

ASHESI UNIVERSITY COLLEGE



**HOW DOES SERVICE QUALITY ENHANCE THE CORPORATE IMAGE OF CDH
INSURANCE COMPANY LIMITED?**

BY

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DECLARATION

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature:.....

Candidate's Name:.....

Date:.....

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by Ashesi University College.

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Date:.....

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ABSTRACT

The insurance industry in Ghana represents one of the vibrant areas of the fast growing service sector. The objective for the study was to find out the perceptions customers had regarding the level of service quality provided during the service encounter and how it translated into forming the right image for the company.

The study showed that majority of customers who had received service at CDH Insurance was of the opinion that, the service was of high standards. It was also showed that the company had employed strategies to help facilitate the service encounter process between frontline staff and customers, which was yielding results and creating a lasting impression in the minds of customers. The study also highlighted that customers' perceptions of CDH Insurance Company were rated very high. At the end of the study, the results obtained were able to answer all the research questions posed at the beginning of the study.

At the end the study CDH customers had a very high rating of the image of the company due to the quality of service rendered by frontline staff of the company.

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CHAPTER I: INTRODUCTION

1.1 Background/Introduction to the Study

The corporate world is characterized by the provision of varied services, and these services have come to define the domain, mission, corporate philosophy and identity, hence given a new outlook to the concept of service. According to the International Standardization Organization (ISO), service is a part of the total production concept (Edvardsson, 1998). Quality, to a great degree, is what the customer says it is. The only way to judge the level of satisfaction of the customer is to ask, observe, find out from the customers themselves, and see whether they recommended us to others and so on. Quality of service arises from the service encounter itself (Peters, 1999). The insurance sector has undergone reforms over the past decade in an attempt to meet the customers at their point of need. Some companies have set the pace with others trying to follow. These pace setters have enjoyed tremendous recognition from customers as a result of the steps taken to meet customers at their point of need. This has helped increase patronage from customers and has boosted the image of these companies within the industry. Other insurance companies have struggled in this regard given a negative perception to customers about their image. It is with this hind sight that this study is being undertaken in order to bring to the fall how service quality enhances the image of a company. At the end of this study, it is hoped that, the research questions asked would be answered to help meet the objectives of the study.

1.2 Overview of Ghana

Ghana was formed from the merger of the British colony of the Gold Coast and the Togoland territory, Ghana in 1957 became the first sub-Saharan country in colonial

Africa to gain its independence. Ghana is located in West Africa and is bordered on the South by the Gulf of Guinea, on the West by Ivory Coast, on the East by Togo, on the North by Burkina Faso. Ghana has a total area size of 238,533 sq km and also endowed with natural resources such as gold, timber, bauxite, diamond, hydropower, petroleum, manganese etc. The current population is estimated to be about 24 million people (CIA World Fact Book, 2009).

Ghana's economy has undergone various reforms over the past twenty years under different governments. The country's Gross Domestic Product (GDP) rose by a two-decade high of 7.3 percent in 2008. This was achieved through sound fiscal policies put in place by government as well as prudent monetary policies pursued by the central bank of Ghana. These policies helped increase the activities of the private sector with regulatory agencies like National Insurance Commission (NIC) given license to a considerable number of foreign insurance companies to compete with their Ghanaian counterparts (International Monetary Fund, 2009).

1.2.1 Insurance Industry in Ghana

The insurance industry in Ghana dates as far back as the colonial era, with the establishment of the Royal Guardian Enterprise in 1924, now known as the Enterprise Insurance Company Limited. Other companies such as Gold Coast Insurance Company and the State Insurance Company were all formed in the colonial era. Statistics obtained from the Bank of Ghana, which was tasked with the supervisory role of regulating the insurance sector shows that, eighteen companies were licensed to operate within the country in the period ranging from 1971 – 1978 (Bank of Ghana, 2009).

Insurance companies in Ghana can be listed under two main headings namely *life insurance* and *non-life insurance*. In 1989, under the government of the Provisional National Defence Council (PNDC) which was headed by former president Flt. Lt. Jerry John Rawlings, the National Insurance Commission (NIC) was established under Insurance Law 1989 (PNDC Law 227) but now operates under the new Insurance Act, 2006 (Act 724). This Act complies significantly with the International Association of Insurance Supervisors (IAIS) core principles.

The objective of the Commission, as detailed in Act 724 was to ensure effective administration, supervision, regulation and control the business of Insurance in Ghana. The Commission was mandated to perform a wide spectrum of functions including licensing of entities, setting of standards and facilitating the setting of codes for practitioners. The Commission was also mandated to approve rates of insurance premiums and commissions, provide a bureau for the resolution of complaints and arbitrate insurance claims when disputes arise. Information retrieved from the NIC website indicates that, as at July 2009, the insurance industry was made of 21 Non-Life Companies, 17 Life Companies, 2 Reinsurance Companies, 38 Broking Companies, 1 Reinsurance Broking Firm and 1 Loss Adjusting Company.

Table 1.1 Insurance Companies in Ghana (Life & Non-Life)

LIFE	NON-LIFE
1. SIC Life	1. SIC Insurance Company
2. STAR Life	2. Star Assurance Company
3. CDH Life	3. CDH Insurance Company
4. Donewell Life	4. Donewell Insurance Company
5. Vanguard Life	5. Vanguard Assurance Company
6. Metropolitan Life Ghana	6. Metropolitan Insurance Company
7. Enterprise Life Assurance Company	7. Enterprise Insurance Company
8. Quality Life	8. Quality Insurance Company
9. Phoenix Life	9. Phoenix Insurance Company
10. Unique Life	10. Unique Insurance Company
11. Ghana Life	11. Ghana Life Insurance Company
12. GLICO Life	12. GLICO Insurance Company
13. Express Life	13. NEM Insurance Company
14. Ghana Union Life	14. Ghana Union Insurance Company
15. Provident Life	15. Provident Insurance Company
16. IGI Life	16. International & General Insurance Company
17. Capital Express Life	17. Intercontinental, WAPIC insurance Company
	18. International Energy Insurance
	19. Equity Assurance Company
	20. Regency Alliance Company
	21. Global Alliance Company
	22. Beacon Insurance Company
	23. Prime Insurance Company

Insurance can be defined as the process of reimbursing or protecting a person from contingent risk of losses through financial means, in return for relatively small, regular payments to the insuring body or insurance company (Economic Watch, 2009). By purchasing insurance policies, individuals and businesses can receive reimbursement for losses sustained from car accidents; theft of property; fire and storm damage; expenses incurred during emergencies; and ultimately assure

themselves of a stream of income in the event of a loss of income owing to a death or disability.

The insurance industry in Ghana has had its fair share of customer complaints due to poor service quality in terms of delivery of policy documents, delay in issuing claim cheques, and inappropriate marketing of insurance products to customers. The major challenge facing insurance companies in Ghana today concerns how to understand the marketing environment and the level of sophistication of customers. This will enable insurance companies develop the right strategies which will bring the desired investment returns.

The interest to research into Consolidated Discount House Insurance Company Limited (CDHI's) level of service quality and how it enhance the company's image occurred during an internship opportunity gained at the company. During that period, there were some customers who complained about the level of service quality provided by the company. Some of the complaints had to do with customers not receiving reports concerning insurance policies, delay in the payment of insurance claims, inability of policy holders to read and easily understand the insurance terms used in policy documents as well as frontline staff not properly attending to the needs of customers. It is with this interest that this research project was undertaken in order to understand the perception of customers about the level of service quality received from the company and whether they were happy with the service quality or not.

1.2.2 CDH Insurance Company Limited

CDH Insurance Company Limited is being used as a case study in undertaking this research project. The company was initially called Crusader Insurance which was established on August 14, 1974. Information obtained from the company indicates that CDH Insurance Company Ltd underwrites non-life (general) insurance. Following a restructuring and recapitalization exercise in 1999, it was acquired by institutional investors, after which the name was changed from Crusader Insurance to Consolidated Discount House (CDH) Insurance Company Limited. CDH's corporate vision indicates the company's preparedness to provide excellent service to customers through innovation, people, leadership and sound financial controls in order to be among the best in the industry.

1.3 Objectives of Study

It was identified that customers considered certain attributes and functions in assessing the quality of service provided by companies. The depth of these dimensions of service quality guided the customer in concluding whether or not the service quality being provided by the company was one to be desired or otherwise. Research suggests that the internal and external service environments (left out of most PZB-based models) also affect perceptions of service quality (Bitner, 1990; Brady & Cronin, 2001; Rust & Oliver, 1994; Spangenberg, Crowley, & Henderson, 1996). Brady and Cronin (2001) proposed a model (shown in Table 1.2) that identifies the three primary dimensions of service i.e. interaction, environment and outcome. This could be broken down further into 3 sub-dimensions, showing that

clients used multiple levels of performance as the basis for evaluations of service quality.

Table 1.2 – Dimensions of Service Quality

Brady & Cronin (2001)		
Environment	Interaction	Outcome
Ambience	Attitude	Waiting Time
Facility Design	Behavior	Tangibles
Social Factors	Expertise	Valence

The main focus of this study was to find out how service quality enhanced the image of CDH Insurance Company Limited. The main objective was as follows:

- i. To determine whether service quality enhances the image of CDH Insurance Company Limited.
- ii. To identify and assess the service quality strategies designed and implemented in the activities of CDH Insurance Company Limited.
- iii. To understand the perception customers have about CDH Insurance Company Limited based on the service quality being provided.

1.4 Research Question

How does service quality enhance the image of CDH Insurance Company Limited?

Sub Questions for further exploration

- i. How do customers perceive the service quality provided by CDH Insurance Company Limited?
- ii. What measures could be adopted to enhance service quality at CDH Insurance Company?
- iii. How do customers perceive the corporate image of CDH after the service experience?

1.5 Statement of Problem

In a conversation with Mr. Sheriff Abudu (acting Head of Special Markets, StarLife Assurance Company), he stated that some insurance companies in Ghana have been providing superior service to customers whereas others have also been identified as not meeting customers' demands. This problem arose as a result of companies failing to recognize the importance of the customer to achieving the overall objective of the organization. In an article published in the Ghana Business News website titled, "Ghana's Public Confidence in Insurance Dips", participants at a public lecture to mark Insurance Awareness Month in the Volta Region at Ho scolded the industry for poor returns on premiums, delays in processing claims and murky and confusing policy details (Ghana Business News, 2009).

Colonel Cyril Necku, (rtd.) Deputy Volta Regional Minister, who was guest of honour for the occasion expressed his dissatisfaction with insurance claims paid for his burnt brand new car which he intimated could only buy him two car tyres. He was of the expectation that, a comprehensive policy taken by an insurer on a motor vehicle would be enough to replace the lost one. As the industry continues to grow at a very rapid pace, increasing the level of competition in the market, companies have no option but to reposition themselves by enhancing their image with customers so as to erase the negative perception created in the sector.

Literature regarding service quality suggests that higher service quality usually leads to stronger purchase intention and customer loyalty (Leung & Li, 1998). Whereas some companies develop various strategies to meet the customer's needs, others keep struggling with the basic concept of ensuring that customers receive a

high level of service quality during the service encounter. As a result, many companies have failed to reap the full benefits that come with meeting the expectations of customers. This research adopts a case study approach to know the level of perception customers have about the quality of service being provided by CDH. Secondly also determine strategies adopted by CDH to enhance the level of service quality. Thirdly, to find out the level of perception customers have about the image of the company. The study will also recommend feasible and pragmatic solutions to the company to augment already existing strategies which will be used by the company in their daily operations. Finally, the study will help the company understand the importance of service quality and its impact on the customer so as to build the right image in the mind of the customer.

1.6 Significance of Study

As the government puts in place sound fiscal and monetary policies to stabilize the economy in order to attract foreign direct investment (FDI) into the country, local companies are also challenged to take advantage of the opportunities such as low interest rates to enable them borrow for business expansions, tax cuts from government, and availability of market to promote trade within the Ghanaian economy as well as the sub-region. This research proposes that, companies which make it their responsibility to provide the best of service to the satisfaction of their customers will be in a better position to gain customers' trust and loyalty than others who provide sub standard service.

An article published on the Business and Financial Times website titled "Star Assurance Records An Impressive Performance", indicated the growth of the company surging upwards in 2008. The company recorded an increase in gross

premium of GH¢ 15.88 million in 2008 compared to GH¢ 10.11 million in 2007, indicating a growth of 57%. According to the Managing Director of Star Assurance Company Mr. Kofi Duffuor, this phenomenal performance can be attributed to an effective management and marketing strategy put in place, and an efficient workgroup concept that was implemented to give customers the satisfaction and comfort. He also attributed the company's growth mainly to the belief in giving their customers value, which influences the decisions and actions of the company. Looking at the performance of the company over the period of 2008, one can project into the future that, the customers of the company would increase based on the good image the satisfied customers will portray to prospective customers (Business and Financial Times, 2008).

Experience gained within the insurance sector suggests that, there is more work to be done in terms of providing the best service quality to customers. This study thus, helped to understand customer's perceptions about the level of service quality provided by CDH. It also helped to identify strategies developed by CDH to meet the demands of the customers so as to build customer loyalty and retention as well as boost the image of the company.

1.7 Organization of the Study

Chapter One: Introduction - This chapter introduces the study and provides background information on service quality and how the insurance industry operates in Ghana. It also covered the objectives, problem statements, significance of study and the research questions being outlined for the study.

Chapter Two: Literature Review - This chapter reviews relevant studies conducted in the area of service quality and the impact it has on a company's output in terms of customer satisfaction. It also reviews relevant studies conducted in the area of corporate image and the influence it has on customers.

Chapter Three: Methodology - This chapter outlines the various methods utilized in the collection and analysis of data.

Chapter Four: Analysis of Project Research and Results - This chapter presents the results of the data analyzed and the discussions.

Chapter Five: Conclusions and Recommendations - This chapter concludes the study based on the findings and analysis conducted. Recommendations are also made to CDH Insurance Company on how service quality can be enhanced to help boost the image of the company. It also addressed the limitations encountered during the collection and analysis of data, and the opportunities for future research on the topic.

CHAPTER II: LITERATURE REVIEW

2.1 Service Quality

Businesses today have changed tremendously from the agrarian economy (where emphasis was placed only on the provision of finished product quality to the consumer), through the manufacturing era where attention was also not focused on the customer but just the ability to produce in large quantities to meet the short falls in demand after the 1930's great depression. The service based era has evolved with businesses focusing heavily on providing timely and efficient quality service to the growing demands of customers.

Service quality has been one of the areas of great concern to many researchers who have conducted extensive research to finding the best approaches by which service organizations can enhance their corporate image through the provision of better service to their clients. Rendering a service to a customer is the core activity of every service organization, and how successful that service is executed, provides the kind of leverage that sets apart one company from another within the market environment.

Further studies conducted in the area of service quality which would be discussed thoroughly in this section indicates that, customers tend to be loyal and happy with companies that meet their expectations by delivering superior quality of service. This helps to generate a positive image for the companies in the long run. In an attempt to create a good image in the minds of customers, companies have developed service quality cultures in their organizations that have to be adhered to during the service encounter process with customers. Service quality is defined in

this study as the management, staff, facilities and processes all playing a major role in making the service encounter experience worthwhile.

Application of the concept of 'quality' to services burgeoned in the arena of service marketing during the 1970s, and the focus was on raising quality standards in order to gain more customers in private companies. As product quality and Total Quality Management gained popularity, conceptual models were sought, to apply the concept of quality to services. The evolution of service quality in the service marketing literature has been described by Fisk in three main evolutionary stages: "Crawling Out" (pre-1980), "Scurrying About" (1980-85), and "Walking Erect" (1986-present) (Fisk, Brown, & Bitner, 1993). The "Crawling Out" stage describes the phase where scholars tried to distinguish *services* from *goods* in the context of marketing and quality management, and scholars tried to justify the inclusion of services marketing among disciplines. The "Scurrying About" phase saw rapid growth in the literature, with a variety of topics springing up around services marketing. The final phase – "Walking Erect", was characterized by an acceptance of the discipline in the domain of marketing and its relevance in other disciplines, and the growth of literature (Brown, Ryan, & Parker, 2000; Fisk, Brown, & Bitner, 1993). The application regarding service quality was purely in the context of a profit-seeking private sector, and this led to the focus on quality from the perspective of the consumer. Quality was implicitly and explicitly linked with customer satisfaction (Oliver, 1993) and the customer, the end-user of services became the focal person called upon to determine the quality of services received. Reeves & Bednar (1994) illustrate the different ways in which service quality has been defined – as excellence (Garvin, 1984); as value (Bolton & Drew, 1991); as

conformance to specifications (Chase & Tansik, 1983) and as meeting and/or exceeding customer expectations (Parasuraman, Zeithaml, & Berry, 1986). Most of these conceptualizations of quality are more applicable to goods rather than services and so cannot be liberally applied in the context of the insurance sector without caution. Murgatroyd and Morgan describe service as something that is intangible, used to satisfy heterogeneous needs, and is inseparable, meaning that the different aspects of it – the inputs, the process and the output of a service cannot be separated (Morgan & Murgatroyd, 1994; Parasuraman, Zeithaml, & Berry, 1985). Services are seen as performances, where their production and consumption cannot be separated. Unlike tangible goods, services vary from person to person, and from context to context.

A study conducted on service quality improvement by Edvardsson (1998) established that services are often “invisible” and thus difficult for the supplier to explain and for the customer to assess. This places special demands on marketing to prevent wrong, often excessive expectations of the market. He also argued that, the expectations which are created by marketing affect the customer’s perception of the outcome. However, the concept of service should be approached from a customer perspective. By involving the customer, the perception of the outcome regarding the service been provided would help the customer to determine whether he is satisfied or not.

Edvardsson (1998) also revealed that, in order for a service to meet the customer’s expectations, it would be prudent on the part of the company providing the service to engage the customer in the process so as to affect the outcome in terms of

added value and quality. Therefore, it is important to define clearly the role, participation and responsibility of the customer in service delivery. A company does not sell services, but rather, opportunities for services, which are generated in partially unique customer processes with partly different customer outcomes. When a customer assesses service quality, the company's profile or image acts as a "filter". This means that, if a company has a positive image, it is easier to overlook smaller mistakes in its service delivery and to regard them as temporary disturbances.

Edvardsson (1998) concludes the study with some propositions on how companies can become successful when the quality of the service being rendered to customers is improved. The assertions made in the study conducted by Edvardsson (1998) helps to stress on the earlier point made that, in order for companies to reap the maximum benefits during the service encounter, they have to engage the customers in the process as well as create the necessary environment which will help meet the desired objectives of all stakeholders. Although the study was conducted in the manufacturing sector, it can still be applied to the service industry.

A paper by Parasuraman (2002), with its objective of enhancing and understanding the synergy between service quality and productivity indicated that, in the service context, customers often play a co-producer role, providing some amount of direct or indirect input in the form of time, physical effort and mental energy. When service businesses subscribe to a purely producer-oriented view of productivity, the quality of service to customers invariably suffers. Enlightened companies that

examine productivity from a dual-customer perspective can benefit from synergies that elude service businesses focusing on a single perspective Parasuraman (2002).

Further studies have revealed that, companies seek to build loyalty rather than simply satisfying the customer as the best strategic approach used in achieving a better competitive urge (Matilda, 2003). Therefore, it has become the responsibility of organizations to make a conscious effort to frequently measure the quality of their service especially from the customers' point of view. This can be achieved by getting the necessary feedback from customers in order to find out how they evaluate service quality so as to enable the company improve upon the customers perception about the level of service quality being provided by the organization.

In 1983, three researchers, Parasuraman, Zeithaml and Berry (PZB *hereafter*) began some work on measuring service quality. Their work energized the movement to measure the quality of something as intangible as service. In their seminal work, the researchers (PZB) defined service quality as a "global judgment or attitude, relating to the superiority of the service" (1988). The resulting measurement tool, named "SERVQUAL" measures service quality from the customer's perspective, and has been widely cited in the literature and used in empirical studies (Donnelly, Wisniewski, Dalrymple, & Curry, 1995; Orwig, Pearson, & Cochran, 1997; Parasuraman, Zeithaml, & Berry, 1986).

2.2 The PZB Model Approach

The PZB model – through customer focus groups, Parasuraman, Zeithaml and Berry identified three key elements of service quality. First, they defined 'service quality' as a "global judgment, or attitude, relating to the superiority of the service" basically referring to the discrepancy between customers' expectations and perceptions (1985:16). The 'expectations' of clients being alluded to by PZB did not refer to what they 'expected' to happen (prediction), but rather what they expected *should* happen in the service encounter. They essentially had clients measure their perceived quality of services received, in comparison to what they considered the best or ideal level of quality (excellence). Secondly, they identified four key factors that shape customers' expectations of service quality (word-of-mouth communications, personal needs, past experience and external communications). Lastly, they identified ten basic dimensions or criteria used by consumers in their evaluations of the quality of services they received from (private sector) businesses, including reliability, courtesy, responsiveness and security among others (1990: 20).

Through factor analysis, their initial 10-item multi-dimensional scale based on 22 questions was developed to measure service quality. The SERVQUAL tool was then revised and compressed into a five-item scale (tangibles, reliability, responsiveness, assurance and empathy). In subsequent studies, the researchers found that customers often rated reliability of the service as the most important dimension, and the tangibles as the least important. Generally, participants perceived service quality as 'high' when the service met their expectations, and 'low' when their

expectations were not met. The resulting model based on their research thus measured quality as the 'gap' between performance and expectations.

In further research, they interviewed company executives and identified four key shortfalls (gaps) within organizations that contribute to customers' perceptions of quality. The first gap was the discrepancy between executives' perceptions of customer expectations and customers' actual expectations. They discovered for example, that while customers considered privacy or confidentiality as an important criterion for quality, the executives were oblivious to the fact (1990:37).

The second gap identified was the discrepancy between executives' perceptions of customers' expectations and the actual performance efforts made to address the discrepancy. Basically, even when management identifies customers' perceptions, their quality standards and reform efforts do not address those expectations. Some may argue that given scarce resources, a company can only address some expectations at the expense of others.

The third gap addresses the discrepancy between service quality specifications and actual service delivery. This basically highlights the fact that even when quality standards are set by the organization, they are unable to deliver as designed. In some companies in the service sector, logistic constraints such as inadequate equipments for personnel use such as vehicles and computers, very little training for personnel to conduct their day to day activities, and the use of sophisticated software by frontline employees who have little knowledge on how to use this software, may all serve as factors that inhibit the performance of the workforce, especially the work done by frontline workers.

The final gap identified is that between the promised services (advertising or marketing sound bytes) and the actual service delivered. This is the challenge of broken promises. As more companies engage in advertising and marketing strategies, they face pressures to deliver what they promise, and without the necessary resources such as monetary, technical, human and other inputs, delivery becomes impossible or poor at best.

2.3 Service Failures

Although the optimum strategy in dealing with a failure is to get it right the first time, service failures are inevitable. The service industry involves a high level of interaction between employees and customers, hence, creating opportunities for service failures to occur (Lewis & McCann, 2004). This therefore implies that, the human resources especially the front-line employees play a significant role in the success of the business. Hoffman et al (2003) defined service failures as specific events that lead to dissatisfying service encounters from the customers' point of view. Unlike goods, services are heterogeneous in nature and therefore vary from one customer to another. This makes it very difficult to gain an equal, level playing field with regards to consistency in service delivery. Every customer has a unique need that has to be attended to by the organization and therefore, the service provided to one client cannot be duplicated for another customer.

2.4 Types of Service Failures

An avalanche of service failures have been catalogued by researchers. A more general classification is the outcome-process classification where an outcome failure is a core service failure and process failures are the unpleasantness and

inconveniences experienced (Zhu et al, 2004). Core service failures occur when customers are not provided with the basic services which the organization is expected to provide; service which directly relates to the core activities of the organization. When these failures occur, organizations sometimes do something in order to reconcile the customer. The process is known as "service recovery" (Cranage, 2004).

2.5 Service Recovery

It has been realized that, no service system is perfect and so failures are expected. However, when they do occur, what the company does matters. It can either make things better and regain the trust of the customer, or make it worse if not handled well. Service recovery is therefore now recognized as a determinant of customer satisfaction and loyalty (Cranage, 2004). According to Lewis & McCann (2004), service recovery involves those actions designed to resolve problems encountered with dissatisfied customers, and to ultimately retain these customers. Hoffman et al also refer to it as the actions of a service provider to mitigate and/or repair the damage to the customer that results from the provider's failure to deliver a service as is designed (Hoffman et al, 2003).

Sometimes a customer might be dissatisfied with service delivery, but may fail to complain due to a lot of reasons. One of the reasons may be the recurrence of the same problem over and over again after several attempts by the customer to seek redress have proved futile. The customer becomes fed up and simply begins to identify a different service experience from another company who would go the extra length to meet his/her demands and expectations. Priluck, (2003) indicated that, those who do not complain about the service quality are really doing a

disservice to the company, which eventually becomes a major headache for the company. This is due to the fact that, it is not only when a firm realizes its failures which is usually realized through customer interaction and complaint, that it institute the recovery effect. This phenomenon creates a mental barrier and builds a strong negative perception in the mind of the customer who then talks to other people to also share in the same belief. Studies have shown that it is the minority of dissatisfied customers that complain about the lack of enhanced service delivery. Therefore, the onus lies on the companies to take pragmatic steps in creating the right platform which encourages customers to make their concerns known to the organization for it to be addressed (Cranage, 2004).

2.6 Service Recovery Strategies

There are a number of recovery strategies. However, they all are important based on the type of failure. In other words, the recovery method has to be the right antidote in solving the failure encountered. The most common and frequently and frequently used recovery strategies are apology, assistance, or compensation, or some combination of the three (Cranage, 2004). Others include empathy, follow-up, acknowledgement, explanation, exceptional treatment and managerial intervention (Lewis and McCann, 2004). The effectiveness or success of any of the strategies depends on the type of service, type and magnitude of failure, and the speed of response (Lewis and McCann, 2004). This will therefore determine the magnitude of a particular failure.

A study conducted by Maxham (2001), indicated that moderate to high service recovery efforts significantly increased post service failure satisfaction levels, purchase intent, and positive word of mouth, whereas poor service recoveries seem

to aggravate the dissatisfaction with the initial service failure (Cranage, 2004). Anecdotal evidence indicates that, when service recovery is successful, customers may be more satisfied than they would have if no failure had occurred (Priluck, 2003).

There are three types of justice that have been identified to clearly establish how customers evaluate service recovery efforts; *Interactional* - treatment during the service recovery interaction with employee; *Distributive* - outcomes such as apologies, discounts and compensation and *Procedural* justice - speed and ease of recovery procedure (Lewis and McCann, 2004 and Priluck, 2003). Priluck, (2003), establishes the point that the three types of justice when perceived by the customer as favourable will have a positive effect on re-patronage decisions as well as a positive word of mouth. Therefore, managers should encourage employees to provide good customer service even when recovering failures because in an attempt to correct the problem, more damage can be done if the process is not handled well.

Furthermore, the intangible nature of services makes it impossible for it to be inventoried, and so fluctuations in demand are difficult to manage. The inseparability of production and consumption helps to establish the point that, failures occur at the point of consumption thereby providing little room for correction prior to consumption (Lewis and McCann, 2004). Service failures are therefore more likely to occur in the process of providing service to a customer. Therefore, service encounters must be treated with uttermost professionalism right from the beginning process to the finish line if the desired results would want to be achieved.

2.7 Corporate Image

In today's competitive markets services and service companies within the same industry are becoming increasingly similar. Differentiation through the delivery channel (i.e. delivery of services against payment) is difficult. A growing number of service companies have embarked on a journey of positioning through the communication channel such as advertising and personal selling (Andreassen & Bredal, 1996) with the objective of building strong corporate images in order to create relative attractiveness. This development is in line with Lovelock (1984, p 134) who claims that: "(Images)... are likely to play only a secondary role in customer choice decisions unless competing services are perceived as virtually identical on performance, price, and availability".

Corporate image is positively correlated with perceived quality, customer satisfaction, and customer loyalty. Corporate image does impact customers' perception of value (Andreassen, 1996). Given the extensive research work done on customer satisfaction, it is fair to say that the dominant theories are *disconfirmation of expectations* (Swan 1983); (Oliver and DeSarbo 1988); (Oliver 1980); (Churchill and Suprenant 1982) and *cognitive* foundation for customer (dis)satisfaction and subsequent consumer behavior whereas cognitive psychology has studied the importance of cognitive schemas in the decision process and consumer behavior. Research within the service marketing literature related to the impact of corporate image (i.e. attitude towards a company) and its impact on customer loyalty does not share the same long traditions as customer satisfaction research. Apart from the early conceptual work discussing corporate image and positioning, the service management system, the service marketing mix and

technical and functional quality (Lovelock, 1984; Normann, 1991; Bitner, 1991; Grönroos, 1984) little empirical work has been done in assessing the impact of corporate image and customer satisfaction on customer loyalty.

Corporate image is believed to have the same characteristics as self schema (Markus, 1977) with regard to influencing the buyers' purchasing decision, i.e. good corporate image stimulates purchase from one company by simplifying decision rules. In this context, corporate image becomes an issue of attitudes and beliefs with regard to awareness and recognition (Aaker, 1991), customer satisfaction and consumer behaviour (Fornell, 1992). Corporate image can be an extrinsic information cue for both existing and potential buyers and may or may not influence customer loyalty (e.g. willingness to provide positive word-of-mouth). Corporate image is consequently assumed to have an impact on customers' choice of company when service attributes are difficult to evaluate. Corporate image is established and developed in the consumers' mind through communication and experience. Corporate image is believed to create a halo effect on customers' satisfaction judgment. When customers are satisfied with the services rendered, their attitude towards the company is improved. This attitude will then affect the consumers' satisfaction with the company.

2.8 The Conceptual Model

The disconfirmation-of-expectation paradigm proposed by Oliver (1980) argues that customer loyalty (e.g. repurchase intentions, willingness to provide positive word-of-mouth) is a function of customer satisfaction, which again is a function of a cognitive comparison of expectations prior to consumption and actual experience.

Customer satisfaction/dissatisfaction requires experience with the service, and is influenced by the perceived quality and the value of the service (Anderson, Fornell et al., 1994). Based on the transaction driven nature of the satisfaction experience, several writers claim that corporate image is a function of the cumulative effect of customer (dis)satisfaction (Oliver & Linda, 1981; Fornell, 1992; Johnson & Fornell, 1991; Bolton & Drew, 1991). When services are difficult to evaluate, corporate image is believed to be an important factor influencing the perception of quality, customers` evaluation of satisfaction with the service, and customer loyalty.

2.10 Relationship between Service Quality & Corporate Image

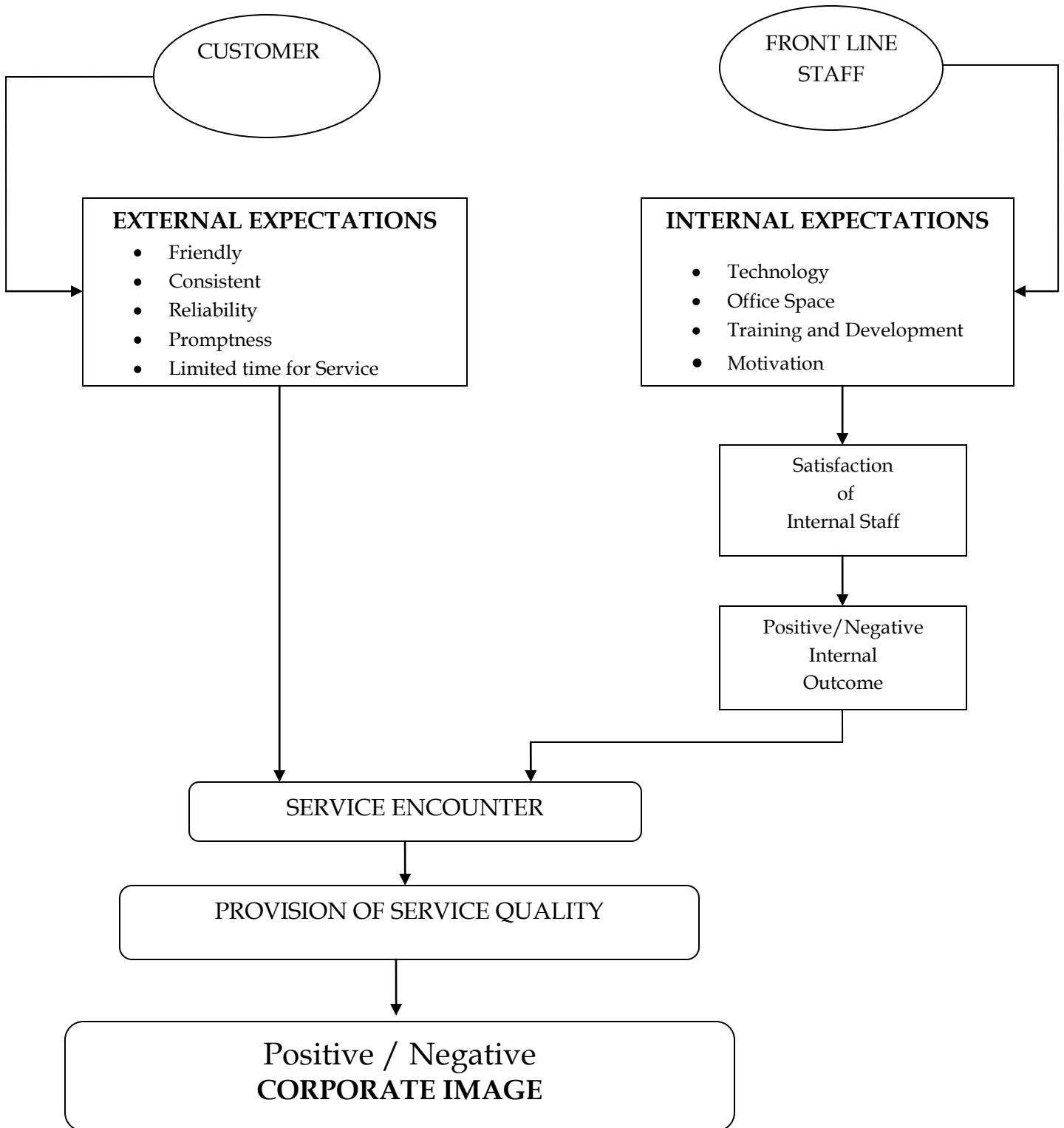
Several studies conducted in the area of customer service have tried to establish a relationship between service quality and corporate image (Andreassen, 1997; Grönroos, 1984; Olson, 1972). These studies have opined that customers tend to be loyal and happy with companies that meet their expectations by delivering superior quality of service. This helps to generate a positive image for the companies in the long run. In an attempt to create a good image in the minds of customers, companies have developed service quality cultures in their organizations that have to be adhered to during the service delivery process with customers. Service quality culture is defined in this research study as the management, staff, facilities and processes all playing a major role in making the service encounter experience worthwhile. Literature on service quality suggests that, the kind of service received by customers will either have a positive or negative impact on the company`s image.

In a study conducted by Andreassen (1997) among 600 customers of three tour operators in Norway, he tried to establish a relationship between service quality

and corporate image. He used three transaction-specific items to measure service – namely, total quality package tour, the flight and the destination. Three indicators were also used for measuring corporate image which are overall opinion of the company, opinion of the company’s contribution to society and the liking of the company. His findings revealed that corporate image has an impact on perceived quality and customer satisfaction for the industry consolidated, but has no significant effect on value. Although corporate image has no direct effect on value, it has an indirect effect through perceived quality. Though Andreassen (1997) was able to establish a direct relationship between service quality and corporate image, the indicators he used for his study are limited to the service industry studied (travel & tours). In this study, satisfaction will be used as a proxy for quality.

In conclusion, in the emerging paradigm of relationship marketing, there is the need to understand the importance of service quality and corporate image and how they relate to customer attraction, satisfaction and retention. The next chapter explains into details the methods used in conducting the study.

2.11 Research Model



CHAPTER III: RESEARCH METHODOLOGY

3.1 Introduction

A review of the service quality and service encounter literature revealed a lot of qualitative studies, mainly conducted through focus groups, interviews and surveys (Howcroft, 1993; Riccucci, 2005; Zeithaml, Parasuraman, & Berry, 1990). This chapter looked at the methods used in the gathering of the data as well as the analysis of the data received. It outlined why those particular methods were chosen with an explicit portrayal of how they contributed to the success of the study. The study also adopts a purely qualitative approach for many reasons. The research model that guides the study was the PZB model. This model identified five attributed namely:

- Tangibles – Which had to do with physical structures such as the buildings, technology and all other important essentials needed to enhance the service encounter.
- Assurance – Firm’s communication channels used during the service encounter process. Employees therefore needed to be skilled, knowledgeable and courteous when dealing with customers.
- Empathy – This had to do with the attitude of frontline staff when interacting with customers during the service encounter process.
- Responsiveness – The firm’s response to suggestions, comments and complaints brought forward by the customers.
- Reliability – This has to do with the level of satisfaction a customer gets from the company after the service encounter.

The research conducted on corporate image suggests that, corporate image was positively correlated with perceived quality, customer satisfaction, and customer loyalty. Corporate image does impact customers’ perception of value (Andreassen, 1997). Therefore in an attempt to study the ‘perceptions’ customer’s have regarding the quality of service rendered by frontline staff of CDH Insurance

Company, the case study approach was used because it inherently drew on subjective experiences and views.

3.2 Sampling Method

CDH Insurance was chosen for this study because of the experience gained as an intern with the company in 2007. During that period, I encountered a considerable number of dissatisfied customers hence in my final report to the management, I recommended some changes to be effected in order to enhance frontline staff effectiveness and build customer loyalty. Therefore, in order to satisfy my curiosity, decided to undertake this study on CDHI to find out the level of progress made since then.

A type of non-probability sampling method known as convenience sampling was used in the collection of responses for the questionnaires that was handed out to customers at the office premises of CDH. The convenience sampling was used in identifying customers that visited the office premises within a particular time of the day. The estimated time period used in the collection data was two weeks.

The convenience sampling method was used in the identification of one management member and two frontline staff of the company who were interviewed. All the responses collated were transcribed and used for during data analysis and discussion in chapter four. A one page outline of prepared questions was developed to help structure the interview process.

3.3 Method of Data Collection

A case study approach was used to achieve the ultimate results of the study. The use of the case study approach came out of the desire to understand complex social phenomena within the organization. This method has been a common research strategy of business experts (Ghauri & Gronhaug, 2002). This approach helped to understand into much detail how CDH Insurance Company was able to carry out its operations to meet customers' needs. Also, the case study approach helped to closely analyze the activities in detail at the company premises. This helped inform the research as to whether customers were happy with the quality of service provided by company. Approval for the study was given in advance by the Chief Executive Officer of CDH Insurance Company Limited, after a letter was formally sent to the company during the first quarter of 2009. The information was passed on to the sectional managers which requested the assistance of employees in advance of the visit.

Two methods were used under this case study approach namely:

- Interviews
- Questionnaires

1.3.1 Interviews: Interviews were conducted with one management member and two frontline staff of the company. Interviews were chosen for this study because it allowed more room for privacy. This approach made it more interactive and more personal and did not restrict the interviewer from probing further for clarifications. The Business Development Manager and two business development officers from the marketing department were selected for the interviews because of their direct involvement in providing service to customers. The reason for selecting the

business development manager was because the study was related to his department and that; he was the right person to respond to the questions raised. The opportunity to interview the two selected frontline officers was to gain invaluable insight as to whether the service provided met the expectations of customers. Also, due to their level of competence and experience acquired dealing with customer of the company. This approach was also targeted at obtaining first-hand information concerning the processes and procedures used in rendering services to customers. It was also aimed at gaining in-depth knowledge into policies developed by management to guide the employees in ensuring the highest level of customer satisfaction during the service encounter.

1.3.2 Questionnaires: Questionnaires were used to collect data from customers regarding their perception and satisfaction of the level of service quality provided by CDH Insurance Company. This approach was used because customers usually did not have enough time to spare during their visits to the company, therefore administering questionnaires was to help get their opinions in the shortest time. Questionnaires comprised of closed ended questions which was administered to customers. Customers were given range of answers to select from regarding how they perceived the level of service quality provided by frontline staff during the service encounter. The questionnaires were divided into two parts. Part one measured the quality of service provided to customers during the service encounter and part two provided information on demographics of the customers. Out of twenty questionnaires, nineteen customers responded with the exception of one not filled. It was observed that, the number of customers that walked in each day was

relatively small hence the decision to use a two weeks for data collection. It was also observed that the average number of individual customers who walked the into CDH Head Office premises averagely was very small. Therefore, the sample size of 20 was used to administer the questionnaires.

3.4 Method of Data Analysis

Microsoft Excel was used as an analytical tool for this study mainly because of its use in academia by social researchers, management experts and business managers. Through the use of graphs, pie charts, histograms, the researcher was able to ascertain the levels of various ratings regarding the perceptions customers had that impacted on customers' expectations about the service encounter.

3.5 Limitations

Time and financial constraints made it difficult to manage accessing and paying for services related to the project such as transportation, printing, information gathering etc to enhance a smooth study. Lastly, availability of respondents to fill out questionnaires was problematic. This was due to the busy nature of respondents during the visits to the office premises of CDH Insurance Company. Some people just simply did not want to have anything to do with the research whereas others were skeptical that, research findings and recommendations would be implemented to bring the needed reforms.

The next chapter discusses the results from the data analyzed from the field. This would help understand the customers' perceptions concerning the level of service quality provided by CDH as well as what strategies the company put in place to meet the demands of customers.

CHAPTER IV - DATA ANALYSIS AND BROAD DISCUSSION OF RESULTS

4.1 Introduction of Research Questions

How does service quality enhance the image of CDH Insurance Company Limited?

Sub-Questions

- i. How do customers perceive the service quality provided by CDH Insurance Company Limited?
- ii. What measures could be adopted to enhance service quality at CDH Insurance Company?
- iii. How do customers perceive the corporate image of CDH after the service experience?

This section attempts to answer the research questions posed above with the results of the data collated from customers, management and frontline staff regarding the level of service quality provided by frontline staff, measure adopted to enhance service quality at CDHI and how it translates into the perception of customers about the company's corporate image.

4.2 How do customers perceive the service quality provided by CDHI

When customers perceive or expect some level of service and it is not met by the organization, gaps are said to exist. The gaps identified could be referred to on *pp.* 24 of chapter two of this study.

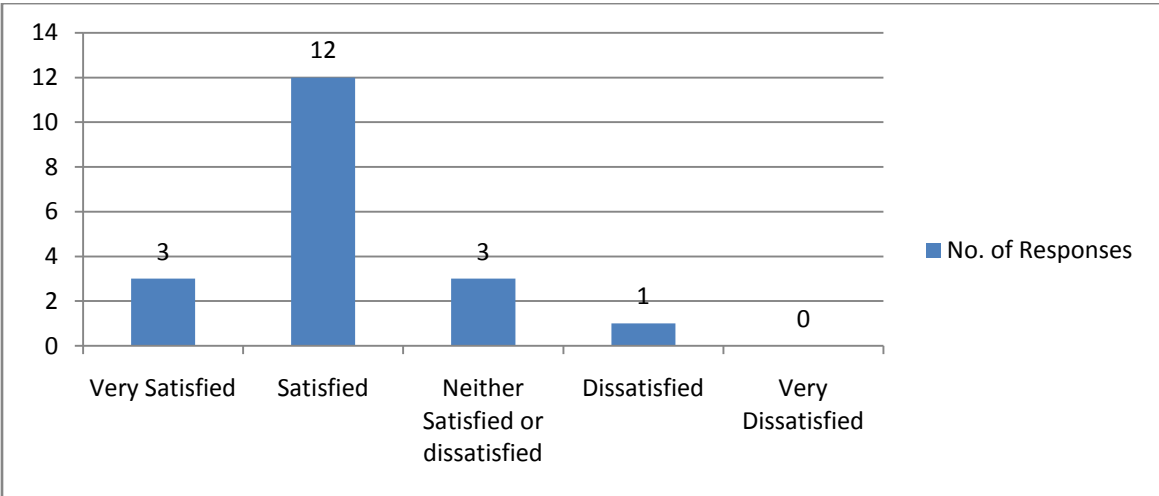
These gaps all come together to determine customers total satisfaction hence their measurement of the quality of service being provided. These gaps can therefore be closed by adopting strategies aimed at helping to enhance the quality of service provided by CDHI. In an attempt to understand how customers perceive the level of service quality, customers were asked to rate their level of satisfaction when it

came to customer service, friendliness & politeness of staff, helpfulness of staff, promptness & efficiency of staff in handling complaints, time period and reliability.

4.2.1 Customer Service

Customer service was identified as one of the most important factors considered very high on the agenda of customers that visited CDHI during the service encounter process. The data analyzed showed that, about (80%) of customers were generally satisfied with the customer service provided by CDHI. The results also showed that, about (16%) neither satisfied nor dissatisfied with the service provided by CDHI with only (4%) of customers indicating their displeasure with the quality of service. Graphical representation of how respondents perceived the level of customer service provided by frontline staff of CDH during the service encounter can be found below.

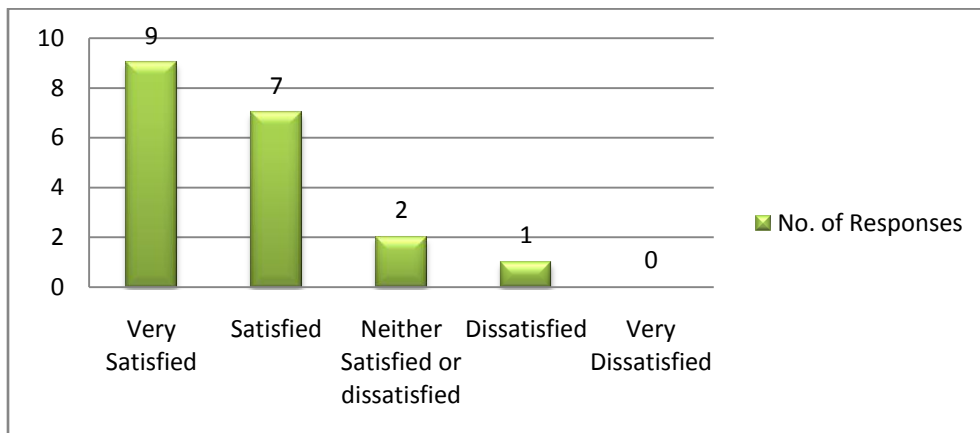
Figure 4.1 How customers perceive customer service at CDHI



4.2.2 Friendliness & Politeness of Staff

Data analyzed also showed that, customers hold in high esteem the level of friendliness & politeness of the frontline staff during the service encounter. This was reflected in the analyses that, about (84%) of customers were delighted with the level of professionalism exhibited by frontline staff at CDHI. Although there were some few customers that were dissatisfied and thought the company could do better in this regard, generally the majority of customers were excited with the reception accorded them by frontline staff. Below is the graphical representation of the results obtained from respondents.

Figure 4.2 Perception rating on friendliness & politeness of frontline staff

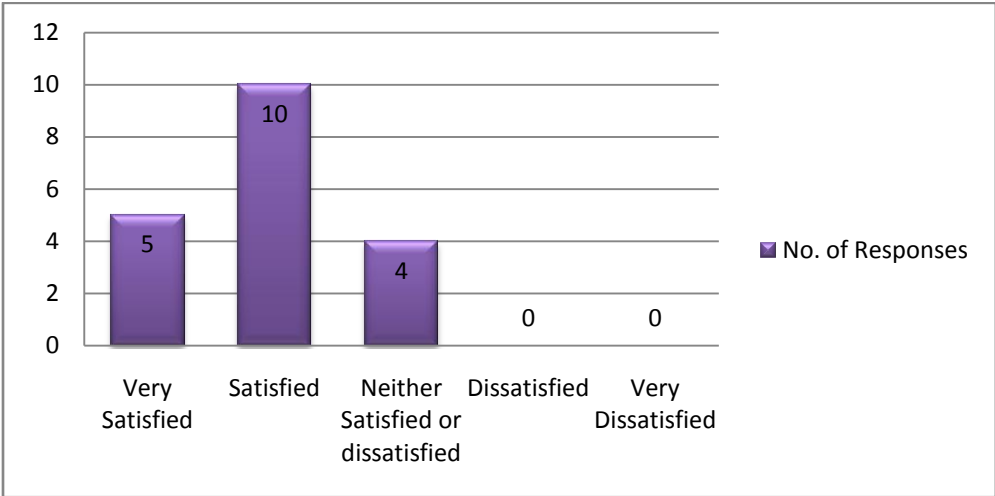


4.2.3 Helpfulness of Staff

Although the study found out that customers' perception of helpfulness of staff was satisfactory, it was not as impressive as the rating given to customer service as well as friendliness & politeness of staff. This result suggest that, customers of CDH found frontline staff of the company generally willing to help meet customer

needs during the service encounter. The study identified no customer as dissatisfied with the help received from frontline staff and this confirms why customers rated highly customer satisfaction in figure 4.1 & 4.2. Figure 4.3 below is a graphical representation of respondents rating regarding helpfulness of staff.

Figure 4.3 Perception rating for helpfulness of frontline staff

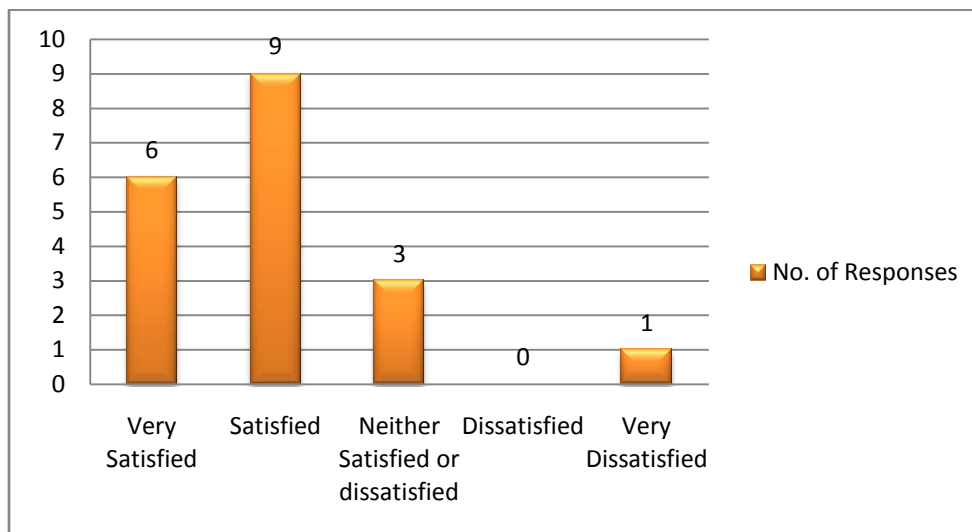


4.2.4 Promptness & Efficiency of Staff

When it came to staff efficiency and promptness during the service encounter process, about (95%) of customers indicated that the level of efficiency & promptness exhibited by frontline staff of CDH was very high as compared to other insurance companies they had worked with in the past. Some customers were quick to mention that, some frontline staff of CDH had in-depth understanding of the customers’ needs and were prepared to go the extra mile to satisfying those needs. But there were a few disgruntled customers who were also of the opinion that, some frontline staff did not approach their work with the level of seriousness it

deserved hence registering their displeasure. Figure 4.4 below is a graphical representation of the results collated from customers.

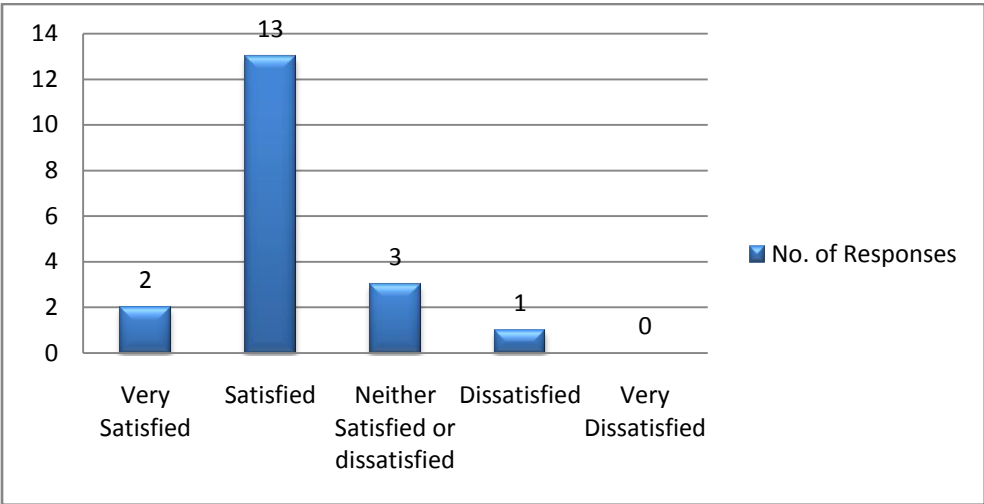
Figure 4.4 Perception rating promptness & staff efficiency



4.2.5 Time Period

In the area concerning the amount of time it takes for frontline staff to render a service to a customer, over (80%) of customers were generally satisfied the service received from frontline staff of CDHI. There still were some few customers who expressed their dissatisfaction in this area. It was observed that, most of the customers who patronized the services of CDHI were the working class hence time was of great essence to them. This provides the study with some control data, as it suggests that at least some respondents took their time to register their true opinions of the service of CDH. Below is a graphical representation of results collated from customers.

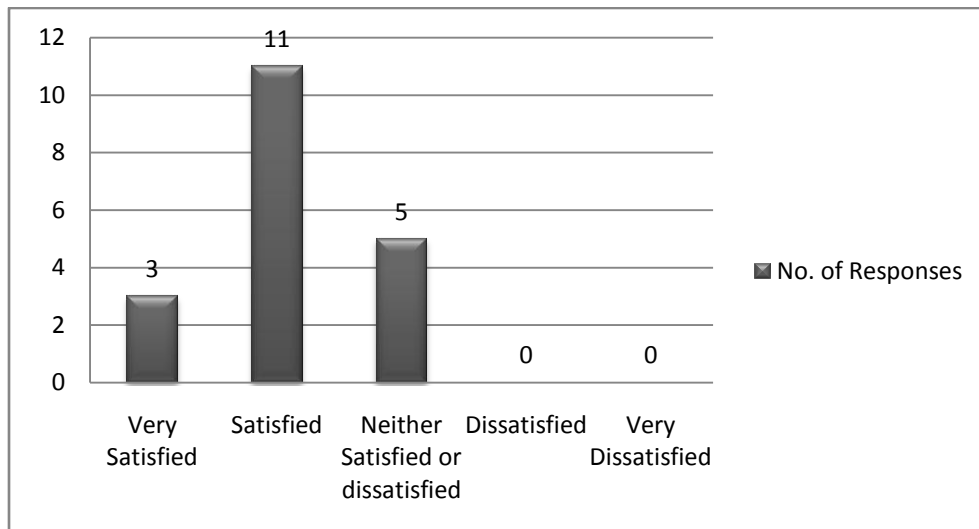
Figure 4.5 Perception rating of the time period during service encounter



4.2.6 Reliability

When it came to customers rating concerning the reliability of the service received from frontline staff of CDH, it was observed that majority of customers that patronized the services of CDH were comfortable with the kind of service being received and preferred to stay with the company than to move elsewhere. This gives a strong indication on the part of customer to stay loyal to the company. Below is a graphical representation of showing the results of the views of respondents.

Figure 4.6 Perception rating of CDH frontline staff reliability



The results also found out that, (26-35years) were the most dominant people that patronize the services of CDH. These groups of people are the working class in society who are considered to have the means of capital to invest in the long term. This also helps to bring into perspective the customers high level of sophistication which requires competent frontline staff to help in meeting customers' needs. Below is a graphical representation which shows the results.

Figure 4.7 Age range of respondents who answered questionnaires

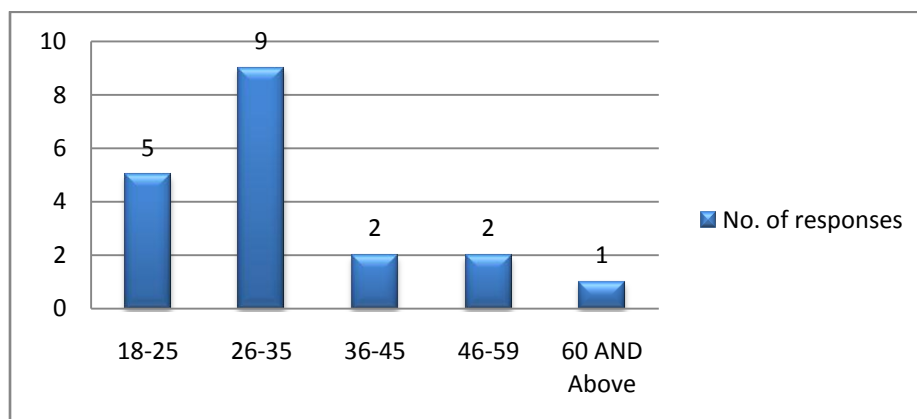
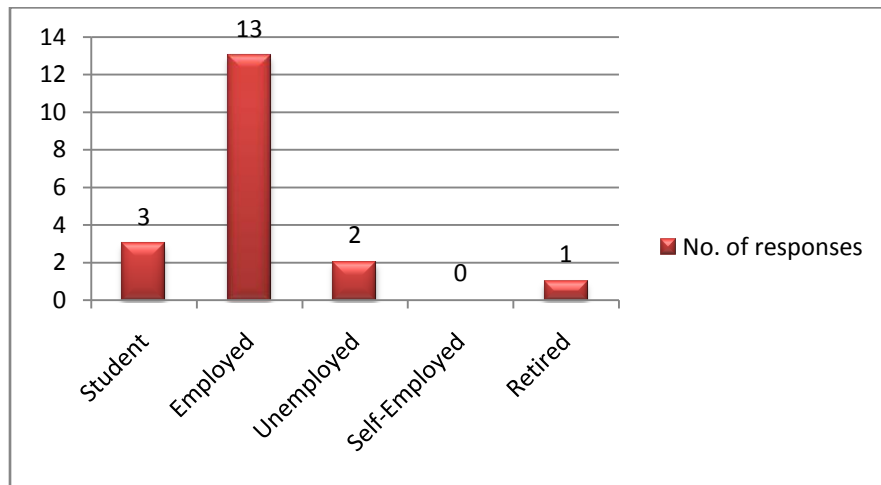
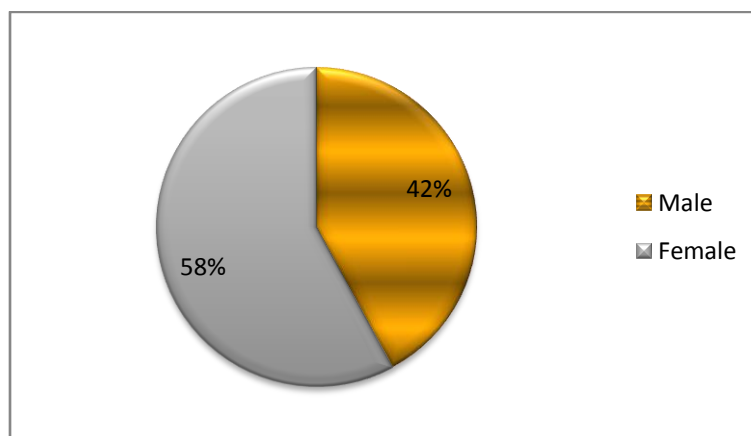


Figure 4.8 Work Status of respondents that answered the questionnaires



Finally, the results also identified that (58%) of the respondents that answered the questionnaires were found to be females whereas (42%) of the respondents that answered the questionnaires were males. Please find below Figure 4.13 which shows a graphical representation of the results obtained.

Figure 4.9 Gender Status of respondents



4.2 Measures adopted to enhance service quality at CDH

Interviews were conducted with the management and frontline staff of CDH Insurance Company Limited to determine the strategies put in place to meet customer's expectations regarding the of the level of quality of service being provided by the company.

The business development manager of CDH Insurance noted that, service quality was simply always trying to exceed the expectations of customers. He indicated that, some of the strategies that had been employed recently to help boost the image of the company as well as enhance the level of quality of service between frontline staff and customers was as a result of a new restructuring put in place to help streamline the operations of the company.

Work Group System - A workgroup system was established by management to help improve services to customers of the company. In that, now there are separate frontline staff that deal with the various categories of customers such as retail, individuals, corporate customers and brokers. Earlier, it was the sole responsibility of the marketing department in handling customers with some support from the underwriting department. The underwriting department is responsible for preparing the insurance policies for customers of the company. Management realized that it was better to separate the marketing department in order to effectively service customers better. The advantage of this system was to help frontline staff get to know the customers better as well as help frontline staff become multi-skilled in the execution of their duties.

Increased Staff Strength - Another strategy adopted by management was to increase the staff strength of the company. This was to help in meeting the growing demands of the company. Although it had increased administrative cost, it was the opinion of management that, if customers were served better, the net effect would be positive in that the customer base was likely to increase as well as the market share of the company. This strategy will go a long way to increase profitability and help build customer loyalty and retention in the long run.

Customer Service Desk - Management created a customer service help desk to address customer concerns. The company practiced an open door policy whereby problems that could not be resolved by frontline staff is quickly forwarded to senior management to be resolved immediately. This confirms some of the responses received from majority of the respondents that answered the questionnaire. Some of the respondents indicated that, compared to other insurance companies, the frontline staff responded to customer demands with urgency whereas others were also of the opinion that, the company deserved a lot of applause for the effort put into resolving customer complaints.

Text Messaging System - Another measure that was adopted by management was sending of text messages by frontline staff to customers to remind them of their policy renewals. This has helped customers gained more access to the service provider. This innovation by the company has helped in reaching out to customers very fast and vice versa.

Promptness of Claims Payment - The payment of claims in insurance is the most important aspect of every policy. Due to the lack of understanding of claims procedure by customers, the process sometimes delays. Therefore during the service encounters, customers are educated about the insurance policy and how the claims procedure works. Although claims payment had been improved, there was still the need for management to further enhance the payment structures currently available.

CDH Institute - Management has also established an in house training institution to help build the competence and skill levels of all staff members of the company. This has boosted the competence level of most of the frontline staff in dealing with customer complaints. Issues on claims payment, customer service, risk management, underwriting and other essential tools needed to assist frontline staff in executing their work are taught at the institute by experts within the insurance industry.

Although steps have been taken to meet the high expectations of customers of CDH Insurance Company, there were still some lapses identified during the interview session with management which was also acknowledged by frontline staff of the company.

- **Logistics Challenges** - It was identified that, logistics such as vehicles to go out for marketing rounds were inadequate therefore sometimes making it difficult to achieve the desired results expected of the frontline officers.

- ***Inadequate Office Space*** - There was also the mention of inadequate office space to accommodate the growing demands of customer base of the company.
- ***Inadequate Phone Units*** - The issue of inadequate phone units to aid frontline staff in effective communication with customers was also hindering progress of work. This needed to be addressed to prevent customers from having any negative perception about the service.
- ***Policy Document Wording is Technical*** - Due to the difficulties in understanding the policy document wording, it makes it a little difficult to settle claims promptly. This creates a lot of mistrust on the part of the customer hence the need for more education.

4.3 How customers perceive the corporate image of CDH

The perception about the company amongst its customers and within the insurance industry has improved greatly. It was identified that, as at the last performance review of insurance companies released in the first half of 2008, CDH had moved from being classified among “others” when rating insurance companies in Ghana after the first ten to the eighth position out of twenty four insurance companies. According to the company, this was achieved through the settlement of genuine claims promptly, services being carried to the door steps of customers and not waiting for customers to come to the premises of the company to effect insurance policies.

Also, the level of perception regarding the image of CDH was rated very high by customers of the company. Some customers were of the opinion that, CDH was one of the fastest growing companies in the country whereas others were of the

opinion that, the company is seen among its peers within the industry as a pace setter and one of the best in the country. It therefore goes to confirm the beginning proposition made that, companies that lay emphasis on enhancing service quality would end up creating a good corporate image for itself within the industry it operates. I am confident that, the research questions posed at the beginning of this study as well as this chapter has been answered to the uttermost satisfaction of the researcher.

The next chapter concludes the study and makes the necessary recommendations to CDH Insurance Company in order to build a good image in the eyes of their customers as well as work hard to continue with the initiatives undertaken within the company to enhance and boost the high level of service quality customers are demanding from every amount spent on the service received from frontline staff of CDH Insurance Company during the service encounter process.

CHAPTER V - CONCLUSION & RECOMMENDATIONS

5.1 CONCLUSION

The level of service quality exhibited by companies in the services sector of the economy has been identified as having a positive correlation to the image the company has in the eyes of its customers. The rate at which development is taking place in Ghana and other parts of the African continent calls for rapid development within the services industry. The competition keeps on increasing by the day with the level of customer sophistication increasing at a very fast rate. Companies that seek to gain customer loyalty and retention should develop strategies that will win the heart of customers.

There is great market within the Ghanaian insurance industry as indicated by the business development manager of CDH Insurance Company Limited and that, the only way to survive within the insurance industry is for companies such as CDH to understand the various needs of customers and adopt effective and efficient ways of meeting the customers' expectations during the service encounter. It can be said that, customers are satisfied when their needs are adhered to in the manner which they deserve. The best strategy for dealing with failures is to get it right the first time (Cranage, 2004).

However, the service system is not perfect and as human as we are, people are prone to make mistakes which can cause great damage to a company's reputation and image. Therefore, a lot of effort is needed to be placed on quality being provided to the customer in order to create the right impression in the mind of the customer. If a customer gets the right kind of service from a company, he/she will definitely have a good image about the company and end up recommending the

company to others due to the service encounter experience. But if the customer does not get the right kind of service requested from the company, then the impression created in the mind of the customer will go a long way to affect the company negatively because that customer will surely disassociate himself/herself from the company and also encourage other customers to also do same.

The only way for companies to build a strong corporate image is to have a strong and competent human resource base that is adequately resourced to provide the highest level of satisfaction to a customer. This will in the long run help to create a good image in the minds of customers who will end up becoming loyal to the company.

5.2 RECOMMENDATIONS

Although the perception the level of service quality of CDH Insurance company have been identified through the study as very relatively high, there is still the need for the company not to rest but rather work hard to address issues raised by the few unhappy customers of the company in order to increase customer retention and loyalty. The results of the study also suggest that, there is a positive image that is portrayed on the mind of the customer who is treated to the best and highest level of service quality during the service encounter. It is also important to make mention of the fact that, companies that have been able to achieve the highest standards of operations and gained a larger market share within the industry it operates has had to implement winning strategies to enable them beat the competition.

- The result of the case study conducted on CDH Insurance Company Limited still demands that, certain structures are needed to be put in place in order to help increase the market share of the company as well as well as the customer base. The company must ensure that logistics needed to help aid frontline staff in executing their duties effectively be provided to avoid delays in meeting customer demands. If this is adhered to, the company will continue to enjoy a high level of customer retention and loyalty as well as increase its market share and overall its profitability.
- Another recommendation that needs to be addressed by management of CDH Insurance Company Limited has to do with the expansions of facilities and the needed human resources to be able to meet the demands of the increasing customer base. This will give the customers the confidence and trust in the company which will translate into the company having a good image within the insurance industry as well as amongst the customers of the company.
- Also, employees of the company should constantly undergo training so as to keep themselves abreast with the new trends in the industry. Training seminars can be organized internally as it is already done through the CDH Institute but also external training of employees is also very important and should not be overlooked. This kind of training for the employees of the companies will help them build the needed capacity as well as learn from other professionals within the industry. This will in the long run go a long way to benefit CDH Insurance Company immensely.

- Finally, it was identified during the interview with management of CDH Insurance Company that, there had been a takeover of the company by NSIA Group with headquarters in Ivory Coast and operates in eleven countries on the African continent now own majority shares in the company. This indicates the growing confidence people have in the company. It has therefore become important to motivate the staff and employees of the company through salary increments, bonuses, and other benefits that will enable the staff strive very hard to achieve excellence for the company.

The experience gained in undertaking this study is one that would certainly enhance my intellectual curiosity in the years to come, and it is hoped that, other students, researchers, and industry experts that would have the opportunity to review this study would find it useful in their quest to understand how service quality greatly affects the overall image of the company.

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APPENDICES

APPENDIX A

QUESTIONNAIRE

In part fulfillment of my degree program at Ashesi University, I am undertaking a study to investigate customer's experiences with the service provided by CDH Insurance Company Limited. Responses will be used strictly for academic purposes only and will be completely anonymous. Thank you.

PLEASE RATE THE FOLLOWING ASPECTS OF YOUR SERVICE ENCOUNTER WITH YOUR SERVICE PROVIDER.

	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied (neutral)	Dissatisfied	Very Dissatisfied	Does not apply
(1) Customer Service	A	B	C	D	E	F
(2) Friendliness & Politeness of Staff	A	B	C	D	E	F
(3) Helpfulness of Staff	A	B	C	D	E	F
(4) Promptness and efficiency of staff in handling complaints	A	B	C	D	E	F
(5) Time period	A	B	C	D	E	F
(6) Reliability	A	B	C	D	E	F

(7) How do you perceive the quality of service being provided by the service provider?

(A) Excellent **(B)** Very Good **(C)** Good **(D)** Poor **(E)** Very Poor

(8) How satisfied are you with the overall quality of the service provided by the company?

(A) Very Satisfied **(B)** Satisfied **(C)** Neither Satisfied nor Dissatisfied

(D) Dissatisfied **(E)** Very Dissatisfied

(9) Would you recommend the service provider to other customers?

(A) Yes **(B)** No

(10) Apart from the service rendered at CDH, have you had any other encounter with another insurance company?

(A) Yes **(B)** No

If yes please answer the questions below:

(11) How satisfied were you with the service provided by the other insurance company as compared to the service provided by CDH?

(A) Very Satisfied **(B)** Satisfied **(C)** Neither Satisfied nor Dissatisfied

(D) Dissatisfied **(E)** Very Dissatisfied

(12) Why did you choose to use the services of CDH?

(13) Have you heard any comments about CDH from people you know? Yes No

If yes were the comments positive positive negative

What were they?

(14) Are you convinced that CDH is meeting your expectations as a customer? Yes No

(15) What are some of the things that you think CDH is doing which excites you?

(16) How do you perceive the reputation of CDH within the insurance industry?

(17) Would you be willing to continue patronizing the services of CDH in the future?

Yes No

(18) Would you be willing to recommend CDH to family and friends? Yes No

PLEASE ANSWER ALL QUESTIONS

Please tell us about yourself:

(15) SEX: **(A)** Male **(B)** Female

(16) AGE: **(A)** 18-25yrs **(B)** 26 - 35yrs **(C)** 36 - 45yrs **(D)** 46 - 59yrs **(E)** 60 and above

(17) WORK STATUS: **(A)** Student **(B)** Employed **(C)** Unemployed **(D)** Self Employed
(E) Retired

APPENDIX B

In part fulfillment of my degree program at Ashesi University, I am undertaking a study to investigate customer's experiences with the service provided by CDH Insurance Company Limited. Responses will be used strictly for academic purposes only and will be completely anonymous. Thank you.

Study Guide for Interview with CDHI Managers

- 1) How would you define service quality?
- 2) How would you describe the relationship between Management & Staff of CDHI?
- 3) How would you describe the relationship between CDHI frontline Staff & Customers?
- 4) What are some of the problems encountered by frontline staff during their service encounters with customers?
- 5) What are some of the mechanisms that management has put in place to help customers seek redress?
- 6) In your opinion, how would you rate the level of service quality provided by CDHI as compared to others insurance companies in the market.
- 7) How would you rate the perception of the quality of service being rendered to customers by the frontline staff of the company?
- 8) What are some of the challenges faced by the management in helping frontline staff achieve a high level of customer satisfaction?
- 9) What are some of the plans outline by management to help boost customer confidence and enhance the perception customers have about the company?
- 10) Overall, do you think the image of CDHI within the market is rated very high by customers or low?

Study Guide for Interview with CDHI Managers

- 11) How would you define service quality?
- 12) How would you describe the relationship between Management & Staff of CDHI?
- 13) How would you describe the relationship between CDHI frontline Staff & Customers?
- 14) What are some of the problems encountered by frontline staff during their service encounters with customers?
- 15) What are some of the mechanisms that management has put in place to help customers seek redress?
- 16) In your opinion, how would you rate the level of service quality provided by CDHI as compared to other insurance companies in the market.
- 17) How would you rate the perception of the quality of service being rendered to customers by the frontline staff of the company?
- 18) What are some of the challenges faced by the management in helping frontline staff achieve a high level of customer satisfaction?
- 19) What are some of the plans outlined by management to help boost customer confidence and enhance the perception customers have about the company?
- 20) Overall, do you think the image of CDHI within the market is rated very high by customers or low?

