called self-service. It are often expressed in personal and interpersonal skills like communication skills, listening skills, language, gestures and posture, telephone techniques.

Customer Satisfaction may be a measure of how a product and services supplied by a corporation meet or surpass customer expectation. It seen as a key performance indicator with business and is an indicator of how successful the corporate is at providing products and services to the market. Customer satisfaction is an abstract concept and is really happening of the state of satisfaction will vary from person to person and merchandise /service to product/ service during a competitive market where business compete for customer; customer satisfaction is taken into account a key element of business strategy (Gitman & Carl, 2005).

Service Quality: is customer perception that happens when the necessity of service is met above average, quite just adequate. In other words service quality is that the ability of service that meets a customer's expectations for that service. It represents of the service valued by the customer. Service quality has been defined in services marketing literature as an overall assessment of service by the purchasers. Perceived service quality is believed to be resulting from comparison between customers' prior expectations about the service and their perceptions after actual experience of service performance (Parasuraman et al., 1985).

Service quality has been defined by the practitioners in terms of key dimensions that customers use while evaluating the services. Conceptualization of service quality should include both the service delivery process (Parasuraman et al., 1985) also because the service outcomes (Gronroos,

1984) offered a service quality measurement instruments with dimensions of technical quality (what consumer gets), functional quality (how consumer gets the service) and company image (how consumers perceive the firm and its services).

2.1.2 Customer Perceived Service Quality

Customer perceived service quality is that the customers own perception of the service supported various factors contributing to the service, from the method to the ultimate outcome. Consistent with Grönroos (2001), “quality is what customers perceive”. Customers buying service consider everything that contributes to the method and therefore the final outcome in making their assessments of the service. However the subjective valuation of the particular service experiences is that the customer perceived service quality as stated by Looy et al (2003), Zeithaml et al (2006), and Grönroos (2001).

Sureshchander et al (2002), “points out that service firms have an issue imagining and understanding what aspects of the service that outline top quality to the consumers and at what levels, they're needed to be delivered.” Besides, the aspect of managing a service interaction requires understanding the complicated behavior of employees that find its way into the customer’s perception of the service quality.

On a careful inspection of the size of quality, a serious focus rests on the component of human interaction within the service delivery that consists of human behavior and attitudes. Looy et al (2003) is additionally of an equivalent opinion that customers aren't one-dimensional in judgment, because tons of other factors influence service quality, most researchers agree on these dimensions of service quality as a measure of service quality.

Several studies in commission management have shown that the perception of quality of the services in terms of customer point of view and therefore the service they get from the organization. Consistent with Zeithaml et al (2006), “customers perceive services in terms of quality of the service and the way satisfied they're overall with their experiences.” However, these encounters are mainly the joint effort of the workers who have contacts with the purchasers and therefore the customers themselves who therefore could also be in better position to know them, and solve their service related problems.

2.1.3 Customer Expectation, Perception and Satisfaction

2.1.3.1 Customer Expectations

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

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

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

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

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

Zone of tolerance: the range within which customers are willing to accept variations in service delivery. The extent to which customers are willing to accept this variation is called the zone of tolerance. It is performance that falls below the adequate service level will cause frustration and dissatisfaction, whereas one that exceeds the desired service level will both please and surprise customers, creating the "customer delight" that we discussed earlier in this chapter. Another way of looking at the zone of tolerance is to think of it as the range of service within which customers don't pay explicit attention to service performance. When service falls outside this range, customers will react either positively or negatively.

2.1.3.2 Customer Perception

Customer perceived service quality are often defined as a worldwide judgment or attitude concerning the prevalence of a service relative to competing offerings (Parasuraman et al 1988) as cited on (Zhilin, Minjoon & Robin, 2004). Perceived service quality results from comparisons by consumers of expectations with their perceptions of service delivered by the suppliers (Zeithaml, 1988). It's argued that the key to making sure good service quality perception is in meeting or exceeding what customers expect from the service. Thus, if perception of the particular service delivered by the supplier falls in need of expectation, a niche is made which should be addressed through strategies that affect the direction either of expectations or perceptions, or both (Parasuraman et al., 1988).

Customers perceive service in terms of quality, but how satisfied they're with the general experience, is what defines their satisfaction. Whether the customer is satisfied after purchase depends on the offer's performance or the customer service during this case, in reference to the customer expectations. However, consistent with Zeithaml et al (2006) although service quality and customer satisfaction are used interchangeably, there's indeed a distinction.

2.1.3.3 Customer Satisfaction

Customer satisfaction are often defined as an individual's felt state, either pleasure or discontent, ensuing from comparing a product's perceived performance (or outcome) in reference to the person's expectations as cited on (Zhilin, Minjoon, Robin,2004). Customer satisfaction has long been recognized together of the critical success think about today's competitive business environment because it affects companies' market share and customer retention. "Satisfied customers tend to be less influenced by competitors, less price sensitive, and stay loyal longer" as cited by (Zhilin, Minjoon, Robin, 2004).

Several studies seem to conclude that satisfaction is an affective construct instead of a cognitive construct (Oliver, 1997; Olsen, 2002). Rust and Oliver (1994) further defined satisfaction because the "customer's fulfillment response," which is an evaluation also as an emotion-based response to a service. It's a sign of the customer's belief on the probability of a service resulting in a positive feeling as cited on (Festus, Maxwell, & Godwin J, 2006). Satisfaction is "an overall

customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire'' (Hansemark & Albinson, 2004).

Customer Satisfaction is when the result of the service matches the expectations of the service. Satisfaction are often acknowledged in various senses counting on what needs the customer had before the service; it ranges from feelings of fulfillment, satisfaction, pleasure, delight and relief. Although it tends to be measured as a static quantity it's dynamic and evolves over nonce influenced by a spread of things. Service quality is one among those factors that contribute to customer satisfaction, in other words element to live customer satisfaction.

As Looy et al (2003), points out the excellence between the 2 may be a vital one. The extent of customer satisfaction is that the results of the purchasers comparison of the service quality expected during a given service encounter, with the perceived service quality. Additionally, the excellence is that in measuring customer satisfaction, the particular experience of the customer is that the basis of assessments while in commission quality measurement the customer experience isn't required. Consistent with Zeithaml et al, (2006), satisfaction or dissatisfaction may be a measure or evaluation of a product or service's ability to satisfy a customer's need or expectations.

If the purchasers of a corporation are satisfied by quality services the result's that, they're going to be loyal to them and consequently be retained by the organization, which is positive for the organization because it could also mean higher profits, higher market share, and increasing customer base.

Kondo (2001), argues that customers value satisfaction and quality in many various ways. Therefore, the expression "no customer dissatisfaction" doesn't necessarily go hand-in-hand with "customer satisfaction". Fornell (1992) argues that changes in satisfaction are consequences from past decisions. He continues to elucidate that quality is judged by the buyer which the foremost important measurement of quality is how it affects customer satisfaction (Fornell, 1992). This is often further strengthened by Herrmann, Huber and Braunstein (2000), who argue that whether or not a customer considers their purchase to measure up to their expectations, i.e. whether the customer is satisfied or not, depends on the perceived quality.

According to Anderson, Fornell, and Lehmann (1994), there's a positive relationship between customer satisfaction and economic profit for the corporate. Arguably, customer satisfaction is a crucial component so as for the corporate to be profitable. Increased global competition has led to a greater emphasis on customer satisfaction (Johnson and Fornell, 1991). Matzler, Hinterhuber, Bailom, and Sauerwein (1996), argues that there are an increasing number of companies that starts to acknowledge the importance of customer satisfaction for future business. In attempting to extend customer satisfaction it's necessary to know what the customer wants before they know it themselves.

One major challenge that companies face is the way to improve customer satisfaction and continue keeping their customers satisfied, which becomes how for companies to differentiate themselves from their competitors (Torbica & Stroh, 2000).

2.1.4 The SERVQUAL Model

SERVQUAL is that the best analysis tool available to service industries for studying the difference between customer expectations from service and perceptions of service quality. For any industry, it's essential that customer expectations are properly understood, measured from the customers' perspective, and any gaps in commission quality are identified.

Parasuraman et al (1985) analyzed the dimensions of service quality and constituted a Gap model that provides an important framework for defining and measuring service quality (Saat, 1999). There are seven major gaps in service quality concept. The three important gaps, which are more associated with the external customers, are Gap1, Gap5 and Gap6; since they have a direct relationship with customers, (ASI Quality Systems, 1992; Curry, 1999; Lukand Layton, 2002) cited on the work of Dejene Girma (2017).

Gap1: Customers' expectations versus management perceptions:- as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

Gap2: Management perceptions versus service specifications:- as a result of inadequate commitment to service quality, a perception of unfeasible, inadequate task standardization and an absence of goal setting.

Gap3: Service specifications versus service delivery:- as a result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

Gap4: Service delivery versus external communication:- as a result of inadequate horizontal communications and propensity to over-promise.

Gap5: The discrepancy between customer expectations and their perceptions of the service delivered:- as a result of the influences exerted from the customer side and the short falls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

Gap6: The discrepancy between customer expectations and employees' perceptions:- as a result of the differences in the understanding of customer expectations by front-line service providers.

Gap7: The discrepancy between employee's perceptions and management perceptions:- as a result of the differences in the understanding of customer expectations between managers and service providers.

The presence of any one of the above seven gaps may lead to a disappointing outcome which affects the relationship with customers. Thus, it is important to avoid this gap in every service counter for it helps to build a good reputation in the eyes of customers. Moreover, identifying the specific causes of each gap and then developing strategies to close them will reduce the likelihood that one of the gaps will occur (Lovelock and Writz, 2004).

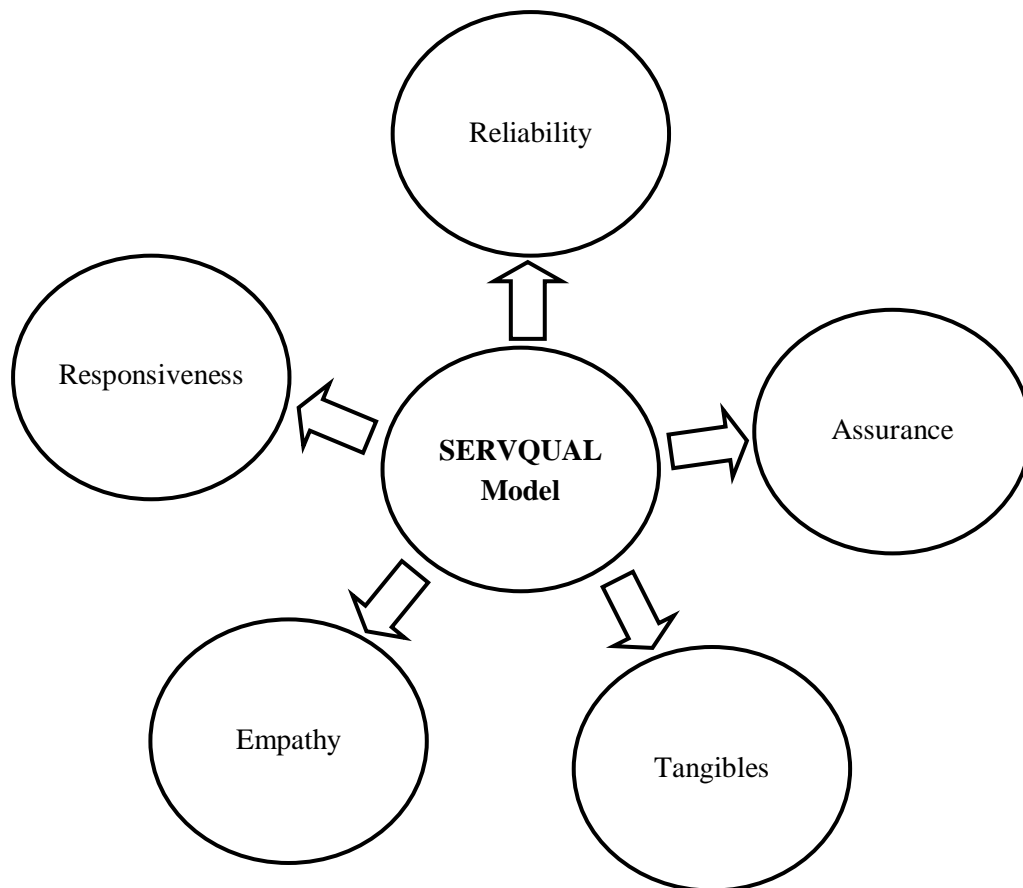
2.1.5 SERVQUAL Service Dimensions

The SERVQUAL instrument has been the predominant method used to measure consumers' perceptions of service quality. It has five generic dimensions/factors and are stated as follows (van Iwaarden et al., 2003):

- ❖ **Reliability:** Ability to perform the promised service dependably and accurately.
- ❖ **Tangibles:** Physical facilities, equipment and appearance of personnel.
- ❖ **Responsiveness:** Willingness to help customers and provide prompt service.

- ❖ **Assurance:** Knowledge and courtesy of employees and their ability to inspire trust and confidence. (including competence, courtesy, credibility and security)
- ❖ **Empathy:** Caring and individualized attention that the firm provides to its customers. (including access, communication, understanding the customer):

Figure 2.1: Service Measurement Dimensions



Sources: Zeithaml, Parasuraman & Berry, "Delivering Quality Service; Balancing Customer Perceptions and Expectations," Free Press, 1990. Francis Buttle, 1996, "SERVQUAL: review, critique, research agenda," European Journal of Marketing, Vol.30, Issue 1, pp. 8–31

2.1.6 Insurance Service fitted to SERVQUAL Model

Insurance may be a means of risk transfer that ensures a private to succeed on adverse consequence by compensating the individual (Gangly, 2004). Every individual within the walk of life is exposed to foreseen and uncalled dangers. At the time of happening of such hazardous matters insurance is one among the mechanisms that help to regain financial position just before the accident which might be impossible otherwise. Life is filled with uncertainties and if such uncertainties don't occur the meaning of insurance would be useless. Therefore, the insured buys policy document to safeguard his property from such unforeseen or unexpected loss. The expectation of the customer is to urge expected service at the time of difficulty which is promised at time of policy issuance. The customer expectation additionally includes not only financial compensation but also the method and therefore the way his difficulty is treated and the way one is put in previous position without trouble. It's important at this stage to ascertain claim service from the five service quality measurement dimensions.

Reliability: is that the ability to execute the promised service dependably and accurately. In insurance business transaction, policy documents are an easy promise that the insured buys from insurance firm then the promise is claimed to be kept if properly delivered at time of claims the indemnity of claims as per the promise.

Tangibility: the presence of physical facilities, equipment, personnel and communications materials. Office location, furniture and fixtures, dressing and appearance of claims staff, quality of garages and workshops, simplicity and clarity of communication have an input towards tangible quality of claim service of the corporate.

Responsiveness: the willingness to assist customers and supply prompt service. Claims staff willingness to supply clear information on claims process, changes expected to be paid customers at time of claims (excess, contributions, towing difference etc.) are factors that evaluate responsiveness of the company's claims service.

Assurance: the knowledge, ability and courtesy of employees towards the purchasers, their ability to inspire trust and confidence in handling the purchasers. The knowledge, courtesy, ability to convey trust and confidence of employee. Claims Officers, Surveyors and Inspectors

knowledge in their respective position also because the way they treated claimants will have positive or negative contribution to customer's satisfaction on claim service.

Empathy: may be a quality of the worker to worry for the customer and provides them customized attention to the purchasers. The primary person, to whom the purchasers notify the claims, creates good or bad impression to the claimants. Each claim has its own specific nature and customers are needs individualized attention and repair therefore the insurance firm is predicted to style its claims service correctly and adaptability.

2.1.7 Relationship between Service Quality and Customer Satisfaction

To achieve a high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is generally considered an antecedent of customer satisfaction (Cronin, Brady, and Hult, 2000; Anderson Fornell and Lehmann, 1994; Cronin and Taylor, 1992). However, the precise relationship between satisfaction and repair quality has been described as a posh issue, characterized by debate regarding the excellence between the 2 constructs and therefore the casual direction of their relationship (Brady, Cronin and Brand, 2002).

The key difference between service quality and customer satisfaction is that quality relates to managerial delivery of the service while satisfaction reflects customers' experiences thereupon service. They argue that quality improvements that aren't supported customer needs won't cause improved customer satisfaction (Iacobucci et al, 1995).

Bolton and Drew (1994) acknowledged that “customer satisfaction depends on preexisting or simultaneous attitudes about service quality”. There’s also tons of argument regarding whether customer satisfaction is that the antecedent of service quality or the result of service quality. “Initially scholars take the position that satisfaction is an antecedent of service quality since to succeed in an overall attitude (service quality) implies an accumulation of satisfactory encounters” (Bolton & Drew, 1991). However, other scholars take the other view that service quality is that the antecedent of customer satisfaction (Cronin & Taylor, 1992); (Ekinici, 2004); (Rust & Oliver, 1994); as cited on (Harr, 2008).

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

However, Bitner and Hubbert (1994) determined that service encounter satisfaction was quite distinct from overall satisfaction and perceived quality. The authors concluded that the constructs exhibited independence. Adding to the talk about the excellence between service quality and satisfaction, customer satisfaction has also been operationalized as a multidimensional construct along an equivalent dimensions that constitute service quality (Sureshchandar, Rajendran, and Anantharaman, 2002). Although strong correlations between service quality and customer satisfaction in their study, the authors determined that the 2 constructs exhibited independence and concluded that they were actually different constructs, a minimum of from the customer’s point of view. Brady and Cronin (1992) had endeavored to clarify the specification and nature of the service quality and satisfaction constructs and located empirical support for the conceptualization that service quality was an antecedent of the super ordinate satisfaction construct. Additionally, the authors found that explained a greater portion of the variance in consumers’ purchase intentions than service quality. An opposite causal relationship has also been assumed between the 2 constructs.

2.2 Empirical Review

The relationship between customer satisfaction and service quality dimensions has been done by different individuals. Some of them are stated below:

Akalu (2015), the study entitled “The effect of service quality on customer satisfaction in selected insurance companies in Addis Ababa”. The study focused to look at the effect of service quality on customer satisfaction in selected insurance companies in Addis Ababa by applying SERVEQUAL model comprising five dimensions: tangibility, reliability, responsiveness, assurance and empathy. the info collected from 141 questionnaires were analyzed using gap score, statistical tools like mean, correlation and multiple correlation analysis. The gap score

between perception and expectation of consumers of the insurance companies showed that there's a negative gap score altogether service quality dimensions meaning those customers' expectations exceeds their perception. The study also indicated that the five service quality dimensions have positive and significant relationship with customer satisfaction. The study showed that the chosen insurance companies in Addis Ababa weren't providing the extent of service quality demanded by customers. The findings suggested that the insurance companies got to improve all the size of service quality.

Arokiasamy and Tat (2014), conducted a study on assessment and relationship between service quality and customer satisfaction within the Malaysian Automotive Insurance Industry. The main objective of the study was to assess if there exists relationship between service quality and customer satisfaction. Finding of the study showed that good relationship exists between service quality dimensions and satisfaction. And eventually the researcher suggests the study may benefit other financial service companies to measure and enhance their customer satisfaction level with improve service performance.

Anjor, Ali, Kumar, Verma (2014), the study entitled “service quality assessment: A study of customer satisfaction in Indian Insurance sector”. The service quality has become a highly instrumental co-efficient within the aggressive competitive marketing. For fulfillment and survival in today's competitive environment, delivering quality service is of paramount importance for any economic enterprise. The underlying model of SERVQUAL (Parsuraman et al., 1988) with five dimensions used to evaluate the impact of service quality on customer satisfaction. This study aims to live customers' perception and expectation towards life assurance service quality. Data collected from 500 customers from the five cities of Uttar Pradesh (progressive State of India). Besides, the study also investigated the connection between customer expectation and perception of service quality dimensions and customers overall satisfaction of life assurance service quality.

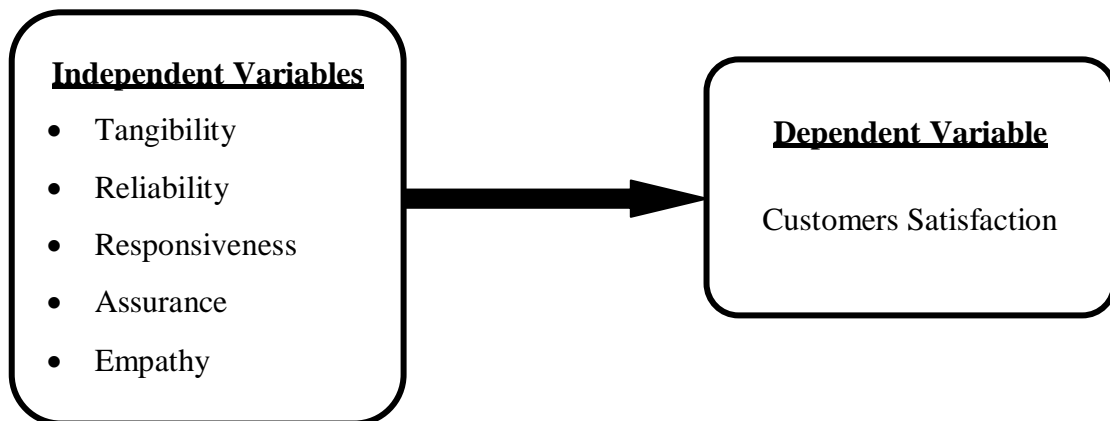
Gorji and Sargolzaee (2014), studied to work out the standard of service supported SERVQUAL model and its relationship with customer satisfaction in insurance companies. The result indicated that there's a big difference between service quality and customer satisfaction within the public and personal sectors and repair.

2.3 Conceptual Framework

Most studies confirm that there's a relationship between service quality and customer satisfaction. For instance (Parasuraman & Zeithaml, 1988) and (Caruana, 2002) found a positive relationship between service quality and customer satisfaction. Similarly, (Nathan, and Elsaghier, 2012) assured that service quality features a positive effect on customer satisfaction which suggests that quality of service attracts more customers who have bought back the will and intention to recommend.

Therefore the conceptual framework for this research indicates the connection between the experimental variable which are service quality dimensions (reliability, tangibility, responsiveness, assurance and empathy) and therefore the dependent variable customer satisfaction.

Figure 2.2: Relationship between the dimension of SERVQUAL and CS



Sources: Parasuraman modified for the study

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This section provides an over view of the research methodology, sources of data, sample size and sampling techniques, instrument and procedure of data collection and methods of data analysis that were employed to analyses the gathered data. Reliability and validity of those research measuring instruments were also discussed. Lastly, the moral considerations' concerning this research are also mentioned.

3.1 Research Approach and Design

3.1.1 Research Approach

According to John, (2014) "Research approaches are plans and therefore the procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation." There are three basic approaches to research (a) qualitative (b) quantitative (c) mixed methods. According to Christensen, (1985) stated that "quantitative survey is the most appropriate one to use if the purpose of an investigation is to describe the degree of relationship which exists between the variables."

Accordingly this research was conducted using quantitative research approach in which it examines and measure the relationship between SERVQUAL and customer satisfaction in relation to GIC claims Service. Therefore, the quantitative method was used by considering sample claimants customers and questionnaires were distributed.

3.1.2 Research Design

There are different types of scientific research's namely exploratory research, descriptive research and explanatory research (Bhattacharjee, 2012). This research was conducted using both descriptive and explanatory research. Descriptive study concerned with the attitude or views of a person towards effect of service quality on customer satisfaction whereas Explanatory research design was used to give clarifications about why and how the variables are interdependent and also explain the relationship between the variables and the results of the research.

3.2 Population, Sample Size and Sampling Technique

3.2.1 Target Population

The population of the study consists of all customers of GIC that were in the claim service during the data collection period, from the total policy holders who had claim in the past six months in all class of business contains 455 customers from the claim register record and questionnaires was distributed to 211 selected customers representing the entire population size. Therefore, 455 customers were the total population of the study.

3.2.2 Sampling Technique

“Sampling is that the process or technique of choosing an appropriate sample for the aim of determining parameters or characteristics of the entire population” (Adams, et al., 2007). This research was conducted using both probability and non-probability sampling technique with both convenient and simple random sampling techniques.

To select respondents from the claims service first the researcher obtained those people or units that were most conveniently available and then from the conveniently available respondents simple random sampling design was made in order to obtain information from the respondents.

3.2.3 Sampling Size

Considering the dimensions and time it's difficult to gather data from the entire population. So, to avoid such limitation sample was taken from the entire population. Consistent with Field (2005), “whenever it's possible to access the whole population, it's possible to gather data from sample and use the behavior within the sample to infer things about the behavior of the population.” Field also states that “the bigger the sample size, the likely it reflect the entire population.” Accordingly, during this study to form the sample more representatives, the sample size of the study was decided using the formula adopted from Slovin’s formula (Ansari, lukum.A, Arifin and Dengo, 2017) Thus, the formula to calculate the sample size was:

$$n = \frac{N}{1 + N(e)^2} \quad \text{Where: } n = \text{sample size}$$

N = total population that is 455

e = is the error term, which is 5% (i.e. at 95% confidence interval)

Using the above formula the simple size of the study determined as

$$n = 455 / 1 + 455(0.05)^2$$

$$n = 455 / 2.1125$$

$$n = \underline{211}$$

Therefore, the sample size was 211 customers.

3.3 Data Source and Tools of Data Collection

3.3.1 Data Source

In order to gather the data from relevant sources, both primary and secondary data collection instruments were used. To get the secondary data, insurances internal document, different reference books, journal articles, web sites, annual reports and NBE documents were referred. On the part of primary data structured questions using SERVQUAL model, questionnaire were distributed to the claimant customers of GIC and customers' judgments were used as the source of data for analysis.

3.3.2 Tools of Data Collection

The primary data for this study was prepared based on the standardized question of SERVAQUAL dimensions developed by (Parasuraman, 1988). But, the researcher makes slight adjustment on the original SERVAQUAL instrument to make it suit in the context of insurance industry.

The questionnaire consists of three sections. The first one was the demographic variables (general information sections). The second section provides essential information that covers the research questions on the independent variables (dimensions of SERVQUAL). The third section covers question on the dependent variable (customer satisfaction). The questionnaire was designed based on the research questions after getting information from different sources. The variables which were used in this study are tangibility, reliability, responsiveness, assurance & empathy.

The first section of the questionnaire includes 3 questions which deal with different demographic characteristics of the respondents such as gender, age and length of relationship with the

company. To measure the demographic characteristics of the respondent's basically nominal measurement scales was used.

The second and third section of the questionnaire consists of questions intended to measure the variables of the study and strength of the respondents attitude on customer satisfaction of GIC claim service using five-point Likert scale where (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5= Strongly Agree). For the second and third section both nominal and ordinal measurement scale was used.

Therefore, the respondents were requested to select their own choice from the five point Likert scale alternatives in order to specify their level of agreement or disagreement on each questions provided. Specifically, the second section of the questionnaire includes 19 closed ended questions intended to measure the customer's perception of service quality. The third sections of the questionnaire include 1 closed ended question intended to measure the customer's satisfaction level.

3.4 Methods of Data Analysis

The collected data from closed ended questionnaires were analyzed and interpreted quantitatively. In this study descriptive statistical tool were used. The descriptive statistics utilized based on frequency tables to provide information on demographic variables. In the analysis part to know the level of service quality and measure extent of customers satisfaction respondents mean scores were used. Inferential statistics like Reliability analysis was used to test the internal consistency of the instrument. The effect of service quality on customer satisfaction was analyzed using correlation to measure the relationship between variables of the study and regression analysis was also used to measure the extent of influence of independent variables (SERVAQUAL dimensions) on dependent variables (customer satisfaction).

3.4.1 Model Specification

The extent of the dependent variables (customer satisfaction) that may have effect on the SERVAQUAL of claims service was analyzed using the following multiple regression analysis formula:

$$Y = \alpha + \beta_1 (\text{REL}) + \beta_2 (\text{TAN}) + \beta_3 (\text{RES}) + \beta_4 (\text{ASS}) + \beta_5 (\text{EMP}) + \epsilon$$

Where: Y = Customers Satisfaction (Dependent Variable)

REL = Reliability

TAN = Tangibility

RES = Responsiveness

ASS = Assurance

EMP = Empathy

Independent Variable

ϵ = the error term, assumed to have mean zero

α = constant or interpretation of the parameters

$\beta = 1, 2, 3, 4 \text{ \& } 5$ are the slope of the coefficient or parameters that is estimated.

3.5 Reliability

Reliability is that the degree to which the measure of a construct is consistent or dependable. In other words, if we use this scale to measure an equivalent construct multiple times can we get just about an equivalent result whenever, assuming the underlying phenomenon isn't changing consistent with (Bhattacharjee, 2012). Internal consistency reliability may be a measure of consistency between different items of an equivalent construct. Therefore, this study used a multiple measurement scale internal consistency method should be applied to the study. Cronbach alpha with acceptable stop points 0.7 demonstrate that each one attributes are internally consistent the reliability test for the instrument used for the study was conducted using SPSS the results shows that the things used are reliable.

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Tangibility	.716	.715	3
Reliability	.761	.764	4
Responsiveness	.796	.798	5
Assurance	.762	.763	4
Empathy	.782	.784	3

Source: Survey Result (2020)

3.6 Validity

Validity often called construct validity refers to the extent to which a measure adequately represents the underlying construct that it's alleged to measure Bhattacharjee (2012). Validity cares with how well the concept is defined by the measure. consistent with Bhattacharjee (2012) there are two assessments of validity theoretical or translational validity and empirical or criterion-related validity which incorporates Content validity, Predictive Validity, Convergent validity and Concurrent validity. Content validity is an assessment of how well a group of scale items matches with the relevant content domain of the construct that it's trying to live. Convergent validity refers to the closeness with which a measure relates to (or converges on) the construct that it's alleged to measure, Predictive validity is that the degree to which a measure successfully predicts a future outcome that it's theoretically expected to predict. Concurrent validity examines how well one measure relates to other concrete criterion that's presumed to occur simultaneously. The study used content validity because it assess how well a group of scale items matches with the relevant content domain of the construct that it's trying to assess.

3.7 Ethical Considerations

Consent will seek from intend research participants to indicate the willingness to participate the researcher also assure privacy when it comes to answering questionnaire. The researcher assures that the information was used for research purposes only. To maintain the confidentiality of the information provided by the respondents, the respondents were instructed not to write their names on the questionnaire and assured of that the responses was only used for academic purpose and kept confidential. Finally, respondents were included in the study based on their free will.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with the presentation, analysis and interpretation of data gathered from customers of GIC Claims Service using questionnaires. The findings of the study were analyzed based on the specific objectives of the study. In this chapter respondent's profile, descriptive analysis, correlation analysis and regression analysis are discussed.

4.1 Response Rate of Respondents

Table 4.1. Respondents' Response Rate

Questioner Distributed	Questionnaire Returned	Percentage
211	152	72%

As shown in table 4.1 above, about response rate 211 questionnaires were prepared and distributed to claim service customers and out of these questionnaires 152 were collected and among these 59 questionnaires were not valid since they were not returned for different reasons. Therefore the study takes 152 (72%) of questionnaire results from 211(100%) customers for the analysis.

4.2 Demographic Characteristics of Respondents

Table 4.2. Respondents Profile

No	Factors	Categories/ Characteristics	Frequency	Percent (%)
1	Sex	Male	99	65.1
		Female	53	34.9
		Total	152	100.0
2	Age	18-25	27	17.8
		26-35	72	47.4
		36-45	36	23.7
		46-55	15	9.9
		above 56	2	1.3
		Total	152	100.0
3	Length in Relationship	less than 1year	26	17.1
		1-2year	49	32.2
		3-4year	54	35.5
		more than 4years	23	15.1
		Total	152	100.0

Source: Survey Result (2020)

The demographic characters include sex, age and length of relationship. As presented in the above table 4.2 the respondents for this research have the following demographic makeup. When we consider sex, it shows 99 or 65.1% of the respondents were male and the remaining 53 or 34.9 % of the respondents were female, which indicate that there are more male customers than females in the claim service that the number of female customers have to be encouraged in order to bring up gender equality.

As far as the age of respondents is concerned 27 or 17.8 % of the respondents were in the age range of 18-25 years, 72 or 47.4 % of the respondents were in the range of 26-35 years, 36 or 23.7 % of the respondents were in the age range of 36-45 years, 15 or 9.9 % of the respondents were in the age range of 46-55 years, 2 or 1.3 % of the respondents were 56 and above years which indicates that most of the customers are young adults and the information given to this study is free from emotion.

With regard to length of relationship, 26 or 17.1 % of the respondents were customers less than 1 year, 49 or 32.2 % of respondents 1-2 year customers, 54 or 35.5 % of the respondents were being customer from 3-4 years, and 23 or 15.1 % of the respondents were having 4 years relation and above that means majority of the respondents are customer who have relationship with the company from 1-2 years and 3-4 years and this indicates that the respondents have the information to back them when they answer the questions they are asked while receiving service.

4.3 The Level of Service Quality in GIC Claims Service

This section of the chapter puts the results for the descriptive analysis and interprets it accordingly. Descriptive statistics, in the form of mean and standard deviation, were presented to illustrate the level of agreement of the respondents with their implications. The responses of the respondents for the variables indicated below were measured on five-point Likert's scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. But while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear. 1-1.8= Strongly Disagree, 1.81–2.6 = Disagree, 2.6 – 3.4= Neutral, 3.4 –4.20= Agree and 4.2 –5 = Strongly Agree (Best, 1977, as cited by Birhanu, 2017).

4.3.1 Tangibility in GIC

Table 4.3 Analysis of Tangibility

No	Items		Rating Scales					Total	Mean	St. Dev.
			1	2	3	4	5			
1	GIC claims service has an up to date & enough equipment used in the claim service.	<i>freq</i>	-	3	47	80	22	152	3.80	0.703
		%	-	2.0	30.9	52.6	14.5	100.0		
2	The physical setting & the atmosphere of GIC claims service is virtually appealing.	<i>freq</i>	-	1	47	72	32	152	3.89	0.733
		%	-	0.7	30.9	47.4	21.1	100.0		
3	The location of the claim service convenient for transportation.	<i>freq</i>	-	3	35	88	26	152	3.90	0.688
		%	-	2.0	23.0	57.9	17.1	100.0		
Average (aggregate) mean								3.86	0.078	

Key: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree

Source: Survey Result (2020)

From the above table 4.3, we can see that, GIC claims service has an up to date & enough equipment used in the claim service scored a mean and standard deviation of (3.80 and 0.703), The physical setting & the atmosphere of GIC claims service is virtually appealing scored a mean and standard deviation of (3.89 and 0.733) and The location of the claim service convenient for transportation scored a mean and standard deviation of (3.90 and 0.688).

The above aggregated mean show that, the respondents fall under the agree scale with respects to the tangibility dimension of GIC. This implies that the majority of the customers were satisfied by the tangibility dimension of the company claim service.

4.3.2 Reliability in GIC

Table 4.4 Analysis of Reliability

No	Items		Rating Scales					Total	Mean	St. Dev.
			1	2	3	4	5			
1	GIC claims service always keeps its promise & delivers what they promised.	freq	-	5	45	73	29	152	3.83	0.770
		%	-	3.3	29.6	48.0	19.1	100.0		
2	Employees at the claim service show sincere interest in solving problem faced by customers.	freq	-	-	35	86	31	152	3.97	0.7661
		%	-	-	23.0	56.6	20.4	100.0		
3	The service given at claims service is always right at first time.	freq	-	-	54	71	27	152	3.82	0.710
		%	-	-	35.5	46.7	17.8	100.0		
4	There is a timely delivery of service & every information is communicated on the right time.	freq	-	3	50	74	25	152	3.80	0.731
		%	-	2.0	32.9	48.7	16.4	100.0		
Average (aggregate) mean								3.85	0.718	

Key: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree

Source: Survey Result (2020)

From the above table 4.4, we can see that, GIC claims service always keeps its promise & delivers what they promised scored a mean and standard deviation of (3.83 and 0.770), Employees at the claim service show sincere interest in solving problem faced by customers scored a mean and standard deviation of (3.97 and 0.766), The service given at claims service is always right at first time scored a mean and standard deviation of (3.82 and 0.710), and There is

a timely delivery of service & every information is communicated on the right time scored a mean and standard deviation of (3.80 and 0.731).

The above aggregated mean show that, the respondents fall under the agree scale with respects to the reliability dimension of GIC. This implies that the majority of the customers were satisfied by the reliability dimension of the company claim service.

4.3.3 Responsiveness in GIC

Table 4.5 Analysis of Responsiveness

No	Items		Rating Scales					Total	Mean	St. Dev.
			1	2	3	4	5			
1	Information is kept in a way to be easily obtainable by customers at any time.	<i>freq</i>	-	3	53	69	27	152	3.79	0.751
		%	-	2.0	34.9	45.4	17.8	100.0		
2	GIC claims service give promised service to customers.	<i>freq</i>	-	1	44	75	32	152	3.91	0.722
		%	-	0.7	28.9	49.3	21.1	100.0		
3	Employees at customer service desk are always willing to help customers	<i>freq</i>	-	1	45	79	27	152	3.87	0.697
		%	-	0.7	29.6	52.0	17.8	100.0		
4	Employees at the claims service are never too busy to attend to customers inquires & requests.	<i>freq</i>	-	1	55	71	25	152	3.79	0.715
		%	-	0.7	36.2	46.7	16.4	100.0		
5	Employees are willing to accept feedback & comments on irregularities.	<i>freq</i>	-	1	67	75	9	152	3.61	0.611
		%	-	0.7	44.1	49.3	5.9	100.0		
Average (aggregate) mean								3.794	0.699	

Key: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree

Source: Survey Result (2020)

From the above table 4.5, we can see that, Information is kept in a way to be easily obtainable by customers at any time scored a mean and standard deviation of (3.79 and 0.751), GIC claims service give promised service to customers scored a mean and standard deviation of (3.91 and 0.722), Employees at customer service desk are always willing to help customers scored a mean and standard deviation of (3.8 and 0.697), Employees at the claims service are never too busy to attend to customers inquires & requests scored a mean and standard deviation of (3.79 and

0.715), and Employees are willing to accept feedback & comments on irregularities scored a mean and standard deviation of (3.61 and 0.611).

The above aggregated mean show that, the respondents fall under the agree scale with respects to the responsiveness dimension of GIC. This implies that the majority of the customers were satisfied by the responsiveness dimension of the company claim service.

4.3.4 Assurance in GIC

Table 4.6 Analysis of Assurance

No	Items		Rating Scales					Total	Mean	St. Dev.
			1	2	3	4	5			
1	The behavior at the claims service helps to build confidence of the customers	freq	-	2	58	73	19	152	3.72	0.695
		%	-	1.3	38.2	48.0	12.5	100.0		
2	During business transaction customers feel safe with claim service	freq	-	2	53	71	26	152	3.80	0.731
		%	-	1.3	34.9	46.7	17.1	100.0		
3	Employees in the claim service are polite in handling customers	freq	-	-	46	80	26	152	3.87	0.678
		%	-	-	30.3	52.6	17.1	100.0		
4	The employees at the claim service have knowledge to answer questions	freq	-	1	48	79	24	152	3.83	0.688
		%	-	0.7	31.6	52.0	15.8	100.0		
Average (aggregate) mean								3.805	0.698	

Key: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree

Source: Survey Result (2020)

From the above table 4.6, we can see that, The behavior at the claims service helps to build confidence of the customers scored a mean and standard deviation of (3.72 and 0.695), During business transaction customers feel safe with claim service scored a mean and standard deviation of (3.80 and 0.731), Employees in the claim service are polite in handling customers scored a mean and standard deviation of (3.87 and 0.678), and The employees at the claim service have knowledge to answer questions scored a mean and standard deviation of (3.83 and 0.688).

The above aggregated mean show that, the respondents fall under the agree scale with respects to the assurance dimension of GIC. This implies that the majority of the customers were satisfied by the assurance dimension of the company claim service.

4.3.5 Empathy in GIC

Table 4.7 Analysis of Empathy

No	Items		Rating Scales					Total	Mean	St. Dev.
			1	2	3	4	5			
1	The employees give customers individual attentions.	<i>freq</i>	-	-	48	82	22	152	3.83	0.659
		%	-	-	31.6	53.9	14.5	100.0		
2	The employees at the claims service give customers personal service when the need arise.	<i>freq</i>	-	2	44	74	32	152	3.89	0.738
		%	-	1.3	28.9	48.7	21.1	100.0		
3	The employees of the claim service have their customers "best interest at heart".	<i>freq</i>	-	3	48	71	30	152	3.84	0.756
		%	-	2.0	31.6	46.7	19.7	100.0		
Average (aggregate) mean								3.853	0.717	

Key: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree

Source: Survey Result (2020)

From the above table 4.7, we can see that, The employees give customers individual attentions scored a mean and standard deviation of (3.83 and 0.659), The employees at the claims service give customers personal service when the need arise scored a mean and standard deviation of (3.89 and 0.738) and The employees of the claim service have their customers "best interest at heart" scored a mean and standard deviation of (3.84 and 0.756).

The above aggregated mean show that, the respondents fall under the agree scale with respects to the empathy dimension of GIC. This implies that the majority of the customers were satisfied by the empathy dimension of the company claim service

4.4 The Extent of Customer Satisfaction in GIC Claims Service

Table 4.8 Analysis of Customers Satisfaction

No	Items		Rating Scales					Total	Mean	St. Dev.
			1	2	3	4	5			
1	Overall, how satisfied are you with claims service provided by GIC?	<i>Freq</i>	-	-	39	79	34	152	3.97	0.695
		%	-	-	25.7	52.0	22.4	100.0		
Average (aggregate) mean								3.97	0.695	

Key: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree

Source: Survey Result (2020)

As shown in the above table 4.8, 25.7 % of the respondents were neutral that means they were neither agree nor disagree. 52% of the respondents agree with the service quality they get from GIC claim service, and the rest 22.4% strongly agree with service provided. Generally, the mean value for customer satisfaction was 3.97 with a standard deviation of 0.697 respectively. The mean value for overall customer satisfaction was high that shows there was a small gap between what it should be and what it actually is.

The above aggregated mean show that, the respondents fall under the agree scale with respects to customer satisfaction of GIC. This implies that the majority of the customers were satisfied by the service provided.

4.5 The Relation between Service Quality and Customer Satisfaction in GIC Claims Service

This sub section presents the association or the relationship between variables and it measures the degree to which two sets of data are related. Higher correlation value indicates stronger relationship between both sets of data. When the correlation is 1 or -1, a perfectly linear positive or negative relationship exists; when the correlation is 0, there is no relationship between the two sets of data (Vignaswaran, 2005).

But while making interpretation of the results of the correlation were reassigned as follows to make the interpretation easy and clear. From 0.01-0.09= Negligible Association, 0.10-0.29 = Low Association, 0.30-0.49= Moderate Association, 0.50-0.69= Substantial Association and 0.70-0.90= Very Strongly Association (Alwadael, 2010, as cited by Million, 2017).

Table 4.9 Correlation Matrix of all SERVQUAL Dimensions with CS

SERVQUAL items	Overall Customer satisfaction	
Tangibility	Pearson Correlation	.354**
	Sig. (2-tailed)	.000
Reliability	Pearson Correlation	.535**
	Sig. (2-tailed)	.000
Responsiveness	Pearson Correlation	.479**
	Sig. (2-tailed)	.000
Assurance	Pearson Correlation	.505**
	Sig. (2-tailed)	.000
Empathy	Pearson Correlation	.582**
	Sig. (2-tailed)	.000

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

Source: Survey Result (2020)

As shown in the objective and conceptual framework of this study, to test the relationship between service quality dimensions and customer satisfaction, the following correlation analysis was performed. As we can see in the above table 4.9 all the service quality dimensions have a significant positive relationship with customer satisfaction. The results indicate that, there was positive and substantial positive correlation between empathy and customer satisfaction ($r = 0.582, p < 0.01$), reliability and customer satisfaction ($r = 0.535, p < 0.01$), assurance and customer satisfaction ($r = 0.505, p < 0.01$) and there was moderate positive correlation among responsiveness and customer satisfaction ($r = 0.479, p < 0.01$), and also there was a moderate positive correlation among tangibility and customer satisfaction ($r = 0.354, p < 0.01$). Empathy has a very strong positive correlation with customer satisfaction which was .582 among the service quality dimensions the one which have the least correlation with customer satisfaction was Tangibility that has a value of .354 which was in moderate association. The other dimensions which were reliability and assurance have both the correlation value of more than .5 that means they do have a positive substantial association with customer satisfaction and responsiveness have moderate association with customer service.

Therefore, we can conclude that there was a positive and significant correlation or relationship between service quality dimensions and customer satisfaction so that any improvement in one of the dimensions will positively contribute to enhancing customer satisfaction.

4.6 The Effect of Service Quality on Customers Satisfaction in GIC Claims Service

This sub section presents the result for the effect of service quality on customers satisfaction based on the data collected from GIC Claim Service by using the regression model and the beta result of the model.

Table 4.10 Model Summary of the Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.633 ^a	.401	.381	.547

a. Predictors: (Constant), Tangibility, Empathy, Responsiveness, Assurance, Reliability

Source: Survey Result (2020)

The Model summary provides an overview of the results R Square and Adjusted R Square values, which are 0.401 and 0.381 respectively. The table above also indicates that the weighted combination of the predictor variables explained summarizes the proportion of variance in the dependent variable explainable by the collective set of the predictors which tells that these variables can account for 38% of the variation in customer’s satisfaction. In other words, if the researcher tries to explain why customer satisfaction was more than others in the study company, the variation of customer satisfaction can be looked from other different sources. There might be many factors that could explain this variation, but as per the model indicated which included (tangibility, reliability, responsiveness, assurance and empathy) it could explain 38% of the variation. This means that 62% of the variation in customer’s satisfaction could not be explained by tangibility, reliability, responsiveness, assurance and empathy. Therefore, there must also be other variables that had an influence on the customer’s satisfaction.

Table 4.11 ANOVA of the Regression Analysis

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	29.216	5	5.843	19.558	.000 ^b
Residual	43.620	146	.299		
Total	72.836	151			

Dependent Variable: Overall, how satisfied are you with claims service provided by GIC?
Source: Survey Result (2020)

The most important part of the ANOVA table is the F-ratio and the associated significance value of that F-ratio. For this data, F-ratio was 19.558, which was significant as $p < 0.05$ ($P = 0.000$). This result tells that there was less than a 5% chance that an F-ratio this large would happen if the null hypothesis were true. Therefore, it can be said that the regression model results insignificantly better predictor of customer’s satisfaction.

Table 4.12 Coefficients of the Regression Analysis

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.545	.387		1.406	.855
Empathy	.128	.036	.332	3.579	.000
Assurance	.058	.030	.178	1.965	.021
Reliability	.067	.033	.211	2.032	.016
Responsiveness	.008	.026	.028	.289	.048
Tangibility	-.010	.034	-.024	-.293	.770

a. Dependent Variable: Overall, how satisfied are you with claims service provided by GIC?

Source: Survey Result (2020)

The Regression effect was statistically significant indicating that prediction of the dependent variable is accomplished better than can be done by chance. P-value is significant with a value of .000, it means that the model predicts accepted and reliability in percentage of 95%. The regression analysis from the above table shows all independent variables (reliability, responsiveness, assurance and empathy) except tangibility significantly affect customer satisfaction. The service quality dimensions separately have different significant levels. This indicates that they have a different impact on customer satisfaction.

The beta coefficient (β_1) for un-standardized regression weight showed that Empathy had significant effect on customer satisfaction with the value of $\beta=0.128$, $p<0.05$ which indicates effect between empathy and customer satisfaction that means a unit increase in empathy will increase customer satisfaction by 12.8%. Next to empathy, reliability and assurance had a significant impact on dependent variable where $\beta= 0.067$, $p<0.05$ and $\beta= 0.058$, $p<0.05$ respectively. This indicates that a unit increase in reliability and assurance will increase customer satisfaction by 67% and 58% respectively. Regarding responsiveness ($\beta=0.008$, $p<0.05$) and it had positive significant relationship with the customer satisfaction level. This means effect between responsiveness and customer satisfaction that means a unit increase in responsiveness will increase customer satisfaction by 8%. Lastly, tangibility with the value of $\beta= -0.010$, $p>0.05$ has negative insignificant effect on customer satisfaction. There is no significant relationship

between tangibility dimension and overall customer satisfaction, while the regression result in the above table shows that it had negative insignificant contribution and the beta value indicates -.010 meaning every additional point on the tangibility measure leads to decrement of -.010 points on the customer satisfaction provided that other variables remain constant.

Multiple regression models were performed to address that service quality dimensions had an effect on customer satisfaction. Where the predictor model was:

$$CS = .545 + (-0.10) (TAN) + .067(REL) + .008(RES) + .058(ASS) + .128(EMP)$$

Hence, the result of the regression analysis shows that there was a positive significant relationship between reliability, responsiveness, assurance and empathy variables and the dependent variable. This indicated that the overall customer satisfaction level depended on these specific variables. In other words, when there is a higher performance level in these dimensions, the overall customer satisfaction level increases. The negative beta value suggests that when tangibility are not in accordance with expectations (with negative deviation), customer satisfaction declines. Therefore, other researcher should consider in giving emphasis on this specific dimension in order to reveal the correct relationship and effect on the dependent variable.

Table 4.13 Hypothesis Testing

	Hypothesis	Results	Reason
H1	Tangibility has significant effect on customer satisfaction of GIC claims service.	Negative Insignificant Effect	$\beta = -ve,$ $p > 0.05$
H2	Reliability has significant effect on customer satisfaction of GIC claims service.	Positive Significant Effect	$\beta = +ve,$ $p < 0.05$
H3	Responsiveness has significant effect on customer satisfaction of GIC claims service.	Positive Significant Effect	$\beta = +ve,$ $p < 0.05$
H4	Assurances have significant effect on customer satisfaction of GIC claims service.	Positive Significant Effect	$\beta = +ve,$ $p < 0.05$
H5	Empathy has significant effect on customer satisfaction of GIC claims service.	Positive Significant Effect	$\beta = +ve,$ $p < 0.05$

Source: Survey Result (2020)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

- ❖ The demographic data showed that Majority 65% of the respondents were male.
- ❖ With Regards to the age 47% of the respondents are grouped under 26 to 35 years.
- ❖ Regarding the length of relationship with GIC 35% of the respondents has up to 4 years relationship with the company.
- ❖ The cumulative result of tangibility showed that the respondents have agreed with tangibility dimension of GIC claim service as the mean value indicates 3.86.
- ❖ The cumulative result of reliability showed that the respondents have agreed with reliability dimension of GIC claim service as the mean value indicates 3.855.
- ❖ The cumulative result of responsiveness showed that the respondents have agreed with responsiveness dimension of GIC claim service as the mean value indicates 3.794.
- ❖ The cumulative result with regards to assurance showed that the respondents have agreed with assurance dimension of GIC claim service as the mean value indicates 3.805.
- ❖ The cumulative mean values shows that the respondents have agreed with empathy dimension of GIC claim service as the mean value indicates 3.853.
- ❖ The mean value showed that respondents have agreed with the extent of customer's satisfaction at GIC claims service as the mean value indicates 3.97.
- ❖ The Pearson's correlation coefficient result showed that there was a positive and significant relationship between service quality dimension's and customer satisfaction of GIC claims service.
- ❖ The significance level of tangibility with a B-value of $-.010$ is greater than $.05$ therefore it had a negative and insignificant effect on customer satisfaction.
- ❖ The significance level of reliability with a B-value of $.067$ is less than $.05$ and hence it significantly affects customer satisfaction.
- ❖ The significance level of responsibility with a B-value of $.008$ is less than $.05$ hence it significantly affects customer satisfaction.
- ❖ The significance level of assurance with a B-value of $.058$ is less than $.05$ and hence significantly affects customer satisfaction.

- ❖ The significance level of empathy with a B-value of .128 is less than .05 and hence empathy significantly affects customer satisfaction.

5.2 Conclusions

Based on the major findings of the study, the researcher is able to conclude the following main points.

In GIC, the number of female customers compared to male customer is insignificant. And with regards to age majority of the customers were young adults as compared to others. Customers that have relationship with the company 3-4years comprise the majority.

The objective of this study was to examine the effects of service quality on customer satisfaction in GIC Claims Service by using the SERVQUAL model (tangibility, reliability, responsiveness, assurance and empathy).

Hence, the predictor variables were the main issue of customer satisfaction in the company. Because the findings showed that empathy, assurance, reliability, responsiveness and tangibility have strong relationship with customer satisfaction.

The extent of customer's satisfaction of claim service has a high mean value which shows relatively a lower gap with what it should be. The mean value for claim service on overall service quality is also high that shows there is relatively a smaller gap between what it should be and what it actually is.

The Pearson's correlation coefficient was used to know the relationship between service quality dimensions and customer satisfaction and the result showed that there was a positive and significant relationship between them. It also showed that empathy has the highest correlation while tangibility has the lowest correlation with customer satisfaction.

The model summary of the regression analysis suggested that all the independent variables empathy, assurance, reliability, responsiveness and tangibility together insignificantly predict the variation in customer satisfaction at 95% confidence level.

The findings of the study demonstrate that there's was a direct positive effect of reliability, responsiveness, assurance and empathy on customer satisfaction and insignificant effect between tangibility and customer satisfaction. Last this suggests that delivering a service with top quality will cause a better customer satisfaction.

5.3 Recommendations

On the basis of the above findings, the following recommendations can be forwarded for better improvement of customer's satisfaction

47.4% of the sample respondents are with age of below thirty five years. The Management of GIC has to design a strategy to provide convenient and attractive services to this group of customers as it enables GIC to have loyal customers for relatively long period of time.

35.5% of the respondents have up to four years relationship with GIC. It is registered as a result of aggressively expanding branches for the last four years. Therefore, GIC has to continue expanding customer base by opening new branches and attracting customers besides, the Management and employees should work hard to retain the existing customers and make them loyal to the insurance.

Empathy is the first dimensions of service quality that have a very significant influence on customer satisfaction. So claim service should focus on this dimension to keep its promise and deliver a quality service in order to raise the level service quality and customer satisfaction.

Responsiveness refers to the willingness and readiness of employees to provide service and to help customers. It involves timeliness of service and understanding the needs and wants of customers. So, to improve in order to provide better quality service regarding the responsiveness of GIC claims service and maintain good customer's satisfaction the employees must be willing to help their customers appropriately.

As per the result of the study next to Empathy, Assurance has a highest impact on customer satisfaction. So the claim manager has to make a plan to build confidence of the customers.

GIC claims service should work hard to improve the extent of customer's satisfaction in order to get satisfied customers since 25.7 % of the respondents neutral. So improving the overall quality of the section is absolute to increase the customer satisfaction to a better level.

In general delivering excellent quality service will make GIC claim standout among its competitors. In the insurance industry like most of service industry delivering quality service is essential for the existence, survival and success of the insurance. So claim service needs to monitor and measure the level of service quality it delivers to its customers on a regular basis by conducting different surveys.

5.4 Future Area of Research

Upcoming researchers, who want to research similar area may include customers of other insurance and conduct comparison analysis as to if there's a service quality and customer satisfaction difference in between different companies of the insurance industry. Also they can further investigate the amount of service quality and customer satisfaction among itself and its main competitors using other service quality measurement tools. Since this study focus only on the connection between service quality and customer satisfaction, future researchers may include other factors which will have huge impact on customer satisfaction and do a survey.

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APPENDIX

Appendix A: Questioner to be filled by Claim Customers

አባሪ ሀ: የአገልግሎት አሰጣጥ ጥራት በደንበኞች እርካታ ላይ የሚኖር ውጤት

St. Mary University/ቅድስተ ማርያም ዩኒቨርሲቲ

School of Graduate Studies

General MBA

Questioner to be filled by Claim Customers/ለካሣ ክፍያ ደንበኞች የአገልግሎት አሰጣጥ ጥራት በደንበኞች እርካታ

ላይ የተዘጋጀ መጠይቅ

Dear Respondent,/ውድ መላሾች፤

I would like to thank you in advance for taking your time to fill out this questioner as your input will be a key to develop my research on effect of service quality on customers satisfaction of claims services. The purpose of this study is to partial fulfillment of the requirements for the Masters of Art Degree in Business Administration at St. Marry University. The questioner has three major parts. Part one deal with the background of the respondent, part two deal with the service quality items to be measured by the level of customers satisfaction and part three is all about overall satisfaction of customers at claim service provided by GIC. Therefore, you are kindly requested to fill the questioners.

የግሎባል ኢንሹራንስ የካሣ ክፍያ የአገልግሎት አሰጣጥ ጥራት በደንበኞች እርካታ ላይ ያለው ተፅዕኖ የሚለውን ጥናቱን ለማከናወን ከእናንተ የሚገኘው ግብዓት ቁልፍ በመሆኑ ጊዜያቸውን መስዋዕት በማድረግ ይህንን መጠይቅ በመሙላታችሁ አስቀድሜ አመሰግናለሁ። የዚህ ጥናት ዓላማ በቅድስተ ማርያም ዩኒቨርሲቲ በቢዝነስ ኢድሚኒስትሬሽን ማስተርስ አፍ አርት ዲግሪ ለመስራት በከፊል ማሟያ የሆነውን ጥናቱን ለመስራት ነው። መጠይቁ ሦስት ዋና ዋና ክፍሎች አሉት። የመጀመሪያው ክፍል የመላሾች ድህረ ታሪክ ላይ ያተኮረ ሲሆን፤ ሁለተኛው ክፍል በደንበኞች እርካታ ደረጃ የሚለካውን የአገልግሎት አሰጣጥ ጥራቶች ላይ ያተኮረ ነው፤ ሦስተኛው ክፍል ደግሞ የደንበኞች አጠቃላይ እርካታ ላይ ያተኮረ ነው። ስለዚህ ይህንን መጠይቅ በመሙላት ለሚያደርጉልኝ ትብብር ምስጋናዬ ከወዲሁ የላቀ ነው።

Part One: Background of Respondents/ክፍል አንድ: የመላሾች ድህረ ሁኔታዎች

- 1. Sex/ጾታ Male/ወንድ Female/ሴት
- 2. Age/እድሜ 18-25 26-35 36-45
 46-55 Above 56/ከ56 በላይ
- 3. Length of relationship/በግሎባል ኢንሹራንስ አ.ማ ውስጥ ለምን ያህል ጊዜ በደንበኝነት ተገልግለዋል?
 Less than 1 year/ከ1 ዓመት በላይ 1- 2 years/ዓመት
 3-4 years/ዓመት More than 4 years/ከ4 ዓመት በላይ

Part Two: Service Quality Questions/ክፍል ሁለት፡ የአገልግሎት አሰጣጥ ጥራት ጥያቄዎች

Instruction: Please put “✓” mark for the following question provided below

እባክዎ አምስት ጥያቄዎችን የያዘው የሊከርት/ደረጃ ጥያቄዎች ውስጥ ተገቢ የሆነውን ላይ “✓” በማድረግ እያንዳንዱን ዓረፍተ ነገር ይተምኑት፡፡

No./ ተ.ቁ	Statement/ፍሬ ሃሳብ	Strongly Disagree /በጣም አልስማማም(1)	Disagree/ አልስማማም(2)	Neutral/ አስተያየት የለኝም (3)	Agree/አስማማለሁ(4)	Strongly Agree/ በጣም አስማማለሁ(5)
Tangibility/ተጨባጭነት						
1.	GIC claims service has an up to date & enough equipment used in the claim service section. ግሎባል ኢንሹራንስ የካሣ ክፍል ዘመናዊ የሆኑ የቢሮ መገልገያዎች ሊኖሩት ይገባል?					
2.	The physical setting & the atmosphere of GIC claim service is virtually appealing. የግሎባል ኢንሹራንስ የካሣ ክፍል ማስተናገጃ ቢሮ አካላዊ አቀማመጥ እና ሁኔታ በተጨባጭ ሳቢ ነው፡፡					
3.	The location (office) of the claim service convenient for transportation. የካሣ ክፍል ቢሮው የሚገኝበት ቦታ ለመጓጓዣ አገልግሎት ምቹ በሆነ ቦታ ላይ ነው፡፡					
Reliability/ተአማኒነት						
1.	GIC claims service always keeps its promise & delivers what they promised. የግሎባል ኢንሹራንስ የካሣ ክፍል የገባውን ቃል ሁልጊዜ ያከብራል እንዲሁም ይተገብራል፡፡					
2.	Employees at the claim service show sincere interest in solving problem faced by customers. የካሣ ክፍሉ ሠራተኞች እርስዎ እንደደገበኛ ያለበትን ችግር ለመፍታት ከልብ የመነጨ ፍላጎት አላቸው፡፡					
3.	The service given at claim service is always right at first the. በካሣ ክፍሉ ለመጀመሪያ ጊዜ የሚሰጥ አገልግሎት ሁልጊዜ ትክክለኛ (ከስህተት የፀዳ) አገልግሎት ነው፡፡					
4.	There is a timely delivery of service & every information is communicated on the right time. አገልግሎት በወቅቱ የሚሰጥ ሲሆን ማንኛውም መረጃ በትክክለኛው ጊዜ እንዲደርስ ይደረጋል፡፡					

Responsiveness/ምላሽ ሰጪነት					
1.	Information is kept in a way to be easily obtainable by customers at any time. መረጃ ደንበኛ በፈለገው ጊዜ በቀላሉ ሊያገኝ በሚችልበት መንገድ ይያዛል።				
2.	GIC claim service give promise service to customers. የግሎባል ኢንሹራንስ ይሰጣል ተብሎ ቃል የተገባለትን አገልግሎት ይሰጣል።				
3.	Employees at customer service desk are always willing to help customers. የኩባንያው ሠራተኞች በአገልግሎት መስጫ ዴስክ ላይ ሲሰሩ ሁልጊዜ ደንበኛን ለመርዳት ፍቃደኛ ናቸው።				
4.	Employees at the claim service are never too busy to attend to customer inquiries & requests. የግሎባል ኢንሹራንስ ሠራተኞች የደንበኞችን ፍላጎት እና ጥያቄን ተቀብሎ ለማስተናገድ የሚጋበዙ አይደሉም።				
5.	Employees are willing to accept feedback & comments on irregularities. ሠራተኞቹ ያልተለመዱ አሰራሮች በሚያጋጥሙ ጊዜ ግብረ መልስ እና አስተያየት ለመቀበል ፍቃደኞች ናቸው።				
Assurance/ማረጋገጫ					
1.	The behavior of employees at the claim service helps to build confidence of the customers. በካሣ ክፍሉ ውስጥ የሚሰሩ ሠራተኞች ባህሪ ደንበኞች እምነት እንዲያድርባቸው ይረዳቸዋል።				
2.	During business transaction customers feels safe with claim service. ሥራ በሚሰራበት ጊዜ ደንበኞች የኢንሹራንሱ ላይ በሚሰሩት ወይም በሚያስፈልገው ጊዜ ሠራተኞች ላይ የደህንነት ስሜት ይሰማቸዋል።				
3.	Employees in the claim service are polite in handling customers. በካሣ ክፍል ላይ ያሉ ሠራተኞች ደንበኞችን በሚያስተናግዱበት ጊዜ ትሁት ሆነው ያስተናግዳሉ።				
4.	The employees at the claim service have knowledge to answer questions. በካሣ ክፍሉ ላይ ያሉ ሠራተኞች የደንበኛን ጥያቄ ለመመለስ እውቀት አላቸው።				

Empathy/ደንበኞችን መረዳት					
1.	The employees give customers individual attentions. ሠራተኞቹ እያንዳንዱን ደንበኛ ትኩረት ሰጥተው ያስተናግዳሉ።				
2.	The employees at the claim service give customers personal services when the need arise. በካሣ ክፍሉ ውስጥ ያሉ ሠራተኞች አስፈላጊ ሆኖ ሲገኝ ለደንበኞች በግል አገልግሎቶችን ይሰጣሉ።				
3.	The employees of claims service have their customers “best interest at heart”. በካሣ ክፍሉ ያሉ ሠራተኞች የእያንዳንዱን ደንበኛ ልዩ ፍላጎት ይገነዘባሉ።				

Part Three: Customer Satisfaction/ክፍል ሦስት፡ አጠቃላይ የደንበኛ እርካታ

Overall, how satisfied are you with the claim service provided by GIC?
በአጠቃላይ ሲታይ የግሎባል ኢንሹራንስ የካሣ ክፍል አገልግሎት አሰጣጥ ምን ያህል እርካታ ይሰጣል?

- Strongly Disagree/በጣም እርካታ አይሰማኝም
- Disagree/እርካታ አይሰማኝም
- Neutral/አስተያየት የለኝም
- Agree/በጣም እርካታ ይሰማኛል
- Strongly Agree/እርካታ ይሰማኛል

**Thank You for Support in Completing this Questioner!!!
ጊዜዎን መስዋዕት አድርገው መጠየቁን በመሙላት ስለተባበሩ ከልብ አመሰግናለሁ!!!**

Adopted From: Million (2017)

Appendix B: Frequency distribution of the independent variables

A) Demographic Profile of Respondents

Sex					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	99	65.1	65.1	65.1
	FEMALE	53	34.9	34.9	100.0
	Total	152	100.0	100.0	
Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	27	17.8	17.8	17.8
	26-35	72	47.4	47.4	65.1
	36-45	36	23.7	23.7	88.8
	46-55	15	9.9	9.9	98.7
	above 56	2	1.3	1.3	100.0
	Total	152	100.0	100.0	
Length in Relationship					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 1year	26	17.1	17.1	17.1
	1-2year	49	32.2	32.2	49.3
	3-4year	54	35.5	35.5	84.9
	more than 4years	23	15.1	15.1	100.0
	Total	152	100.0	100.0	

B) Frequency and Mean Distribution of Tangibility

GIC claims service has an up to date & enough equipment used in the claim service.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.0	2.0	2.0
	Neutral	47	30.9	30.9	32.9
	Agree	80	52.6	52.6	85.5
	Strongly Agree	22	14.5	14.5	100.0
	Total	152	100.0	100.0	
The physical setting & the atmosphere of GIC claims service is virtually appealing.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	47	30.9	30.9	31.6
	Agree	72	47.4	47.4	78.9
	Strongly Agree	32	21.1	21.1	100.0
	Total	152	100.0	100.0	
The location of the claim service convenient for transportation.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.0	2.0	2.0
	Neutral	35	23.0	23.0	25.0
	Agree	88	57.9	57.9	82.9
	Strongly Agree	26	17.1	17.1	100.0
	Total	152	100.0	100.0	

C) Frequency and Mean Distribution of Reliability

GIC claims service always keeps its promise & delivers what they promised.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	3.3	3.3	3.3
	Neutral	45	29.6	29.6	32.9
	Agree	73	48.0	48.0	80.9
	Strongly Agree	29	19.1	19.1	100.0
	Total	152	100.0	100.0	
Employees at the claim service show sincere interest in solving problem faced by customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	35	23.0	23.0	23.0
	Agree	86	56.6	56.6	79.6
	Strongly Agree	31	20.4	20.4	100.0
	Total	152	100.0	100.0	
The service given at claims service is always right at first time.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	54	35.5	35.5	35.5
	Agree	71	46.7	46.7	82.2
	Strongly Disagree	27	17.8	17.8	100.0
	Total	152	100.0	100.0	
There is a timely delivery of service & every information is communicated on the right time.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.0	2.0	2.0
	Neutral	50	32.9	32.9	34.9
	Agree	74	48.7	48.7	83.6
	Strongly Agree	25	16.4	16.4	100.0
	Total	152	100.0	100.0	

D) Frequency and Mean Distribution of Responsiveness

Information is kept in a way to be easily obtainable by customers at any time.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.0	2.0	2.0
	Neutral	53	34.9	34.9	36.8
	Agree	69	45.4	45.4	82.2
	Strongly Agree	27	17.8	17.8	100.0
	Total	152	100.0	100.0	
GIC claims service give promised service to customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	44	28.9	28.9	29.6
	Agree	75	49.3	49.3	78.9
	Strongly Agree	32	21.1	21.1	100.0
	Total	152	100.0	100.0	
Employees at customer service desk are always willing to help customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	45	29.6	29.6	30.3
	Agree	79	52.0	52.0	82.2
	Strongly Agree	27	17.8	17.8	100.0
	Total	152	100.0	100.0	
Employees at the claims service are never too busy to attend to customers inquires & requests.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	55	36.2	36.2	36.8
	Agree	71	46.7	46.7	83.6
	Strongly Disagree	25	16.4	16.4	100.0
	Total	152	100.0	100.0	
Employees are willing to accept feedback & comments on irregularities.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	67	44.1	44.1	44.7
	Agree	75	49.3	49.3	94.1
	Strongly Agree	9	5.9	5.9	100.0
	Total	152	100.0	100.0	

E) Frequency and Mean Distribution of Assurance

The behavior at the claims service helps to build confidence of the customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	58	38.2	38.2	39.5
	Agree	73	48.0	48.0	87.5
	Strongly Agree	19	12.5	12.5	100.0
	Total	152	100.0	100.0	
During business transaction customers feel safe with claim service.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	53	34.9	34.9	36.2
	Agree	71	46.7	46.7	82.9
	Strongly Agree	26	17.1	17.1	100.0
	Total	152	100.0	100.0	
Employees in the claim service are polite in handling customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	46	30.3	30.3	30.3
	Agree	80	52.6	52.6	82.9
	Strongly Agree	26	17.1	17.1	100.0
	Total	152	100.0	100.0	
The employees at the claim service have knowledge to answer questions.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	48	31.6	31.6	32.2
	Agree	79	52.0	52.0	84.2
	Strongly Agree	24	15.8	15.8	100.0
	Total	152	100.0	100.0	

F) Frequency and Mean Distribution of Empathy

The employees give customers individual attentions.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	48	31.6	31.6	31.6
	Agree	82	53.9	53.9	85.5
	Strongly Agree	22	14.5	14.5	100.0
	Total	152	100.0	100.0	
The employees at the claims service give customers personal service when the need arise.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	44	28.9	28.9	30.3
	Agree	74	48.7	48.7	78.9
	Strongly Agree	32	21.1	21.1	100.0
	Total	152	100.0	100.0	
The employees of the claim service have their customers "best interest at heart".					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.0	2.0	2.0
	Neutral	48	31.6	31.6	33.6
	Agree	71	46.7	46.7	80.3
	Strongly Agree	30	19.7	19.7	100.0
	Total	152	100.0	100.0	

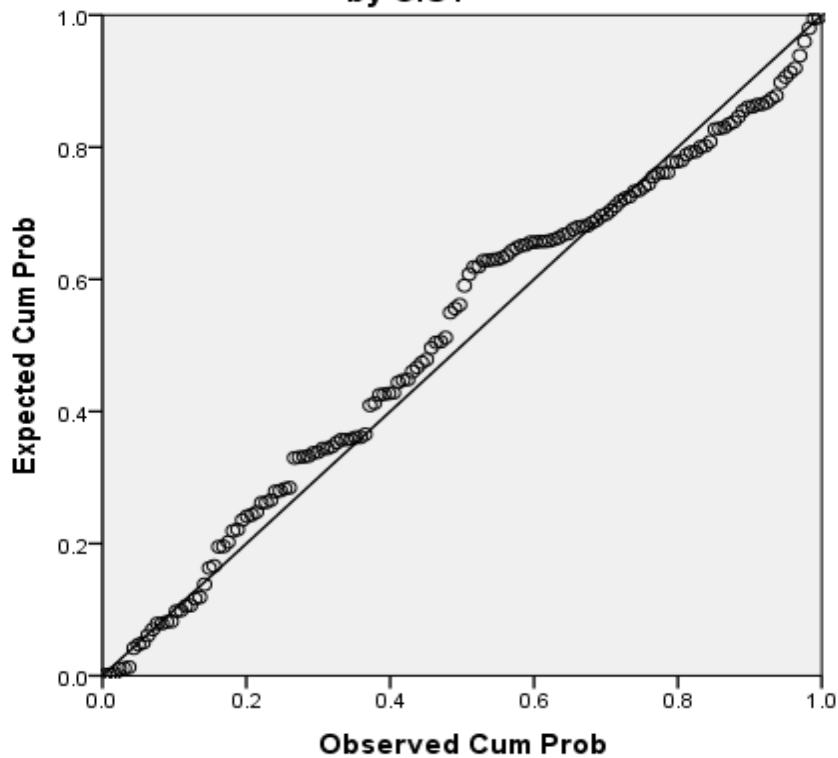
Appendix C: Test of Assumption for Regression

A) Normality Test: Skewness & Kurtosis

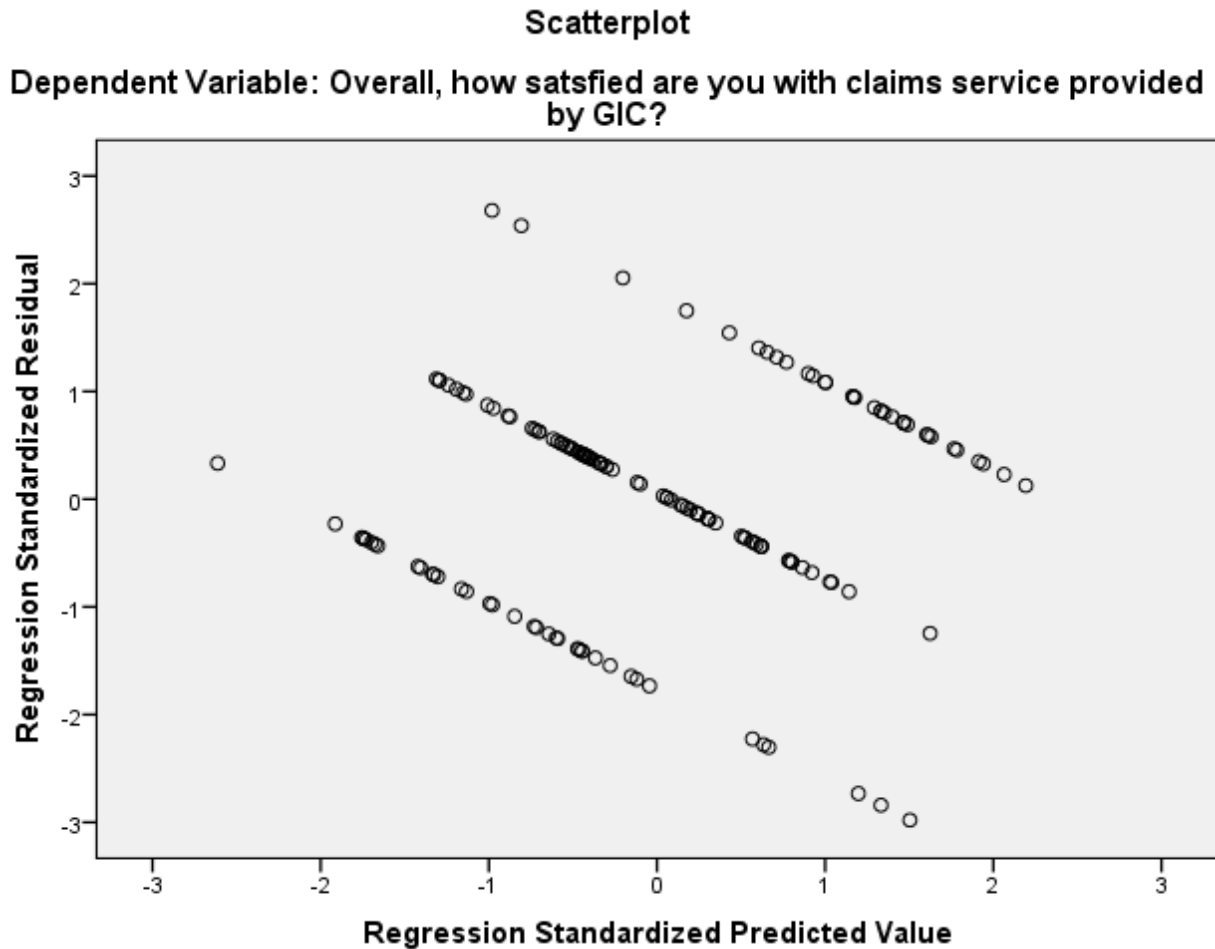
	Assurance	Empathy	Reliability	Responsiveness	Tangibility
Valid	152	152	152	152	152
Missing	0	0	0	0	0
Skewness	-.821	-.097	-.236	-.305	-.680
Std. Error of Skewness	.197	.197	.197	.197	.197
Kurtosis	.504	.103	.181	-.305	-.062
Std. Error of Kurtosis	.391	.391	.391	.391	.391

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Overall, how satisfied are you with claims service provided by GIC?



B) Linearity Test



C) Regression Estimates Multi Co Linearity Statistics

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co-linearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.545	.387		1.406	.855		
Reliability	.067	.033	.211	2.032	.016	.382	2.618
Assurance	.058	.030	.178	1.965	.021	.497	2.011
Empathy	.128	.036	.332	3.579	.000	.476	2.102
Responsiveness	.008	.026	.028	.289	.048	.431	2.322
Tangibility	-.010	.034	-.024	-.293	.770	.603	1.658

D) Regression Estimates

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.633 ^a	.401	.381	.547

a. Predictors: (Constant), Tangibility, Empathy, Responsiveness, Assurance, Reliability

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	29.216	5	5.843	19.558	.000 ^b
Residual	43.620	146	.299		
Total	72.836	151			

a. Dependent Variable: Overall, how satisfied are you with claims service provided by GIC?

b. Predictors: (Constant), Tangibility, Empathy, Responsiveness, Assurance, Reliability

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.545	.387		1.406	.855
Empathy	.128	.036	.332	3.579	.000
Assurance	.058	.030	.178	1.965	.021
Reliability	.067	.033	.211	2.032	.016
Responsiveness	.008	.026	.028	.289	.048
Tangibility	-.010	.034	-.024	-.293	.770

a. Dependent Variable: Overall, how satisfied are you with claims service provided by GIC?

Appendix D: Correlation Matrix

Correlation Matrix of all SERVQUAL Dimensions with Customer Satisfaction

		Correlations					Overall, how satisfied are you with claims service provided by GIC?
		Reliability	Empathy	Assurance	Responsiveness	Tangibility	
Reliability	Pearson Correlation	1	.640**	.591**	.707**	.565**	.535**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	152	152	152	152	152	152
Empathy	Pearson Correlation	.640**	1	.602**	.637**	.441**	.582**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	152	152	152	152	152	152
Assurance	Pearson Correlation	.591**	.602**	1	.568**	.558**	.505**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	152	152	152	152	152	152
Responsiveness	Pearson Correlation	.707**	.637**	.568**	1	.443**	.479**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	152	152	152	152	152	152
Tangibility	Pearson Correlation	.565**	.441**	.558**	.443**	1	.354**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	152	152	152	152	152	152
Overall, how satisfied are you with claims service provided by GIC?	Pearson Correlation	.535**	.582**	.505**	.479**	.354**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	152	152	152	152	152	152

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