THE RELATIONSHIP BETWEEN SERVICE QUALITY DIMENSIONS AND CUSTOMER SATISFACTION IN THE INSURANCE INDUSTRY IN KENYA

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DECLARATION

This thesis is my original work and has not been presented for conferment of a degree in any other University or for any other award.

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Declaration by the supervisors

We confirm that the work reported in this thesis report was carried out by the candidate under our supervision and has been submitted with our approval as university supervisors.

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DEDICATION

I dedicate this thesis to my loving children: Arthur Wanyoike and Natasha Wanjiru for their moral support, prayers and encouragement.

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LIST OF ABBREVIATIONS AND ACRONYMS

AKI	: Association of Kenya Insurers
ANOVA	: Analysis of Variance
AVE	: Average Variance Extracted
CFA	: Confirmatory Factor Analysis
CIC	: Co-operative Insurance Company
CI	: Confidence Interval
CR	: Critical Ratio
CS	: Customer Satisfaction
DV	: Dependent Variable
EDT	: Expectancy Disconfirmation Theory
EFA	: Exploratory Factor Analysis
GIMAR	: Global Insurance Market Report
IRA	: Insurance Regulatory Authority
IT	: Information Technology
IV	: Independent Variables
KES	: Kenya Shillings
KMO	: Kaiser –Meyer-Olkin
KNBS	: Kenya National Bureau of Statistics
KYC	: Know Your Customer
MIP	: Medical Insurance Provider
NACOSTI	: National Commission for Science, Technology and Innovation
OECD	: Organisation for Economic Cooperation and Development
PHD	: Doctor of Philosophy
PS	: Perceived Service
RESA	: Reliability, Empathy, Service Blue print and Assurance
SERVQUAL	: Service Quality
SPSS	: Statistical Package for the Social Sciences
SQ	: Service Quality
VIF	: Variance Inflation Factors

ABSTRACT

The Insurance industry is fundamental to the economic course of every nation, realizing sustainable growth and opulence. The industry's contribution to the Kenyan economy is through provision of fiscal security, mobilization of savings and investment inducement. The industry has entered into new businesses and has become a big investor in real estate, stocks and bonds and is determined to enhance its market share. This can only be achieved if the industry is able to maximize customer satisfaction and acquire new customers as well as retain the old ones. The service provider's perception of service quality is often quite different from the customer's perception and hence the need for a tool to measure service quality. Insurance companies must identify the service quality dimensions that drive their customers' perceived quality so that they can enhance them and improve customer satisfaction. The purpose of this study was to investigate the relationship between service quality dimensions and customer satisfaction in the insurance industry in Kenya. Specifically, the study sought to determine the relationship between service reliability and customer satisfaction in the insurance industry in Kenya, to examine the relationship between service empathy and customer satisfaction in the insurance industry in Kenya, to establish the relationship between service blue print and customer satisfaction in the insurance industry in Kenya and to find out the relationship that exists between service assurance and customer satisfaction in the insurance industry in Kenya. The study was anchored on the service quality (SERVQUAL) model which was founded on the expectancy disconfirmation theory, assimilation contrast theory, equity theory, script theory and the negativity theory. The study applied epistemology philosophy with a positivist paradigm. A descriptive research design was adopted with the study population comprising of policy holders from the 17 licensed composite insurance companies in Kenya. A sample size of 400 respondents was drawn using simple random sampling technique. Primary data was collected using a structured self-administered questionnaire. Data analysis was conducted using descriptive statistics where the mean and standard deviation were determined. Inferential statistics were done through multiple regression and the Pearson correlation coefficient analysis to measure the statistical relationship between the service quality dimensions (reliability, empathy, service blueprint and assurance) and customer satisfaction. Correlation results showed that there was a statistical positive significant relationship between customer satisfaction and service reliability (β =1.263, p-value= 0.0001: Empathy; β =1.244, p-value= 0.0001: Service Blue-print; β =1.519, p-value= 0.0001: Assurance; β =0.996, p-value= 0.0001) hence proposing the "RESA" model for the insurance industry in Kenya. The regression model confirmed that 76.4% of variation in customer satisfaction was due to the service quality dimensions. The conclusion made was that service reliability, service empathy, service blue print and service assurance dimensions have a significant relationship with customer satisfaction in the insurance industry in Kenya. The study recommended that insurance firms invest in enhancing the four service quality dimensions as a strategy of achieving maximum customer satisfaction. This study will benefit management of insurance firms, policy makers, academicians and insurance customers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

This chapter introduces the concepts of service quality and customer satisfaction. It lays out the current trends in the insurance industry globally, regionally and in Kenya. Further, the research problem is presented, research objectives are highlighted, the significance of the study is outlined and finally the scope and limitations of the study are reviewed.

The business environment today is characterized by very stiff competition, hence an organization's ability to deliver high quality services that result in satisfied customers becomes the key to a sustainable competitive advantage. Customers expect from businesses, simple and seamless services that meet their standards and expectations. In order for firms to remain marketable, they must devise ways to respond in a timely manner to all their customer needs (Foropon, Seiple & Kerbache, 2013). Melaku (2015) stated that service organizations have come to appreciate the importance of customer centred philosophies and are using service quality as a differentiator and path to success. Service quality is an antecedent of customer satisfaction, therefore the first step in satisfying customers is to determine the customer service level through service quality assessment. Chandra (2015) posited that service quality helps organizations to monitor position among their competitors.

The interest in measurement of service quality stems from its relationship with quality and costs, profitability, customer satisfaction as well as retention (Shekarchizadeh, Rasli & Hon-Tot, 2011). The service provider's perception of service quality is often

quite different from the customer's perception and hence the need for a tool to measure service quality (Albonaeimi & Hatami, 2015). Service quality models facilitate organizations to determine the level of their customers' satisfaction as well as the service quality dimensions that customers consider important and this makes it possible for them to distribute resources effectively towards maximizing customer satisfaction. Razali et al. (2017) posited that service quality has a direct positive impact on customer satisfaction, hence organizations must strive to enhance service quality and encourage their customers to give feedback on the satisfaction they get after consuming a product or service because their feedback will give the organizations some insight on how to improve their service delivery and hence maximize customer satisfaction.

Gachau (2016) showed that satisfied customers have now become an important ingredient for competitiveness and survival of a business. Customer satisfaction is closely related to future buying behaviour and patronage, making it a predictor of customer loyalty and retention, therefore, it is very important to organizations. A satisfied customer tells five or six people about their experiences but a dissatisfied customer will tell ten people about their bad experiences (Ronald, 2010).

Jana and Chandra (2016) observed a strong connection between satisfaction and profitability, further implying that customer satisfaction measurement should include an understanding of that gap between customer expectations and performance perceptions. Toili (2017) explored the perceived service quality and customer satisfaction of supermarkets in Nairobi County and established that there is a very high correlation between service quality and customer satisfaction.

Zeithaml and Bitner (2013) noted that customer satisfaction is the level of service quality performance that meets user's expectation and that customer satisfaction increases customer loyalty, influences repurchase intentions and leads to positive word-of-mouth therefore, given the vital role of customer satisfaction, a variety of research has been devoted to investigating the determinants of satisfaction.

The most common conceptualization of the customer satisfaction concept is the expectancy disconfirmation theory (Rust & Huang, 2012). This theory describes satisfaction as the difference between expected and perceived performance. In contrast, a performance that is worse than expected results causes dissatisfaction also known as negative disconfirmation. Businesses must acknowledge the fact that customer satisfaction is a phenomenon that requires evaluation and continuous improvement (Kobylanski & Pawlowska, 2012). Customers expect from businesses, dynamic and seamless service delivery processes that are simple and meet standards and expectations (Foropon et al., 2013). Angelova and Zekiri (2011) confirmed that customer satisfaction leads to customer loyalty, customer retention, customer recommendation, and enhanced financial sustainability and there is a very strong connection between customer satisfaction and profitability and hence the need to understand and seal the gap between customer expectations and performance perception.

The Insurance industry is a service industry and like any other service industry, it is characterized by intangibility and inconsistency of services and hence the continuing demand to uphold the same level of service every time a service has been rendered (Razali et al., 2017). The insurance industry in Kenya has entered into new businesses and has become a big investor in real estate, stocks and bonds and is determined to

enhance its market share (Insurance Regulatory Authority [IRA], 2016). This can only be achieved if the industry is able to get new customers as well as retain the old ones. Only those insurance companies that believe in delivering the highest quality and value to the customer can survive and sustain their growth and profitability. Most insurance companies in Kenya offer homogenous products, hence differentiation lies in the quality of service (Shanka, 2013). Service quality is essential because it provides high levels of customer satisfaction and hence becomes a key competitive advantage. Financial service providers, including insurance organizations must therefore find innovative ways to deliver quality service that will satisfy customers consistently (Mulki & Jaramillo, 2011). The customer satisfaction phenomenon requires continuous evaluation and improvement (Kobylanski & Pawlowska, 2012). Insurance companies should therefore identify and improve the service quality dimensions that drive their customers' perceived quality leading to satisfaction (Lukmaan & Gertrude, 2013).

Parasuraman, Berry and Zeithaml (1985) identified ten dimensions of service quality: responsiveness (staff ability and willing to provide services), reliability (performance, stability and reliability), competence (acquisition of knowledge and required skills), accessibility (easy and accessible contact), courtesy (respect, consideration, politeness and friendly staff), communication (listen to customers, speak a language they can understand), trust (be honest, put customer interests first, trustworthiness), security (ensure customers feel safe and free from danger, risk and doubt), tangible physical evidence and understanding your customer. The study observed a high correlation among some indicators and reduced them to five which include tangible, empathy, assurance, reliability and responsiveness (Parasuraman, Berry & Zeithaml, 1988). The SERVQUAL model is considered the strongest and widely used model to assess service

quality (Kang & James, 2004; Kay & Pawitra, 2001). However, its completeness, operationalization and conceptualisation have been questioned by various scholars (Sureshchandar, Rajendran & Anatharaman, 2002). A study by Navarro, Iglesias and Torres (2005) revealed that different researchers have provided varying descriptions of service quality dimensions and hence the service quality (SERVQUAL) model is not universal. Senthilkumar and Arulraj (2010) sought to determine the service quality measurement of higher education in India and found that the determinants of service quality vary from one institution to another hence concluded that researchers need to investigate the service quality dimensions that influence customer satisfaction in specific service industries.

Macharia (2014) determined that service reliability accounted for 36.7% of customer satisfaction variation in retail banking sector in Kenya, service assurance accounted for 10% and empathy, tangibility and responsiveness combined accounted for 53.3%. Owino (2013) discovered that 62.4% of customer satisfaction among university students in Kenya can be attributed to the service quality dimensions (reliability 34%, service blue print 22.7%, responsiveness 19.3% and tangibles 7.8%). Odhiambo (2015) found that 55.6% of variation in customer satisfaction in the banking industry in Kenya was attributed to service reliability and 28.8% to service empathy. Ayieko (2015) established that service empathy contributed to 51%, reliability 49% and assurance 26% of variation in customer satisfaction in the Kenyan airline industry. Omollo (2016) established that 98.8% of customer satisfaction variance was attributed to the service quality dimensions in Kenya's aviation industry while Obiero (2018) determined that 89% of customer satisfaction variance was attributed to the service quality dimensions where service reliability was responsible for 24.9%, service assurance 21.6%, service

empathy 24.4%, tangibles and responsiveness were responsible for 21.9% of variation of customer satisfaction in the hotel industry in Kenya.

The dimensions of service quality have the potential to positively impact overall service quality within the insurance companies. Studies have determined that different service quality dimensions influence customer satisfaction in different service industries, hence the need to conduct studies to establish the service dimensions that influence customer satisfaction in specific industries. Prioritized distribution of resources to the dimensions is necessary if customer satisfaction is to be achieved. This study will determine the relationship between the individual service quality dimensions and uncover the service dimensions that insurance customers consider important and thus provide a guide on how to prioritize resources to the service quality dimension in order to eventually achieve customer satisfaction.

1.1.1 Global Perspective of the Insurance Industry

The aftermath of the global financial crisis that happened in the year 2007 has continued to affect the insurance industry which operates in an economic environment that is characterised by low economic growth, high debt levels, declining and in some economies even negative interest rates, falling commodity prices and depressed inflation rates (IRA, 2016). The global insurance industry experienced a recovery in profitability in the year 2013 in both life and non-life insurance but its growth relative to the GDP has continued to shrink (Global Insurance Market Report [GIMAR], 2016). Regulators have focused on three key issues to try and achieve growth; developing robust technology, adopting a comprehensive risk-based capital framework and treating customers fairly.

A global insurance industry outlook by Deloitte Centre for Financial services (2018) found that meeting changing customer expectations is a challenge across insurance industries. 89% of insurance companies recognize that the policy holder or existing customer is the most important stakeholder, however, they are too focused on the achievement of specific outputs like cost cutting rather than outcomes like how to strengthen their customer care frameworks. 80% are not confident that their customer care is the best in the industry and only 13% rate their customer care to be of the highest quality. Five in ten organizations surveyed are highly concerned with customer loyalty and retention, yet only one in ten are interested in understanding their customers. Only 69% said that their associates are trained regularly on customer care and reputational risk. Almost half of the health insurance buyers (48%) are not satisfied with the features and benefits of their policies. Similarly, when it comes to claim settlement experience, 70% of the policy holders expressed their dissatisfaction with the claims process and felt that Insurers need to improve the way they interact and communicate with policy holders (Organisation for Economic Cooperation and Development [OECD], 2018). This issue of the claims process is covered by one of the indicators of service blueprint dimension of service quality hence, if the insurance companies enhance this dimension, they will be able to solve this problem.

Studies conducted in insurance industries around the globe confirm the above surveys by uncovering service quality gaps that require attention by service providers. Anantha, Arokiasamy and Huam (2014) assessed the relationship between service quality and customer satisfaction in the Malaysian automotive insurance sector and established a service quality gap in all the service quality dimensions of reliability, assurance, tangibility, empathy and responsiveness. The study recommended that insurance

companies should regularly measure the customer expectations which keep changing and that they should handle complaints effectively and in a timely manner. Devi and Prabhakar (2018) assessed the service quality gaps in the life insurance sector in India and established that service empathy had the biggest service quality gap hence recommending that insurance managers in the Indian life insurance sector should provide customer care training to their agents and employees so that they can be empathic during service delivery. The study further advised that insurance managers must exercise caution when recruiting and selecting employees and agents so that they can bring on board professional and courteous agents as well as employees who will be able to uphold the service empathy dimension and greatly improve customer satisfaction.

Irulappan and Bincy (2014) conducted a study of service quality in the insurance industry with special reference to life insurance companies in Madurai district. The study determined that although reforms have brought significant changes in the life insurance industry during the recent decades, it has been seen that there is still widespread customer dissatisfaction in the insurance industry. The main reason has been found to be the insurance providers' failure to satisfy customer needs and mis-selling of products by agents in the market, hence widening the gap between service expectations and perceived performance. Keong, Xiang, Yee, Hsien and Pei (2014) carried out a study of the determinants of customer satisfaction in conventional insurance services in Malaysia and found that there exist huge gaps in service delivery in the insurance industry in Malaysia. The study found that customers did not feel the need to forward their complaints to the service provider because no one would bother to handle or solve the complaints. Further, agents and employees did not give customers

any updates regarding policy issues or any other relevant matters and customers had no open channels of communication. This is a clear indication that the service assurance dimension is not practiced because one of its manifest variables requires staff to respond to customer queries quickly.

Qudah, Beshtawi, Tarawneh, Mohammad and Laimon (2013) studied the impact of service quality and customer satisfaction of Insurance companies in Jordan. The study found service quality gaps in the empathy and reliability dimensions and recommended that insurance managers should pay attention to complaints made by customers and form specialized committees to respond to these complaints. The study further proposed product knowledge training for the employees and agents so that they can provide quick and error free services. The study uncovered that the Jordanian insurance companies advertise offers that do not match the actual offerings and this creates a gap between customer expectations and the performance leading to dissatisfaction and also puts the reputation and image of the insurance companies at risk. Service providers must ensure that they offer whatever they have promised the customer otherwise short of that will lead to lack of trust by both the prospective customers and existing customers.

Samarasinghe et al., (2018), in their study of the impact of service quality on customer satisfaction with reference to life insurance services in Sri-Lanka unearthed a gap in the service assurance dimension especially regarding employee behaviour and communication style, a situation that leads to customer dissatisfaction and could also tarnish the reputation of the insurance industry. The study recommended that the assurance dimension be enhance to help solve this problem of staff unprofessional

behaviour which results in customers losing trust in their insurer and they are no longer confident their investment is safe with their insurance company.

The above literature confirms that there exists huge service quality gaps that have led to low levels of customer satisfaction in the global insurance industry and that the service quality dimensions of reliability, empathy, assurance and service blueprint are not practiced. There is therefore need to study the relationship between service quality dimensions and customer and determine the service quality dimensions that customers of the insurance industry consider important so that they can be enhanced and improve customer satisfaction in the insurance industry in Kenya.

1.1.2 Regional Perspective of the Insurance Industry

A study by AIB Capital Research Centre [AIB] (2018) observed that one of the key challenges facing the insurance industry in Africa is how to satisfy their customers because customer expectations have changed and they expect businesses to tailor their services based on knowledge gained from interactions with the consumer. Deloitte Centre for Financial Services (2018) noted that the insurance industry in Africa is affected by persistent poor public image which has caused distrust among potential and existing customers. There is over-reliance on intermediaries who sometimes shift their negative image to the insurance companies they represent and to the industry as a whole. Standards of service delivery among many insurance companies are still low and the focus on the customer has not yet been embraced fully in the industry.

Akalu (2015) conducted a study of the effect of service quality on customer satisfaction in selected insurance companies in Addis Ababa and confirmed a huge gap in all the service quality dimensions. All the dimensions of service quality (Service reliability,

assurance, tangibles, empathy and responsiveness) were found to be inadequate leading to customer dissatisfaction. The staff were not courteous, there were delays in claims processing and the insurance agents had a tendency to make promises they could not deliver to the customers and this was the genesis of low levels of customer satisfaction. Carelse (2017) investigated the impact of service quality on customer satisfaction in the life insurance sector in South Africa and established that service quality explained 84% of the variance in customer satisfaction. This is an indication that gaps in service quality would be very detrimental to the industry because customer dissatisfaction would be inevitable. The study found that there were gaps in all the service quality dimensions of reliability, empathy, tangibles, responsiveness and assurance in the life insurance industry in South Africa.

Hossain and Farokhian (2013) studied the factors influencing customer satisfaction with the success factors identified in the insurance industry in Iran. The study established gaps in some of the dimensions of service quality for example customers want the service providers to offer service in a timely manner and to have the customers' bets interest at heart so that they can foster trust between the customers and the insurance providers. Customers will be satisfied with services from trustworthy service providers. Oparah, Udu, Ifeanyichukwu, Aghara and Ndubisi (2018) conducted a study entitled Service Quality: An Empirical Study of Expectations versus Perception of National Health Insurance Scheme Enrolees in Federal Universities in South East, Nigeria and identified a gap between expectation and perception and hence concluded that consumers perceived inferior quality of service from Healthcare Providers, who are the gate keepers of national health insurance service. The above literature shows that there are service quality dimensions gaps in the service industries across Africa and

studies need to be conducted to determine the right tool that can be used to evaluate service quality and improve customer satisfaction.

1.1.3 Insurance Industry in Kenya

The insurance industry in Kenya is governed by the Insurance Act which was amended in 2006 to create the Insurance Regulatory Authority which develops, regulates and supervises the industry (Laws of Kenya, 2014). The insurance industry in Kenya is very competitive with numerous players all competing with each other for a share of the market. There were 52 operating insurance companies that were registered and licensed by the insurance regulator, 17 of those companies wrote both life and non-life insurance business and are known as composite insurance companies. There were 221 licensed insurance brokers, 31 medical insurance providers (MIP) and 9348 insurance agents. Kenya has is the largest insurance market in East Africa (IRA, 2016).

The insurance industry in Kenya plays a vital role in promoting the growth of the nation's economy. The total gross premiums from insurance companies in the year 2018 amounted to Kes: 164.3 billion while those of re-insurance business totalled to Kes: 148.9 billion (Insurance Regulatory Authority [IRA], 2018). This money has a trickle-down effect that is obviously felt in every corner of the economy. However, Kenya's insurance industry continues to experience marginal growth of 2.5% in real terms compared to the global real term growth of 4%. Penetration rate is also very low at 2.3% compared to some African countries like South Africa which has 7.6% penetration rate. The long term insurance business growth declined from 16.9% in 2017 to 3.9% in 2018. The general insurance business also experienced a marginal growth of 2.8% in the year 2018 compared to 12.1% in 2017. Underwriting results declined to record a loss of Kes: 2.8 billion in the same period while re-insurers business volume

declined by 4.4% to 13.67 billion compared to 14.3 billion in the same period (Insurance Regulatory Authority [IRA], 2017). This poor performance has been attributed to poor service quality that has led to low levels of customer satisfaction.

The Association of Kenya Insurers [AKI] (2018) revealed that most prospective and existing customers lack information on existing insurance covers, type of insurable risks and the claims lodging processes. Sales people fail to provide the necessary information to the customers. It is very important for Insurance companies to establish customer needs through market research before designing a product and should also adopt continuous research and development in order to remain relevant to the consumer. This was consistent with findings by Kanyingi (2016) who conducted a study of the factors affecting uptake of insurance products among millennial in Kenya and confirmed that customers do not have full access to information and services. The study established a direct relationship between customer satisfaction and the possibility to buy and deduced that millennial will buy a product if their friends and other users say good things about it especially on social media and the internet. The study further recommended that insurance companies in Kenya should develop a 360-degree view of the customer, where they understand the customers' needs and that they should ensure customers have full access to information and services and this is under the service dimension of assurance. The service quality dimensions provide a good guide to service providers on how to serve their customers.

Gachau (2016) explored customer satisfaction and insurance service delivery quality in Kenya and established that insurance customers derive full satisfaction from good treatment, prompt and accurate service from employees and agents which makes them

buy more products from the same insurer and also recommend the insurance company to family and friends. The study further stated that customers value insurer flexibility and speed which are both indicators of the reliability dimension of service quality of timeliness in service delivery. A study by Klynveld, Peat, Marwick, Goerdeler [KPMG] (2016) revealed that, more than 80 percent of insurance firms in East Africa have no confidence in their customer service delivery with 10 percent believing that their customer care is below average. The survey report further disclosed that, 49 percent of insurance firms consider customer satisfaction as their biggest challenge. IRA (2018) also disclosed that there was an increase in complaints against insurers from 2,126 in 2017 to 2,233 complaints in 2018. 1,416 of these complaints were resolved but 817 of the complaints still remain unresolved.

Makau (2013) investigated the factors that affect growth of life insurance business in Kenya and found huge service quality gaps that lead to low levels of customer satisfaction. The findings revealed that one of the factors included lack of professionalism amongst employees and agents which has contributed to unethical behaviour in their dealings with life insurance customers. The study further revealed that 80% of the sales staff were inexperienced and had no prior training on how to deliver professional services to the customers. The study recommended that the management of the insurance companies should do more in ensuring that high standards of ethics by the company and by staff are maintained because this contributes to enhanced customer satisfaction and ultimately translate to growth of the life insurance sector. This is an indication that all the three service quality dimensions of reliability, assurance and empathy are not practiced because unprofessional services translate to

lack of dependability in service delivery, staff not instilling confidence in the customer and not having the customers' best interest at heart.

Musembi (2017) explored service quality and customer loyalty in the insurance industry in Kenya and uncovered service gaps. The study established that the insurance industry had achieved the implementation of service quality dimensions to a moderate level and therefore there was need to do more. The study recommended that the insurance industry should focus on customer gratification so that they can foster loyalty. The study further deduced that service quality creates a ripple effect on satisfaction, hence the need to enhance all the dimensions of service quality in order to improve customer satisfaction and achieve customer loyalty. Customer satisfaction results to life insurance growth and sustainability (Patil, 2012; Sahoo & Swain, 2012; Smith, 2014) but business managers in the insurance industry in Kenya lack customer satisfaction strategies that can improve the performance of business (Nyaguthii, 2013). There is therefore a need to determine the service quality dimensions that can be used to measure service quality and improve customer satisfaction in the insurance industry in Kenya.

1.2 Statement of the Problem

Insurance companies are under a lot of pressure to offer quality service due to the increased competition in the industry. The service provider's perception of service quality is often quite different from the customer's perception and hence the need for a tool to measure service quality (Albonaeimi & Hatami, 2015). Insurance companies must therefore identify and improve the service quality dimensions that drive their customers' perceived quality leading to satisfaction (Lukmaan & Gertrude, 2013). This study sought to determine the service quality dimensions that insurance customers consider important.

Service quality gaps exist in the insurance industry leading to low levels of customer satisfaction. Anantha et al. (2014) confirmed a gap between customer satisfaction and all the service quality dimensions of reliability, assurance, tangibles, empathy and responsiveness in the insurance companies of Addis Ababa and Malaysia. Devi and Prabhakar (2018) found that empathy had the biggest gap in the life insurance sector in India. Qudah et al. (2013) found service quality gaps in the empathy and reliability dimensions in the Insurance companies in Jordan. Samarasinghe et al. (2018) unearthed a gap in the assurance dimension in Sri-Lanka insurance industry.

Borah (2013) identified service reliability as the most significant predictor of customer satisfaction in the insurance industry in India and Malaysia. Beyene (2019) found service empathy to be the most significant predictor of customer satisfaction in the insurance industry in Ethiopia. Responsiveness was found not to influence customer satisfaction in the insurance industry (Borah, 2013). Tangibility was also found to be insignificant in the insurance industry (Sivesan, 2019). Kanyingi (2016) deduced that insurance customers in Kenya value empathy and reliability dimensions most. Makau (2013) revealed that insurance customers valued the assurance dimension. Norazah and Norbaya (2013) also identified service assurance as the most significant in in the insurance industry in Malaysia.

The above literature shows that reliability, assurance and empathy are the significant dimensions that insurance companies should monitor and enhance. Kiverstein (2015) established a close connection between empathy and responsiveness. This was consistent with studies by Winczewski and Bowen (2016) who established that

empathy leads to responsiveness and one who has no empathy cannot be responsive, hence this study merged them into one dimension of empathy. Andreou (2017) deduced that today's fierce competitive environment requires organizations to device innovative ways of service delivery and service blue printing provides a guide to that new way of service delivery.

Peace and Onuoha (2017) inferred that every service organization should use service blue prints to evaluate their service quality because they help to improve other tools of service delivery. This study adopted the significant service dimensions of reliability, assurance and empathy and then introduced service blue print as a new service quality dimension to propose the "RESA" model as a new tool to measure service quality in the insurance industry in Kenya. None of the studies have used service blue print as a service quality dimension in the insurance industry in Kenya.

1.3 General Objective of the Study

The general objective of this study was to investigate the relationship between service quality dimensions and customer satisfaction in the insurance industry in Kenya.

1.4 Specific Objectives of the Study

This study was guided by the following specific objectives:

1) To determine the relationship between service reliability and customer satisfaction in the insurance industry in Kenya.
2) To examine the relationship between service empathy and customer satisfaction in the insurance industry in Kenya.
3) To establish the relationship between service blue print and customer satisfaction in the insurance industry in Kenya.

4) To find out the relationship that exists between service assurance and customer satisfaction in the insurance industry in Kenya.

1.5 Research Hypotheses

H_{01}: Service reliability does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

H_{02}: Service empathy does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

H_{03}: Service blue print does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

H_{04}: Service assurance does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

1.6 Significance of the Study

This study will be important to the management of insurance companies, policy makers and other stakeholders such as investors, shareholders, employees and consumer associations.

To the management of the insurance industry, the proposed RESA model will provide a service quality measurement tool that will become a reliable scientific measure for describing and evaluating the level of satisfaction with services delivered. The results of the study also uncovered dimensions of service quality that insurance customers consider important. Service reliability was found to have the strongest relationship with customer satisfaction, followed by service assurance, service empathy and finally service blue print. Managers will use this information as a guide to effective allocation of resources.

To policy makers such as the Insurance Regulatory Authority, the study findings provide an insight and a reliable guide to monitoring the operations of the insurance industry for instance treating customers fairly and upholding professionalism and ethical behaviour in the service delivery process.

To other stakeholders such as investors, shareholders, employees and consumer associations, the study provides information that will enable them to offer suggestions with regard to improvement of service delivery in their respective insurance companies in Kenya. The study is also important to scholars and researchers who may use the results as a basis for further research in the area of service quality and customer satisfaction.

1.7 Scope of the Study and Justification

This study was conducted to investigate the relationship between service quality dimensions and customer satisfaction in the insurance industry in Kenya. The study was limited to service quality and customer satisfaction which were the constructs of the study. The study was conducted among 17 licensed composite insurance companies in Kenya because they offered both life and non-life policies to ensure that all insurance customers were included in the study.

The study concentrated on branches located in Nairobi County. Nairobi County was selected because it is the country's most populous county with a population of 4,397,073. A population of 2,606,477 comprises of young adults and middle aged people that are either employed or operating businesses (Kenya National Bureau of Statistics [KNBS], 2019. They own cars, houses and businesses they would want to protect with insurance covers. This is also the age group that buys education policies,

life insurance as well as planning for their retirement. Nairobi County contributes more than 80% of all insurance business in Kenya (IRA, 2018). The study was limited to customer satisfaction and service quality dimensions of reliability, empathy, service blue print and assurance which are the main constructs of the study.

1.8 Limitations of the Study

This study was conducted in Nairobi, hence some of the findings might be more appropriate only in the Kenyan context. This means that it may not be appropriate to make the claim that findings are applicable to the entire global insurance industry. The present study relied largely on data which was restrictive. Therefore, the data had to be quantified through organising, coding, presentation and interpretation.

1.9 Definition of Key Terms

For the purpose of this study the following operational terms were considered:

1.9.1 Assurance

Rauch, Collins, Nale and Barr (2015) defined service assurance as the features that provide confidence to customers such as the firm's specific service knowledge, polite and trustworthy behaviour of employees

1.9.2 Customer Satisfaction

Johan, Noor, Bahar, Yan and Ping (2014) defined customer satisfaction as the difference between what customers actually expect to get and the actual service performance exceeding such expectations.

1.9.3 Empathy

Empathy is the service firm's readiness and ability to provide each customer with personal service (Kubra & Orkun, 2017)

1.9.4 Reliability

Reliability refers to the service provider's ability to provide accurate and dependable services (Kubra & Orkun, 2017)

1.9.5 Service Blue Print

Hummel and Murphy (2011) defined service blue print as the process of creating the delivering service standard that shows the personnel and equipment required.

1.9.6 Service Quality

Service quality refers to a function of the difference between the service expected and the customer's perceptions of the actual service delivered (Yildiz & Kurtuldu, 2015).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter begins with an empirical review of past literature done on related studies which was guided by the objectives of the study. This is followed by a theoretical review where theories relevant to the study are discussed. The proposed conceptual framework is then presented to summarize the relationship between the study variables. The chapter ends with a summary of the research gaps to be pursued.

2.2 Empirical Literature Review

This section presents the empirical literature review covering the concepts of service reliability, service empathy, service blue print and service assurance dimensions and customer satisfaction as recognized in the study.

2.2.1 Service Reliability and Customer Satisfaction

Reliability refers to the service provider's ability to provide accurate and dependable services (Kubra & Orkun, 2017). Service reliability is one of the five dimensions of the SERVQUAL model and is also considered one of the most dominant service quality dimensions in the insurance industry (Paposa, Ukinkar & Kamalpreet, 2019).

Prabha, Soolakshna and Perunjodi (2010) analysed the five dimensions of reliability, assurance, tangibles, empathy and responsiveness and established that reliability had a very significant relationship with customer satisfaction in the public service in Mauritius. The study recommended that insurance service providers should enhance the reliability dimension by offering dependable services that customers can count on. Prabha (2012) conducted a study of the perceived service quality in restaurant services in Mauritius and customized the SERVQUAL model by analysing six dimensions of

food quality, responsiveness, assurance, empathy, tangibles and reliability. All the service dimensions were found to significantly influence customer satisfaction but reliability dimension was found to be the strongest determinant of service quality in restaurant services in Mauritius. The study further deduced that improving reliability helps an organization to build a good reputation for the restaurant leading to increased sales and revenue. Summit, Deepak and Thakur (2013) assessed service quality in Indian call centres using the dimensions of reliability, assurance, tangibles, empathy and responsiveness and established that reliability strongly influenced customer satisfaction in the Indian call centres. The study recommended that the employees should be careful to ensure they get it right the first time when dealing with customers and avoid errors in service delivery. Munusamy (2010) explored service quality delivery and its impact on customers of the banking sector in Malaysia and examined the SERVQUAL dimensions but found reliability dimension to have no significant influence on customer satisfaction in the banking sector in Malaysia.

Al-Azzam (2015) assessed the impact of service quality dimensions on customer satisfaction of a bank in Jordan and dropped the service assurance dimension of SERVQUAL replacing it with service security. The five dimensions of reliability, empathy, tangibles, responsiveness and security were confirmed to be antecedents of customer satisfaction in the Arabian banks of Jordan. Hamed, Kamarudin and Kamaruzziman (2015) assessed the influence of reliability of service quality on customer satisfaction of Libyan E-Commerce customers and concluded that there is a strong relationship between reliability and customer satisfaction. Reliability represented the website's ability to fulfil orders correctly, deliver goods and services promptly as well as secure personal and confidential information. Khatib and Zia (2016)

studied the impact of service quality on customer satisfaction of telecommunications customers in Saudi Arabia. The study customised the SERVQUAL model by dropping service assurance and introducing two dimensions of network efficiency and safety to have a total of six dimensions (network efficiency, safety, reliability, tangibility, empathy and responsiveness) for the telecom mobile sector in Saudi Arabia. Reliability dimension was found to be a very strong determinant of customer satisfaction but empathy and responsiveness were found to have no significant impact on customer satisfaction in the telecom mobile sector in Saudi Arabia. Amani (2017) studied service quality in the higher education in Tanzania and similarly concluded that the reliability dimension is the most important dimension of service quality. This meant that student perception of service quality would increase greatly if reliability dimension was improved. The ability to provide accurate and dependable service would improve students' perception of service quality and increase satisfaction, hence the study recommended that the higher education in Tanzania should come up with strategies to strengthen the reliability dimension.

Studies were also carried out in different service sectors in Kenya to determine the relationship between reliability and customer satisfaction. Omonge (2013) customized the SERVQUAL model for the telephony industry in Kenya and examined technical quality and Image as new dimensions alongside reliability, empathy, assurance, responsiveness and tangibles. All the seven dimensions were found to significantly influence customer satisfaction but reliability emerged the most dominant dimension in the telephony industry in Kenya. The study used a descriptive correlational research design while multi-stage and simple random sampling were used to select a sample size of 134 telephony subscribers. Owino (2013) carried out a study of the influence of

service quality and corporate image on customer satisfaction among university students in Kenya. The study included students in both private and public universities in Kenya and found that human element reliability was ranked the most critical dimension of service quality. The study recommended that since service reliability was found to be the most dominant service quality dimension in the higher education sector, the university management must devise strategies to enhance all its indicators. The study regrouped the service quality dimensions and added a new dimension of service blue print and core service, however core service was found not to have a significant influence on customer satisfaction, hence it was dropped. The study adopted a descriptive cross-sectional design and stratified random sampling was used to get a sample size of 750.

Bosire (2018) conducted a study of service quality and customer experience for mobile service providers in Nairobi Kenya. The study applied a descriptive design to analyse the service quality dimensions of reliability, assurance, tangibles, empathy and responsiveness and established that reliability had a significant influence on customer satisfaction of mobile service providers in Nairobi. The study used systematic random sampling to select a sample of 385 respondents. The study recommended that there was need to boost the reliability dimension by improving on service consistency and ensuring that the service is available to the customers if and when required.

Okoth (2019) assessed the relationship between service quality dimensions and customer satisfaction in bakeries in Nairobi and established a significant positive relationship with all the service dimensions. A descriptive cross-sectional research design was employed while convenient and simple random sampling technique was

utilized to select 92 respondents. Riitho (2018) studied the influence of service quality on customer satisfaction: a study of container shipping lines in Kenya from a freight forwarder perspective. The SERVQUAL model was customized by dropping three dimensions of assurance, tangibles and empathy and replacing them with new dimensions of speed, and value to have a total of four dimensions (reliability, speed, responsiveness and value) for the container shipping lines in Kenya. Descriptive correlational research design was applied and a sample size of 402 mobile subscribers was selected using multi-stage sampling.

Watiki (2014) conducted a study of service quality and customer satisfaction in hotels in Nairobi. A descriptive research design was employed and simple random sampling technique was used to select 358 respondents. The study findings indicated that service reliability dimension had the strongest correlation with customer satisfaction followed by the empathy dimension. The study found that service quality was responsible 74.2% of variation in customer satisfaction and recommended that the hotel managers should put resources into enhancing all the service quality dimensions but prioritize them where service reliability was to get the big share of the resources.

Wambugu (2018) studied the effect of service quality dimensions on customer satisfaction among government Huduma Centres in Rift Valley, Kenya. The study employed a descriptive research design and simple random sampling technique to select respondents from a target population of 7155 customers. The study customized the SRVQUAL model where service reliability was analysed alongside the dimensions of service efficiency, service accessibility and customer responsiveness. All the dimensions were found to play a significant role in determining customer satisfaction

in Huduma centres. The study recommended that the government should continue coming up with policy measures that will improve the quality of services provided at Huduma centres. Further the researcher recommended that the staff of Huduma centres should be trained on issues to do with proper handling of customers as this will improve the level of customer satisfaction.

The above literature reveals that some studies customized the SERVQUAL model for some service sectors by either adding new service dimensions or switching them. The service assurance dimension was dropped in the study of Jordan banks and replaced with the dimension of security. Assurance was dropped and two new dimensions of network efficiency and safety to have a total of six dimensions (network efficiency, safety, reliability, tangibility, empathy and responsiveness) for the telecom mobile sector in Saudi Arabia. The dimensions of technical quality and Image were introduced as two new dimensions of service quality in the telephony industry in Kenya. The dimensions of service blue print and core service were introduced as new dimensions of service quality in the higher education sector in Kenya, however core service was found to have no significant influence on service quality in the insurance industry in Kenya. Dimensions of assurance, tangibles and empathy were dropped and replaced with two new dimensions of speed, and value to have a total of four dimensions (reliability, speed, responsiveness and value) for the container shipping lines in Kenya. These studies however, failed to customize the SERVQUAL dimensions for the insurance industry in Kenya. This study sought to fill this gap by introducing service blue print as a new dimension to measure service quality in the insurance industry in Kenya.

2.2.2 Service Empathy and Customer Satisfaction

Empathy is a person's capability to sense another person's thoughts, feelings, and experiences, to be able share another person's emotional circumstance, and to respond to the observed experiences of another person. Empathy is categorized into cognitive perspective and emotional viewpoint. Cognitive perspective involves an employee's potential to take the views of the customer by understanding their thoughts, their mind and their intentions. The emotional viewpoint refers to an employee's ability to engage in helpful actions towards the customer (Wieseke, Geigenmuller & Kraus, 2012). Empathy in marketing was identified as one of the key dimensions of service quality used to evaluate customer satisfaction levels (Butt, Waqas, Ahmad, Hashmi & Murtaza, 2015).

Studies have sought to establish whether the empathy dimension is a strong determinant of customer satisfaction and have come up with different conclusions for different service sectors. Some studies have concluded that employee empathy has no relationship with customer satisfaction. Rao and Sahu (2013) conducted a study of the impact of service quality on customer satisfaction in the hotel industry and determined that empathy had no effect on customer satisfaction in the hotel industry in India. Summit et al. (2013) conducted a study of the impact of service quality dimensions towards customer satisfaction in Indian call centres and found empathy to have no relationship with customer satisfaction in the Indian call centres. Tariq, Mohsin and Muhammad (2013) carried out a study of the impact of service quality on customers' satisfaction: A study from service sector especially private colleges of Faisalabad, Punjab, Pakistan. The study made a similar observation that empathy did not have a significant influence on customer satisfaction in the private colleges of Pakistan.

Gerdevishe, Salamat, Rahmatifar, Manavi and Shenas (2014) explored the relationship between service quality and customer satisfaction and did a case study of Saderat banks in Rasht. The study established that there exists no relationship between empathy and customer satisfaction in the banking sector of Rasht.

Anantha et al. (2014) conducted a study entitled assessing the relationship between service quality and customer satisfaction in the Malaysian automotive insurance industry. The study found empathy to have a significant relationship with customer satisfaction in Malaysian automotive insurance industry and recommended that the indicators of service empathy should be enhanced in order to achieve maximum customer satisfaction in the industry. Khurana (2014) explored the relationship between service quality and customer satisfaction: An empirical study of the Indian banking industry and established a strong relationship between empathy and customer satisfaction in the Indian life insurance sector.

Abaidoo (2015) investigated customer satisfaction factors in Life Insurance growth in Ghana and also found the empathy dimension to have a significant relationship with customer satisfaction in the industry. Beyene (2019) in their study of the impact of service quality on customer satisfaction in Insurance companies in Ethiopia established that empathy had a strong positive relationship with customer satisfaction. Similarly, a study entitled service quality and customer satisfaction: Variation in customer perception across demographic profiles in life insurance industry was conducted by Paposa et al. (2019). The study established that service empathy is a very strong determinant of customer satisfaction in the life insurance sector in India.

Local studies have also examined empathy as a dimension of service quality. Otemba (2012) analysed the service quality dimensions and customer satisfaction in the Kenyan telecommunications service industry: A case of Nokia Siemens networks and found empathy to have a positive relationship with customer satisfaction in the telecommunications industry in Kenya. Yator (2012) adopted a case study design to explore the effect of service quality on customer satisfaction in the hospitality industry in Kenya and concluded that empathy had a strong positive relationship with customer satisfaction. Kiilu (2013) found service empathy to have a significant influence on customer satisfaction in the mobile telephony industry in Kenya. Empathy was analysed along with other service dimensions of reliability, assurance, tangibles, network quality and responsiveness. Network quality was introduced as a new service dimension of service quality in this industry. The study established that there are six key components of service quality in the mobile telephony industry in Kenya.

Kinyanjui (2013) conducted a study of service quality and purchase of life insurance at Jubilee insurance company of Kenya limited and established that empathy had a strong positive relationship with purchase intentions of life insurance customers at Jubilee insurance company of Kenya. The study adopted a descriptive survey design and judgmental sampling technique to select a sample size of 50 respondents. Nyamonaa (2014) employed a descriptive research design to conduct a study of service attributes that influence customer satisfaction and established that empathy has a significant influence on customer satisfaction in Kenya power and lighting company. Other service dimensions that were examined along with empathy included reliability, empathy, responsiveness, assurance, tangibles and technology. Technology was introduced as a new dimension of service quality. The study recommended that the six dimensions of

reliability, assurance, tangibles, empathy, responsiveness and technology be used to evaluate service quality at Kenya Power Company. Hussein (2016) examined empathy as a determinant of customer satisfaction in taxi companies in Mombasa and established a strong relationship between the two variables. The study used a descriptive cross-sectional survey design and simple random sampling was used to select a sample of 384 respondents.

Obiero (2018) conducted a study of the relationship between service quality and customer satisfaction in hotels in Nairobi County established that service empathy has a significant positive relationship with customer satisfaction. The study applied the descriptive research design and selected a sample size of 173 respondents using stratified random sampling technique. Sanita (2019) adopted a descriptive research design in the study of the effects of service quality on customer satisfaction in the real estate industry in Kenya. The study concluded that empathy has no significant effect on customer satisfaction in the real estate industry.

Empathy was found to be a strong determinant of service quality in some service sectors such as Malaysian automotive insurance companies, Life insurance companies in India and Ghana, Insurance companies in Ethiopia, telecommunications industry in Kenya, hospitality industry in Kenya, Taxi companies in Kenya, Banks in Nairobi, Jubilee insurance company and in Kenya power company. It was however found to have no significant influence on customer satisfaction in the hotel industry in India, Indian call centres, private colleges in Pakistan and the banking industry in Rasht. Empathy was found not to have a significant influence on customer satisfaction in the hotel and banking industries in India but had significant influence on both industries in Kenya.

Empathy was also found to have no significant effect on customer satisfaction in the real estate industry in Kenya. This is an indication that research results vary from one location to another and hence the reason for this study to determine the influence of empathy dimension on customer satisfaction in the insurance industry in Kenya.

Literature also revealed that new dimensions of service quality were introduced for specific industries and added to the SERVQUAL model dimensions, such as network quality dimension which was introduced as a service dimension in the mobile telephony industry in Kenya. Technology was introduced as a new dimension to measure service quality in the Kenya power and lighting company. Studies however failed to introduce a new dimension of service quality for the insurance industry in Kenya. This study sought to seal this gap by introducing service blue print as a new dimension to measure service quality in the insurance industry in Kenya.

2.2.3 Service Blue Print and Customer Satisfaction

Hummel and Murphy (2011) defined service blue print as the process of creating the delivering service standard that shows the personnel and equipment required. It is a very significant guide to major components of service that lead to customer satisfaction. A service blueprint is a service road map that describes an accurate service system so that all those involved in its conception are able to understand and deal with it objectively. It enables service providers to scrutinize as well as modify services and to sometimes design completely new services according to customer specifications (Coenen, Felten & Schmid, 2011).

Shostack (1984) was the first to introduce service blue print in an effort to develop service innovation for new service delivery process and to assess and improve service

quality. Service blue print centres on service provider and customer interactions and hence describes the entire service delivery process and activities. A service blueprint classifies the service delivery process into three levels which are based on the strength of interactions between service providers and their customers. Level one also known as "Customer Actions" include all the activities controlled by customers. This refers to steps taken by the customer without interacting with the service provider. Improvement efforts for the level one activities focus on educating customers and trying to modify their expectations. Level two also known as "Front stage Actions" include all the service delivery activities that involve interactions between the service provider and the customer. Improvement of level two activities involves effective and efficient personnel selection and training. Level three also known as "Backstage Actions "includes all activities that are under control of the service provider and not visible to the customer. Improvement of level three activities can be achieved through process and service innovation (Shostack, 1984).

Gobena (2019) explored how service quality in call centres in Indonesia can be improved using service blue print and DMAIC method. The study determined that service blue print helps to curtail the service process through elimination of unnecessary operations in the service process and customer point of contact. Andreou (2017) conducted a study of service blue printing and its effect on service quality in beverage services. The study applied a case study research design and tested service blue print's effects on the other service quality dimensions of reliability, assurance, tangibles, empathy and responsiveness. The results indicated that service blue print can be used by service managers to enhance the other service quality dimensions. Further service

blue print helps to identify bottlenecks and customer pain points and this ultimately improves the customer experience making it a very crucial dimension of service quality.

Ceric, Alessandro, Soutar and Johnson (2016) carried out a study entitled, "using blueprinting and benchmarking to identify marketing resources that help co-create customer value". The study was aimed at establishing how service blue printing can be used to identify marketing resources that help co-create customer value. The study determined that service blue print can facilitate innovations in service value and help to create sustainable competitive advantage. Hossain, Enam and Farhana (2017) explored service blueprint as a tool of enhancing service quality in restaurant business in Bangladesh. The study established that service blue print helps to develop formal rules and procedures that help to produce service delivery procedures that are customer oriented and which also help the organization to predict customer demands and expectations ultimately enhancing service quality and customer satisfaction.

Peace and Onuoha (2017) studied customer post purchase behaviour of hotels in Nigeria and proposed that all service providers should have service blue prints in their organizations. The study further argued that service blue prints would fail if customer preferences were not incorporated in the blue prints, this therefore encourages service providers to become market oriented hence improving quality service and ultimately customer satisfaction. Rajeswari and Marzooth (2016) carried out a study of service blue print and its effect on customer satisfaction in the transport industry in India. The study found that service blue print helped to determine service gaps in the industry, hence enabling the service providers to seal the gaps and improve service quality eventually leading to customer satisfaction. The study concluded that service blue print

can be used to identify the best practices and develop service processes that can improve customer experience and hence recommended service blue print as a tool that organizations can use to continuously evaluate service quality levels. In addition to what traditional service quality tools do, service blue print will enable organizations to discover potential innovations that may have been overlooked.

There are very few local studies that have investigated service blue print as a service quality dimension. Owino (2013) analysed service quality dimensions in Kenyan universities and customized the SERVQUAL model. The study grouped the dimensions into human element reliability, human element responsiveness, non-human elements and service blueprint. Descriptive cross-sectional survey and simple random sampling technique were employed in the study. The findings of the study indicated that service blue print was the second most important dimension of service quality in Kenyan universities, after service reliability, hence making it a key component in the evaluation of service quality.

From the reviewed literature, it is evident that service blue print has received significant attention amidst scholars. However, its effect on service quality and customer satisfaction in the insurance industry has not been explored. Further, the studies have not explored service blue print in combination with other service quality dimensions like empathy and assurance to determine its role as one of the SERVQUAL model dimensions in the insurance industry. The studies have also not customized the service quality (SERVQUAL) model for the insurance industry in Kenya using service blue print as a dimension of service quality. This study sought to fill this knowledge gap by

proposing the RESA model which reveals service blue print as a key component of service quality in the insurance industry in Kenya.

2.2.4 Service Assurance and Customer Satisfaction

Rauch et al. (2015) defined service assurance as the features that provide confidence to customers such as the firm's specific service knowledge, polite and trustworthy behaviour of employees. When customers become comfortable with an organization's employees, they will come back for more business with the organization. Service assurance also includes attributes like competence, effective communication and a general polite attitude in all employee interactions with the customers.

Akalu (2015) studied the effect of service quality on customer satisfaction in the insurance industry in Addis Ababa. The study used the descriptive research design and convenience sampling technique. The study determined that service assurance had the strongest effect on customer satisfaction in the insurance industry in Addis Ababa. Malik, Naeem and Arif (2011) investigated service quality perceptions and their contribution to the satisfaction of bank customers in Pakistan. Descriptive research design was adopted and respondents were randomly selected. The study found that only two dimensions of service quality, assurance and reliability had significant effect on customer satisfaction and service assurance was the most dominant dimension of service quality in the banking industry in Pakistan. Norazah and Norbayah (2013) studied service quality and customer satisfaction in public university libraries in Malaysia. The findings of the study indicated that service assurance was the strongest antecedent of customer satisfaction in public university libraries in Malaysia.

Qudah et al. (2013) in their study of the impact of service quality on customer satisfaction of Jordan Insurance companies customized the SERVQUAL model and identified seven dimensions of service quality (competence, credibility, reliability, responsiveness, assurance, tangibles, Communication). The study indicated that there was a statistically significant link between the seven dimensions of service quality and customer satisfaction hence assurance is one of the key service dimensions of service quality in the insurance companies in Jordan. Butt et al. (2015) conducted a study to measure perceived service quality of state life insurance corporation of Pakistan and determined that assurance dimension had a positive impact on customer satisfaction in the life insurance sector in Pakistan. The study examined other service quality dimensions of reliability, tangibility, empathy and responsiveness and also introduced a new service dimension of technology and concluded that there are six key components for measuring service quality in the life insurance sector in Pakistan (assurance, reliability, tangibility, empathy, responsiveness and technology).

A study conducted by Jothi (2016) sought to assess the impact of service quality and customer satisfaction and found that service assurance had a significant positive impact on customer satisfaction in the Life insurance business in India. Other service dimensions examined included reliability, tangibility, empathy and responsiveness. Juhari, Bhatti and Piaralal (2016) analysed six service quality dimensions in order to develop a theoretical understanding about customer satisfaction and loyalty in Malaysian Islamic insurance sector. The results of the analysis indicated that four out of six service quality dimensions (tangible, responsiveness, fairness, and reliability) positively influence customer satisfaction which further influences customer loyalty. However, two service quality dimensions (assurance and empathy) were not

significantly related with customer satisfaction and loyalty. This implied that assurance is not a determinant of service quality in the Malaysian Islamic insurance sector. The study hence concluded that only the four dimensions of tangible, responsiveness, fairness and reliability can be considered as key components to measure service quality in the Islamic insurance sector in Malaysia. Al-Hashedi and Abkar (2017) assessed the Impact of Service Quality on Customer Satisfaction in Telecom Mobile Companies in Yemen and analysed the dimensions of tangibles, reliability, responsiveness, assurance, empathy and network quality. The study revealed that only assurance, network quality, empathy and reliability had a significantly positive impact on customer satisfaction and hence assurance is a key component of service quality in the telecom mobile companies in Yemen.

Local studies explored assurance as a service quality dimension in various service sectors. Manani (2012) conducted a study of service quality and customer satisfaction at Kenya airways and established that service assurance and responsiveness were the most significant service quality dimensions at Kenya airways. The study adopted a case study research design and simple random sampling technique to select 100 respondents. Kithome (2013) employed a descriptive cross-sectional research design to examine assurance and other service dimensions of reliability, tangibility, empathy and responsiveness and determined that they were all good predictors of customer satisfaction amongst users of libraries in Kenya. The study selected 400 respondents using simple random sampling technique.

Ayieko (2015) conducted a study of service quality dimensions and customer satisfaction in the Kenyan airline industry and concluded that service assurance

influences customer satisfaction along with the other SERVQUAL model dimensions of reliability, tangibility, empathy and responsiveness. Similarly, Oanda (2015) explored the service quality dimensions and customer satisfaction in Barclays bank of Kenya and established that service assurance along with reliability, tangibility, empathy and responsiveness are all antecedents of customer satisfaction in Barclays bank of Kenya. The study applied a descriptive research design while judgmental and convenient sampling techniques were used to select 50 respondents. Toili (2017) studied the relationship between perceived service quality and customer satisfaction of supermarket customers in Nairobi County. A descriptive research design was adopted and stratified random sampling technique was used to select a sample size of 52. The study established that assurance had no significant influence on customer satisfaction.

The literature review has revealed that assurance significantly influences customer satisfaction in the Insurance companies in Jordan, life insurance sectors in India, Sri-Lanka and Pakistan, Telecom mobile companies in Yemen, Kenya airways, Libraries in Kenya and in Barclays bank of Kenya. However, it was found to have no significant influence in the Malaysian insurance sector and supermarkets in Kenya. This implies that results vary from one sector to another and from one location to another, hence the need to analyse the relationship between service quality and assurance in the insurance industry in Kenya.

Studies have customized the SERVQUAL model by introducing new service dimensions for instance competence and credibility have been introduced in Jordan insurance companies, dimension of technology in Life insurance companies in Pakistan, service fairness has been introduced in Malaysian Islamic insurance sector

and the dimension of network quality has been introduced in the telecom mobile companies of Yemen but none of the studies have introduced a new service quality dimension for the insurance industry in Kenya. This study sought to seal this gap by introducing service blue print as a new service quality dimension in the insurance industry in Kenya.

2.2.5 Summary of Empirical Literature

The above literature review has uncovered studies that have customized the SERVQUAL model for various service industries by either adding new service dimensions to propose models with more than the five dimensions of SERVQUAL or eliminating some of the dimensions to propose fewer than five dimensions for some industries. Al-Azzam (2015) customized the SERVQUAL model by dropping service assurance and replacing it with service security to propose five key dimensions of reliability, tangibility, empathy, responsiveness and service security in the banking industry in Jordan. Al-Hashedi and Abkar (2017) customized the SERVQUAL model for the telecom mobile companies in Yemen and introduced network quality as a new service dimension. Tangibility and responsiveness were dropped and hence only four service dimensions were proposed for the telecom mobile companies in Yemen which include assurance, network quality, empathy and reliability.

Butt et al. (2015) customized the SERVQUAL model for the life insurance sector in Pakistan by introducing a new dimension of technology to propose a total of six dimensions of assurance, reliability, tangibility, empathy, responsiveness and technology. Juhari et al. (2016) customized the SERVQUAL model for the Malaysian Islamic insurance sector and proposed only four dimensions of tangible, responsiveness, fairness, and reliability. Khatib and Zia (2016) proposed a total of six

dimensions for the telecommunications industry in Saudi Arabia which included network efficiency, safety, reliability, tangibility, empathy and responsiveness. The service assurance dimension was not included because it was considered not to be a significant component in the telecommunications industry in Saudi Arabia. Qudah et al. (2013) customized the SERVQUAL model for the insurance industry in Jordan. Empathy was dropped and three new dimensions of competence, credibility and communication were introduced. The study hence proposed seven service dimensions of competence, credibility, reliability, responsiveness, assurance, tangibles and communication for the insurance industry in Jordan.

Kiilu (2013) customized the SERVQUAL model for the mobile telephony industry in Kenya by introducing network quality as a new dimension of service quality to propose six key components of service quality in the mobile telephony industry in Kenya including service empathy, reliability, assurance, tangibles, network quality and responsiveness. Nyamonaa (2014) also customized the SERVQUAL model for Kenya power and lighting company by introducing a new dimension known as “technology”. The study proposed a total of six dimensions of reliability, empathy, responsiveness, assurance, tangibles and technology for Kenya power and lighting company. Omonge (2013) customized the SERVQUAL model and proposed a total of seven dimensions for the telephony industry in Kenya by adding technical quality and Image as new dimensions alongside reliability, empathy, assurance, responsiveness and tangibles. Owino (2013) customized the SERVQUAL model for universities in Kenya. The study grouped the service quality dimensions into human element reliability, human element responsiveness, non-human elements and service blueprint was introduced as a new service dimension for the higher education sector in Kenya. The findings of the study

indicated that service blue print was the second most important dimension of service quality in Kenyan universities, after service reliability, hence making it a key component for evaluating service quality.

Riitho (2018) customized the SERVQUAL model by dropping three dimensions of assurance, tangibles and empathy and replaced them with new dimensions of speed, and value to propose a total of four service quality dimensions of reliability, speed, responsiveness and value for the container shipping lines in Kenya. Andreou (2017) indicated that service blue print can be used by service managers to enhance the other service quality dimensions. Further service blue print helps to identify bottlenecks and customer pain points and this ultimately improves the customer experience making it a very crucial dimension of service quality. Ceric et al. (2016) recommended service blue print as a tool that organizations can use to continuously evaluate service quality levels. In addition to what traditional service quality tools do, service blue print will enable organizations to discover potential innovations that may have been overlooked. Peace and Onuoha (2017) proposed that all service providers should have service blue prints in their organizations as a tool to evaluate service quality levels and improve customer satisfaction. Rajeswari and Marzooth (2016) recommended service blue print as a tool to identify service gaps hence enabling service providers to seal the gaps and improve service quality eventually leading to customer satisfaction.

Paposa et al. (2019) identified service reliability as the most significant predictor of customer satisfaction in the insurance industry in India and Malaysia. Beyene (2019); Butt et al. (2015) found service empathy to be the most significant predictor of customer satisfaction in the insurance industry in Ethiopia and Pakistan. Responsiveness was

found not to influence customer satisfaction in the insurance industry (Borah, 2013). Tangibility was also found to be insignificant in the insurance industry (Sivesan, 2019). Gachau (2016); Kanyingi (2016) deduced that insurance customers in Kenya value empathy and reliability dimensions most. Makau (2013) revealed that insurance customers valued the assurance dimension. Norazah and Norbaya (2013) also identified service assurance as the most significant in Addis Ababa, Sri-Lanka and Malaysia. The above literature shows that reliability, assurance and empathy are the significant dimensions that insurance companies should monitor and enhance in order to improve customer satisfaction in the insurance industry.

Literature also revealed that new dimensions of service quality were introduced for specific industries and added to the SERVQUAL model dimensions, such as network quality dimension which was introduced as a service dimension in the mobile telephony industry in Kenya and Yemen. Network efficiency and safety were introduced as new service dimensions in the telecommunications industry in Saudi Arabia. Service security was introduced as a new service dimension in the banking industry in Jordan. Technology was introduced as a new service dimension in the insurance industry in Pakistan and in the Kenya power and lighting company in Kenya. Fairness was introduced as a new service dimension in Islamic insurance industry in Malaysia while competency, credibility and communication were introduced as new service dimensions in the insurance industry in Jordan. Technical quality and Image were uncovered as new service dimensions in the telephony industry in Kenya while speed and value were revealed as new service dimensions the container shipping lines in Kenya. None of the above studies have introduced a new service dimension or customized the SERVQUAL model for the insurance industry in Kenya. This study

sought to seal this gap by introducing service blue print and proposing the RESA model for the insurance industry in Kenya.

2.3 Theoretical Literature Review

This section reviews relevant theories on which the study constructs are anchored. A theory is a proposition advanced to explain and predict a phenomenon. It is a set of interrelated definitions, constructs, and propositions that illustrate a methodical view of a phenomenon by explaining the relations among variables so as to predict the phenomena (Cooper & Schindler, 2011). This study will describe theories that explain the complex relationship between customer satisfaction and service quality. They illustrate the process that a consumer goes through as they shape satisfaction judgments. The study will describe theories that explain customer satisfaction and dissatisfaction also referred to as confirmation and disconfirmation. The constructs of the study are anchored on the service quality (SERVQUAL) model which was founded on the expectancy disconfirmation theory, therefore the main theory is the Expectancy Disconfirmation theory. The other theories include the assimilation contrast theory, equity theory, script theory and negativity theory. The theories have been reviewed and their relationship to the study variables revealed. They will form the basis to support the study variables.

2.3.1 Expectancy Disconfirmation Theory of Customer Satisfaction

The expectancy disconfirmation theory was proposed by Oliver (1980) as a framework for evaluating customer satisfaction. It is considered the most reliable theoretical framework for the evaluation of customer satisfaction. The expectancy disconfirmation theory suggests that customers usually acquire goods and services with a pre-purchase expectation about the expected performance. This level of expectation becomes a standard against which the product will be judged. This means that once the buyer

consumes the product or service, they will compare the outcome (actual performance) against the expected performance.

If the actual performance will match the expectation, “confirmation” occurs but when there is a gap between expectations and the actual performance then “disconfirmation” occurs. A consumer/ customer is either satisfied or dissatisfied as a result of positive or negative variation between expectations and perceptions. When the performance of service/ product is better that the customer expectation, there is positive disconfirmation between expectations and performance and this results in satisfaction. Similarly, when product or service performance is equal to expectations, confirmation between expectations and perceptions occurs and the result is satisfaction. However, when product or service performance is lower than customer expectations, negative disconfirmation between expectations and perceptions occurs leading to dissatisfaction.

Venkatesh and Goyal (2010) questioned the validity and reliability of the expectancy disconfirmation theory contending that the use of expectations may be less meaningful for experiential services than for tangible products which are easy to evaluate before a purchase has been made. They further argued that some customers may be satisfied with a service or product experience even when the actual performance falls short of expected performance as long as it is above a certain minimum tolerable level. The EDT has however received great support from researchers in various disciplines and has been widely used to evaluate satisfaction with different products and services, for example Liao, Liu, Liu, To and Lin (2011) with online consumer behaviour while Poister and Thomas (2011) used it for motorists’ satisfaction in state highways and Schwarz (2011) used EDT to evaluate customer satisfaction with IT outsourced

services. Lankton and McKnight (2012) used EDT to evaluate customer satisfaction with Information systems and Gregg (2013) used it with citizen satisfaction. The SERVQUAL model by Parasuraman et al. (1988) was founded on the EDT theory and this study is anchored on the SERVQUAL model.

2.3.2 Assimilation Contrast Theory

The Assimilation- Contrast theory was proposed by Sherif (1963) to explain customer's change of attitude. He referred to it as the "social judgement theory". The Assimilation-Contrast theory is a combination of two theories, the "Assimilation and the Contrast theories". The Assimilation theory postulates that users adjust discrepancies in perceptions about a service or product's performance to bring it at par with prior expectations only if the difference is very small. If the discrepancy between expectations and perceived performance, contrast effects occur and the consumer will magnify the perceived discrepancy, hence the disparity between expectations and perceived performance will determine whether it is Assimilation or Contrast that will occur (Kokthi & Kelemen, 2017).

Sheriff (1963) combined the two theories to develop the Assimilation-Contrast theory which postulates that satisfaction is a function of the magnitude of the difference between the expected and perceived product and service performance. He noted that if the discrepancy between expectations and actual performance is small then the product or service falls within a customer's range of acceptance. However, if the reverse is true and the discrepancy is big, then the product or service will be categorized to be within the range of rejection. If a product or a service performance is within a customer's range of acceptance, although it may be a little below expectation, the discrepancy will automatically be disregarded because assimilation will operate to deem the

performance as acceptable but if performance falls within the range of rejection, contrast will then prevail.

Jensen, Schroeders, Ludtke and Marsh (2015) supported the assimilation-contrast theory in their study entitled assimilation contrast theory in action, operationalization and managerial impact in a fundraising context. They found that if the discrepancy was too large to be assimilated, then the contrast effect occurred. Arnaud and Sonja (2017) also found evidence to support the assimilation-contrast theory approach. Their studied contrast and assimilation in various situations and concluded that consumers will seek to avoid dissatisfaction by adjusting their perceptions about a product or service to bring it in line with expectations. They also seek to reduce dissatisfaction that would result from a discrepancy between expectations and performance either by adjusting expectations so that they coincide with perceived performance or by minimizing the importance of the dissatisfaction experienced so as to raise the level of satisfaction.

The Assimilation contrast theory explains the dimension of reliability which means the readiness of staff to provide services to customers by offering timely services, understanding customer needs and wants so as to provide error free service and accurate records. The insurance companies in Kenya must ensure that this dimension is very strongly emphasised to ensure the services match up to their expectations or to reduce the discrepancy gap so that even if the service or product will be a little below expectation, the discrepancy will automatically be disregarded because assimilation will operate to deem the performance as acceptable and the result will be customer satisfaction.

2.3.3 Equity Theory

Equity theory was first developed by Adams (1963), a behavioural psychologist who postulated that employees will seek to maintain equity between inputs that they bring to a job and the outcomes they receive from it against the perceived inputs and outcomes of others. According to Equity Theory, individuals tend to create structures where resources can be equally divided group members to ensure each person's rewards are maximized. If inequalities are perceived, those within the relationship will be unhappy to a level proportional to the amount of inequality. It is believed that people value fair treatment and this motivates them to work towards maintaining that fairness within their relationships. Equity theory is focused on ensuring that distribution of resources is equitable or fair to all partners in a relationship. It proposes that individuals in any relationship who may perceive themselves as either under-rewarded or over-rewarded will experience discomfort and that this discomfort will lead to attempts to restore equity within that relationship.

Equity is evaluated by comparing the ratio of contribution and the benefit or gain of each individual within the relationship. The partners in a relationship do not have to obtain uniform benefits (for example same amount of care, love, financial security) or make uniform contribution (for instance invest the same amount of effort, time or financial resources) as long as the ratio between the benefits and the contributions is similar. Equity theory is consistent with other theories of motivation because it recognizes that subtle and varying individual factors usually affect each person's evaluation and perception of their relationship with other relational partners (Gogia, 2010).

Equity theory proposes four concepts which include; “self-inside” where the individual seeks to maximize their rewards or outcomes; “self-outside” where groups seek to maximize collective benefits by developing acceptable systems that ensure equitable apportionment of rewards and costs among members; “others-inside” is the situation where individuals perceive that they are involved in unfair or inequitable relationships and hence become distressed. The more unfair the relationship, the more distressed individuals feel, both the individual who gets "too much" and the one who gets "too little" feel distressed because the one who gets too much may feel guilt or shame while the one who gets too little may feel anger or humiliation. “other-outside” is the situation where individuals who perceive to be in an unfair relationship strive to eliminate the distress or the injustice by restoring equity. The greater the injustice, the more distress and the more the individuals will try to restore fairness or equity (Redmond, 2010; Liu, Nauta & Yang, 2013).

Equity theory, when applied to customer satisfaction implies that satisfaction will exist when a customer believes that their outcome to input ratio is equal to that of the other person in the exchange. Customers must get services that will make them believe that their outcomes to input ratio is equal to that of the person in the exchange. Equity theory is applicable to satisfaction through the empathy dimension. Empathy is the ability to acknowledge or perceive what another person is feeling from within their frame of reference, that is, the capacity to put oneself in another's situation. When service providers are empathic, they gain the ability to understand very clearly what their customers want or need and they are able to eliminate the distress that would arise as a result of customers perceiving unfairness in the relationship between them and the service provider. When customers perceive fairness, they become satisfied and the

reverse is true because if they perceive injustice, they become dissatisfied. When customers get personalized services, they will disregard any discrepancy between expected and perceived performance, hence satisfaction will occur.

2.3.4 Script Theory

The script theory was created by Tomkins (1979) as an extension of his "affect theory". Script theory was later advanced by Schank (1982) to what is currently described as the "Script theory". Script theory posited that the behaviour of human beings functions identically to that of a script by assigning a plan for action. Script theory specifies that consumers have clear cut scripts in their minds for buying which lead them to clear behaviour during service encounters. Customers are guided by the scripts in interpreting the given information, developing expectations and in portraying appropriate patterns of behaviour. The behaviour of service providers is also directed by scripts as they interact with their customers.

There are two types of scripts; convergent scripts which postulates that customer and employee scripts should never collide if customer satisfaction is to be achieved. Divergent scripts is the opposite of convergent scripts because customer and employee scripts collide pointing out areas of unfulfilled customer expectations. These unfulfilled customer expectations which lead to dissatisfaction (Schank, 1982). Divergent scripts help to inform the service provider on the areas they should review and make amends if they hope to achieve customer satisfaction. The script theory has received a lot of support from various scholars for instance Gavin and Hockey (2010) explored script theory and its application to criminal careers and versatility while Fischer, Stegmann and Wecker (2013) applied the theory to computer collaborative learning. Tscounikine

(2016) took into account the appropriation of scripts by learners and their studies were consistent with the findings of Schank (1982).

The service blue print dimension acts as a guide to staff on how to provide services to customers by specifying the service delivery process, the roles of customers and service providers. This is consistent with the convergent scripts hence the service blue print will ensure the customer and employee scripts will not collide so as to achieve customer satisfaction. It also ensures that divergent scripts collide in order to uncover unfulfilled customer expectations and develop strategies to seal the service gaps and avoid dissatisfaction.

2.3.5 Negativity Theory

The negativity theory was developed by Carlsmith and Aronson (1963). It suggests that affective feelings towards a product or a service will be inversely related to the level of discrepancy between expected performance and the perceived performance therefore, even the slightest discrepancy will disrupt the individual and produce negative energy. It states that when expectations are strongly held, consumers will react negatively to any disconfirmation. If perceived performance is less than the expectations, dissatisfaction will occur and similarly if perceived performance exceeds expectations, dissatisfaction will occur. Any performance discrepancy from expectations will produce negative energy (Funnell & Rogers, 2011).

The Negativity theory reflects the service assurance dimension which makes customers feel safe to transact, have confidence in the staff members, they expect to interact with polite employees and receive adequate information on service provision. The customers have assurance and hence expect perfection, anything less than that results in

disconfirmation and hence dissatisfaction because when expectations are strongly held consumers will respond negatively to any disconfirmation.

2.3.6 The Service Quality (SERVQUAL) Model

The Service Quality (SERVQUAL) Model was developed and implemented by three American marketing gurus Parasuraman et al. (1985; 1988) to explain why customers experience different quality than expected. Parasuraman et al. (1985) proposed the gap model that explains why customers experience quality differential. The gap model originally proposed ten dimensions of service quality which included reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer and tangibles.

Parasuraman et al. (1988) tested the variables and reduced them to five factors to develop what is now referred to as the SERVQUAL model whose dimensions include reliability, assurance, tangibles, empathy and responsiveness. The factors of communication, credibility, security, competence and courtesy were combined into one dimension known as assurance while understanding and knowing the customer were collapsed into one dimension of empathy.

In subsequent studies, Parasuraman et al. (1988) presented service quality as the degree of discrepancy between customers' expectations of the service and their perceptions of the service performance. They conceptualized this by constructing a 22 item scale instrument, the service quality model (Figure 2.1). The service quality model has been widely applied as a tool for measuring service quality and customer satisfaction (Sureshchandar et al., 2002).

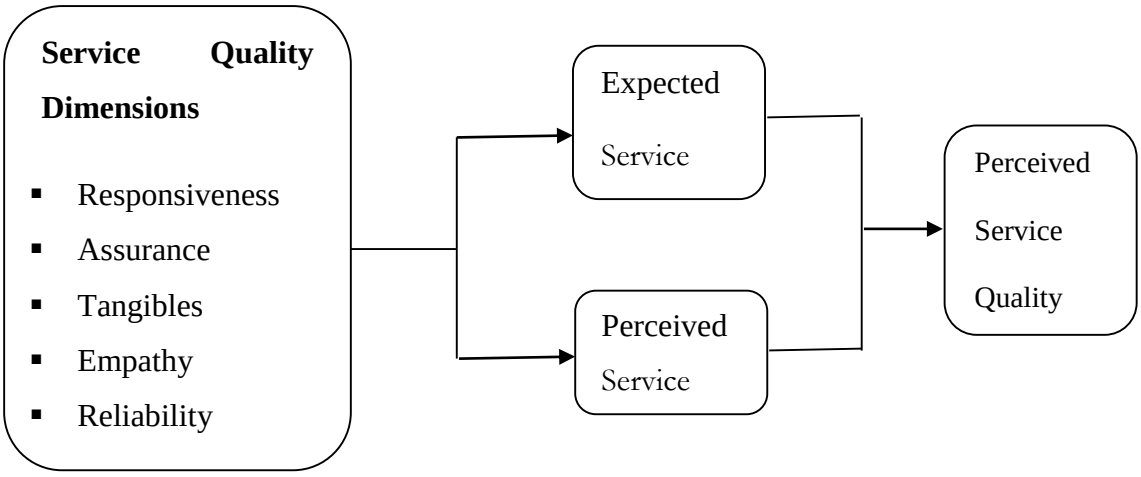

Figure 2.1: Service quality model (SERVQUAL) /RATER model (Parasuraman, Berry& Zeithaml, 1988)

The SERVQUAL model was originally developed for service firms and retailers but was later adopted by other industries. Service quality is the level of congruence between the expected and actual service provided and the higher the congruence, the higher the customer satisfaction levels. The interest in measurement of service quality stems mainly from its relationship with quality and costs, profitability, customer satisfaction as well as retention (Shekarchizadeh et al., 2011). Parasuraman et al. (1988) identified five dimensions of service quality that organisations can use to measure customer satisfaction levels. The dimensions included reliability, assurance, tangibility, empathy and responsiveness, hence the model is also referred to as the RATER model.

The SERVQUAL model was widely used to measure service quality and customer satisfaction but scholars continued to question its completeness, operationalization and conceptualisation (Kang & James, 2004; Kay & Pawitra, 2001; Sureshchandar et al., 2002). An instrument for measuring service quality might vary depending on the service context and hence no universal instrument can be applied to all service situations. A research study by Navarro et al. (2005) revealed that different researchers had begun to provide varying descriptions of service quality dimensions and hence the service quality

model (SERVQUAL) could not be considered as a universal tool. The SERVQUAL dimensions also differ in their magnitude of their effect on customer satisfaction in different industries.

Parasuraman et al. (1988) carried out their study in four different service sectors; banking, credit card company, repairs and maintenance and telephone companies and found reliability to be the most significant determinant of customer satisfaction while assurance was the second most important. Responsiveness ranked third while tangibility and empathy were ranked the least significant dimensions in influencing customers' perceptions of quality. A study by Summit et al. (2013) concluded that tangibility was the second weakest dimension in the insurance industry.

Scholars have developed other service quality models suited to specific industries, while others have customised the service quality (SERVQUAL) model to suit specific industries. This literature is evidence that the SERVQUAL dimensions need to be customized for specific industries. Al-Azzam (2015) customized the SERVQUAL model by dropping service assurance and replacing it with service security to propose five key dimensions of reliability, tangibility, empathy, responsiveness and service security in the banking industry in Jordan. Al-Hashedi and Abkar (2017) customized the SERVQUAL model for the telecom mobile companies in Yemen and introduced network quality as a new service dimension. Tangibility and responsiveness were dropped and hence only four service dimensions were proposed for the telecom mobile companies in Yemen which include assurance, network quality, empathy and reliability.

Butt et al. (2015) customized the SERVQUAL model for the life insurance sector in Pakistan by introducing a new dimension of technology to propose a total of six dimensions of assurance, reliability, tangibility, empathy, responsiveness and technology. Juhari et al. (2016) customized the SERVQUAL model for the Malaysian Islamic insurance sector and proposed only four dimensions of tangible, responsiveness, fairness, and reliability. Khatib and Zia (2016) proposed a total of six dimensions for the telecommunications industry in Saudi Arabia which included network efficiency, safety, reliability, tangibility, empathy and responsiveness. The service assurance dimension was not included because it was considered not to be a significant component in the telecommunications industry in Saudi Arabia. Qudah et al. (2013) customized the SERVQUAL model for the insurance industry in Jordan. Empathy was dropped and three new dimensions of competence, credibility and communication were introduced. The study hence proposed seven service dimensions of competence, credibility, reliability, responsiveness, assurance, tangibles and communication for the insurance industry in Jordan.

Kiilu (2013) customized the SERVQUAL model for the mobile telephony industry in Kenya by introducing network quality as a new dimension of service quality to propose six key components of service quality in the mobile telephony industry in Kenya including service empathy, reliability, assurance, tangibles, network quality and responsiveness. Nyamonaa (2014) also customized the SERVQUAL model for Kenya power and lighting company by introducing a new dimension known as “technology”. The study proposed a total of six dimensions of reliability, empathy, responsiveness, assurance, tangibles and technology for Kenya power and lighting company.

Omonge (2013) customized the SERVQUAL model and proposed a total of seven dimensions for the telephony industry in Kenya by adding technical quality and Image as new dimensions alongside reliability, empathy, assurance, responsiveness and tangibles. Riitho (2018) customized the SERVQUAL model by dropping three dimensions of assurance, tangibles and empathy and replaced them with new dimensions of speed, and value to propose a total of four service quality dimensions of reliability, speed, responsiveness and value for the container shipping lines in Kenya.

Owino (2013) customized the SERVQUAL model for universities in Kenya. The study grouped the service quality dimensions into human element reliability, human element responsiveness, non-human elements and service blueprint was introduced as a new service dimension for the higher education sector in Kenya. The findings of the study indicated that service blue print was the second most important dimension of service quality in Kenyan universities, after service reliability, hence making it a key component for evaluating service quality. Peace and Onuoha (2017) proposed that all service providers should have service blue prints in their organizations as a tool to evaluate service quality levels and improve customer satisfaction. Rajeswari and Marzooth (2016) recommended service blue print as a tool to identify service gaps hence enabling service providers to seal the gaps and improve service quality eventually leading to customer satisfaction.

The above studies show that the SERVQUAL model cannot be considered a universal tool to measure service quality in all the service industry, hence researchers should customize the dimensions to suit specific industries. This study customized the dimensions for the insurance industry in Kenya by introducing service blue print as a

new service quality dimension to propose the RESA model for the insurance industry in Kenya.

2.3.7 The RESA Model

RESA model refers to the service quality dimensions of Reliability, Empathy, Service blue print and Assurance. Literature review revealed three dimensions of the SERVQUAL that are significant in the insurance industry which include service reliability, assurance and empathy. Paposa et al. (2019) identified service reliability as the most significant predictor of customer satisfaction in the insurance industry in Malaysia. Akalu (2015) found service empathy to be the most significant predictor of customer satisfaction in the insurance industry in Ethiopia. Responsiveness was found not to influence customer satisfaction in the insurance industry (Borah, 2013). Tangibility was also found to be insignificant in the insurance industry (Sivesan, 2019). Gachau (2016) deduced that insurance customers in Kenya value empathy and reliability dimensions most. Makau (2013) revealed that insurance customers valued the assurance dimension. Norazah and Norbaya (2013) also identified service assurance as the most significant in Malaysia.

The service blue print dimension was found to be a potential significant addition to the dimensions of service quality. Andreou (2017) deduced that today's fierce competitive environment requires organizations to device innovative ways of service delivery and service blue printing provides a guide to that new way of service delivery. Peace and Onuoha (2017) inferred that every service organization should use service blue prints to evaluate their service quality because they help to improve other tools of service delivery. This study therefore adopted the significant service dimensions of reliability, assurance and empathy and introduced service blue print as a new service quality

dimension to propose the “RESA” model as a new tool to measure service quality in the insurance industry in Kenya.

2.4 Conceptual Framework

The relationship between the study variables was hypothesised as shown in figure 2.2

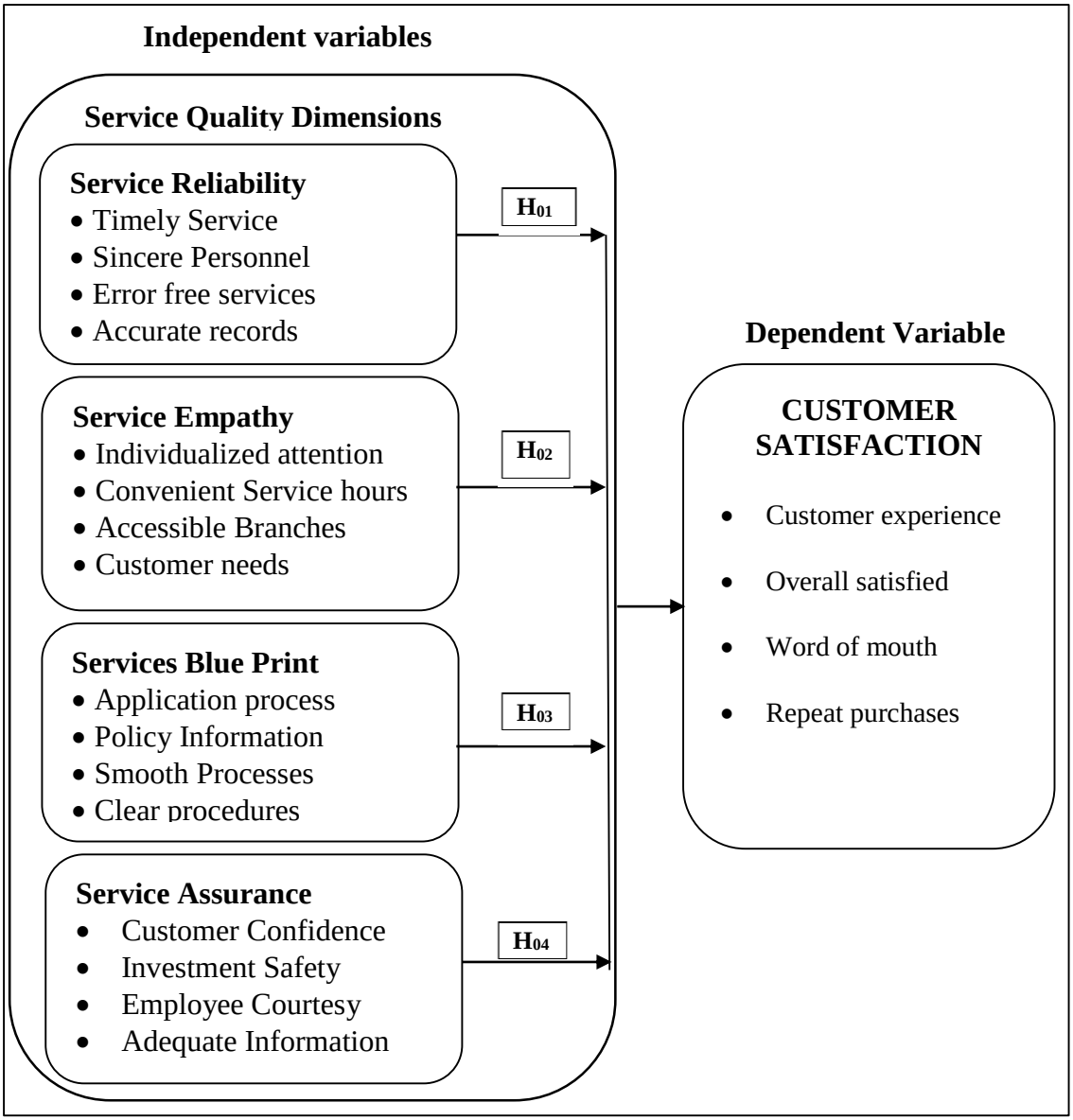

Figure 2.2: Conceptual Framework

Source: Author (2018)

The conceptual framework identified service quality as the independent variable and customer satisfaction as the dependent variable. The study proposed four dimensions of service quality; reliability, empathy, service blue print and assurance.

Reliability was a construct formulated to summarize the features of service delivery that are prompted by trust and dependability during the service encounter. The reliability indicators included inquiry into whether the process of claiming was hassle free, the settlement of the claim was hassle free, the claim was settled within a limited time period, the claim was fully settled, the claim was partially settled, the terms and conditions for claim settlement were limited, the administrators were cooperative, the insurance company surveyors were cooperative, time taken by surveyors was adequate, time taken by administrators was adequate, third party administrators' e.g. police were cooperative. Other indicators of reliability included insurance company provides services as promised, staff are sincere and dependable in handling service problems, insurance company performs service right the first time, insurance company always maintains accurate records, insurance policy and other documents have no errors, claims and other benefits are paid at the right time, insurance covers/policies meet customer needs, transactions are carried out within the specified time and the services offered are dependable.

The second construct of service empathy was formulated to summarize the features of service delivery that are prompted by employees or insurance agents' chemistry with the customer during the service encounter. The indicators of service empathy included questions of whether staff are always available any time of day for consultation, employees have the customers' best interest at heart, employees understand the specific

needs of their customers, insurance company operating hours are convenient for the customer, insurance company branches are easily accessible, employees and agents give customers individual attention, front office staff are punctual in opening the office, employees display confidence when selling policies and whether the company is located in a conducive environment.

The service blueprint construct spelled out the procedures, systems and technology that would make for a smooth or seamless service. The manifest variables of service blue print included questions of whether the insurance company has a good name and reputation, the insurance company uses modern technology, the employees, brokers and corporate agents are courteous, employees, brokers and agents are capable and knowledgeable, there is availability of maximum consumable income, company uses extensive promotional activities, there is maximum customer satisfaction, there is availability of loans to meet associated cost of insurance, there is a minimum deductible premium applicable, wide policy outcomes and comprehensive coverage.

Another set of indicators included whether the content of policy document is within what sales staff explained, the sales staff use effective selling methods, the process followed when buying the policy cover is clear, the process of making premium payments is convenient the customer is well informed of the insurance policy rules and regulations, the process of benefit claims is clear and adequate, the staff facilitate depth of policy benefits discussion, the customer is well informed of the benefits claims procedure and the benefits they are buying in the policy.

The fourth construct of service assurance was formulated to summarize features of service delivery that helped to investigate whether the company and its employees

honoured their pledge and commitment made to the customer. Indicators of service assurance included questions of whether the insurance company effectively updates customers of any developments, staff give correct and adequate information on the policies, staff are quick to respond to customer queries, staff are always polite and willing to help customers, the insurance company employees are consistently courteous, the conduct of staff instils confidence in the customer, the customer feels that their investments are safe with the insurance company, the customer believes that insurance company gives the best policy covers and the staff are always approachable and willing to help.

Customer satisfaction was the dependent construct whose indicators are based on a combination of the "Net promoter score" customer satisfaction index and the "Customer effort score" customer satisfaction index (Reichheld, 2003; Dixon, Freeman & Toman, 2010). Indicators of customer satisfaction included interrogation into whether the customer experienced a positive relation with the insurance company, customer experience with the insurance staff was excellent, the customer is satisfied with the service quality of administrative staff, the customer is willing to buy other products from their insurance company, the customer is willing to recommend their insurance company to someone else and whether overall the customer is satisfied with the insurance company.

2.5 Summary of Literature Review and Research Gaps

From the reviewed literature, the study established that researchers have customized the SERVQUAL model for distinct service industries in different countries by either adding new service dimensions to propose models with more than the five dimensions

of SERVQUAL or eliminating some of the dimensions to propose fewer than the five dimensions of the SERVQUAL model.

A model customized for the banking industry in Jordan comprised of five dimensions while for the telecom industry in Yemen had four dimensions and for telecom industry in Saudi Arabia had six service dimensions. A model customized for the life insurance industry in Pakistan had six service dimensions while for the Malaysian Islamic insurance industry had four service dimensions and for the insurance industry in Jordan, had seven dimensions. Studies conducted in Kenya also customized the SERVQUAL model for different service industries. One model customized for the mobile telephony in Kenya had six dimensions while a second one for the telephony industry in Kenya had seven dimensions and for Kenya power and lighting company limited had six service dimensions. A model customized for the higher education sector in Kenya had four service dimensions and one customized for container shipping lines in Kenya also had four service dimensions. The study confirmed that the SERVQUAL model had not been customized for the insurance industry in Kenya, therefore, the study sought to fill this gap by customizing a model of four dimensions for the insurance industry in Kenya.

The literature review also uncovered that service blue print is a tool that organizations can use to continuously evaluate service quality levels and improve customer satisfaction. Further studies revealed that service blue print can be used as one of the service quality dimensions because it has the potential to uncover gaps existing in the other service dimensions and hence help organizations to enhance them. This study therefore sought to fill this gap by adopting service blue print as a service quality dimension alongside the service dimensions of reliability, empathy and assurance.

The literature review further identified service reliability, empathy and assurance as the dimensions considered important by insurance customers. The literature therefore shows that reliability, assurance and empathy are the significant dimensions that insurance companies should monitor and enhance in order to improve customer satisfaction in the insurance industry. Service tangibility and responsiveness were found not to significantly affect insurance customer perceptions. Researchers also argued that responsiveness was closely connected with empathy because one must have empathy for them to be responsiveness. This study therefore dropped the two dimensions of tangibility and responsiveness and replaced them with service blue print to propose a customized SERVQUAL model with four dimensions of service reliability, empathy, service blue print and assurance for the insurance industry in Kenya, known as the RESA model. None of the studies have used service blue print as a service quality dimension in the insurance industry in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the research methodology employed in the study. It entails identifying the research philosophy, research design, the target population, sample size and sampling technique, data collection procedure, research instruments, pilot study and data analysis. The chapter ends with ethical considerations in the study.

3.2 Research Philosophy

This study adopted an epistemological research philosophy guided by the positivist paradigm. Epistemology is concerned with what constitutes acceptable knowledge in a field of study (Saunders, Lewis & Thornhill, 2009). It considers views about the most appropriate ways of enquiring into the nature of the world (Throup, 1988), what knowledge is and what constitutes the sources and limits of knowledge (Erikson & Kovalainen, 2008). Epistemology is the theory of the method of knowledge existing to expand this into a set of reality, how what exists may be known and what criteria must be satisfied in order to be described as knowledge (Saunders et al., 2009).

The positivist research paradigm is founded on the belief in theory before research and statistical justification of conclusions from empirically testable hypothesis (Cooper & Schindler, 2011). The aim of a positivist approach is to discover universal laws that can be used to predict human activity (Sekaran, 2009). Positivism entails working with an observable social reality and the end product can be law-like generalisations similar to those in the physical and natural sciences. This paradigm emphasis an objective view of science and is often associated with quantitative methods that rely on researcher's ability to gather numerical evidence of the phenomena under investigation and analyse

it to answer the research question. This study adopted a positivist paradigm with an epistemological element because the approach allowed for reporting of findings as observed and explanation of the new knowledge discovered.

3.3. Research Design

This study adopted a descriptive research design. Descriptive research design is applied when the purpose of the study is to produce a precise representation of events, persons or situations (Saunders et al., 2009). A descriptive research also makes a systematic and empirical inquiry of the research phenomena with no direct link or ability to manipulate the independent variables of the study (Bryman & Bell, 2015). Descriptive research design will be used to describe characteristics of the insurance industry and the variables being studied and will describe what exists. The descriptive design has been selected because the study is confined to collection and description of data but seeks to determine the existence of certain relationships amongst the research variables. The study specifically sought to determine the relationship between service quality dimensions and customer satisfaction in the insurance industry in Kenya.

The descriptive research approach conforms to research studies by Gachau (2016) who studied customer satisfaction and insurance service delivery quality in Kenya. Odemba (2013) also used descriptive research design to explore the factors that affect uptake of life insurance in Kenya. Watiki (2014) adopted the descriptive research design to explore service quality and customer satisfaction in hotels in Nairobi.

3.4 Target Population

The target population for this study consisted of policy holders of composite insurance companies in Kenya. Composite insurance companies were targeted because they sold both general and long term policies, hence they have all the products offered by

insurance companies. As at December 2016, there were 17 licenced composite insurance companies in Kenya with a total of 1,695,312 policy holders (IRA, 2016). Table 3.1 below outlines the individual insurance companies and the number of policy holders for both life and non-life in each insurance company. The policy holders as respondents were the units of observation in this study that aimed to analyse the relationship between service quality dimensions and customer satisfaction in the insurance industry in Kenya.

Table 3.1: Composite Insurance Companies and their Policy Holders

No.	Insurance	General Policy	Life Policy	Total Policies
1.	CIC Insurance	150,327	392,743	543,070
2.	Britam Insurance	136,013	92,393	228,406
3.	Sanlam Insurance	9,002	529	9,531
4.	Madison Insurance	45,394	55,307	100,701
5.	Monarch Insurance	58,463	1,932	60,395
6.	ICEA Lion Insurance	90,276	41,254	131,530
7.	Jubilee Insurance	45,341	51,805	97,146
8.	APA Insurance	108,199	4,430	112,629
9.	UAP Insurance	78,270	10,945	89,215
10.	Kenya Orient Ins,	85,025	1,425	86,454
11.	Kenyan Alliance	36,384	1,445	37,829
12.	Geminia Insurance	17,105	3,299	20,404
13.	Kenindia Insurance	28,890	23,333	52,223
14.	First Assurance	23,267	271	23,538
15.	GA Insurance	44,623	28	44,651
16.	Corporate Ins	11,755	11,753	23,508
17.	Cannon Assurance	29,373	4,709	34,082
	Total	**997,707**	**697,605**	**1,695,312**

Source: IRA (2016)

3.5 Sample Size and Sampling Design

The sampling frame for this study was policy holders from each of the 17 composite insurance companies. A sampling frame is the total population listed from which a sample is selected (Blumberg, Cooper & Schindler, 2014). This study used a finite population formula to calculate the study sample. The formulae calculating the sample of target population of 1,695,312 had a 95% level of confidence. The formula proposed

by Yamane (1967) and recommended by Israel (1992) was applied in sample size determination as follows:

Equation 3. 1: …….. $n = \frac{\mathrm{N}}{1+N\,(e)^2}$

From this formula, n was the sample size, N was the population size and e was the confidence level (0.05). Using N = 1,695,312 in the formula, the resulting sample size (n) was 400 and was distributed as shown in Table 3.2 below.

$$\mathrm{n} = \frac{1695312}{1+1695312\,(0.05)^2}$$

$$\mathrm{n} = \frac{1695312}{4239.28}$$

$$\mathrm{n} = 399.906$$

$$\mathrm{n} = 400$$

The formula was selected because it enabled the researcher to estimate size of sample with a high degree of precision. It is also an appropriate method of determining sample for large populations. Simple random sampling technique was used to pick the respondents from the policy holders of the 17 composite insurance companies in Kenya. The same formula for sample size determination was used by Kithome (2013) to select a sample of 400 respondents from university students to investigate service quality and library user satisfaction among universities in Kenya. Obiero (2018) also used the same formula to determine a sample size of 173 respondents from hotel customers to determine the relationship between service quality and customer satisfaction in hotels in Nairobi.

Table 3.2: Proportionate Sample Size Distribution

No.	Insurance Company	Total Policies	Ratio(r)	Sample Size
1.	APA Insurance	112,629	0.00023	26
2.	Britam Insurance	228,406	0.00023	54
3.	Canon Assurance	34,082	0.00023	8
4.	CIC Insurance	543,070	0.00023	126
5.	Corporate Ins.	23,508	0.00023	6
6.	First Assurance	23,538	0.00023	6
7.	GA Insurance	44,651	0.00023	11
8.	Geminia Ins.	20,404	0.00023	5
9.	ICEA Lion	131,530	0.00023	31
10.	Jubilee Insurance	97,146	0.00023	23
11.	Kenindia Insurance	52,223	0.00023	12
12.	Kenya Orient Ins.	86,454	0.00023	20
13.	Madison Insurance	100,701	0.00023	24
14.	Sanlam Insurance	9,532	0.00023	3
15.	Kenyan Alliance	37,829	0.00023	10
16.	Monarch Insurance	60,395	0.00023	14
17.	UAP Insurance	89,215	0.00023	21
	Total	**1,695,312**		**400**

Source: Author (2018)

Table 3.2.shows the sample size distribution. This study needed at least 400 participants to complete the survey based on the results of sample size calculation. The study used the proportional allocation method to distribute the sample size per insurance company where each got an equal proportion of their population and it helped the researcher to equally distribute sample cases. This method was proposed by Bowley (1926).

Equation 3. 2: …….. $r = \frac{\mathrm{n}}{N}$

From this formula, n was the sample size, N was the population size and r was the proportionate ratio. Using N = 1,695,312 and n=400 in the formula, the resulting proportionate ratio (r) was 0.00023 and was distributed as shown in Table 3.2 above.

$$\mathrm{r} = \frac{400}{1{,}695{,}312}$$

r= 0.00023

3.6 Data Collection Instrument

This study collected primary data to measure the perceptions of customers in the insurance industry. A structured questionnaire was used to collect primary data from the 400 policy holders selected from the 17 composite insurance companies. Questionnaire was chosen because it is convenient in collecting primary data from respondents since they can fill it during their free time or such a time when their workload is manageable. The structured questions minimise response variation, take less time to code and transcribe and they lead to increased response rate. Questionnaires are also highly recommended for descriptive designs. The data collection instrument was an adapted modified version of the SERVQUAL scale for insurance services that was generated through a review of literature. The questionnaire used a 5-point Likert scale to measure degree of agreement with provided statements.

Manani (2012) used a similar data collection instrument, a structured questionnaire with a five point Likert scale, to collect primary data from Kenya airways passengers. He used references from ticket sales agents to randomly locate and select respondents. Owino (2013) also used a structured questionnaire with a five-point Likert scale to collect primary data from Kenyan University students. Nyaguthii (2013) used a structured questionnaire with a five-point Likert scale to collect primary data from Insurance customers in Kenya in her study, “Determinants of Customer Satisfaction in the Life insurance industry in Kenya.

3.7 Data Collection Procedure

The structured questionnaire was preceded by an introductory letter from Karatina University to gain access to the insurance companies. The researcher also obtained a research authorization letter as well as a research permit from the national commission

for science, technology and innovation (NACOSTI) for introduction purposes. Authority was also sourced from insurance managers to allow the researcher to obtain a list of policy holders from the agents. These documents made it possible for the researcher to acquire lists of names and telephone contacts of policy holders from the composite insurance companies. The researcher made use of four insurance agents as research assistants because they had basic understanding of the topic under study and also had access to policy holder records. The research assistants were each provided with copies of introduction letter from Karatina University and the authorization from NACOSTI so that they could attach to every questionnaire as they presented it to the respondent. Most of the respondents filled the questionnaires as the assistants waited while others requested them to drop and pick later.

3.8 Pilot Study

A pilot study was conducted to allow for preliminary assessment of the existing scale to ensure that it was valid and reliable. A pilot study assists in determining existence of flaws or weaknesses with the interview design and allow researcher to make necessary adjustments prior to the actual implementation of the study (Lucky & Minai, 2011; Lewis & Thornhill, 2009). The questionnaire was piloted on forty insurance customers (10% of study population) who were randomly selected from insurance companies in Thika town while the main study was conducted in Nairobi County.

3.8.1 Validity of Data Collection Instrument

Validity is the degree to which an instrument would measure what it purports to measure (Bryman & Ferguson, 2012). It translates to how accurately the data obtained in the study represents the study and if that data is a true reflection of the variables, then inferences based on such data would be accurate and meaningful (Patton, 2002). This study tested for construct validity. Confirmatory factor analysis was used to assess

construct validity of the questionnaire. There are two types of construct validity; convergent and discriminant validity which were both analysed using the pilot study data. Convergent validity was assessed using Average shared Variance Extracted (AVE) which should be greater than 0.5. Discriminant validity was assessed by comparing Squared Multiple Correlations with Average shared Variance Extracted (AVE). The squared multiple correlations usually reflect the variance that the indicators belonging to a construct share with other constructs which should be lower than the AVEs.

3.8.2 Reliability of Data Collection Instrument

Reliability analysis refers to the degree to which an instrument yields consistent results and it gives the same results every time (Bryman & Bell, 2015). This study adopted the internal consistency method to test reliability of the data collection instrument. The internal consistency measure generates a coefficient value known as the Cronbach's alpha (α) (Cronbach, 1951). A Cronbach's alpha (α) value of 0.6 or above is considered adequate. The closer Cronbach's alpha is to 1, the higher the internal consistency reliability (Nunally & Bernstein, 1994).

Kithome (2013) used the Cronbach's alpha to test the reliability of data collection instrument in a study of service quality and library user satisfaction among universities in Kenya. George (2014) conducted a study of service quality and customer satisfaction in certified public accountant training institutions in Nairobi and used the Cronbach's alpha to test for reliability of the data collection instrument.

3.9 Operationalization of Variables

Table 3.3: Operationalization of Variables

VARIABLE	INDICATORS	MEASUREMENT
Service Reliability (Independent Variable)	• The process of claiming was hassle free • Settlement of the claim was hassle free • Claim was settled within a limited time period • Claim was fully settled • Claim was partially settled • Terms and conditions for claim settlement were limited • Administrators were cooperative • Insurance company surveyors were cooperative • Time taken by surveyors was adequate • Time taken by administrators was adequate • Third party administrators' e.g police were cooperative. • Insurance company provides services as promised • Staff are sincere and dependable in handling service problems • Insurance company performs service right the first time • Insurance company always maintains accurate records • Insurance policy and other documents have no errors • Claims and other benefits are paid at the right time • Insurance covers/policies meet customer needs • Transactions are carried out within the specified time • Services offered are dependable.	5-Point Likert Scale
Service Empathy (Independent Variable)	• Staff are always available any time of day for consultation. • Employees have the customers' best interest at heart. • Employees understand the specific needs of their customers. • Insurance company operating hours are convenient for the customer. • Insurance company branches are easily accessible • Employees and agents give customers individual attention. • Front office staff are punctual in opening the office. • Employees display confidence when selling policies. • The company is located in a conducive environment	5-Point Likert Scale
Service Blueprint (Independent Variable)	• The insurance company has a good name and reputation. • Insurance company uses modern technology.	5-Point Likert Scale

	• Employees, brokers and corporate agents are courteous. • Employees, brokers and agents are capable and knowledgeable. • There is availability of maximum consumable income. • Company uses extensive promotional activities. • There is maximum customer satisfaction. • There is availability of loans to meet associated cost of insurance. • There is a minimum deductible premium applicable. • Wide policy outcomes and comprehensive coverage. • The content of policy document is within what sales staff explained. • The sales staff use effective selling methods. • The process followed when buying the policy cover is clear. • The process of making premium payments is convenient. • The customer is well informed of the insurance policy rules and regulations. • The process of benefit claims is clear and adequate. • The staff facilitate depth of policy benefits discussion. • The customer is well informed of the benefits claims procedure and the benefits they are buying in the policy.	
Service Assurance (Independent Variable)	• The insurance company effectively updates customers of any developments. • Staff give correct and adequate information on policies. • Staff are quick to respond to customer queries. • Staff are always polite and willing to help customers. • The insurance company employees are consistently courteous. • The conduct of staff instils confidence in the customer. • The customer feels that their investments are safe with the insurance company. • The customer believes that insurance company gives the best policy covers. • The staff are always approachable and willing to help.	5-Point Likert Scale
(Dependent Variable)	• Customer experienced a positive relation with the insurance company. • Customer experience with the insurance staff was excellent. • Customer is satisfied with the service quality of administrative staff. • Customer is willing to buy other products from the insurance company.	5-Point Likert Scale

- Customer is willing to recommend the insurance company to someone else.
- Overall the customer is satisfied with the insurance company.

Source: Author (2018)

3.10 Diagnostic Tests

Diagnostic tests were conducted on the collected data before analysis to determine the validity of the findings from the data (Bryman and Bell, 2015). The study conducted three types of diagnostics to test for the assumptions of absence of multicollinearity, normality and homoscedasticity.

3.10.1 Multicollinearity Test

Multicollinearity refers to a situation in which two or more explanatory variables in a multiple regression model are highly linearly related. It is the undesirable situation where the correlations among the independent variables are strong. In regression analysis, predictor variables are assumed not to be highly correlated with each other. Multicollinearity may lead to invalid results about any individual predictor, or about which predictors are redundant with respect to others (Field, 2009). The study used Tolerance and Variance Inflation factors to test for multicollinearity. VIF values of 5 and above or Tolerance values lower than 0.1 suggest a multicollinearity problem. The multicollinearity test was performed on the predictor variables namely; Service reliability, service empathy, service blue print and service assurance and results indicated absence of multicollinearity (Table 4.19).

3.10.2 Normality Test

A normality test is used to determine whether sample data has been drawn from a normally distributed population (within some tolerance) Normality is important in knowing the shape of the distribution and helps to predict dependent variables scores.

Razali and Wah (2011) revealed that the Shapiro Wilk test is the best for normality tests followed by Anderson Darling and the Kolmogorov–Smirnov tests. The study used both the Shapiro Wilk and the Kolmogorov-Smirnov to determine whether the population data followed a normal distribution. The tests were conducted on the combined model of service quality. A p-value for the Shapiro Wilk test statistic that was greater than 0.05 (level of significance) implied that the data wads normally distributed but a p-value less than 0.05 implied non normal data. A normal Q-Q plot of unstandardized residuals was generated to confirm the results of the Shapiro Wilk and Kolmogorov-Smirnov tests. Q-Q plots assessed the assumption of normality by comparing the distribution from the data to the theoretical normal distribution represented by the zero line (diagonal line). Deviation from normality is depicted by residual plots that deviate from the line (Field, 2013). The study met the assumptions of normality implying that the population was normally distributed, hence data was fit for analysis (Table 4.20 and Figure 4.14).

3.10.3 Test for Homoscedasticity

Homoscedasticity also known as "homogeneity of variance" refers to the state of having the same scatter in your data that translates to having data values that are scattered or spread out to about the same extent. In regression analysis, the residuals are assumed to be constant across all the predictor variables. In this study, residual scatter plot for predicted scores against standardized residual values were developed to test for homoscedasticity. Where there is homoscedasticity the scatter plots should not yield any type of pattern but the scatter plots should be randomly spread out. The reverse of homoscedasticity is referred to as heteroscedasticity and is depicted by scatter plots that form either a decreasing or increasing pattern below or above zero. Heteroscedasticity means a situation in which the variance of the dependent variable varies across the data

Heteroscedasticity makes coefficient estimates less precise and it tends to produce p-values that are smaller than they should be hence can conclude that a model term is statistically significant when it is not (Field, 2009). The study met the assumption of homoscedasticity implying that the data was good for analysis (Table 4.15).

3.11 Data Analysis and Presentation

Data analysis involves examination, categorisation, tabulation and rearranging of all the evidence obtained from a study (Bryman & Bell, 2015). The data collected was cleaned in order to identify any missing values and sample characteristics. Factor analysis was conducted on all the independent variables of the study in order to identify the constructs, which were then regressed against the dependent variable. Once the questionnaires were administered, the raw data collected was organised systematically in a manner that facilitated analysis. Data analysis was conducted in three stages that included: data preparation, data analysis and reporting. SPSS version 21.0 for windows 8 was used for pilot study to assess reliability and validity of the data collection instrument. Descriptive and inferential statistics were also conducted using SPSS software. Descriptive statistics was interpreted using frequencies, mean and standard deviation and presented in form of pie charts, graphs and tables.

The study conducted the Pearson correlation analysis to determine the strength of the relationship between customer satisfaction and the individual service quality dimensions of reliability, empathy, service blueprint and assurance. Linear and multiple regression analysis models were developed where linear regression model helped to explain the relationship between customer satisfaction and each individual service quality dimension while a multiple regression model was used to explain the relationship between customer satisfaction and the combined service quality

dimensions (service quality and customer satisfaction model). The coefficient of determination was used to determine if the models were significant and the extent to which each of the independent variables explained changes in the dependent variable. F-statistic was computed at 95% level of confidence to establish whether a significant relationship existed between the service quality dimensions and customer satisfaction in the insurance industry in Kenya. Results of the inferential analysis were presented using tables.

Beyene (2019) applied the Pearson correlation analysis and regression models to determine the impact of service quality on customer satisfaction in insurance companies of Wolaite zone, Ethiopia. Sivesan (2019) also used the Pearson correlation and regression models to study the impact of service quality and customer satisfaction in life insurance companies of Sri-Lanka.

3.12 Test of Hypotheses

The study used linear regression analysis to establish the relationship between the individual service quality dimensions of reliability, empathy, service blueprint and assurance. Three types of analysis were conducted; the coefficient of determination (R^2), F-test and the t-test. The R^2 was carried out to predict whether the model was significant or not. A p-value > 0.05 implied model insignificance while a p-value < 0.05 implied that the model was significant. The study tested four hypotheses; H_{01}: Service reliability does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. H_{02}: Service empathy does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. H_{03}: Service blue print does not have a statistical significant relationship with customer

satisfaction in the insurance industry in Kenya. H_{04}: Service assurance does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. Where p-value was <0.05, the hypothesis was rejected and where p-value was >0.05, the hypothesis was accepted. The results for this study rejected all the hypotheses.

The linear model equation was written as:

$Y= B + X$

The multiple regression model equation was written as:

$Y= B + X_1+ X_2 + X_3 + X_4$

Where Y is the Customer Satisfaction

X_1 – Service Reliability

X_2 - Service Empathy

X_3- Service blueprint

X_4 - Service Assurance

Table 3.4: Summary of Data Analysis Method

Hypothesis	Analysis Model	Method	Interpretation
H_{01}: Service reliability does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.	$Y = B + X_1$ Where; Y=Customer Satisfaction X_1=Service Reliability	Linear regression analysis R^2 = Coefficient of determination F-test T-test	R^2 : Provides predictive power of the model P-value < or = 0.05 means model is significant
H_{02}: Service empathy does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.	$Y = B + X_2$ Where; Y=Customer Satisfaction X_2=Service Empathy	Linear regression analysis R^2 = Coefficient of determination F-test T-test	R^2 : Provides predictive power of the model P-value < or = 0.05 means model is significant
H_{03}: Service blue print does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.	$Y = B + X_3$ Where; Y=Customer Satisfaction X_3=Service blueprint	Linear regression analysis R^2 = Coefficient of determination F-test T-test	R^2 : Provides predictive power of the model P-value < or = 0.05 means model is significant
H_{04}: Service assurance does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.	$Y = B + X_4$ Where; Y=Customer Satisfaction X_4=Service Assurance	Linear regression analysis R^2 = Coefficient of determination F-test T-test	R^2 : Provides predictive power of the model P-value < or = 0.05 means model is significant

Source: Author (2018)

3.13 Ethical Consideration

Ethical concerns in research deal with voluntary participation, no harm to respondents, anonymity and confidentiality (Munhall, 1988). The researcher sought authority from the relevant branch managers of the 17 composite insurance companies. To help eliminate any ethical concerns the researcher ensured that participation was voluntary. The researcher also observed the standards of behaviour in relation to the rights of study subjects. All the respondents were informed of the objective of the study and the confidentiality of obtained information, through a transmittal letter to enable them give informed consent. Caution was observed to ensure that no participant was coerced into taking part in the study.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the findings and interpretation of the results yielded from analysis of the data collected. The data was analysed using descriptive and inferential statistics. The descriptive analysis involved frequencies, means and standard deviations and the results were presented in tables and graphs. Inferential analysis involved hypothesis testing which sought to establish significant relationships between the independent and dependent variables. Pearson's correlation was used to establish the significance, strength and direction of the relationship between each Independent variable and the dependent variable while linear regression analysis was performed to establish a predictor model of the dependent variable using the Independent variables.

4.2 Response Rate

This study targeted all the insurance policy holders in insurance companies offering life and non-life insurance policies in Kenya. A sample size of 400 respondents was chosen where questionnaires were administered to all of them. Table 4.1 shows the response rate.

Table 4.1: Response Rate

Insurance Company	Population (N)	Sample (n)	Achieved sample	%Achieved sample
APA Insurance	112, 629	26	26	6.5
British American	228, 406	54	54	13.5
Canon Assurance	34, 082	8	8	2.0
Corporative Insurance	543, 070	128	120	30.0
Corporate Insurance	23, 508	6	6	1.5
First Assurance	23, 538	6	6	1.5
GA Insurance	44, 651	11	11	2.8
Geminia Insurance	20, 404	5	5	1.3
ICEA Lion Insurance	131, 530	31	31	7.8
Jubilee Insurance	97, 146	23	23	5.8
Kenindia Assurance	52, 223	12	12	3.0
Kenya Orient Insurance	86, 454	20	20	5.0
Madison Insurance	100, 701	24	24	6.0
Sanlam Insurance	9, 532	2	2	.5
Kenyan Alliance	37, 829	9	9	2.3
Monarch Insurance	60, 395	14	14	3.5
UAP Insurance	89, 215	21	21	5.3
Total	**1, 695, 312**	**400**	**392**	**98**

Source: Survey Data (2018)

According to the results in Table 4.1, a total of 392 questionnaires were completely filled and returned for analysis. This represented a 98% response rate. Kothari (2011) stated that a response rate which is above 50% is acceptable for analysis and publishing. Therefore, a response rate of 98% was found to be excellent for analysis, statistical generalization and also publishing.

4.3 Factor Analysis

Factor analysis is categorized into two main types, exploratory and confirmatory factor analysis. The basic premise of factor analysis is that for a set of observed variables there are a set of underlying variables called factors (smaller than the observed variables), that can explain the interrelationships among those variables (Kline, 2011).

4.3.1 Exploratory Factor Analysis

Exploratory factor analysis (EFA) helps to assess the multidimensionality of constructs. The study used EFA to run a principal component analysis which was used to determine

the number of independent constructs for the study. A principal component analysis transforms a large set of variables into a smaller one with minimal information loss. It helps to identify independent constructs using Eigen values. Eigen values for independent constructs should be greater than 1(Eigen value>1) (Kline, 2011). Table 4.2 shows all the plausible factors generated from EFA.

Table 4.2: Exploratory Factor Analysis (Principal Component Analysis)

Comp-onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumu-lative %	Total	% of Variance	Cumu-lative %	Total	% of Variance	Cumu-lative %
1	16.729	29.891	29.891	16.729	29.891	29.891	10.107	18.059	18.059
2	5.184	9.263	39.153	5.184	9.263	39.153	7.236	12.928	30.987
3	2.597	4.640	43.794	2.597	4.640	43.794	4.888	8.733	39.720
4	2.43	4.342	48.136	2.43	4.342	48.136	3.783	6.760	46.480
5	2.108	3.767	51.902	2.108	3.767	51.902	2.921	5.219	51.699
6	0.972	1.737	56.942						
7	0.972	1.737	56.942						
8	0.971	1.735	58.677						
9	0.97	1.733	60.411						
10	0.969	1.731	62.142						
11	0.968	1.730	63.872						
12	0.967	1.728	65.599						
13	0.966	1.726	67.325						
14	0.965	1.724	69.050						
15	0.964	1.722	70.772						
16	0.907	1.621	72.393						
17	0.889	1.588	73.981						
18	0.827	1.478	75.459						
19	0.811	1.449	76.908						
20	0.766	1.369	78.276						
21	0.746	1.333	79.609						
.		.	.						
.		.	.						
56	0.068	0.122	99.902						
57	0.036	0.064	99.966						
58	0.019	0.034	100.000						

Source: Survey Data (2018)

The results of the principal components analysis revealed five latent constructs. Only the five possible factors that had Eigen values greater than 1 were possible to retain as

independent constructs in the study. A proposal by Kaiser (1960) was to drop off factors with Eigen values that are less than one.

4.3.2 Confirmatory Factor Analysis

A confirmatory factor analysis (CFA) helps to explain the uni-dimensionality of study constructs. The study conducted a CFA to determine which indicators or manifest variables explain each specific latent variable. This was based on the theoretical and empirical considerations that informed the development of the constructs. Confirmatory factor analysis is used to calculate factor loadings. An observed variable is said to belong to the construct it loads highest and above 0.4. Appendix 3 shows the factor loadings results for each indicator to its hypothesised construct. The study retained all the indicators because they loaded the constructs above 0.4 and were all used in further analysis.

4.4 Results of the Pilot Study

A pilot study was conducted to allow for preliminary assessment of the existing scale so as to modify it to suit the context of this present study. This helped in determining with the interview design where necessary adjustments prior to the actual implementation of the study were made. The pilot involved a sample of 40 respondents which represented 10% of the sample size and the questionnaires were administered randomly. The reliability and validity of the research instrument was measured. The study tested for construct validity. Confirmatory factor analysis was used to assess construct validity of the questionnaire. There are two types of construct validity; convergent and discriminant validity which were both analysed using the pilot study data. Convergent validity was assessed using Average shared Variance Extracted (AVE) which should be greater than 0.5. Discriminant validity was assessed by comparing Squared Multiple Correlations with Average shared Variance Extracted

(AVE). The squared multiple correlations usually reflect the variance that the indicators belonging to a construct share with other constructs which should be lower than the AVEs. Results of both convergent and discriminant validity are presented in Table 4.3.

Table 4.3: Summary of Construct Validity Results

	AVE	Squared Multiple Correlation
Service Reliability	0.659	0.612
Service Empathy	0.640	0.090
Service Blueprint	0.714	0.008
Service Assurance	0.701	0.609

Source: Survey Data (2018)

AVEs for all the constructs were found to be above 0.6 implying presence of convergent validity. All the relative squared multiple correlations were lower than the AVEs), implying that the data and thus the instrument exhibited discriminant validity. When convergent and discriminant validity are demonstrated, there is evidence of construct validity. Both convergent and discriminant validity were exhibited hence conclusion that the data collection instrument (questionnaire) exhibited construct validity implying that the data collection instrument was valid.

This study adopted the internal consistency method to test reliability of the data collection instrument. The internal consistency measure generates a coefficient value known as the Cronbach's alpha (α) (Cronbach, 1951). A Cronbach's alpha (α) value of 0.6 or above is considered adequate. The closer Cronbach's alpha is to 1, the higher the internal consistency reliability (Nunally & Bernstein, 1994). The results showing that all the variables were adequately reliable are presented in Table 4.4.

Table 4.4: Summary of Reliability Statistics

Factors	N	Cronbach's Alpha	Comments
Assurance	9	0.946	Acceptable
Empathy	9	0.757	Acceptable
Reliability	20	0.931	Acceptable
Service Blue Print	20	0.737	Acceptable
Customer satisfaction	6	0.959	Acceptable

Survey Data (2018)

The results in Table 4.4 revealed that the Cronbach alpha coefficient for Assurance, Empathy, Reliability, Service Blue Print and Customer satisfaction was above 0.7. This implied that the research instrument was adequate and reliable. Two tests were conducted to determine whether the study sample was adequate. Kaiser-Meyer-Olkin (KMO) test was conducted to explore sampling adequacy of the data and to determine if it was suitable for factor analysis. KMO value of 0.5 is considered an indication of sampling adequacy. Bartlett's test of Sphericity was carried out to confirm the results of the KMO tests. If p-value is lower than the chosen level of significance (in this case 0.05), data is suitable. The results showing that the sample was adequate are presented in Table 4.5.

Table 4.5: Summary of Sampling Adequacy Statistics

	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	Bartlett's Sphericity Test		
		Approx. Chi-Square	**Df**	**Sig.**
Assurance	0.752	228.431	55	0.000
Empathy	0.601	97.194	28	0.000
Reliability	0.603	193.090	55	0.000
Service blue print	0.681	110.520	21	0.000

Source: Survey Data (2018)

All KMO values were larger than 0.6, an indication of sampling adequacy and similarly all the Bartlett's tests statistics had p-values of 0.000 implying that the data was suitable for factor analysis.

4.5 Background Information

Back ground information of the respondents was analysed in this study. This included the respondent's gender, age, highest education level, marital status, family type, occupation and the income level.

4.5.1 Respondent's Gender

The respondents were asked to indicate their gender and the results were represented in Figure 4.1.

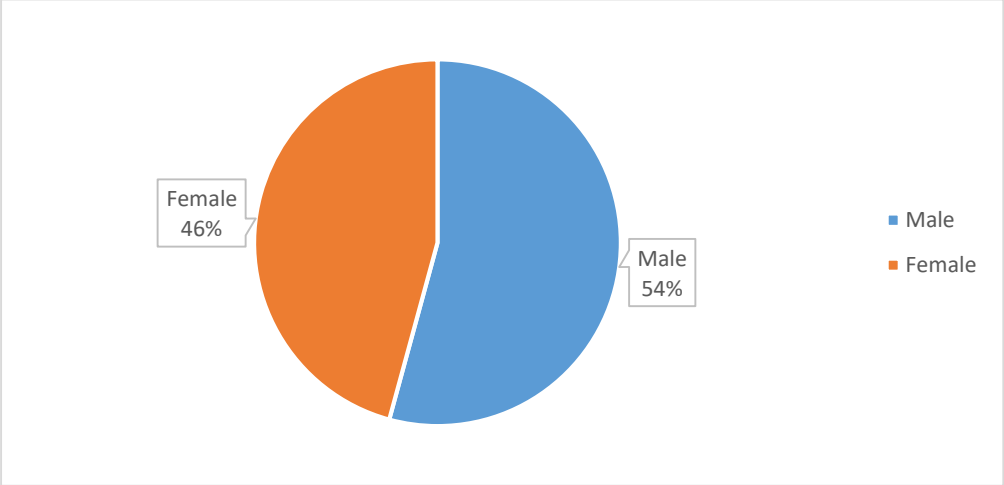

Figure 4.1: Gender of the Respondents

The results in Figure 4.1 revealed that 54% of the respondents were male while 46% were females. This indicated that there were more male who have an insurance cover than female. Musekiwa and Mukucha (2010) conducted a study of gender effects on customer satisfaction in the banking industry, a case of commercial banks in Bindura, Zimbambwe. The study concluded that gender differences could be an influential demographic factor in customer satisfaction and service quality. Female and children

have different satisfaction levels than male customers' hence insurance providers should consider gender when developing products.

4.5.2 Respondents' Age

The respondents were asked to select the age bracket they belonged to and their responses were presented in Figure 4.2.

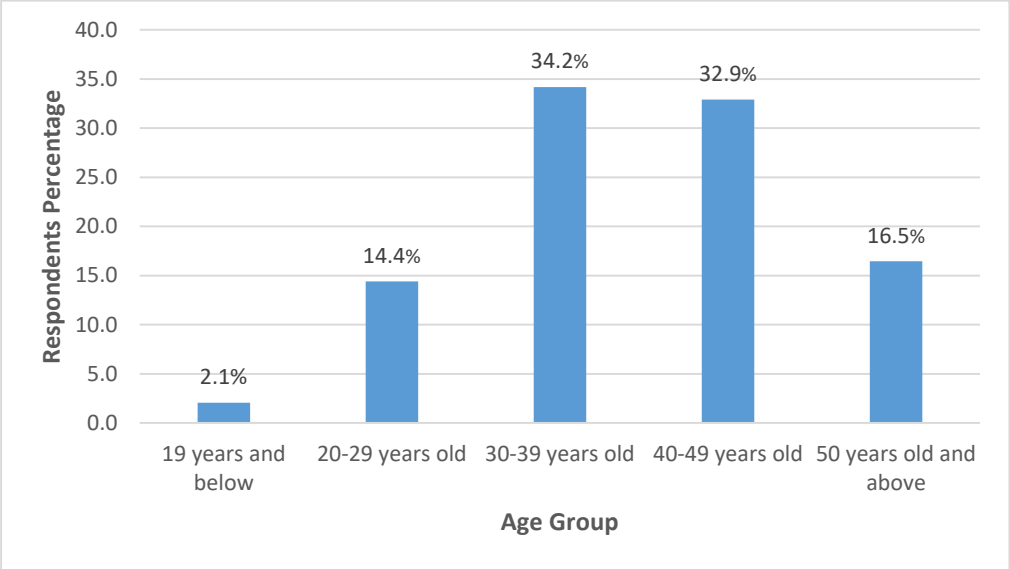

Figure 4.2: Respondents' Age-Group

The results in Figure 4.2 revealed that majority of the respondents, 34.2%, were aged between 30-39 years old, 32.9% were aged between 40 to 49 years old, 16.5% were aged 50 years and above, 14.4% were aged 20 to 29 years while 2.1% were aged 19 years and below. This indicated that majority of the respondents with insurance policies are middle-aged. This would have been as a result of being settled in life in terms of employment and income as opposed to the young who are joining the job market or are still looking for employment and the old who are retiring.

Khurana (2014) studied the effect of demographic variables on customer satisfaction: an empirical study of Indian life insurance industry and observed that customers in the age group of above 60 years are most satisfied, while those in the age group of 26-30 years are least satisfied with the services of life insurance companies. It is therefore

necessary for insurers to consider the age group of prospective customers during service delivery.

4.5.3 Highest Level of Education

The respondents were asked to indicate the highest level of education they had attained and the results were presented in Figure 4.3.

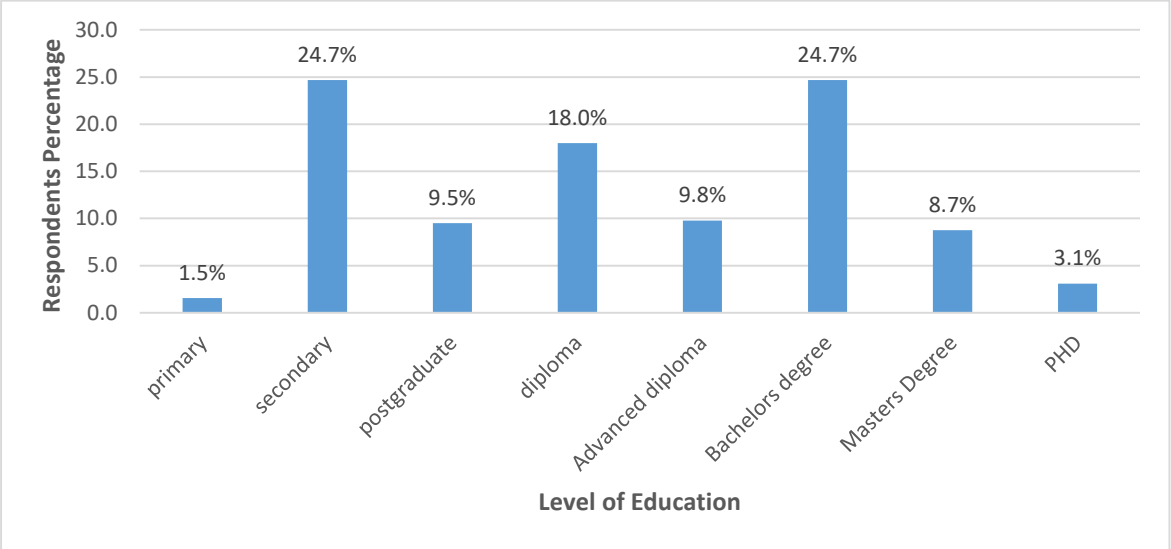

Figure 4.3: Respondents' Level of Education

Figure 4.3 revealed that majority of respondents had their highest education level as a bachelor's degree and a secondary certificate with a total of 24.7% of the total respondents each, 18.0% had diploma, 9.8% had advanced diploma, 9.5% had a postgraduate certificate, 8.7% had a master's degree, 3.1% had a PhD while the least, 1.5%, had their highest education level as primary. This indicated that majority of the policy holders were schooled and literate. This qualifies their reliability in answering questions correctly because they are capable of understanding the basic issues under study.

4.5.4 Respondents' Marital Status

The respondents were asked to indicate their marital status and the results were presented in Figure 4.4.

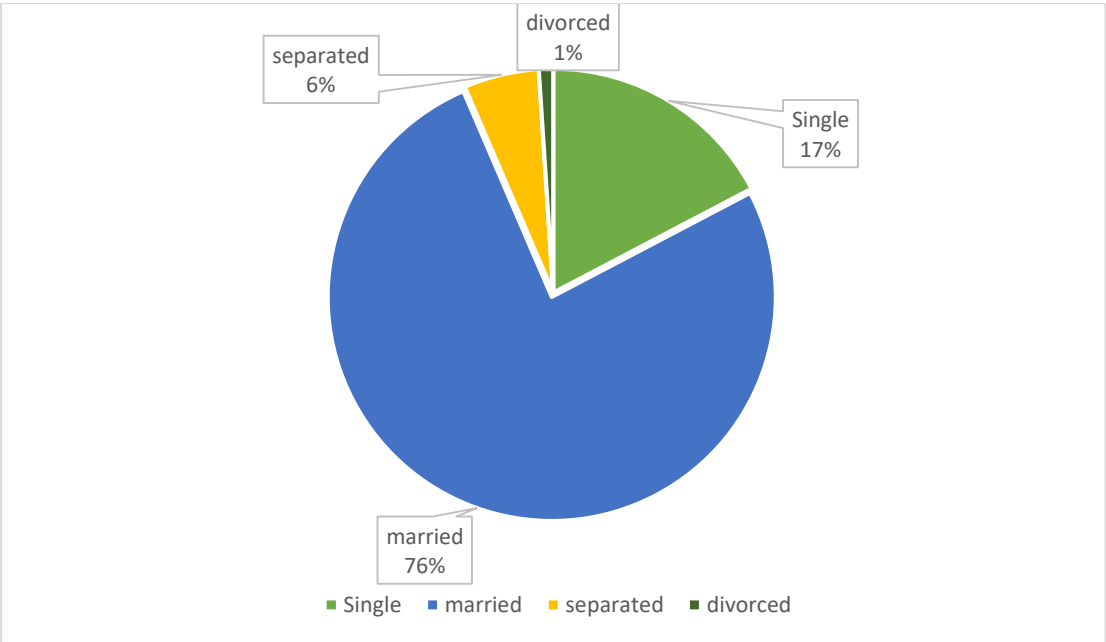

Figure 4.4: Respondents' Marital Status

The results indicated that 76% of respondents were married, 17% were single, 6% had separated from their spouses while 1% had divorced. This implied that majority of the policy holders were married and were living with their spouses.

4.5.5 Family Type

The respondents were asked to indicate the type of family they belonged to. The results were presented in Figure 4.5.

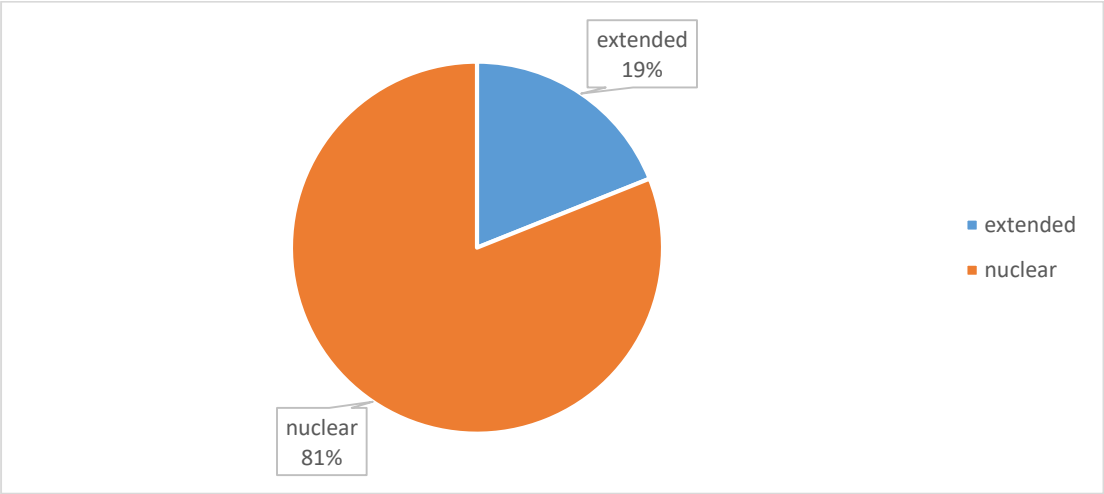

Figure 4.5: Respondents' Family Type

The results revealed that majority of the policy holders, 81%, came from a nuclear family while 19% belonged to an extended type of family.

4.5.6 Occupation

The respondents were asked to indicate the type of occupation they belonged to and results were represented in Figure 4.6

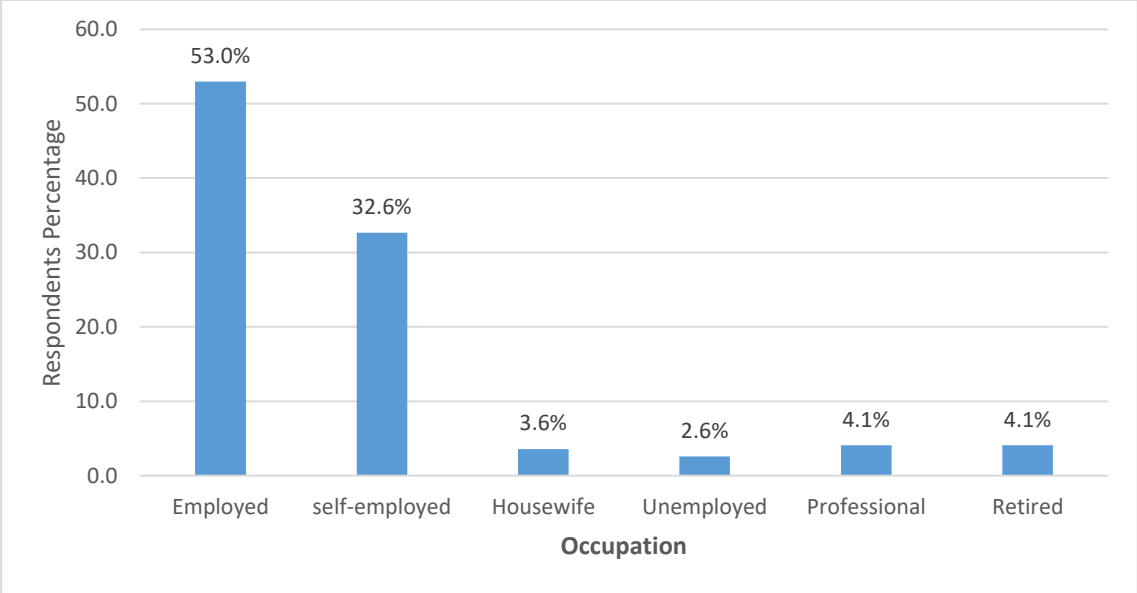

Figure 4.6: Respondents' Occupation

The results revealed that majority of the respondents, 53%, were employed, 32.6% were self-employed, 4.1% were professional, 4.1% were retired respectively and 3.6% were housewives while 2.6% were unemployed.

4.5.7 Level of Income

The respondents were requested to indicate their level of income. The results were tabulated in Table 4.6.

Table 4.6: Respondents' Level of Income

	Frequency	Percent
Kshs. 10,000 and below	26	6.8
Kshs. 10,000 - 50,000	255	66.4
Kshs 50,000 - 100,000	91	23.7
Above 100,000	12	3.1

Source: Survey Data (2018)

The results in Table 4.6 revealed that majority of the respondents, 66.4%, earned Ksh.10,000 to Ksh.50,000, 23.7% earned between Ksh.50,000 and Ksh.100,000, 6.8%

earned Ksh.10,000 shillings and below while 3.1% earned above Ksh.100,000. This indicated that majority of the policy holders were middle income earners.

4.5.8 Summary and Discussion of Demographic Information

A study by Khurana (2014) in the effects of demographic factors on customer satisfaction in life insurance concluded that gender differences reflected on the satisfaction levels as both male and female respondents showed varying levels of satisfaction, hence the study suggested that life insurance companies should regard demographic profiles of customers during service delivery because each customer has distinct needs and preferences based on their demographic status. Different age groups, showed varying levels of satisfaction. Customers aged above 30 who are the larger consumers had different levels of satisfaction than those below 30. In this study, majority of the respondents were aged above 30 implying a larger concentration of respondents who consume insurance products and thus have better understanding of the industry. The sample in this study also constituted majority of married customers who also consume more products and are more satisfied in comparison to singles.

The findings of the study further showed that majority (66.4%) of the respondents are middle income earners implying that this is the group that purchases more insurance products in Kenya than any other group. The demographic results also show that majority (73.8’% %) of the respondents had at least a diploma level of education and above hence they had adequate academic qualification to understand the study constructs and hence their opinion could be relied upon to make inferences. This is consistent with a study by Ulbinaite, Kucinskiene and Moullec (2013) who explored the determinants of insurance purchase in Lithiuana and found that demographic and social economic characteristics of respondents influence their final decision to purchase

insurance products. The study confirmed that education level also affects the decision to buy insurance and that people with her higher levels of education are influenced by the competence and professionalism of the service provider. Men and single people consider the insurance conditions for example the risk being covered and the insurance premium while women, families of two or more members, youth and young adults consider the service provider's competence.

Weedige, Ouyang, Gao and Liu (2019) investigated decision making in personal insurance and confirmed that customer's level of education and the service provider's competence influence the final decision to buy insurance. Musekiwa and Mukucha (2010) also concluded that gender differences could be an influential demographic factor in customer satisfaction and service quality. Female and children have different satisfaction levels than male customers' hence insurance providers should consider gender when developing products. The study demographic results provide an insight for insurance managers regarding the right market to target and where to prioritise resource allocation.

4.6 Insurance Background Check

The policy holders were asked about their insurance policies and their responses were presented in this section

4.6.1 Insurance Policy

The respondents were asked to indicate the name of their insurer/ insurance company. The results were presented in Table 4.7.

Table 4.7: Respondents' Insurer

	Frequency	Percent
APA Insurance	26	6.6
British American	54	13.8
Canon Assurance	8	2.0
Corporative Insurance	120	30.6
Corporate Insurance	6	1.5
First Assurance	6	1.5
GA Insurance	11	2.8
Geminia Insurance	5	1.3
Icea Lion Insurance	31	7.9
Jubilee Insurance	23	5.9
Kenindia Assurance	12	3.1
Kenya Orient Insurance	20	5.1
Madison Insurance	24	6.1
Sanlam Insurance	2	0.5
Kenyan Alliance	9	2.3
Monarch Insurance	14	3.6
UAP Insurance	21	5.4

Source: Survey Data (2018)

The results in Table 4.7 indicate that majority of the respondents were insured by corporative insurance company with 30.6% of the total respondents under the scheme. 13.8% under British American insurance, 7.9% in ICEA lion insurance, 6.6% in APA insurance, 6.1% under Madison insurance, 5.9% under Jubilee insurance, 5.4% in UAP insurance, 5.1% under Kenya orient insurance, 3.6% in Monarch insurance, 3.1% Kenindia insurance, 2.8% under GA insurance, 2.3% under Kenyan alliance, 2.0% in Cannon insurance, corporate and first assurance with 1.5% respectively, Geminia with 1.3%, and 0.5% of the respondents under Sanlam insurance.

The above information can be used by insurance managers to understand who their competitors in their insurance industry are and come up with strategies to compete effectively in the industry. They can benchmark with those that are above them in the ranking to understand their competitive position and what they can do to either keep up or be ahead of the competition.

4.6.2 Type of Insurance Policy

The respondents were requested to indicate the kind of insurance policy they owned.

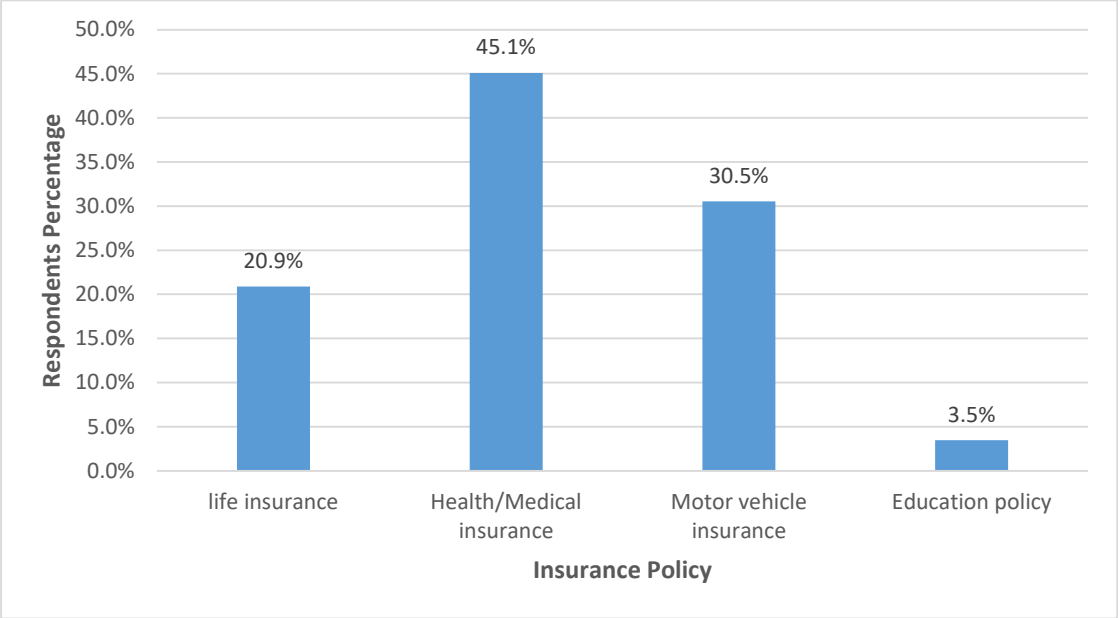

Figure 4.7: Respondents' Type of Insurance Policy

The results in Figure 4.7 revealed that majority of respondents, 45.1%, owned health/medical insurance, 30.5% owned motor vehicle insurance, and 20.9% owned life insurance and 3.5% of the respondents had education policy.

4.6.3 Insurance Cover

The respondents indicated the type of the insurance cover they were under and their responses were presented in Figure 4.8.

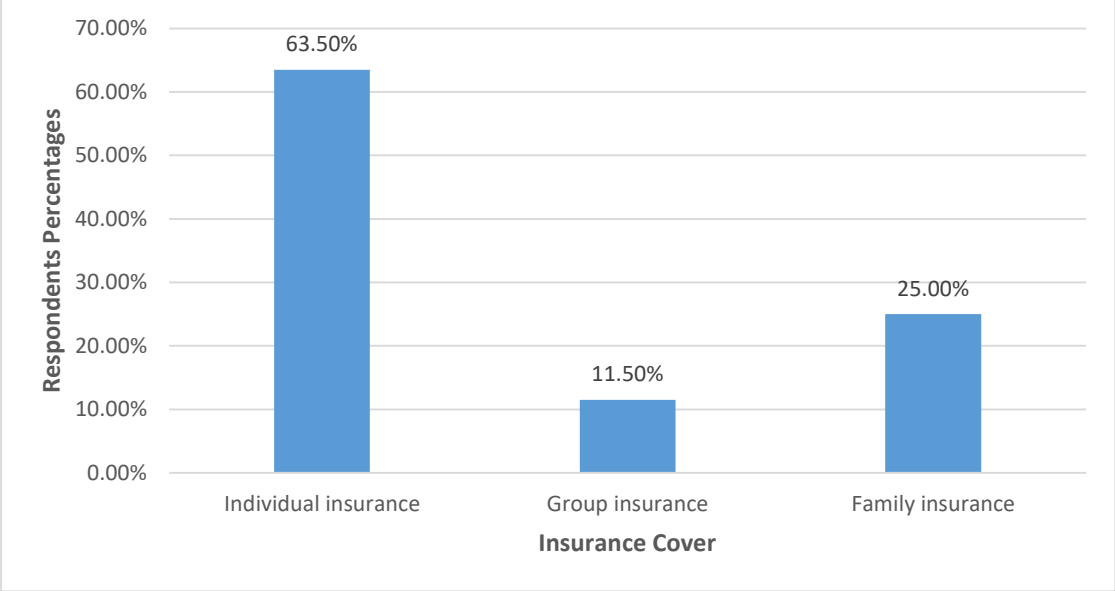

Figure 4.8: Respondents' Insurance Cover

The results in Figure 4.8 revealed that majority of the respondents, 63.5%, had individual insurance followed by 25.0% with family insurance and finally 11.5% with group insurance cover. The study results show that health insurance covers are ranked first among the most popular and highly demanded products of the insurance companies followed by motor vehicle insurance. The motor vehicle insurance Act of Kenya requires owners of vehicles to insure their cars hence motorists have no choice but to oblige hence the high numbers of the motor vehicle insurance covers. Health insurance is sometimes sponsored by employers but the study shows that majority (63.5%) of the respondents have individual insurance covers compared to only 11.5% group covers. Life insurance covers come third at 20.9%.

Reasons for Insurance Cover

Reasons for having a particular insurance cover were outlined and the respondents were asked to rank them in the order of priority. The responses were presented in Table 4.8.

Table 4.8: Respondents' Reasons for Buying a Particular Insurance Cover

	Statement	Rank 1 (%)	Rank 2 (%)	Rank 3 (%)	Rank 4 (%)	Rank 5 (%)	Rank 6 (%)
Life Insurance	Travelling	4 (3.1%)	9 (6.9%)	72 (55.4%)	30 (23.1%)	10 (7.7%)	5 (3.8%)
	Employers contribution	7 (5.4%)	1 (0.8%)	9 (6.9%)	25 (19.2%)	39 (30.0%)	49 (37.7%)
	To avail good medical treatment	23 (17.7%)	89 (68.5 %)	13 (10.0%)	2 (1.5%)	1 (0.8%)	2 (1.5%)
	Risk coverage against illness	89 (68.5%)	27 (20.8 %)	10 (7.7%)	1 (0.8%)	2 (1.5%)	1 (0.8%)
	Avail education	6 (4.6%)	3 (2.3%)	8 (6.2%)	12 (9.2%)	52 (40.0%)	49 (37.7%)
	Measure of taxation	1 (0.8%)	1 (0.8%)	17 (13.1%)	63 (48.5%)	30 (23.1%)	18 (13.8%)
Non-Life Insurance	Travelling	50 (19.8%)	11 (4.4%)	123 (48.8%)	47 (18.7%)	13 (5.2%)	8 (3.2%)
	Employers contribution	9 (3.6%)	1 (0.4%)	29 (11.5%)	82 (32.5%)	46 (18.3%)	85 (33.7%)
	To avail good medical treatment	47 (18.7%)	174 (69.0 %)	26 (10.3%)	3 (1.2%)	2 (0.8%)	0 (0.0%)
	Risk coverage against illness	138 (54.8%)	57 (22.6 %)	32 (12.7%)	14 (5.6%)	9 (3.6%)	2 (0.8%)
	Avail education	7 (2.8%)	2 (0.8%)	5 (2.0%)	18 (7.1%)	116 (46.0%)	104 (41.3%)
	Measure of taxation	1 (0.4%)	7 (2.8%)	38 (15.1%)	87 (34.5%)	78 (31.0%)	41 (16.3%)

Source: Survey Data (2018)

The results in Table 4.8 showed ranking of the reasons as to why the policy holders preferred their type of insurance cover. The reasons were grouped into two; life and non-life. In life insurance, the results indicated that majority of the respondents, 68.5%, ranked coverage against risk as the most critical reason as to why they preferred their individual insurance cover. The ability of the insurance to avail good medical treatment was ranked second, travelling was ranked third, measure of taxation was ranked fourth, and avail of education was ranked fifth while employer's contribution was the least ranked by majority of the respondents. Under non-life insurance, the results indicated that majority of the respondents, 54.8%, ranked coverage against risk as the most critical reason as to why they preferred their individual insurance cover. The ability of the insurance to avail good medical treatment was ranked second, travelling was ranked third, measure of taxation was ranked fourth, and avail of education was ranked fifth while employer's contribution was the least ranked by majority of the respondents.

4.6.4 Persuasion towards Purchase of an Insurance Policy

The respondents were requested to indicate who persuaded them to acquire their insurance cover policy and their responses were tabulated in Table 4.9.

Table 4.9: Persuasion towards Purchase of an Insurance Policy

	Frequency	Percentage
Individual decision	136	35.2
Friends	61	15.8
Relatives	46	11.9
Advertisement	51	13.2
Insurance official's	92	23.8

Source: Survey Data (2018)

The results revealed that majority of respondents made an individual decision to buy the policy cover as indicated by 35.2% of the total respondents. 23.8% were persuaded by insurance officials, 15.8% were persuaded by friends, 13.2% were persuaded by advertisements while 11.9% were persuaded by relatives.

4.6.5 Method Adopted in Seeking Insurance Policy

The policy holders were asked about the method they adopted in seeking the policy. The results were presented in Figure 4.9 and 4.10

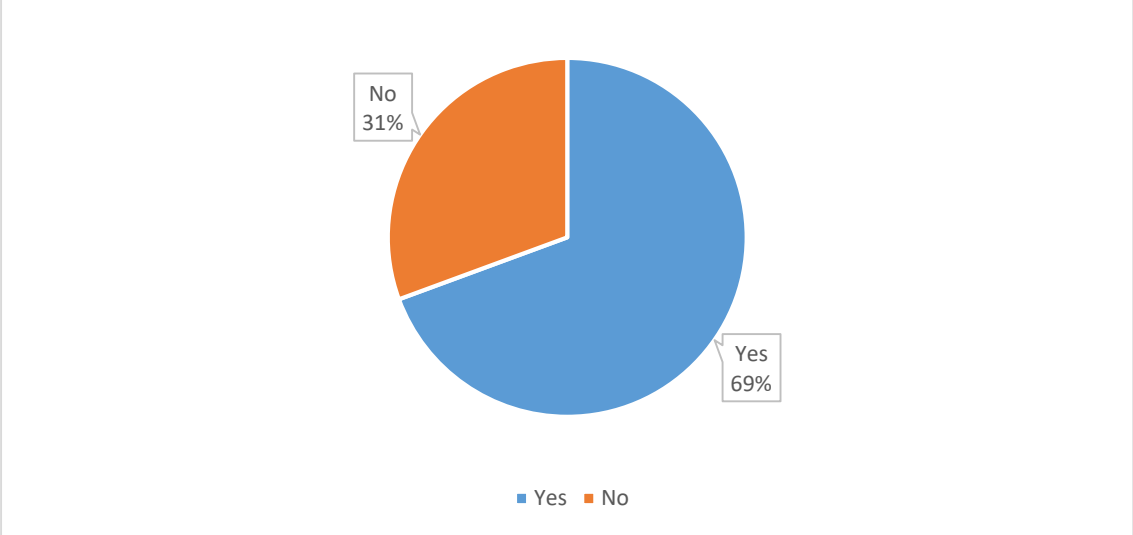

Figure 4.9: Respondents Contacted by Insurance Agents

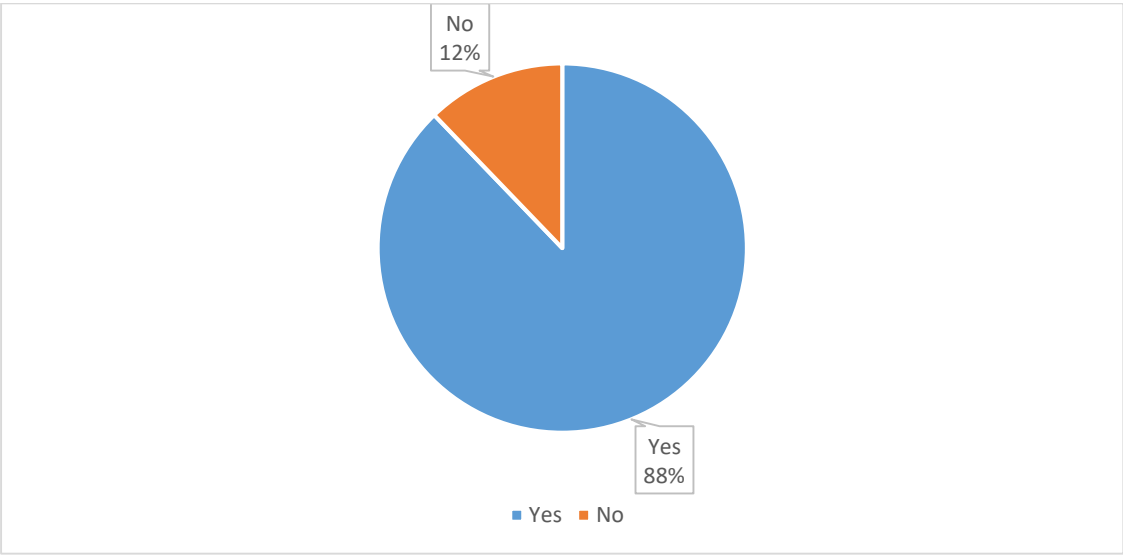

Figure 4.10: Respondents who Sought out Insurance Agents

The results indicated that 69% were contacted by insurance agents while 88% of the respondents sought out the agents.

4.6.6 Service Delivery by Insurance Companies

The researcher sought to understand whether services offered by the insurance companies were delivered efficiently and effectively. The results in Figure 4.11 indicated that majority, 57%, said that the service delivery was effective and efficient, 42% disagreed while 1% were indifferent.

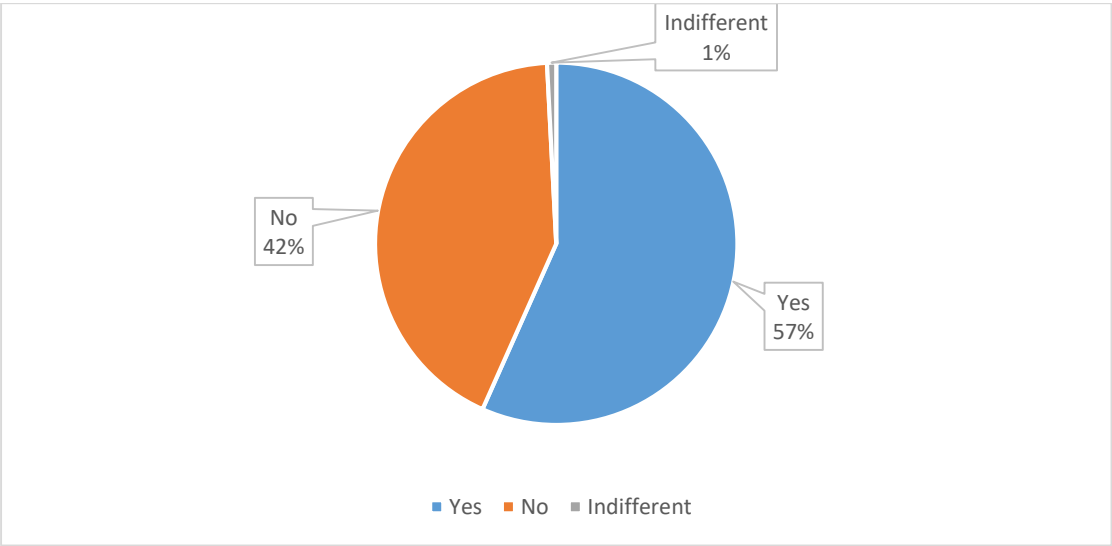

Figure 4.11: Insurer Effectiveness and Efficiency in Service Delivery

4.6.7 Renewal of Service after Maturity.

The respondents who were satisfied with the insurers services were asked to indicate whether they would renew the services after maturity. The results are presented in figure 4.12.

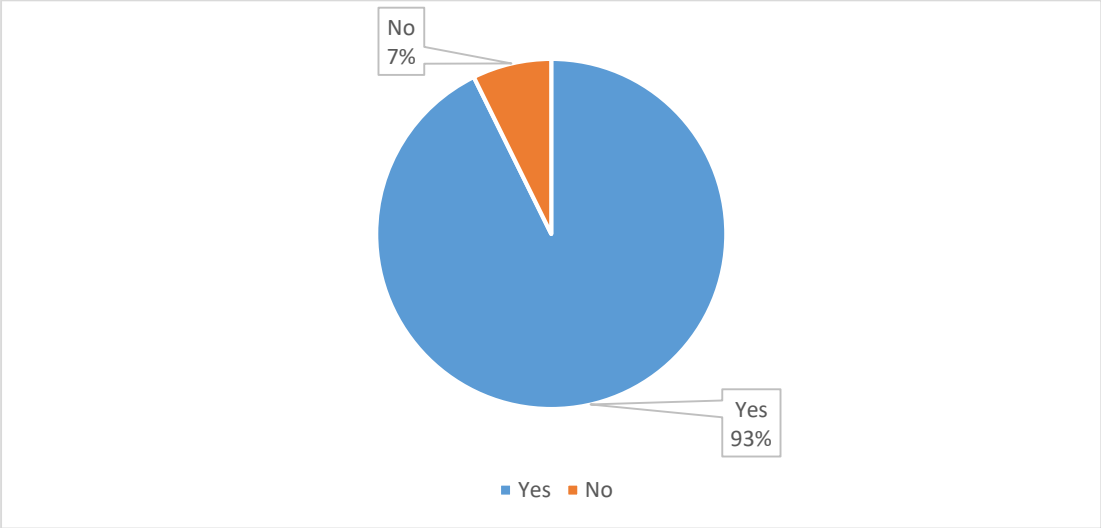

Figure 4.12: Renewal of Services after Maturity

Majority of the respondents, 93%, indicated that they would renew their services after maturity whereas 7% would not.

4.6.8 Additional Services

Respondents were asked whether they would pay for additional services from the insurance company and the results are presented in figure 4.13.

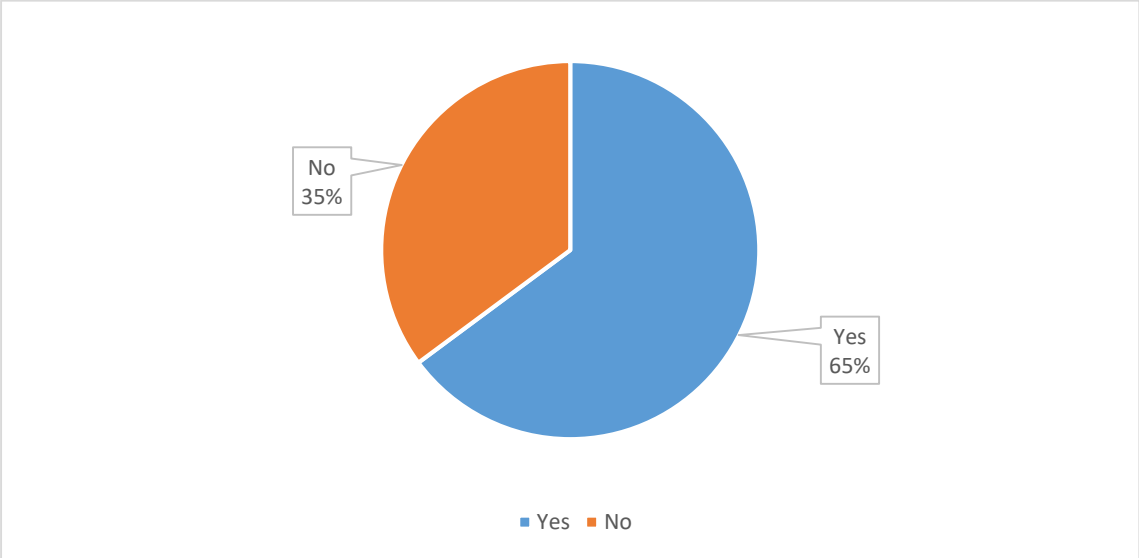

Figure 4.13: Additional Services

Majority of the respondents, 65%, said they would be willing to pay for an additional service included in their package while 35% indicated that they would not be willing to pay for any additional services. The results indicated that the service delivery process was considered adequate by majority of the respondents, hence implying that the policy holders were generally satisfied with the service delivery process.

4.6.9 Increase of Awareness of Service Quality Practices

The respondents were asked to indicate methods the insurance company should employ to increase awareness of their service quality practices and their results were tabulated in Table 4.10 below.

Table 4.10: Awareness of Service Quality Practices

Statement	Not effective (%)	Effective (%)	Most effective (%)
Newspaper	16(4.2%)	150(39.1%)	218(56.8%)
Conference and seminars	133(35.1%)	176(46.4%)	70(18.5%)
Incentives to policy holders	5(1.3%)	29(7.6%)	349(91.1%)
Renewal notice by insurance companies	20(5.2%)	80(20.9%)	282(73.8%)
Advertisements	8(2.1%)	142(37.1%)	233(60.8%)
Sponsoring events	94(24.9%)	200(53.1%)	83(22.0%)
Use of internet	43(11.3%)	133(34.8%)	206(53.9%)
Introduce saving inked insurance	2(0.5%)	28(7.3%)	353(92.2%)
Make some insurance policies mandatory	27(7.1%)	217(56.8%)	138(36.1%)

Source: Survey Data (2018)

According to results in Table 4.10 newspapers were found to be very effective in increasing the insurance company's service quality awareness practice as majority of the respondents said it was most effective and effective (56.8% , 39.1%). Conferences and seminars were found to be effective ways of increasing insurer's service quality practice awareness as majority, 18.5% and 46.4%, said they were most effective and effective respectively. However, a small portion of the respondents, 35.1%, felt that conferences and seminars were not effective ways of increasing awareness of service quality practices.

The results indicate that offering Incentives to policyholders was one of the most effective way of increasing awareness of service quality practices as majority, 91.1%, agreed that incentives to policy holders was the most effective way of increasing

awareness. However, 1.3% alluded it was not effective. The results also indicated that 73.8% of the respondents agreed that renewal of notice by insurance was one of the most effective ways of increasing awareness, 20.9% said it was effective while 5.2% said that this method was not effective.

On whether advertisements was effective way of increasing awareness, 60.8% said it was one of the most effective ways, 37.1% effective while 2.1% concluded that the method was not effective. 53.1% of the respondents agreed that sponsoring events was one of the effective ways of increasing insurance company's quality of practice awareness, 22.0% concluded that the method was one of the most effective means while 24.9% said it was not effective. 53.9% of respondents alluded that use of internet was one of the most effective ways of increasing awareness of service quality practices, 34.8% said it was effective while 11.3% concluded that it was not an effective method in increasing awareness of service quality practices.

Majority of the policy holders, 92.2%, agreed that introduction of saving inked insurance was one the most effective way of increasing awareness of insurance company's quality of practice, 7.3% said it was effective whereas 0.5% concluded that it was not effective. Finally, on whether making insurance policies mandatory could increase the company's awareness, 56.8% of respondents said it was effective, 36.1% said it is most effective while 7.1% felt it would not be an effective way of increasing awareness of service quality practices.

The study results show that health insurance covers are ranked first among the most popular and highly demanded products of the insurance companies followed by motor

vehicle insurance. The motor vehicle insurance Act of Kenya requires owners of vehicles to insure their cars hence motorists have no choice but to oblige hence the high numbers of the motor vehicle insurance covers. Health insurance is sometimes sponsored by employers but the study shows that majority (63.5%) of the respondents have individual insurance covers compared to only 11.5% group covers. Life insurance covers come third at 20.9% implying that penetration of the life sector is still low. The results of this study could serve as an insight to insurance managers to target their promotional strategies and tailor them to specific groups in order to grow the life insurance business.

Makau (2013) determined that some of the factors that affect growth of life insurance business include the methods used to promote. The study proposed that insurance companies should use different promotional methods and seek to understand their target audience for example younger customers prefer online platforms as opposed to newspapers and other methods. Another factor cited was the affordability of life insurance products and the study revealed that customers felt that life insurance products were not fairly priced hence locked out some potential low income earners. Managers of life insurance companies should therefore develop affordable products for the low income earners. This study also determined that respondents would like insurers to give notices e.g. text messages of policy renewal to reduce instances of unpaid premiums. Incentives to policy holders was cited as one of the ways that would improve customer perception on service delivery. Customers also proposed that insurance companies should develop flexible savings inked insurance policies where customers can save on a monthly basis based on their available income and additionally enjoy

other insurance policy riders as they save as opposed to the rigid method currently in place.

4.7 Descriptive Statistics of Dimensions of Service Quality in the Insurance Industry

This section descriptively analysed the perceptions of the customers regarding the service quality dimensions of reliability, empathy, service blue print and assurance. Each has been discussed below.

4.7.1 Descriptive Statistics of Service Reliability

The policy holders were asked to indicate the extent to which they agreed or disagreed with the statements on Reliability as one of the significant dimensions of service quality in the insurance companies. First the respondents who had lodged a claim were asked to rate some statements and the results were presented in Table 4.11.

Table 4.11: Lodging a Claim with Insurance Companies

Statement criteria	1	2	3	4	5	Mean	SD
The process of claiming was hassle free	157 (41.2%)	12 (3.1%)	0 (0%)	52 (13.6%)	160 (42.0%)	3.12	1.868
The settlement of the claim was hassle free	152 (39.9%)	19 (5.0%)	0 (0%)	71(18.6%)	139 (36.5%)	3.07	1.815
Claim was settled within a limited time period	148 (38.8%)	29 (7.6%)	0 (0%)	85 (22.3%)	119 (31.2%)	2.99	1.764
the claim was fully settled	152 (39.9%)	21 (5.5%)	0 (0%)	89 (23.4%)	119 (31.2%)	3.01	1.773
The claim was partially settled	223 (58.5%)	43 (11.3%)	0 (0%)	27 (7.1%)	88 (23.1%)	2.25	1.701
Terms and conditions for claim settlement were limited	136 (35.7%)	149 (39.1%)	1 (0.3%)	62 (16.3%)	33 (8.7%)	2.23	1.320
The administrators were cooperative	40 (10.5%)	72 (18.9%)	0 (0%)	211 (55.5%)	57 (15.0%)	3.46	1.250
The insurance company surveyors were cooperative	21 (5.5%)	59 (15.5%)	1 (0.3%)	243 (63.8%)	57 (15.0%)	3.67	1.078
Time taken by surveyors was adequate	23 (6.0%)	67 (17.6%)	2 (0.5%)	232 (60.9%)	57 (15.0%)	3.61	1.120
Time taken by administrators was adequate	48 (12.6%)	81 (21.3%)	0 (0%)	187 (49.1%)	65 (17.1%)	3.37	1.326
Third party administrators e.g. police were cooperative	14 (3.7%)	85 (22.4%)	60 (15.8%)	144 (38.0%)	76 (20.1%)	3.48	1.151

Source: Survey Data (2018)

The results in Table 4.11 revealed that the respondents neither agreed nor disagreed that the process of claiming was a hassle free. This was indicated by a mean value of 3.12 and a standard deviation of 1.868 with 42.0% strongly agreeing, 41.2% strongly disagreeing, 13.6% agreeing and 3.1% disagreeing. Majority of respondents again were uncertain that the statement of the claim was hassle free as revealed by a mean of 3.07 and a standard deviation of 1.815, 39.9% strongly disagreed, 36.5% strongly, 18.6% agreed whereas 5.0% disagreed. The respondents were uncertain that the claim was

settled within a limited time period as indicated by mean of 2.99 and standard deviation of 1.764. 38.8% of the respondents strongly disagreed, 31.2% strongly agreed, 22.3% agreed while 7.6% disagreed.

The respondents were again uncertain that the claim was fully settled as indicated by a mean value of 3.01 and a standard deviation of 1.773. 39.9% strongly disagreed, 31.2% strongly agreed, 23.4% agreed and 5.5% disagreed. The policyholders disagreed to the fact that the claim was partially settled as indicated by mean of 2.25 and a standard deviation of 1.701. Majority, 58.8%, strongly disagreed and 11.3% disagreed. The respondents disagreed to the fact that the terms and conditions for claim settlement were limited as indicated by a mean value of 2.33 and a standard deviation of 1.320, 35.7% of respondents strongly disagreed, 39.1% disagreed, 16.3% agreed, 8.7% strongly agreed and 0.3% were uncertain.

The respondents neither agreed nor disagreed that the administrators were cooperative. This was indicated by mean value of 3.46 and a standard deviation of 1.250 with 55.5% agreeing, 18.9% disagreeing, 15.0% strongly disagreeing and 10.5% strongly disagreeing. The respondents agreed that the insurance company surveyors were cooperative as indicated by mean of 3.67 and standard deviation of 1.078, 63.8% agreed, 15.5% disagreed, 15.0% strongly agreed, 5.5% strongly disagreed and 0.3% were uncertain.

The respondents again agreed that the time taken by the surveyors was adequate as indicated by mean of 3.61 and a standard deviation of 1.120, 60.9% agreed, 17.6% disagreed, 15% strongly agreed, 6.0% strongly disagreed and 0.5% were uncertain. On

whether the time taken by administrators was adequate the respondents were uncertain as indicated by mean of 3.37 and standard deviation of 1.326, 49.1% agreed, 21.3% disagreed, 17.1% strongly agreed, and 12.6% strongly disagreed. The respondents were uncertain that third party administrators were cooperative as indicated by mean of 3.48 ad a standard deviation of 1.151. 38.0% agreed, 22.4% disagreed, 20.3% strongly disagreed, 15.8% were uncertain and 3.7% strongly disagreed. The policyholders were asked to rate the relationship between reliability and service quality in the insurance company. Results were presented in Table 4.12.

Table 4.12: Descriptive Statistics of Service Reliability

Statement criteria	1	2	3	4	5	Mean	SD
The insurance Company provides services as promised	103(27.4 %)	55(14.6%)	0(0%)	125(33.2%)	93(24.7%)	3.13	1.598
The staff are sincere and dependable in handling service problems	58(15.3%)	92(24.3%)	1(0.3%)	142(37.5%)	86(22.7%)	3.28	1.437
The insurance company performs services right the first time	19(5.0%)	69(18.2%)	1(0.3%)	165(43.5%)	125(33.0%)	3.81	1.217
The insurance company always maintains accurate records	13(3.4%)	59(15.6%)	5(1.3%)	213(56.2%)	89(23.5%)	3.81	1.070
The insurance policy and other documents have no errors	20(5.3%)	68(17.9%)	7(1.8%)	202(53.3%)	82(21.6%)	3.68	1.153
Claims and other benefits are paid at the right time	36(9.5%)	128(33.8 %)	0(0%)	130(34.3%)	85(22.4%)	3.26	1.376
The insurance covers/ policies meet customer needs	16(4.2%)	68(18.0%)	0(0%)	184(48.7%)	110(29.1%)	3.80	1.135
Transactions are carried out within the specified time	29(7.7%)	132(35.1 %)	0(0%)	134(35.6%)	81(21.5%)	3.28	1.343
The services offered are dependable	29(7.7%)	127(33.7 %)	0(0%)	115(30.5%)	106(28.1%)	3.38	1.392

Source: Survey Data (2018)

The results in Table 4.12 revealed that majority of the respondents were uncertain that the insurance company provides services as promised this was indicated by a mean of 3.13 and a standard deviation of 1.598, 33.2% agreed, 27.4% strongly disagreed, 24.7% strongly disagreed and 14.6% disagreed. On whether the staff were sincere and dependable in handling service problems the respondents were uncertain as indicated by a mean of 3.28 and a standard deviation of 1.437, 37.5% agreed, 24.7% disagreed, 22.7% strongly agreed, 15.3% strongly disagreed and 0.3% were uncertain. Majority of the respondents agreed that insurance company performs services right the first time as indicated by a mean of 3.81 and standard deviation of 1.217, 43.5% of respondents agreed, and 33.0% strongly agreed, 18.2% disagreed, 5.0% strongly disagreed and 0.3% were uncertain.

On whether the insurance company maintains accurate records respondents agreed as indicated by a mean of 3.81 and a standard deviation of 1.070, 56.2% of the respondents agreed to this fact, 23.5% strongly agreed, and 15.6% agreed 3.4% strongly disagreed and 1.3% were uncertain. Also, respondents agreed that the insurance policy and other documents had no errors as specified by a mean of 3.68 and a standard deviation of 1.153, 53.33% of the respondents agreed to this, 21.6% strongly agreed, and 17.9% disagreed, 5.3% strongly disagreed whereas 1.8% were uncertain.

Respondents were uncertain that claims and other benefits were paid at the right time 34.3% agreed to this, 33.8% disagreed, 22.4% strongly agreed, and 9.5% strongly disagreed. The respondents were asked whether the insurance covers/ policies meet customer needs and the respondents agreed as designated by a mean value of 3.80 and a standard deviation of 1.343, 48.7% agreed to this fact, 29.1% agreed, 18.0% disagreed

whereas 4.2% were uncertain. The respondents were uncertain that the transactions carried out within the specified time as specified by a mean of 3.28 and standard deviation of 1.343, 35.6% agreed to this fact, 35.1% disagreed, 21.5% strongly agreed and 7.7% strongly disagreed. Finally, the respondents were uncertain that the services offered were dependable this was indicated by a mean of 3.38 and a standard deviation of 1.392, 33.7% disagreed with this information, 30.5% agreed, 28.1% strongly agreed whereas 7.7% strongly disagreed.

The results of the descriptive statistics of reliability dimension show that on aggregate, the insurance companies have only undertaken to implement service reliability to a moderate extent. The service reliability indicators had means ranging from 3.13 to 3.81 implying that the respondents neither agreed nor disagreed with the statements. Specifically, some indicators showed a lot of inadequacy in the implementation of service reliability dimension.

Regarding the issue of hassle free claim processing and settlement, 45% agreed with the statement while 55% disagreed. This shows that a bigger portion of the respondents were dissatisfied with the entire claims processing and settlement procedures, hence a service gap exists there for the insurance companies to fill. On the issue of dependability in service delivery, on average only 60% agreed with the statement while 40% disagreed an indication that a service gap also exists since there was a big number of respondents who believe that insurance companies are not dependable in their service delivery. The results also show that only 58% agreed with the statement that insurance companies provide services as promised therefore 42% were of the opinion that the insurance companies cannot be trusted to keep their promise and only 57% agree that

insurers are timely in service delivery and the other 43% are of the opinion that services are not delivered in a timely manner. Generally, the results show that a significant service quality gap exists with the service reliability dimension in the insurance industry in Kenya. Studies by Borah (2013) indicated that service reliability was the most dominant dimension of service quality in the insurance industry, hence insurance companies must strive to implement it to an excellent standard where 100% of the customers will perceive in order to achieve customer satisfaction.

Prabha et al. (2010) recommended that insurance service providers must strengthen the reliability dimension by offering dependable services that customers can count on. The study further posited that improving reliability helps an organization to build a good reputation for an organization leading to increased sales and revenues. Reliability being the dimension most highly correlated with customer satisfaction should be taken seriously, hence the insurance companies need to devise strategies to ensure that all its indicators are fully implemented. The insurance companies have a responsibility to their customers to enhance the reliability dimension and seal the gap that currently exists by offering dependable services, providing services as they promised in a timely manner and ensuring that the services are accurate and free of errors.

4.7.2 Descriptive Statistics of Service Empathy

The policy holders were asked to indicate the extent to which they agreed or disagreed with the statements of service empathy as one of the significant dimensions of service quality in the insurance companies. The results were then presented in Table 4.13

Table 4.13: Descriptive Statistics of Service Empathy

Statement criteria	1	2	3	4	5	Mean	SD
The Staff are always available any time of day for consultation	23(6.1%)	13(3.4%)	0(0%)	218(57.4%)	126(33.2%)	4.08	1.005
The employees have the customers' best interest at heart	52(13.7%)	65(17.1%)	10(2.6%)	169(44.5%)	84(22.1%)	3.44	1.363
The employees understand the specific needs of their customers	33(8.7%)	40(10.5%)	0(0%)	202(53.2%)	105(27.6%)	3.81	1.202
The insurance company operating hours are convenient for me	6(1.6%)	6(1.6%)	1(0.3%)	219(57.6%)	148(38.9%)	4.31	0.710
The insurance company branches are easily accessible	4(1.1%)	8(2.1%)	4(1.1%)	212(56.1%)	150(39.7%)	4.31	0.701
The employees give customers individual attention	12(3.2%)	21(5.5%)	1(0.3%)	206(54.4%)	139(36.7%)	4.16	0.924
The front office staff are punctual in opening the office	3(0.8%)	12(3.2%)	0(0%)	218(57.5%)	146(38.5%)	4.30	0.704
Employees display confidence when selling policies	2(0.5%)	8(2.1%)	0(0%)	227(59.7%)	143(37.6%)	4.32	0.638
The company is located in a conducive environment	6(1.6%)	5(1.3%)	4(1.1%)	219(57.6%)	146(38.4%)	4.30	0.708

Source: Survey Data (2018)

The results in Table 4.13 revealed that the policy holders agreed that the staff are always available any time of the day for consultation as indicated by a mean of 4.08 and a standard deviation of 1.005. 57.4% of the respondents agreed, 33.2% strongly agreed. The policy holders were uncertain on whether the employees had the customers' best interest at heart as indicated by mean of 3.44 and a standard deviation of 1.363. 44.5% of the respondents agreed, 22.1% strongly agreed, 17.1% disagreed, 13.7% strongly disagreed while 2.6% were uncertain on this matter.

Majority of the respondents agreed that the employees understand the specific need of their customers as indicated by a mean of 3.81 and a standard deviation of 1.202. 53.2% of the respondents agreed, and 27.6% strongly agreed, 10.5% disagreed and 8.7% strongly disagreed. On whether the insurance company operating hours are convenient for the respondents, members agreed to this as indicated by mean of 4.31 and standard deviation of 0.710, 57.6% agreed, 39.7% strongly agreed, 1.6% of respondents strongly disagreed and disagreed respectively whereas 1.1% were uncertain.

Respondents agreed that the insurance company branches were easily accessible as indicated by a mean of 4.31 and standard deviation of 0.701. 56.1% agreed, 39.7% strongly agreed, 2.1% disagreed whereas 2.1% of the respondents were uncertain and strongly disagreed respectively. The respondents again agreed that the employees give the customers individual attention. This was indicated by a mean of 4.16 and standard deviation of 0.924 where 54.4% agreed and 36.7% strongly agreed. The respondents agreed that the front office staff are punctual in opening the office as indicated by a mean of 4.30 and standard deviation of 0.704. The results also showed that 57.5% agreed and 38.5% strongly agreed. The respondents again agreed that employees display confidence when selling the policies as indicated by mean of 4.32 and a standard deviation of 0.638, 59.7% agreed, 37.6% strongly agreed, 2.1% disagreed and 0.5% strongly disagreed. Finally, on whether the company is located in a conducive environment the respondents agreed on average as indicated by a mean of 4.30 and a standard deviation of 0.708. Majority, 57.6%, agreed and 38.4% of them strongly agreed.

The results of the descriptive statistics of service empathy generally indicate that insurance companies have undertaken to implement the service empathy dimension to a large extent but it has not been fully implemented. The service empathy indicators had means ranging from 3.44 to 4.32 implying that some of the respondents agreed with the statements while there were those that disagreed with the statements. Specifically, some indicators showed inadequacy in the implementation of service empathy dimension. The respondents generally agreed to most of the indicators except for having the customers' best interest at heart and understanding the needs of customers. On aggregate 31% did not agree that the insurance companies have the customers' best interest at heart signifying a significant segment of possible dissatisfied customers. 20% also disagreed with the statement that the insurance companies understand the needs of their customers and this is also a significant portion of possible dissatisfied customers. This implies that a service gap exists with the empathy dimension and that it has not been fully implemented.

Beyene (2019) confirmed that service empathy is one of the significant dimensions of service quality in the insurance industry, hence must be enhanced in order to improve customer satisfaction. A study by Paposa et al. (2019) suggested that customers value and identify better with service providers who understand their needs. It is also true that for organizations to understand the needs of customers, they must first have the customers' best interests. The insurance companies should therefore continue implementing those indicators that they have already implemented and also work towards convincing the customers that they have their best interest and also ensure they understand the needs of the customers better so that they can fully implement the

service empathy dimension to achieve customer satisfaction in the insurance industry in Kenya.

4.7.3 Descriptive Statistics of Service Blueprint

The policy holders were asked to indicate the extent to which they agreed or disagreed with the statements of service blueprint as one of the important dimensions of service quality in the insurance companies. They were asked the factors they considered important while choosing policies. Results were presented in Table 4.14.

Table 4.14: Factors Considered in Choosing an Insurance Policy

Statement criteria	1	2	3	4	5	Mean	SD
Name and reputation of the company	77(20.2%)	36(9.4%)	0(0%)	49(12.9%)	219(57.5%)	3.78	1.652
Use of modern technology by the company	43(11.3%)	160(42.0%)	2(0.5%)	147(38.6%)	29(7.6%)	2.89	1.247
Courteous employees, brokers and corporate agents	9(2.4%)	58(15.2%)	9(2.4%)	290(76.1%)	15(3.9%)	3.64	0.870
Capability and knowledge of employees, brokers and corporate agents	8(2.1%)	35(9.2%)	8(2.1%)	321(84.5%)	8(2.1%)	3.75	0.735
Availability of maximum consumable income	43(11.3%)	144(37.8%)	3(0.8%)	119(31.2%)	72(18.9%)	3.09	1.377
Use of extensive promotional activities	14(3.7%)	95(24.9%)	2(0.5%)	168(44.1%)	102(26.8%)	3.65	1.219
Maximum customer satisfaction	24(6.3%)	99(26.0%)	5(1.3%)	175(45.9%)	78(20.5%)	3.48	1.249
Availability of loan to meet associated cost of insurance	73(19.3%)	123(32.5%)	2(0.5%)	94(24.8%)	87(23.0%)	3.00	1.506
Minimum deductible applicable	6(1.6%)	23(6.1%)	2(0.5%)	138(36.3%)	211(55.5%)	4.38	0.895
Wide policy outcomes	1(0.3%)	3(0.8%)	2(0.5%)	75(19.7%)	300(78.7%)	4.76	0.523
Comprehensive coverage	4(1.0%)	2(0.5%)	2(0.5%)	64(6.8%)	309(81.1%)	4.76	0.591

Source: Survey Data (2018)

The results in Table 4.14 indicated that majority of the respondents had agreed that the name and the reputation of the company was important in choosing the policy this was affirmed by a mean of 3.78 and a standard deviation of 1.652, 57.5% of the respondents agreed to this information, 20.2% strongly disagreed, 12.9% agreed whereas 9.4% disagreed. The respondents were uncertain on whether the use of modern technology by the company influenced the choice of the policy and this was indicated by a mean of 2.89 and a standard deviation of 1.247, 42.0% of the respondents disagreed with this factor, 38.6% agreed, 11.6% strongly disagreed, 7.6% strongly agreed and 0.5% were uncertain.

The respondents agreed that courtesy of the employees, brokers and corporate agents influence the choice of the policy. This was indicated by mean of 3.64 and a standard deviation of 0.870, 76.1% agreed with this factor and 3.9% strongly disagreed. The respondents agreed that capability and knowledge of employees, brokers and corporate agents influenced their decision as indicated by a mean value of 3.75 and a standard deviation of 0.735, 84.5% of the respondents agreed to this information, 9.2% disagreed whereas 2.1% of the respondents strongly disagreed, were uncertain and the others strongly agreed correspondingly.

Majority of respondents were uncertain that availability of consumable income influenced their decision of policy to take this was indicated by a mean of 3.09 and a standard deviation of 1.377, 37.8% of the respondents disagreed, 31.2% agreed, 18.9% strongly agreed, 11.3% strongly disagreed whereas 0.8% of the respondents were uncertain. The respondents agreed that use of extensive promotional activities influenced their choice of different kinds of policies this was indicated by a mean of

3.65 and a standard deviation of 1.219, 44.1% of respondents agreed, 26.8% strongly agreed, 24.9% disagreed, 3.7% strongly disagreed whereas 0.5% were uncertain. On whether maximum customer satisfaction was realised respondents were uncertain as indicated by a mean of 3.48 and a standard deviation of 1.249, 45.9% of the respondents agreed, 26.0% disagreed, 20.5% strongly agreed, 6.3% strongly disagreed and 1.3% were uncertain.

The respondents were uncertain on whether availability of loan to meet associated cost of insurance influenced their decision. This was indicated by a mean value of 3.00 and a standard deviation of 1.5060, 32.5% of the respondents disagreed, 24.8% agreed, 23.0% strongly agreed, 19.3% strongly disagreed and 0.5% were uncertain. Majority of respondents agreed that a minimum deductible were applicable as indicated by a mean of 4.38 and a standard deviation of 0.895, 55.5% of respondents strongly agreed, 36.3% agreed, 6.1% disagreed 1.6% strongly disagreed whereas 0.5% strongly disagreed.

Finally, respondent's strongly agreed that wide policy outcomes influenced their decision this was indicated by a mean of 4.76 and a standard deviation of 0.523, 78.7% of the respondents strongly agreed, 19.7% agreed, 0.8% disagreed, 0.5% were uncertain and 0.3% strongly disagreed. On whether comprehensive coverage influenced the respondents' choice members strongly agreed as indicated by a mean of 4.75 and a standard deviation of 0.591, 81.1% strongly agreed, 6.8% agreed, 1.0% strongly disagreed whereas 0.5% disagreed and were uncertain respectively.

The study then sought to descriptively analyse the relationship between Service Blue Print and service quality in the insurance companies and the results were presented in Table 4.15.

Table 4.15: Descriptive Statistics of Service Blueprint

Statement criteria	1	2	3	4	5	Mean	SD
The content of policy document is within what sales staff explained	55(14.6%)	20(5.3%)	1(0.3%)	156(41.4%)	145(38.5%)	3.84	1.375
The sales staff use effective selling methods	24(6.3%)	33(8.7%)	0(0%)	185(48.7%)	138(36.3%)	4.00	1.132
The process followed when buying the policy cover is clear	8(2.1%)	6(1.6%)	4(1.1%)	207(54.5%)	155(40.8%)	4.30	0.762
The process of making premium payments is convenient	7(1.8%)	7(1.8%)	5(1.3%)	210(55.3%)	151(39.7%)	4.29	0.752
I am well informed of the insurance policy rules and regulations	4(1.1%)	5(1.3%)	2(0.5%)	212(55.8%)	157(41.3%)	4.35	0.667
The process of benefit claims is clear and adequate	26(6.8%)	18(4.7%)	1(0.3%)	193(50.8%)	142(37.4%)	4.07	1.086
The staff facilitate depth of policy benefits discussion	30(7.9%)	23(6.1%)	0(0%)	166(43.7%)	161(42.4%)	4.07	1.173
I am well informed of the benefits claims procedure	1(0.3%)	7(1.8%)	0(0%)	172(45.3%)	200(52.6%)	4.48	0.627
I am well informed of the benefits I am buying in the policy	1(0.3%)	6(1.6%)	0(0%)	161(42.6%)	210(55.6%)	4.52	0.615

Source: Survey Data (2018)

Table 4.15 indicated that majority of the respondents agreed that the content of the policy document was within what the sales staff explained this was indicated by a mean of 3.84 and a standard deviation of 1.375, 41.4% agreed, 38.5% strongly agreed, 14.6% strongly disagreed, 5.3% disagreed and 0.3% were uncertain. The respondents agreed

that the sales staff used effective selling methods this was indicated by a mean of 4.00 and a standard deviation of 1.132, 48.7% agreed to this information, 36.3% strongly agreed, 8.7% disagreed and 6.3% strongly disagreed. The respondents agreed that the process followed when buying the policy cover was clear as indicated by mean of 4.00 and a standard deviation of 0.762, 54.5% agreed, 40.8% strongly agreed, 2.1% strongly disagreed, 1.6% disagreed whereas 1.1% were uncertain.

Also, respondents agreed that the process of making premium payments was convenient as indicated by a mean of 4.29 and a standard deviation of 0.752, 55.3% agreed, 39.7% strongly agreed, 1.8% of the respondents strongly disagreed and disagreed respectively and 1.3% were uncertain. The respondents agreed that they were well informed about the policy rules and regulation this was indicated by a mean of 4.35 and a standard deviation of 0.667, 55.8% agreed, 41.3% strongly agreed, 1.3% disagreed,1.1% strongly agreed and 0.5% were uncertain. On whether the process of benefit claims was clear and adequate respondents agreed as indicated by a mean of 4.07 and a standard deviation of 1.086, 50.8% agreed and 37.4% strongly agreed, 6.8% strongly disagreed, 4.7% disagreed and 0.3% were uncertain.

Finally, the respondents agreed that they were informed of the benefits claims procedure as indicated by a mean of 4.48 and standard deviation of 0.627, 52.6% strongly agreed, 45.3% agreed, 1.8% disagreed and 0.3% strongly disagreed. On whether the respondents were well informed of benefits of buying insurance policy the respondents strongly agreed as indicated by a mean of 4.52 and a standard deviation of 0.615, 55.6% strongly agreed, 42.6% agreed, 1.6% disagreed whereas 0.3% strongly disagreed.

The results of the descriptive statistics of service blueprint generally indicate that insurance companies have undertaken to implement the service blueprint dimension to a moderate extent but it has not been fully implemented. The service blueprint indicators had means ranging from 2.89 to 4.76 implying that some of the respondents agreed while others disagreed with the statements. Specifically, some indicators showed a lot of inadequacy in the implementation of service blueprint dimension. They show that a service gap exists with the service blue print dimension. On aggregate, 53% of the respondents disagreed that the insurance companies use modern technology, while 30% also disagreed that their insurance company has a good reputation and 36% also disagreed that the content was within what sales staff explained. This implies a significant portion of likely dissatisfied customers.

Ceric et al. (2016) determined that service blue print can facilitate innovations in service value and help to create sustainable competitive advantage. Service blueprint is superior to other traditional service quality tools because it can enable organizations to discover potential innovations that may have been overlooked. Insurance companies should continue implementing the indicators of service blueprint that have already been implemented but also work towards building a good reputation for their companies and using modern technology so that they can achieve full implementation of the service blueprint dimension which may facilitate the discovery of new service innovations that may help them to satisfy their customers better.

4.7.4 Descriptive Statistics of the Assurance Service Quality Dimension

The policy holders were asked to indicate the extent to which they agreed or disagreed with the statements of service assurance as one of the significant dimensions of service quality in the insurance companies. The results were then presented in Table 4.16

Table 4.16: Descriptive Statistics of Service Assurance

Statement Criteria	1	2	3	4	5	Mean	SD
The company effectively updates customers of any developments	57(14.9%)	21(5.5%)	1(0.3%)	135(35.2%)	169 (44.1%)	3.88	1.412
The staff give correct and adequate information on the policies	61(15.9%)	35(9.1%)	0(0%)	175(45.6%)	113 (29.4%)	3.64	1.400
The staff are quick to respond to customers queries	35(9.1%)	46(12.0%)	1(0.3%)	191(49.7%)	111 (28.9%)	3.77	1.243
The staff are always polite and willing to help customers	27(7.0%)	51(13.3%)	1(0.3%)	199(51.8%)	106 (27.6%)	3.80	1.185
The insurance company employees are consistently courteous	26(6.8%)	50(13.0%)	0(0%)	187(48.7%)	121(31.5%)	3.85	1.195
The conduct of the staff instils confidence in me	28(7.3%)	110(28.7%)	0(0%)	125(32.6%)	120(31.3%)	3.52	1.376
I feel that my investments are safe with this insurance company	27(7.0%)	119(31.0%)	1(0.3%)	117(30.5%)	120(31.3%)	3.58	1.386
I believe that this insurance company gives the best policy covers	24(6.3%)	119(31.0%)	1(0.3%)	120(31.3%)	120(31.3%)	3.50	1.369
The staff are always approachable and willing to help	24(6.3%)	69(18.0%)	3(0.8%)	177(46.1%)	111(28.9%)	3.73	1.229

Source: Survey Data (2018)

The results in Table 4.16 indicated that 44.1% of the respondents strongly agreed that the company effectively updates customers of any developments, 35.2% agreed, 14.9% strongly disagreed, 5.5% disagreed and 0.3% were uncertain. On average the policy holders agreed as indicated by a mean value of 3.88 and a standard deviation of 1.412. The respondents were asked whether the staff give correct and adequate information on the policies, and 45.6% of them agreed, 29.4% strongly agreed while 15.9% strongly disagreed and 9.1% disagreed. On average the policy holders agreed as indicated by a mean value of 3.64 and a standard deviation of 1.4.

The findings indicated that 49.7% of the respondents agreed that the insurance staff where quick to respond to customers' queries, 28.9% strongly agreed, 12.0% disagreed, 9.1% strongly disagreed ad 0.3% were uncertain. On average the policy holders agreed as indicated by a mean value of 3.77 and a standard deviation of 1.243. 51.8% of the respondents agreed that the staff were polite and willing to help the customers, 27.6% strongly agreed, 13.3% disagreed, 7.0% strongly disagreed and 0.3% were uncertain. On average the policy holders agreed as indicated by a mean value of 3.80 and a standard deviation of 1.185.

Majority of the respondents, 47.8%, agreed that the insurance company employees are consistently courteous, 31.5% strongly agreed, 13.0% disagreed while 6.8% strongly disagreed. On average they agreed as indicated by a mean value of 3.85 and a standard deviation of 1.195. The results showed that 32.6% of the respondents agreed that the conduct of the staff instilled confidence in them, 31.3% strongly agreed, 13.0% disagreed and 6.8% strongly disagreed. On average the policy holders agreed as indicated by a mean value of 3.52 and a standard deviation of 1.376.

The policy holders agreed that their investments were safe with the insurance company they had subscribed to as indicated by a mean value of 3.58 and a standard deviation of 1.386. Majority, 31.3% strongly agreed and also 30.5% agreed. However, 30.0% disagreed and 7.0% strongly disagreed while 0.3% were uncertain. The respondents agreed that the insurance company gave the best policy covers as indicated by a mean value of 3.50 and a standard deviation of 1.369. 31.3% strongly agreed while 31.3% agreed. Finally, on whether the staff were approachable and willing to help the respondents, 46.1% agreed, 28.9% strongly agreed, 18.0% disagreed, 6.3% strongly

disagreed and 0.8% were uncertain. On average the policy holders agreed as indicated by a mean value of 3.73 and a standard deviation of 1.229.

The findings of the service assurance descriptive statistics show that the insurance companies have not done a good job of implementing the assurance dimension. The service assurance indicators had means ranging from 3.50 to 3.85 implying that the respondents neither agreed nor disagreed with the statements. Specifically, some indicators showed a lot of inadequacy in the implementation of service reliability dimension implying that a service gap exists with the service blueprint dimension. Each of its indicators has at least 20% or more respondents who disagreed with the statements presented to them indicating a significant portion of respondents are possibly dissatisfied with the assurance dimension. 38% of the respondents disagreed with the statement that their investment is safe with their insurer while 40% disagreed that their insurance gives the best policy covers and 36% disagreed with the statement that the conduct of staff instils confidence in them. 25% disagreed that staff give correct and adequate information on the policies, while 21% disagreed that staff are quick to respond to customer queries and 20% disagreed that staff are always polite and willing to help customers.

These results show that on aggregate a significant portion of the respondents do not agree that the assurance dimension is practised by their insurers and that a huge service gap exists with the assurance dimension. Akalu (2015) determined that service assurance was the strongest determinant of service quality in the insurance industry in Ethiopia and hence its indicators should be enhanced to improve customer satisfaction. Jothi (2016) similarly found service assurance to be a very significant dimension in the

insurance industry in India and recommended enhancement of its indicators. The results show that the insurance companies need to work on all the dimensions of service assurance to ensure its full implementation in order to seal the gap that exists and in so doing improve customer satisfaction in the insurance industry in Kenya.

4.8 Customer Satisfaction

This section sought to analyse whether customers were generally satisfied with their insurers and their services. The policyholders were first asked to rate their agreement about their provider and then they were asked to rate the extent into which they agreed or disagreed to customer satisfaction.

4.8.1 Descriptive Statistics of Customer Satisfaction

The policy holders were asked to indicate the extent to which they agreed or disagreed with the statements of Customer satisfaction with their insurance companies. The results were then presented in Table 4.17.

Table 4.17: Descriptive Statistics of Customer Satisfaction

Statement criteria	1	2	3	4	5	Mean	SD
I have experienced a positive relation with the insurance company	72(18.5%)	89(22.8%)	2(0.5%)	66(16.9%)	161(41.3%)	3.40	1.624
My experience with the insurance staff was excellent	49(12.5%)	91(23.3%)	2(0.5%)	100(25.6%)	149(38.1%)	3.53	1.495
I am satisfied with the service quality of administrative staff	35(9.0%)	112(28.6%)	0(0%)	98(25.1%)	146(37.3%)	3.53	1.453
I am willing to buy other products from this insurance company	42(10.7%)	121(30.9%)	2(0.5%)	117(29.9%)	109(27.9%)	3.33	1.431
I am willing to recommend this insurance company to someone else	36(9.2%)	128(32.7%)	0(0%)	99(25.3%)	128(32.7%)	3.40	1.451
Overall, I am satisfied with this insurance company	80(20.5%)	82(21.0%)	0(0%)	81(20.7%)	148(37.9%)	3.35	1.624

Source: Survey Data (2018)

The results in Table 4.17 indicated that majority of the respondents were uncertain whether they had experienced positive relation with the insurance company as indicated by a mean of 3.40 and a standard deviation of 1.624, 41.3% strongly agreed, 22.8% disagreed, 18.5% strongly disagreed, 16.9% agreed and 0.5% were uncertain. The respondents agreed that their experience with the insurance staff was excellent as indicated by a mean of 3.53 and a standard deviation of 1.495, 38.1% strongly agreed, 25.6% agreed, 23.3% disagreed, 12.5% strongly disagreed and 0.5% were uncertain. Also, the respondents agreed that they were satisfied with the service quality of the administrative staff as indicated by a mean of 3.53 and a standard deviation of 1.453,37.3% strongly agreed, 28.6% disagreed, 25.1% agreed, and 9.0% strongly disagreed. On whether the respondents were willing to buy other products from the insurance company they were enrolled in respondents were uncertain as indicated by a mean of 3.33 and a standard deviation of 1.431 , 30.9% of the respondents disagreed, 29.9% agreed, 27.9% strongly agreed, 10.7% strongly disagreed and 0.5% were uncertain.

Finally, the respondents were uncertain whether they were willing to recommend their insurance company to other customers and this was indicated by a mean of 3.40 and a standard deviation of 1.451, 32.7% strongly agreed and disagreed respectively, 25.3% agreed and 9.2% were uncertain. Also, the respondents were uncertain that they were satisfied with their insurance company this was indicated by a mean of 3.35 and a standard deviation of 1.624, 37.9% strongly agreed, 21.0% disagreed, 20.7% agreed and 20.5% were uncertain.

The descriptive statistics of customer satisfaction show that on aggregate, a significant portion of the respondents disagreed with the statements of customer satisfaction with their insurers. The customer satisfaction indicators had means ranging from 3.33 to 3.53 implying that the respondents neither agreed nor disagreed with the statements. Specifically, some indicators showed a lot of inadequacy in the implementation of service reliability dimension. 42% of the respondents generally disagreed that they had a positive relation with the insurance company, while 36% disagreed that their experience with the insurance staff was excellent and 38% disagreed that they are satisfied with the service quality of administrative staff. 43% disagreed that they are willing to buy other products from their insurer, while 42% disagreed that they are willing to recommend their insurance company to someone else and 42% disagreed that overall they are satisfied with their insurance company. This is evidence that generally customers of insurance companies are not satisfied with their insurers.

Gachau (2016) showed that satisfied customers have now become an important ingredient for competitiveness and survival of a business because it is related to future buying behaviour and patronage. Chandra (2015) observed a strong connection between customer satisfaction and profitability implying that customer satisfaction measurement should include identifying gaps between expectations and performance perception. The insurance industry should therefore acknowledge that their customers are not satisfied and that they need to improve on the service quality dimensions to help seal the gap that currently exists. The descriptive statistics therefore indicate that the customer satisfaction levels in the insurance companies are generally below average and hence there is need for insurance companies to devise strategies to improve customer satisfaction in the insurance industry in Kenya.

4.8.2 Summary of Descriptive Statistics of the Independent and Dependent Variables

A summary of the variables was conducted and the results were presented in Table 4.18. The variables were Customer Satisfaction, which was the dependent variable, Assurance, Empathy, Reliability and Service Blue Print which were the independent variables.

Table 4.18: Summary of Descriptive Statistics of the Independent and Dependent Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Service Reliability	370	1.00	5.00	3.2845	.092830
Service Empathy	376	1.89	5.00	4.1182	.53174
Service Blueprint	371	2.55	4.80	3.9584	.37526
Service Assurance	382	1.00	5.00	3.6917	1.09313
Customer Satisfaction	390	1.00	5.00	3.5261	1.38168

Source: Survey Data (2018)

The results in Table 4.18 revealed that the policyholders agreed to Assurance (M= 3.6917, SD=1.09313), Empathy (M= 4.1182, SD=0.53174), Service Blue Print (M= 3.9584, SD=0.37526) and Customer Satisfaction (M= 3.5261, SD=1.38168). However, the policy holders were uncertain about Reliability as indicated by a mean value of 3.2845 and a standard deviation of 0.92830.

The results indicate that generally the service quality dimensions are not very well implemented by the insurance companies in Kenya. Most of the respondents were inclined to be neutral about the practice of the indicators as evidenced by the means of service reliability, service blueprint and service assurance which lie between 3.28 to 3.96. Only the service empathy dimension has a mean of 4.1 indicating that most of the

respondents generally agree with the statements of the indicators of the empathy dimension.

The descriptive statistics generally show that service quality gaps exist with all the service quality dimensions of reliability, empathy, service blueprint and assurance in the insurance industry and insurance companies need to devise strategies to enhance all the dimensions so that they can achieve customer satisfaction.

The descriptive statistics of reliability dimension had a mean of 3.28 suggesting that respondents neither agreed nor disagreed with the statements. The results generally show that the reliability dimension is not fully implemented by the insurance companies. All the indicators had means ranging from 3.13 to 3.81 implying that the respondents did not agree with any of the statements. Specifically, the respondents indicated that the claims processing and settlement is not hassle free, insurance companies are not dependable in their service delivery, services are not delivered as promised and services are not delivered in a timely manner. Generally, the results show that a significant service quality gap exists with the service reliability dimension in the insurance industry in Kenya.

The empathy dimension despite having a mean of 4.11 which suggests that most of the respondents agreed with the statements of the indicators was also inadequate and a service gap was revealed. All the indicators had means ranging from 3.44 to 4.32 implying that the respondents did agree with some of the statements but did not agree with some of them. The respondents were of the opinion that the insurance companies do not have the customers' best interest at heart and they do not understand the needs

of the customer. This implies that a service gap also exists with the empathy dimension and that it has not been fully implemented.

From the findings it is also evident that the insurance companies have not been able to implement the service blueprint dimension fully. The mean of service blueprint was 3.95 also indicating that the respondents generally neither agreed nor disagreed with the statements of the service blueprint indicators. All the indicators had means ranging from 2.89 to 4.76 implying that the respondents did agree with some of the statements but did not agree with some of them. Specifically, there are various indicators that show that a service gap exists. The respondents felt that the insurance companies do not use modern technology and the respondents were also of the opinion that the insurance company does not have a good reputation. The respondents also generally indicated that the content was not within what sales staff explained implying that there are gaps that need to be filled with the empathy dimension. This implies that the service blueprint dimension is not fully implemented by the insurance companies.

The results of the descriptive statistics of assurance dimension had a mean of 3.69 suggesting that respondents neither agreed nor disagreed with the statements of the dimension. All the indicators had means ranging from 3.5 to 3.85 implying that the respondents did not agree with any of the statements. This suggests that the service assurance dimension is generally lacking in the insurance industry and insurance companies need to work towards fully implementing all the indicators of service assurance so as to achieve customer satisfaction.

From the findings it is also evident that the insurance companies have not been able to achieve customer satisfaction which had a mean of 3.28 implying that the respondents did not agree with the customer satisfaction statements. All the indicators of customer satisfaction had means ranging from 3.33 to 3.53 which shows that the respondents neither agreed nor disagreed with the statements. The results generally lead to the conclusion that customers in the insurance company are not satisfied with the services offered by their insurers. Razali et al. (2017) posited that service quality has a direct positive impact on customer satisfaction, hence improving the service quality dimensions will also lead to improved customer satisfaction. The insurance companies therefore need to seal the service quality gaps that exist in all the dimensions of service quality (reliability, empathy, service blueprint and assurance) which will result to improved customer satisfaction. Zeithaml and Bitner (2013) also noted that customer satisfaction is the level of service quality performance that meets user's expectation and hence the need to enhance all the service quality dimensions in order to improve the service quality levels and achieve customer satisfaction.

4.9: Diagnostic Tests

Diagnostic tests were conducted before data analysis to ascertain whether all the required assumptions were met by the data. The tests included multicollinearity, normality of the residuals and Homoscedasticity.

4.9.1 Multicollinearity Test

Multicollinearity is the high correlation among the predictor variables. In linear regression analysis, predictor variables are assumed not to be highly correlated with each other. In this study, Variance Inflation Factor (VIF) test was used to test for multicollinearity. Tolerance values lower than 0.1 suggest that there is high multicollinearity. Lacobucci, Schneider, Popovich and Bakamitsos (2017) promulgated

that VIF values less than 3 indicate absence of multicollinearity and tolerance values greater than 0.1 also indicated absence of multicollinearity, hence this study adopted the recommendations. The multicollinearity test was performed on the predictor variables namely: Assurance, Empathy, Reliability and Service blue print. The results are presented in Table 4.19 below;

Table 4.19: Multicollinearity Test

Variable	Tolerance	VIF
Service Reliability	.400	2.500
Service Empathy	.641	1.561
Service Blueprint	.773	1.294
Service Assurance	.384	2.605

a. Dependent Variable: Customer Satisfaction

Source: Survey Data (2018)

As indicated in Table 4.19, the VIF and tolerance scores for service reliability were 2.500 and 0.400, service empathy had 1.561 and 0.641 while and service blueprint had 1.294 and 0.773. Service assurance had 2.605 and 0.384. The results indicate that the multicollinearity test met all the thresholds, therefore the study concluded that there was no violation of the no-multicollinearity assumption.

4.9.2: Normality Test

The study sought to establish whether the data collected was normally distributed over the population sample or not. Multiple and simple regression analysis assume that the residuals are normally distributed. The study used Kolmogorov Smirnov test and Shapiro Wilk test to ascertain the normality assumption. Variables are considered to be normally distributed if the p-value of the Shapiro Wilk test is greater than 0.05 significance level (Field, 2013). The results were presented in Table 4.20.

Table 4.20: Kolmogorov Smirnov and Shapiro Wilk Test for Normality

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.024	392	.200*	.997	392	.810

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

Survey Data (2018)

The results of normality as presented in Table 4.20 indicated that the residuals (error terms) did not significantly deviate from normality. This was indicated by insignificant p-values (0.200 and 0.810 which are greater than 0.05 respectively). Therefore, the normality assumption was met. To confirm the results of the Shapiro Wilk test, a Q-Q plot of the data residuals was generated. The Q-Q plots were used to assess the assumption of normality by comparing the distribution from the data to the theoretical normal distribution represented by the diagonal line. Residual from normal data should not deviate from the line. The results are presented in figure 4.14 below;

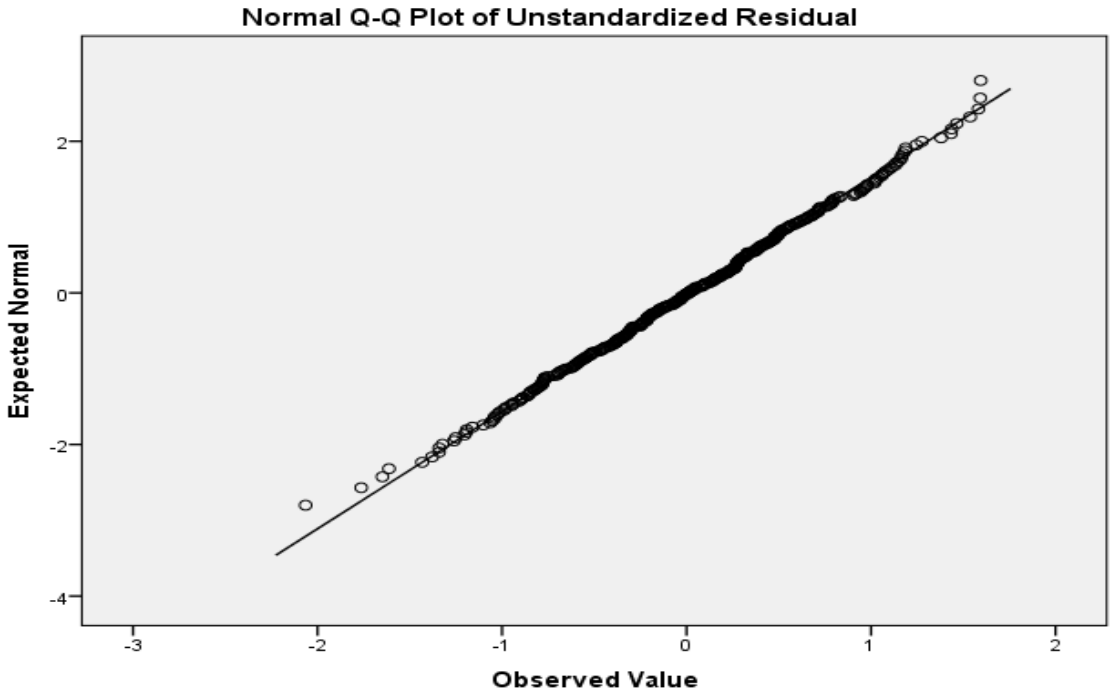

Figure 4.14: Normal Q-Q Plot of Regression Standardized Residuals

The results reveal that the points tend to lie on the diagonal line indicating that the residuals are normally distributed. The study thus concluded that the data met the assumption of normality.

4.9.3: Homoscedasticity Test

Homoscedasticity is the constancy/homogeneity of variance. In linear regression analysis, the residuals are assumed to be constant across all the predictor variables. The study sought to determine whether or not the data met the assumption of homogeneity of variance by generating a scatter plot of the data residuals. For residuals with a homogeneity of variance, the plots should be randomly scattered without producing a pattern. The reverse is known as heteroscedasticity. In this study, residual scatter plot for predicted scores against standardized residual values was used to test for homoscedasticity and the results were presented in the figure 4.15.

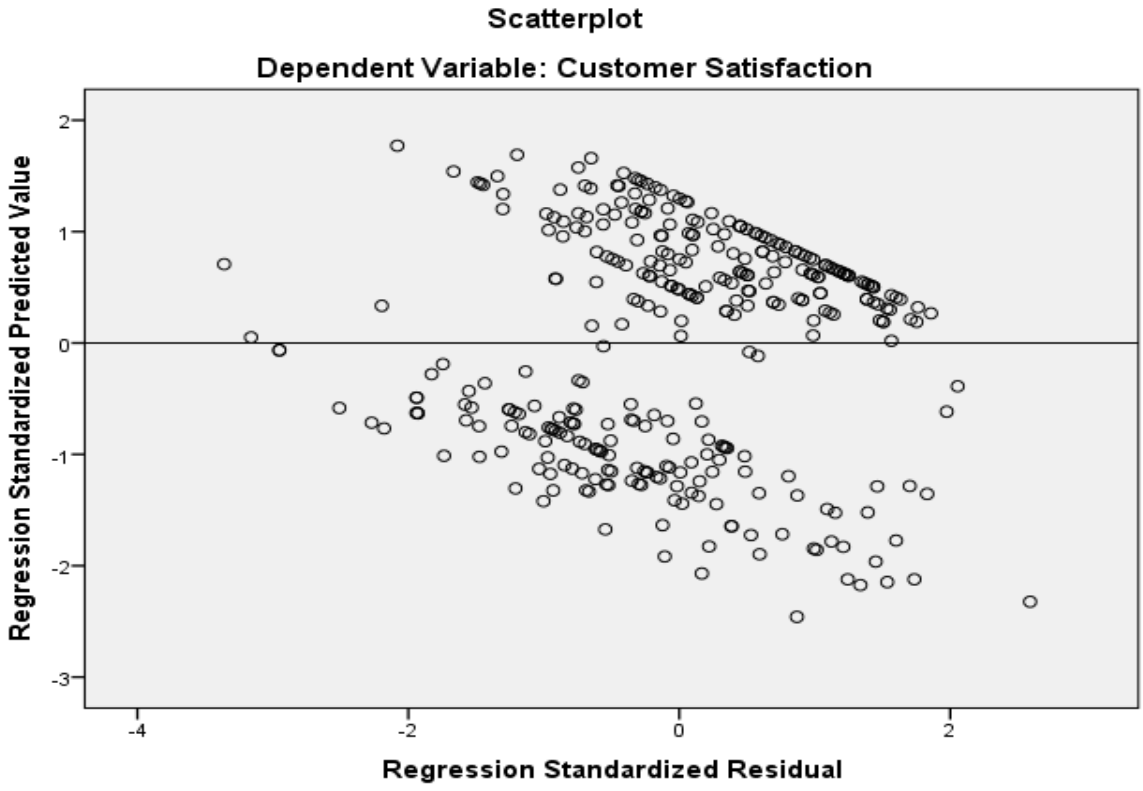

Figure 4.15: A Scatter Plot of Standardized Predicted Values against Standardized Residuals

The results in Figure 4.15 show that the scores are randomly scattered about a horizontal reference line at zero, assuming homoscedasticity of the residuals. The study thus concluded that the data met the assumption of homoscedasticity and hence, absence of heteroscedasticity.

4.10 Inferential Analysis

Inferential analysis was conducted using Karl Pearson's correlation coefficient and multiple regression analysis.

4.10.1 Correlation Analysis

This section sought to establish whether the variables in the study were correlated with each other and Karl Pearson's correlation was conducted to achieve this. Kothari (2011), extrapolated that if correlation coefficient is equal to 1 then perfect correlation exists, if the correlation coefficient lies between 0.7 and 0.9, then there is a strong correlation, if the correlation coefficient lies between 0.4 to 0.6 moderate correlation exists, if the correlation coefficient lies between 0.1 to 0.3 then there is a weak correlation and if the correlation coefficient is 0 then there is no correlation. The sign of the correlation coefficient indicates the direction of the relationship and finally, the resultant p-value less than 0.05 at 95% confidence interval level indicates that the linear relationship between variable of interest is statistically significant. The results of the correlation analysis are shown in Table 4.18 below;

Table 4.21: Correlation Analysis

		Customer Satisfaction(Y)	Assurance (X_1)	Empathy (X_2)	Reliability (X_3)	Service Blue Print (X_4)
Customer Satisfaction(Y)	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	390				
Assurance(X_1)	Pearson Correlation	.783**	1			
	Sig. (2-tailed)	.000				
	N	380	382			
Empathy(X_2)	Pearson Correlation	.478**	.552**	1		
	Sig. (2-tailed)	.000	.000			
	N	374	369	376		
Reliability(X_3)	Pearson Correlation	.844**	.762**	.515**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	368	365	364	370	
Service Blue Print (X_4)	Pearson Correlation	.410**	.392**	.421**	.382**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	369	363	361	357	371

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

Source: Survey Data (2018)

The results in Table 4.21 show that the correlation coefficient between customer satisfaction and service assurance was 0.783 while the correlation coefficient between customer satisfaction and service reliability was 0.844. The results indicated that there was a strong correlation between customer satisfaction and service assurance and similarly between customer satisfaction and service reliability. These coefficients were significant with p-values of 0.000 which is less than 0.05, the level of significance. The results further show that there is a moderate correlation between customer satisfaction and service empathy with a correlation coefficient of 0.478. Likewise, there was a moderate correlation between customer satisfaction and service blue print with coefficients of 0.410. The coefficients were also significant with p-values of 0.000 which is less than 0.05, the level of significance.

The results further showed that there was a moderate correlation between service assurance and service empathy with a coefficient of 0.552, while the correlation between service assurance and service reliability was strong with a coefficient of 0.762 and the correlation between service assurance and service blueprint was weak with a coefficient of 0.392. The coefficients were all significant with p-values of 0.000 which is less than 0.05, the level of significance.

The correlation between service empathy and service reliability was 0.515 while the correlation between service empathy and service blueprint was 0.421 and the correlation between service reliability and service blueprint was 0.382. The results indicated that there was a moderate correlation between service empathy and service reliability, a moderate correlation between service empathy and service blueprint and a weak correlation between service reliability and service blue print. The coefficients were all significant with p-values of 0.000 which is less than 0.05, the level of significance.

The results of the correlation analysis indicated that there was a positive correlation between customer satisfaction and all the variables implying that an increase in service quality would lead to an increase in customer satisfaction in the insurance industry in Kenya. The study established that service reliability had the highest correlation with customer satisfaction followed by service assurance, then service empathy and finally service blueprint which had the weakest correlation with customer satisfaction. Amongst the independent variables, the highest correlation was between service assurance and service reliability, followed by correlation between service assurance and

service empathy. The correlation between service empathy and service reliability came third followed by correlation between service empathy and service blue print, correlation between service assurance and service blueprint came fifth and finally at sixth place was the correlation between service reliability and service blue print. All the relationships were significant.

The correlation results are consistent with the results of a study by Akalu (2015) who found moderate and significant correlations with all the dimensions of service quality in the insurance companies of Addis Ababa. Tangibility however, had the weakest correlation although it was also significant. The study argued that if insurance managers hope to achieve their goals competing effectively in the market and achieving profitability, they must enhance the dimensions of reliability, empathy, assurance and responsiveness. This can only be achieved if the industry is able to get new customers and retain old ones. Only those insurance companies that believe in delivering the highest quality and value to the customer can survive and sustain their growth and profitability (Saha & Dutta, 2015).

Bogale and Dalalo (2019) found moderate significant correlation between the service quality dimensions of reliability, empathy, assurance and responsiveness in the insurance companies of Hadiya zone, Ethiopia. Tangibility was found to have a very correlation but significant. They recommended that insurance managers should continually evaluate service quality in order to achieve customer satisfaction. According to Kobylanski and Pawlowska (2012) the customer satisfaction phenomenon requires continuous evaluation and improvement. Melaku (2015) uncovered service

quality as an antecedent of customer satisfaction, hence the first step in satisfying customers is to determine the service level through service quality assessment.

Sivesan (2019) conducted a study of the impact of service quality and customer satisfaction in the insurance companies of Sri-Lanka and ranked the service quality dimensions based on the strength of their correlation with customer satisfaction. Assurance was found to have the strongest correlation with customer satisfaction and the weakest correlation was between customer satisfaction and tangibility dimension. All the relationships were however significant. From the presented results, it is clear that the service quality dimensions of assurance, empathy, reliability and service blue print have a significant relationship with customer satisfaction, implying that however strong or weak the relationship is service quality is an antecedent of customer satisfaction. This study therefore concludes that it is critical for insurance companies in Kenya to enhance the service quality dimensions of reliability, empathy, assurance and service blueprint in order to achieve maximum customer satisfaction.

4.11 Hypotheses Testing

The study sought to analyse the relationship between the service quality dimensions (reliability, empathy, service blueprint, assurance) and customer satisfaction in the insurance industry in Kenya. Simple linear regressions with the response variable, customer satisfaction and each variable were performed to test hypotheses one, two, three and four and hence establish the statistical significance at 95% confidence interval. The regression model outcomes were explained by use of adjusted (R^2) values. The p-values helped to decide whether to accept or reject the hypothesis. Where the p-value was lower than 0.05, the study rejected the hypothesis and where p-value was higher than 0.05 the study accepted the hypothesis.

4.11.1 Test of Hypothesis One

Service reliability was the first independent variable of the study. The study sought to determine the relationship between service reliability and customer satisfaction in the insurance industry in Kenya. The null hypothesis was; H_{01}: Service reliability does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. The findings of the hypothesis test were interpreted using the coefficient of determination (R^2) and the p-value. To test hypothesis, simple linear regression analysis was done where customer satisfaction was regressed against service reliability. The results were presented in the following Tables 4.22, 4.23 and 4.24.

Table 4.22: Relationship between Service Reliability and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.844[a]	.712	.711	.74635

a. Predictors: (Constant), Service Reliability

Source: Survey Data (2018)

The findings shown in Table 4.22 indicated that the correlation coefficient between service reliability and customer satisfaction was 0.844 indicating a strong and positive correlation between service reliability and customer satisfaction. The results also show a coefficient of determination (R^2) of 0.711. The coefficient of determination explains the percentage change in the dependent variable that can be attributed to the variations in the dependent variable (Taylor, Bogdan & De Vault, 2015). Therefore, the implication of the results is that Reliability explains 71.1% of the variation in Customer Satisfaction in the insurance industry in Kenya and 28.9% of the variations in customer satisfaction can be attributed to other factors besides service reliability (other factors held constant). The results thus suggest that there were other factors besides service

reliability that were responsible for variations in customer satisfaction levels in the insurance industry in Kenya.

The study conducted the Analysis of Variance (ANOVA) to determine whether or not the model was suitable for predicting customer satisfaction. The results of the ANOVA are presented in Table 4.23.

Table 4.23: ANOVA (Service Reliability/ Customer Satisfaction Model)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	503.450	1	503.450	903.804	.0001[b]
	Residual	203.875	366	.557		
	Total	707.324	367			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Service Reliability
Source: Survey Data (2018)

The results in Table 4.23 show that the p-value of the F-test statistic was 0.000 which was less than 0.05 level of significance indicating that the model significantly predicts customer satisfaction, (F=903.804; p=<0.0001). The study thus concluded that the model was suitable to predict customer satisfaction in the insurance industry in Kenya.

The study sought to determine whether the regressed relationship between service reliability and customer satisfaction was significant by conducting a T-test on the coefficient of service reliability. The results are presented in Table 4.24.

Table 4.24: Service Reliability Coefficients Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.744	.144		-5.180	.000
	Reliability	1.263	.042	.844	30.063	.0001

a. Dependent Variable: Customer Satisfaction
Source: Survey Data (2018)

The results in Table 4.24 show that the constant had an unstandardized coefficient of -1.744 which means that holding all other factors constant and service reliability at zero (0), customer satisfaction in the insurance industry in Kenya would be equal to -1.744. The unstandardized Beta coefficient are used to explain change in dependent variable, hence the unstandardized coefficient for service reliability which is 1.263 indicates that, a rise in service reliability by a single unit would result to a 1.263 rise in the customer satisfaction in the insurance industry in Kenya. The p-value of service reliability was 0.0001 which was less than 0.05 (significant level), hence the decision to reject the null hypothesis that Service reliability does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. The study therefore concluded that service reliability has statistical significant relationship with customer satisfaction in the insurance industry in Kenya. From the results presented in Table 4.22, the model equation can be written as:

$Y=-0.744 + 1.263 X$

Where Y is Customer Satisfaction and X is Service Reliability.

A unit increase in Reliability translates to an increase of customer satisfaction by 1.263 units. Since the P value was less than 0.05 at 5% level of significance, there is enough evidence to reject the null hypothesis and conclude that there is a statistical significant relationship between Reliability and Customer Satisfaction in the insurance industry in Kenya. The results on this hypothesis test are consistent with the existing literature review that supports the existence of a significant positive relationship between service reliability and customer satisfaction in the insurance industry. Borah (2013) described service reliability as one of the most dominant service quality dimensions in the insurance industry. Prabha (2012) deduced that improving service reliability helps an

organization to build a good reputation leading to increased sales and revenue. Similar conclusions were made in other service sectors regarding the importance of service reliability and its relationship with customer satisfaction. Prabha et al. (2010) analysed the five dimensions of reliability, assurance, tangibles, empathy and responsiveness and established that reliability had a very significant relationship with customer satisfaction in the public service in Mauritius.

Hamed et al. (2015) assessed the influence of reliability of service quality on customer satisfaction of Libyan E-Commerce customers and concluded that there is a strong relationship between reliability and customer satisfaction. Reliability represented the website's ability to fulfil orders correctly, deliver goods and services promptly as well as secure personal and confidential information. Customers want their insurers to provide services as promised, perform service right the first time, they also demand dependable and timely services failure to which creates gaps in service delivery leading to low levels of customer satisfaction.

The hypothesis test results reinforced the Assimilation-Contrast theory which postulates that satisfaction is a function of the magnitude of the difference between the expected and perceived product and service performance. If the discrepancy between expectations and actual performance is small, then the product or service falls within a customer's range of acceptance. However, if the reverse is true and the discrepancy is big, then the product or service will be categorized to be within the range of rejection. The Assimilation contrast theory explains the dimension of reliability which means the readiness of staff to provide services to customers by offering timely services, understanding customer needs and wants so as to provide error free service and accurate

records. The insurance companies in Kenya must ensure that this dimension is very strongly emphasised to ensure the services match up to customer expectations in order to reduce the discrepancy gap so that even if the service or product will be a little below expectation, the discrepancy will automatically be disregarded because assimilation will operate to deem the performance as acceptable and the result will be customer satisfaction.

4.11.2 Test of Hypothesis Two

Service empathy was the second independent variable of the study. The study sought to determine the relationship between service empathy and customer satisfaction in the insurance industry in Kenya. The null hypothesis was;

H_{02}: Service empathy does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

The findings of the hypothesis test were interpreted using the coefficient of determination (R^2) and the p-value. To test the hypothesis, simple linear regression analysis was conducted in which customer satisfaction was regressed against service empathy. The results were presented in the following Tables 4.25, 4.26 and 4.27.

Table 4.25: Relationship between Service Empathy and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.478[a]	.228	.226	1.22119

a. Predictors: (Constant), Service Empathy

Source: Survey Data (2018)

The findings shown in Table 4.25 indicated that the correlation coefficient between service empathy and customer satisfaction was 0.478 indicating a moderate but positive correlation between service empathy and customer satisfaction. The results also show a coefficient of determination (R^2) of 0.226. The coefficient of determination explains

the percentage change in the dependent variable that can be attributed to the variations in the dependent variable (Taylor, Bogdan & De Vault, 2015). Therefore, the implication of the results is that service empathy explains 22.6% of the variation in Customer Satisfaction in the insurance industry in Kenya and 71.1% of the variations in customer satisfaction can be attributed to other factors besides empathy when other factors are held constant. The results thus suggest that there were other factors besides service empathy that were responsible for variations in customer satisfaction levels in the insurance industry in Kenya.

The study conducted the Analysis of Variance (ANOVA) to determine whether or not the model was suitable for predicting customer satisfaction. The results of the ANOVA are presented in Table 4.26.

Table 4.26: ANOVA (Service Empathy/ Customer Satisfaction Model)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	164.162	1	164.162	110.079	.0001[b]
	Residual	554.764	372	1.491		
	Total	718.926	373			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Service Empathy

Source: Survey Data (2018)

The results in Table 4.26 show that the p-value of the F-test statistic was 0.000 which was less than 0.05 level of significance indicating that the model significantly predicts customer satisfaction, (F=110.079; p=<0.0001). The study thus concluded that the model was suitable to predict customer satisfaction in the insurance industry in Kenya.

The study sought to determine whether the regressed relationship between service empathy and customer satisfaction was significant by conducting a T-test on the coefficient of service empathy. The results are presented in Table 4.27.

Table 4.27: Service Empathy Coefficients Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.712	.493		-3.475	.001
	Empathy	1.244	.119	.478	10.492	.0001

a. Dependent Variable: Customer Satisfaction

Source: Survey Data (2018)

The results in Table 4.27 show that the constant had an unstandardized coefficient of -1 .712 which means that holding all other factors constant and service empathy at zero (0), customer satisfaction in the insurance industry in Kenya would be equal to -1.712. The unstandardized Beta coefficient are used to explain change in dependent variable, hence the unstandardized coefficient for service empathy 1.244 indicates that, a rise in service empathy by a single unit would result to a 1.244 rise in the customer satisfaction in the insurance industry in Kenya. The p-value of service empathy was 0.0001 which was less than 0.05 (significant level), hence the decision to reject the null hypothesis that Service empathy does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. The study therefore concluded that service empathy has statistical significant relationship with customer satisfaction in the insurance industry in Kenya. From the results presented in Table 4.25, the model equation can be written as:

$Y=-1.712 + 1.244 X$

Where Y is Customer Satisfaction and X is Service Empathy. A unit increase in service empathy leads to an increase in customer satisfaction by 1.244 units. Since the P value was less than 0.05 at 5% level of significance, there is enough evidence to reject the null hypothesis and conclude that there is a statistical significant relationship between Service Empathy and Customer Satisfaction in the insurance industry in Kenya. The results on this hypothesis test are consistent with the existing literature review that

supports the existence of a significant positive relationship between service empathy and customer satisfaction in the insurance industry.

The study findings were consistent with results of a study by Beyene (2019) who explored the impact of service quality on customer satisfaction in Insurance companies in Wolaite zone Ethiopia and determined that service empathy had a significant positive relationship with customer satisfaction and recommended that insurance companies should take their employees and agents through customer care training in order to improve their empathy. A study by Anantha et al. (2014) assessed the relationship between service quality and customer satisfaction in the Malaysian automotive insurance industry and determined that service empathy had a strong positive relationship with customer satisfaction. The study hypothesis test results were also in harmony with observations by Butt et al. (2015) who measured perceived service quality of state life insurance companies in Pakistan and the findings indicated that service empathy contributed to the variation of customer satisfaction levels and customers ranked it as one of the most important dimensions of service quality.

Similarly, a study by Kanyingi (2016) entitled factors affecting the uptake of insurance products in Kenya deduced that insurance customers in Kenya value service empathy and ranked it as the second most significant dimensions of service quality after service reliability. The study explained that customers want staff that are always available any time of day for consultation, employees that display confidence when selling policies and employees who give customers individual attention because this makes them feel that they have customers' best interests at heart. Further, the study findings were in agreement with the conclusions of Kinyanjui (2013) who studied service quality and

purchase of life insurance at Jubilee insurance company in Kenya and established that empathy had a strong positive relationship with purchase intentions of life insurance customers at Jubilee insurance company of Kenya because customers preferred to buy policies form employees or agents who displayed confidence when selling.

The hypothesis test results supported the equity theory which is consistent with other theories of motivation because it recognizes that subtle and varying individual factors usually affect each person's evaluation and perception of their relationship with other relational partners (Gogia, 2010). Equity theory is applicable to satisfaction through the empathy dimension. Empathy is the ability to acknowledge or perceive what another person is feeling from within their frame of reference, that is, the capacity to put oneself in another's situation. When service providers are empathic, they gain the ability to understand very clearly what their customers want or need and they are able to eliminate the distress that would arise as a result of customers perceiving unfairness in the relationship between them and the service provider. When customers perceive fairness, they become satisfied and when they perceive injustice, they become dissatisfied. When customers get personalized services, they will disregard any discrepancy between expected and perceived performance, hence satisfaction will occur.

4.11.3 Test of Hypothesis Three

Service blueprint was the third independent variable of the study. The study sought to determine the relationship between service blueprint and customer satisfaction in the insurance industry in Kenya. The null hypothesis was; H_{03}: Service blueprint does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. The findings of the hypothesis test were interpreted using the coefficient of determination (R^2) and the p-value. To test the hypothesis, simple linear

regression analysis was conducted in which customer satisfaction was regressed against service blueprint. Results were presented in the following Tables 4.28, 4.29 and 4.30.

Table 4.28: Relationship between Service Blueprint and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.410[a]	.168	.166	1.26939

a. Predictors: (Constant), Service blueprint

Source: Survey Data (2018)

The findings shown in Table 4.28 indicated that the correlation coefficient between service blueprint and customer satisfaction was 0.410 indicating a moderate but positive correlation between service blueprint and customer satisfaction. The results also show a coefficient of determination (R^2) of 0.166. The coefficient of determination explains the percentage change in the dependent variable that can be attributed to the variations in the dependent variable (Taylor, Bogdan & De Vault, 2015). Therefore, the implication of the results is that service blueprint explains 16.6% of the variation in Customer Satisfaction in the insurance industry in Kenya and 83.4% of the variations in customer satisfaction can be attributed to other factors besides service blueprint when other factors are held constant. The results thus suggest that there were other factors besides service blueprint that were responsible for variations in customer satisfaction levels in the insurance industry in Kenya. Service blueprint alone cannot significantly affect customer satisfaction, other service quality dimensions need to be in play for the effect to be significantly felt.

The study conducted the Analysis of Variance (ANOVA) to determine whether or not the model was suitable for predicting customer satisfaction. The results of the ANOVA are presented in Table 4.29.

Table 4.29: ANOVA (Service Blueprint/ Customer Satisfaction Model)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	119.253	1	119.253	74.009	.0001[b]
	Residual	591.364	367	1.611		
	Total	710.617	368			

a. Dependent Variable: Customer Satisfaction
a. Predictors: (Constant), Service Blue Print
Source: Survey Data (2018)

The results in Table 4.29 show that the p-value of the F-test statistic was 0.000 which was less than 0.05 level of significance indicating that the model significantly predicts customer satisfaction, (F=74.009; p=<0.0001). The study thus concluded that the model was suitable to predict customer satisfaction in the insurance industry in Kenya. The study further sought to determine whether the regressed relationship between service blueprint and customer satisfaction was significant by conducting a T-test on the coefficient of service blueprint. The results are presented in Table 4.30.

Table 4.30: Service Blueprint Coefficient Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.597	.702		-3.697	.000
	Service Blue Print	1.519	.177	.410	8.603	.0001

a. Dependent Variable: Customer Satisfaction
Source: Survey Data (2018)

The results in Table 4.30 show that the constant had an unstandardized coefficient of 1 .519 which means that holding all other factors constant and service blueprint at zero (0), customer satisfaction in the insurance industry in Kenya would be equal to 1.519. The unstandardized Beta coefficient are used to explain change in dependent variable, hence the unstandardized coefficient for service blueprint 1.519 indicates that, a rise in service empathy by a single unit would result to a 1.519 rise in customer satisfaction in the insurance industry in Kenya. The p-value of service blueprint was 0.0001 which

was less than 0.05 (significant level), hence the decision to reject the null hypothesis that Service blueprint does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. The study therefore concluded that service blueprint has statistical significant relationship with customer satisfaction in the insurance industry in Kenya. From the results presented in Table 4.28, the model equation can be written as:

$$Y=-2.597 + 1.519 X$$

Where Y is Customer Satisfaction and X is Service blueprint. A unit increase in service blueprint leads to an increase in customer satisfaction by 1.519 units. Since the P value was less than 0.05 at 5% level of significance, there is enough evidence to reject the null hypothesis and conclude that there is a statistical significant relationship between Service blueprint and Customer Satisfaction in the insurance industry in Kenya. The results on this hypothesis test are consistent with the existing literature review that supports the existence of a significant positive relationship between service blueprint and customer satisfaction.

The study findings are consistent with Andreou (2017) who explored service blueprinting and its effect on service quality and found that service blue print is a significant component of service quality because it is not only a service quality dimension but can be used by service managers to enhance the other service quality dimensions. Further service blue print helps to identify bottlenecks and customer pain points and this ultimately improves the customer experience making it a very crucial dimension of service quality. Ceric et al. (2016) conducted a study entitled “leveraging service blueprinting to rethink higher education” and observed that service blue print is a tool that organizations can use to continuously evaluate service quality levels. In

addition to what traditional service quality tools do, service blue print will enable organizations to discover potential innovations that may have been overlooked. Peace and Onuoha (2017) explored service blueprint and customer post purchase behaviour of hotels in Nigeria and proposed that all service providers should have service blue prints in their organizations as a tool to evaluate service quality levels and improve customer satisfaction. Rajeswari and Marzooth (2016) analysed service blueprinting and services gaps in state transport corporations and concluded that service blue print is a tool to identify service gaps hence enabling service providers to seal the gaps and improve service quality eventually leading to customer satisfaction.

The hypothesis test results supported the script theory which is connected to customer satisfaction through the service blue print dimension. Service blue print acts as a guide to staff on how to provide services to customers by specifying the service delivery process, the roles of customers and service providers. Script theory specifies that consumers have clear cut scripts in their minds for buying which lead them to clear behaviour during service encounters. Customers are guided by the scripts in interpreting the given information, developing expectations and in portraying appropriate patterns of behaviour. The behaviour of service providers is also directed by scripts as they interact with their customers. There are two types of scripts; convergent scripts which postulates that customer and employee scripts should never collide if customer satisfaction is to be achieved. Divergent scripts is the opposite of convergent scripts because customer and employee scripts collide pointing out areas of unfulfilled customer expectations. These unfulfilled customer expectations lead to customer dissatisfaction (Schank, 1982). Divergent scripts help to inform the service provider on the areas they should review and make amends if they hope to achieve customer

satisfaction. Service blue print will ensure the customer and employee scripts do not collide so as to achieve customer satisfaction. It also ensures that divergent scripts collide in order to uncover unfulfilled customer expectations and develop strategies to seal the service gaps and avoid dissatisfaction.

4.11.4 Test of Hypothesis Four

Service Assurance was the fourth and final independent variable of the study. The study sought to determine the relationship between service Assurance and customer satisfaction in the insurance industry in Kenya. The null hypothesis was;

H_{04}: Service Assurance does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

The findings of the hypothesis test were interpreted using the coefficient of determination (R^2) and the p-value. To test the hypothesis, simple linear regression analysis was conducted in which customer satisfaction was regressed against service Assurance. The results were presented in the following Tables 4.31, 4.32 and 4.33.

Table 4.31: Relationship between Service Assurance and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783[a]	.613	.612	.86302

a. Predictors: (Constant), Assurance

Source: Survey Data (2018)

The findings shown in Table 4.31 indicated that the correlation coefficient between service Assurance and customer satisfaction was 0.783 indicating a strong and positive correlation between service Assurance and customer satisfaction. The results also show a coefficient of determination (R^2) of 0.612. The coefficient of determination explains the percentage change in the dependent variable that can be attributed to the variations in the dependent variable (Taylor, Bogdan & De Vault, 2015). Therefore, the implication of the results is that service Assurance explains 61.2% of the variation in

Customer Satisfaction in the insurance industry in Kenya and 38.8% of the variations in customer satisfaction can be attributed to other factors besides service Assurance when other factors are held constant. The results thus suggest that there were other factors besides service Assurance that were responsible for variations in customer satisfaction levels in the insurance industry in Kenya.

The study conducted the Analysis of Variance (ANOVA) to determine whether or not the model was suitable for predicting customer satisfaction. The results of the ANOVA are presented in Table 4.32.

Table 4.32: ANOVA (Service Assurance/Customer Satisfaction Model)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	446.710	1	446.710	599.768	.000[b]
	Residual	281.536	378	.745		
	Total	728.246	379			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Assurance

Source: Survey Data (2018)

The results in Table 4.32 show that the p-value of the F-test statistic was 0.000 which was less than 0.05 level of significance indicating that the model significantly predicts customer satisfaction, (F= 599.768; p=<0.0001). The study thus concluded that the model was suitable to predict customer satisfaction in the insurance industry in Kenya. The study further sought to determine whether the regressed relationship between service Assurance and customer satisfaction was significant by conducting a T-test on the coefficient of service Assurance. The results are presented in Table 4.33

Table 4.33: Service Assurance Coefficients Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.264	.157		-1.685	.093
	Assurance	.996	.041	.783	24.490	.0001

a. Dependent Variable: Customer Satisfaction

Source: Survey Data (2018)

The results in Table 4.33 show that the constant had an unstandardized coefficient of 0 .996 which means that holding all other factors constant and service Assurance at zero (0), customer satisfaction in the insurance industry in Kenya would be equal to 0.996. The unstandardized Beta coefficient are used to explain change in dependent variable, hence the unstandardized coefficient for service Assurance 0.996 indicates that, a rise in service Assurance by a single unit would result to a 0.996 rise in customer satisfaction in the insurance industry in Kenya. The p-value of service Assurance was 0.0001 which was less than 0.05 (significant level), hence the decision to reject the null hypothesis that Service Assurance does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. The study therefore concluded that service Assurance has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. From the results presented in Table 4.31, the model equation can be written as:

$Y=-0.264 + 0.996 X$

Where Y is Customer Satisfaction and X is Service Assurance. A unit increase in service Assurance leads to an increase in customer satisfaction by 0.996 units. Since the P value was less than 0.05 at 5% level of significance, there is enough evidence to reject the null hypothesis and conclude that there is a statistical significant relationship between Service Assurance and Customer Satisfaction in the insurance industry in Kenya. The results on this hypothesis test are consistent with the existing literature

review that supports the existence of a significant positive relationship between service blueprint and customer satisfaction.

The study findings are consistent with Akalu (2015) who studied the effect of service quality on customer satisfaction in the insurance industry in Addis Ababa. The study determined that service assurance had a very strong coefficient with customer satisfaction in the insurance industry in Addis Ababa. Malik et al. (2011) investigated service quality perceptions and their contribution to the satisfaction of bank customers in Pakistan. The study found that only two dimensions of service quality, assurance and reliability had significant effect on customer satisfaction and service assurance was the most dominant dimension of service quality in the banking industry in Pakistan. Norazah and Norbayah (2013) studied service quality and customer satisfaction in public university libraries in Malaysia. The findings of the study indicated that service assurance was the strongest antecedent of customer satisfaction in public university libraries in Malaysia.

Devi and Prabhakar (2018) assessed service quality gaps in the life insurance sector and determined that customers valued the assurance dimension hence perceived a high gap. The study established that customers would like to receive adequate information on policies, they want quick response to their queries, they want to deal with polite and courteous employees and they want staff who instil confidence in them so that they feel their investments are safe with the insurance company. When customers do not perceive the presence of these factors, dissatisfaction prevails. Sivesan (2019) conducted a study of the impact of service quality and customer satisfaction in life insurance sector and similarly found service assurance to have a significant and positive relationship with

customer satisfaction. The study recommended that insurance company managers should distribute resources towards enhancing the assurance dimension in order to seal the service quality gap that exists when assurance dimension is not practiced.

The hypothesis test results supported the negativity theory which is connected to customer satisfaction through the service assurance dimension. The negativity theory suggests that affective feelings towards a product or a service will be inversely related to the level of discrepancy between expected performance and the perceived performance therefore, even the slightest discrepancy will disrupt the individual and produce negative energy. It states that when expectations are strongly held, consumers will react negatively to any disconfirmation. If perceived performance is less than the expectations, dissatisfaction will occur and similarly if perceived performance exceeds expectations, dissatisfaction will occur. Any performance discrepancy from expectations will produce negative energy (Funnell & Rogers, 2011).

The Negativity theory reflects the service assurance dimension which makes customers feel safe to transact, have confidence in the staff members, they expect to interact with polite employees and receive adequate information on service provision. The customers have assurance and hence expect perfection, anything less than that results in disconfirmation and hence dissatisfaction because when expectations are strongly held consumers will respond negatively to any disconfirmation.

4.11.5 Relationship between Service Quality and Customer Satisfaction in the Insurance Industry (Combined Model).

The study sought to determine the relationship between service Quality and customer satisfaction in the insurance industry in Kenya. This included a combined model of all

the service quality dimensions of reliability, empathy, service blueprint and assurance. The findings were interpreted using the coefficient of determination (R^2) and the p-value. A multiple linear regression was performed with competitive customer satisfaction as the response variable and reliability, empathy, service blue print and assurance as the independent variables. The results were presented in the following Tables 4.34, 4.35 and 4.36.

Table 4.34: Relationship between Service Quality and Customer Satisfaction.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875[a]	.766	.764	.67820

a. Predictors: (Constant), Service Blue Print, Reliability, Empathy, Assurance

Source: Survey Data (2018)

The findings shown in Table 4.34 indicated that the correlation coefficient between service Quality and customer satisfaction was 0.875 indicating a strong and positive correlation between service Quality and customer satisfaction. The results also show a coefficient of determination (R^2) of 0.764. The coefficient of determination explains the percentage change in the dependent variable that can be attributed to the variations in the independent variable (Taylor, Bogdan & De Vault, 2015). Therefore, the implication of the results is that service Quality explains 76.4% of the variation in Customer Satisfaction in the insurance industry in Kenya and 23.6% of the variations in customer satisfaction can be attributed to other factors besides service Quality. The results thus suggest that there were other factors besides service quality that were responsible for variations in customer satisfaction levels in the insurance industry in Kenya. The study conducted the Analysis of Variance (ANOVA) to determine whether or not the model was suitable for predicting customer satisfaction. The results of the ANOVA are presented in Table 4.35.

Table 4.35: ANOVA (Service Quality/Customer Satisfaction Model)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	511.631	4	127.908	278.090	.000[b]
	Residual	155.923	339	.460		
	Total	667.554	343			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Service Blue Print, Reliability, Empathy, Assurance
Source: Survey Data (2018)

The results in Table 4.35 show that the p-value of the F-test statistic was 0.000 which was less than 0.05 level of significance indicating that the model significantly predicts customer satisfaction, (F= 278.090; p=<0.0001). The study thus concluded that the model was suitable to predict customer satisfaction in the insurance industry in Kenya. The study further sought to determine whether the regressed relationship between service Quality and customer satisfaction was significant by conducting a T-test on the coefficient of service Quality. The results are presented in Table 4.36.

Table 4.36: Service Quality Coefficients Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.707	.439		-3.892	.000
	Service Reliability	.915	.062	.608	14.643	.000
	Service Empathy	-.080	.091	-.029	-.883	.378
	Service blueprint	.252	.113	.067	2.228	.027
	Assurance	.393	.055	.304	7.167	.000

a. Dependent Variable: Customer Satisfaction
Source: Survey Data (2018)

The results in Table 4.36 show that the constant had an unstandardized Beta coefficient for the constant was -1 .707 signifying that if service quality was lacking, customer satisfaction in the insurance industry would be equal to -1.707. The Beta coefficient for service reliability was 0.915 implying that if all factors were held constant, an increase in service reliability by a single unit would lead to 0.915 increase in customer satisfaction. The Beta coefficient for service empathy was -0.080 indicating that if all

factors were held constant, an increase in service empathy by a single unit would lead to 0.080 decrease in customer satisfaction. The Beta coefficient for service blueprint was 0.252 suggesting that if all factors were held constant, an increase in service blueprint by a single unit would lead to 0.252 increase in customer satisfaction. Finally, the Beta coefficient for service assurance was 0.393, an indication that if all factors were held constant, an increase in service assurance by a single unit would lead to 0.393 increase in customer satisfaction. The model was therefore summarized as follows;

$Y=-1.707 + 0.915 X_1 + -0.080 X_2 + 0.252X_3 + 0.393 X_4$

Where Y is the Customer Satisfaction while X_1 is Service reliability, X_2 is Empathy, X_3 is Service blueprint and X_4 is the Service Assurance.

The results presented in Table 4.34 indicate that service reliability, service blue print and service assurance significantly predicted customer satisfaction at 5% level of significance (p=<0.05) whereas service empathy variable did not predict customer satisfaction as indicated by (p>0.05). The results further indicated that a unit increase in service reliability increased customer satisfaction by 0.915 units whereas a unit service blue print increased customer satisfaction by 0.252 units and a unit increase in service assurance increased customer satisfaction by 0.393 units. However, a unit increase in empathy led to a decrease in customer satisfaction by 0.080 units.

Service empathy was found to have a negative coefficient (β =-.080, p-value = 0.378). The negative coefficient indicates that an inverse relationship exists between service empathy and customer satisfaction in the joint effect/ combined model. A negative beta implies that customer satisfaction is negatively correlated with empathy, customer satisfaction on average, will reduce by an amount equal to the beta value for a unit

change in service empathy. The insignificant estimates of service empathy in the combined model does not imply insignificant effects of the variable but could be an implication of other effects not assessed in this study such as mediation effects on the variable. However, the objective of this study was to determine the relationship between the individual service quality dimensions and customer satisfaction in the insurance industry in Kenya. The study therefore adopted the results of the individual models which were conclusive as this is one of the options provided for in the event of a statistical paradox (Blyth, 1972; Goltz & Smith, 2010). Further studies that include mediating variables can be conducted to determine a conclusion for the combined model.

The results depicted in the combined model were in line with existing literature which summarize the importance of service quality in explain customer satisfaction. Angelova and Zekiri (2011) advanced that Service quality is essential because it provides high levels of customer satisfaction and hence becomes a key competitive advantage. There is a very strong connection between customer satisfaction and profitability and hence the need to understand and seal the gap between customer expectations and performance perception. Ayieko (2015) studied customer satisfaction in the Kenyan airline industry and found that service quality explained 32% of variations in customer satisfaction. Jothi (2016) studied service quality and customer satisfaction in the life insurance business in India and determined that 47.3% of variation in customer satisfaction can be explained by service quality.

The results of the combined model led the study to conclude that 76.4% of variation in customer satisfaction can be explained by service quality. These results are consistent

with studies by Obiero (2018) who examined the relationship between service quality and customer satisfaction in hotels in Nairobi County and discovered that 89% of variation in customer satisfaction was attributed to service quality. Omollo (2016) investigated service quality and customer satisfaction in Kenya's aviation industry and resolved that service quality was responsible for 98.8% variation in customer satisfaction. Omonge (2013) carried out a study of service quality and customer satisfaction among mobile telephone subscribers in Nairobi and confirmed that service quality was responsible for 76% of variations in customer satisfaction. Similarly, Otemba (2012) conducted a study of service quality dimensions and customer satisfaction in the Kenyan Telecommunications industry and found that 61% of variation in customer satisfaction was explained by service quality. Watiki (2014) explored service quality and customer satisfaction in hotels in Nairobi and established that 74.2% of variation in customer satisfaction was attributed to service quality.

Service quality models facilitate organizations to determine the level of their customers' satisfaction as well as the service quality dimensions that customers consider important and this makes it possible for them to distribute resources effectively towards maximizing customer satisfaction. Insurance companies should therefore identify and improve the service quality dimensions that drive their customers' perceived quality leading to satisfaction (Lukmaan & Gertrude, 2013).

4.12 Summary of Hypotheses Testing

The study conducted both linear and multiple regression analysis to hypothesize the following; H_{01}: Service reliability does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya (H_0: $\beta_1 = 0$ vs. H_1: $\beta_1 \neq 0$). H_{02}: Service empathy does not have a statistical significant relationship with

customer satisfaction in the insurance industry in Kenya (H_0: $\beta_2 = 0$ vs. H_1: $\beta_2 \neq 0$). H_{03}: Service blue print does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya (H_0: $\beta_3 = 0$ vs. H_1: $\beta_3 \neq 0$). H_{04}: Service assurance does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya (H_0: $\beta_4 = 0$ vs. H_1: $\beta_4 \neq 0$).

Unstandardized coefficients were generated to explain changes in dependent variable. To test hypothesis, simple linear regression analysis was done where customer satisfaction was regressed against each individual service quality dimension (service reliability, service empathy, service blueprint and service assurance). The correlation coefficient for service reliability and customer satisfaction was 0.844 indicating a strong and positive correlation between service reliability and customer satisfaction. Correlation coefficient between service empathy and customer satisfaction was 0.478 indicating a moderate but positive correlation between service empathy and customer satisfaction. Similarly, a correlation coefficient between service blueprint and customer satisfaction was 0.410 indicating a moderate but positive correlation between service blueprint and customer satisfaction and the correlation coefficient between service Assurance and customer satisfaction was 0.783 indicating a strong and positive correlation between service Assurance and customer satisfaction.

The results also show a coefficient of determination (R^2) of 0.711 for service reliability, 0.226 for service empathy, 0.166 for service blueprint and 0.612 for service assurance. The coefficient of determination (R^2) explains the percentage change in the dependent variable that can be attributed to the variations in the dependent variable (Taylor, Bogdan & De Vault, 2015). Therefore, the implication of the results is that Reliability

explains 71.1%, service empathy 22.6%, service blueprint 16.6% and service assurance 61.2% of the variation in Customer Satisfaction in the insurance industry in Kenya (other factors held constant). The study conducted the Analysis of Variance (ANOVA) for each of the variables to determine whether or not the individual models were suitable for predicting customer satisfaction. All the models had p-values of the F-test statistic that were less than 0.05 level of significance indicating that the models significantly predicted customer satisfaction and hence each of the models was suitable to predict customer satisfaction.

The study sought to determine whether the regressed relationships between the each of the individual service quality dimensions and customer satisfaction was significant by conducting a T-test on the coefficient of each independent variable. The unstandardized Beta coefficient are used to explain change in dependent variable as a result of the independent variable. Hence, the unstandardized coefficient for service reliability which was 1.263 indicates that, a rise in service reliability by a single unit would result to a 1.263 rise in the customer satisfaction in the insurance industry in Kenya. Similarly, the unstandardized coefficient for service empathy which was 1.244 indicates that, a rise in service empathy by a single unit would result to a 1.244 rise in the customer satisfaction in the insurance industry in Kenya. The unstandardized coefficient for service blueprint which was 1.519 indicates that, a rise in service blueprint by a single unit would result to a 1.519 rise in the customer satisfaction in the insurance industry in Kenya. The unstandardized coefficient for service assurance which was 0.996 indicates that, a rise in service assurance by a single unit would result to a 0.996 rise in customer satisfaction in the insurance industry in Kenya.

The results of the T-test concluded that all the dimensions of service reliability, service empathy, service blue print and service assurance have a statistical significant relationship with customer satisfaction hence the study proposed the RESA model as a tool that insurance managers can use to evaluate service quality in the insurance industry in Kenya.

The standardized coefficients are used to determine which independent variable has more impact on the dependent variable. Service reliability had the highest standardized coefficient of 0.844 implying that it had the most impact on customer satisfaction in the insurance industry in Kenya. Service assurance was the second with a standardized coefficient of 0.783, followed by service empathy with 0.478 and finally service blue print had the least impact ion customer satisfaction with standardized coefficient of 0.410. The study's findings were consistent with the findings of Butt et al. (2015) who conducted a study of service quality in the state life insurance corporation of Pakistan and found reliability to have the highest impact on customer satisfaction with a standardized coefficient of 0.782 followed by assurance then empathy. Service blueprint has not been tested in the insurance industry, however Owino (2013) tested service blueprint in the higher education sectors and found that it was the second most significant dimension after human elements reliability.

Gautam (2011) conducted a study of customer perceptions of service quality of insurance companies in India and similarly established that service reliability had the highest impact on customer satisfaction among public insurance companies. Service assurance came in third after service empathy. Paposa et al. (2019) explored the variation in customer perception across demographic profiles in life insurance industry

and found reliability to have the highest impact on customer satisfaction and service empathy came in third place. Lukmaan and Gertrude (2013) deduced that Insurance companies must identify and improve the service quality dimensions that drive their customers' perceived quality leading to satisfaction. The study results therefore indicate that service reliability, empathy, assurance and service blueprint drive customers' perceived quality in the insurance industry hence, insurance managers should improve on these dimensions in order to achieve maximum customer satisfaction. The results were presented in Table 4.37 and they indicated that all the hypotheses were rejected.

The RESA Model

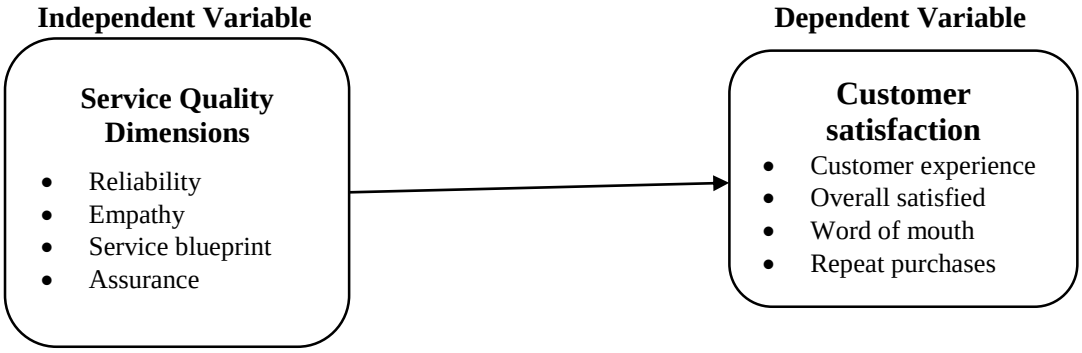

Figure 4.16: The RESA Model

Source: Author (2018)

The general objective of this study was to investigate the relationship between service quality dimensions and customer satisfaction in the insurance industry in Kenya. Specifically, the study sought to determine the relationship between service reliability and customer satisfaction in the insurance industry in Kenya, to examine the relationship between service empathy and customer satisfaction in the insurance industry in Kenya, to establish the relationship between service blue print and customer satisfaction in the insurance industry in Kenya and to find out the relationship that exists between service assurance and customer satisfaction in the insurance industry in Kenya.

Four hypothesis were tested and the null hypothesis was rejected for all them to confirm that H_{01}: Service reliability has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya, H_{02}: Service empathy has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya, H_{03}: Service blue print has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya and H_{04}: Service assurance has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

The results of the hypotheses led to the conclusion that the proposed RESA model is applicable in the insurance industry in Kenya. The coefficients of determination confirmed that all other factors held constant, service reliability contributed to 71.1% of variation in customer satisfaction, service assurance contributed to 61.2% of variation in customer satisfaction while service empathy contributed to 22.6% and service blue print contributed to 16.6% of variation in customer satisfaction. Service blueprint contributed the least to the variation in customer although the magnitude was still significant. The RESA model is therefore a valid tool that insurance companies can adopt in the evaluation of service quality in the insurance industry, however studies can be conducted to confirm whether there are other dimensions that may contribute more than service empathy and service blueprint towards variations in customer satisfaction.

Table 4.37: Summary of Hypotheses Tests

Hypothesis	Statistic	P-value	Conclusion
H_{01} Service Reliability does not have a statistical significant relationship with Customer Satisfaction in the insurance industry in Kenya	Coefficient =1.263	0.0001	H_{01} was rejected and a conclusion drawn that Service Reliability has a statistical significant relationship with Customer Satisfaction in the insurance industry in Kenya
H_{O2} Service Empathy does not have a statistical significant relationship with Customer Satisfaction in the insurance industry in Kenya	Coefficient =1.244	0.0001	H_{02} was rejected and a conclusion drawn that Service Empathy has a statistical significant relationship with Customer Satisfaction in the insurance industry in Kenya
H_{O3} Service Blueprint does not have a statistical significant relationship with Customer Satisfaction in the insurance industry in Kenya	Coefficient =1.519	0.0001	H_{03} was rejected and a conclusion drawn that Service Blueprint has a statistical significant relationship with Customer Satisfaction in the insurance industry in Kenya
H_{O4} Service Assurance does not have a statistical significant relationship with Customer Satisfaction in the insurance industry in Kenya	Coefficient =0.996	0.0001	H_{04} was rejected and a conclusion drawn that Service Assurance has a statistical significant relationship with Customer Satisfaction in the insurance industry in Kenya

Source: Survey Data (2018)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter the study findings are summarised based on the objectives and discussed. The findings of the study are thereafter used to make conclusions. Recommendations are also discussed based on the study findings and conclusions. The chapter further includes suggestions of areas for further research.

5.2 Summary of Findings

The purpose of this study was to investigate the relationship between service quality dimensions and customer satisfaction in the insurance industry in Kenya. The specific objectives of the study included: to determine the relationship between service reliability and customer satisfaction in the insurance industry in Kenya; to examine the relationship between service empathy and customer satisfaction in the insurance industry in Kenya; to establish the relationship between service blue print and customer satisfaction in the insurance industry in Kenya and to find out the relationship that exists between service assurance and customer satisfaction in the insurance industry in Kenya. The objectives were formulated after realizing a research gap through literature review that majority of the insurance companies crave for information on service quality practices which influence customer satisfaction to boost their competition as there have been no customized service quality dimensions for the insurance industry.

The study adopted a descriptive research design a sample size of 400 policyholders was used to collect primary data from policyholders in the seventeen composite insurance companies. Information was the obtained and analysed using descriptive and inferential procedures. Descriptive method involved frequency and percentages, mean and

standard deviation while under inferential analysis procedure, Pearson's correlation and linear regression procedures were used to examine significance, strength and direction of relationships between service quality dimensions and customer satisfaction in the Insurance Industry in Kenya. Diagnostic tests were also performed in order to validate the research findings. They included: normality test of residuals, homogeneity of variance (homoscedasticity) and multicollinearity. They were all met and therefore validated the research findings.

5.2.1 Service Reliability and Customer Satisfaction

The first specific objective aimed at determining the relationship between service reliability and customer satisfaction in the insurance industry in Kenya. The null hypothesis tested was that service reliability does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya. The results of the descriptive statistics of reliability dimension show that on aggregate, the insurance companies have only undertaken to implement service reliability to a moderate extent for example the composite insurance companies' surveyors were found to be cooperative and the time taken by surveyors was found to be adequate. However, time taken by administrators was not adequate and third party administrators e.g. police were found to be uncooperative. There were many terms and conditions for claim settlement making the claiming process a hassle and settling a claim within a longer period of time. The services of the insurance companies were found not to be dependable and timely and that the companies did not deliver services as promised.

Correlation results showed that there was a strong positive and significant relationship between service reliability and customer satisfaction while regression results showed that service reliability had a significant impact on customer satisfaction in the insurance

industry in Kenya. Service reliability was found to have the highest impact on customer satisfaction among the other service quality dimensions. The findings of the study thus indicated that service reliability has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

5.2.2 Service Empathy and Customer Satisfaction

The second objective sought to examine the relationship between service empathy and customer satisfaction in the insurance industry in Kenya. The null hypothesis tested was that service empathy does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

The responses from policy holders of the composite insurance companies in Kenya leads to the conclusion that insurance companies have been able to heighten the practice of the service empathy dimension but only to a moderate extent. The staff members and the employees were available any time of the day for consultation and they understood specific needs of their customers and gave attention to the customers. Moreover, the employees displayed confidence when selling insurance policies. The companies were located in conducive environments and their branches are easily accessible. Again, the companies' opening and operating hours were convenience to the policyholders. However, the employees did not have the customer's best interests at heart and did not understand the needs of customers.

Correlation results showed that there was a moderate positive and significant relationship between service empathy and customer satisfaction while regression results showed that service empathy had a significant impact on customer satisfaction in the insurance industry in Kenya. The findings of the study thus indicated that service

empathy has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

5.2.3 Service Blueprint and Customer Satisfaction

The third objective sought to establish the relationship between service blueprint and customer satisfaction in the insurance industry in Kenya. The null hypothesis tested was that service blueprint does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

The study determined that insurance companies in Kenya have been able to strengthen the service blueprint dimension to a moderate extent. Employees, brokers and agents were found to be courteous, capable and knowledgeable and the products included comprehensive coverage. The process followed when buying the policy was clear, the process of making premium payments is convenient, staff discuss in depth the policy benefits, customers are well informed of the benefits they are buying and of the benefits claim procedure. However, the insurance companies were found not to use modern technology and they did not make loans available for meeting associated cost of insurance. The content of policy document was found not to be within what sales staff explained and the name and reputation of a given company was found not to be good.

Correlation results showed that there was a moderate positive and significant relationship between service blueprint and customer satisfaction while regression results showed that service blueprint had a significant impact on customer satisfaction in the insurance industry in Kenya. However, it had the weakest impact on customer satisfaction when compared with the other service quality dimensions. The findings of

the study thus suggested that service blueprint has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

5.2.4 Service Assurance and Customer Satisfaction

The third objective sought to find out the relationship that exists between service assurance and customer satisfaction in the insurance industry in Kenya. The null hypothesis tested was that service assurance does not have a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

From the response of the policyholders in composite insurance companies in Kenya, insurance companies in Kenya have not been able to fully implement the practice of the service assurance dimension of service quality and all of the indicators were found to be generally inadequate. There was constant update of any company's development occurrence and the staff members gave correct and adequate information on the policies. However, the customers did not feel that the conduct of staff instils confidence in them hence making them not feel that their investments were safe with the company. The customers did not feel that their insurance company gave the best policy covers. They also did not respond quickly to their customers' queries and were generally not polite and courteous. The staff from the insurance companies were not approachable and willing to help their customers.

Correlation results showed that there was a strong positive and significant relationship between service assurance and customer satisfaction while regression results showed that service assurance had a significant impact on customer satisfaction in the insurance industry in Kenya. Service assurance was also found to have the second highest impact on customer satisfaction after service reliability which was the highest. The findings of

the study thus suggested that service assurance has a statistical significant relationship with customer satisfaction in the insurance industry in Kenya.

5.3 Conclusion

This section provides conclusions for the study beginning with the current status of the application of the service quality dimensions in the insurance industry in Kenya. This will be followed by a discussion of the service quality dimensions most valued by customers in the insurance industry in Kenya. An outline of the extent of customers' satisfaction with services offered by insurance companies in Kenya will follow and finally a review of the nature of the relationship between service quality dimensions and customer satisfaction in the insurance industry in Kenya.

From the study findings, it was evident that most insurance companies in Kenya have not fully implemented the application of the service quality dimensions in their companies. All the service quality dimensions were found to be inadequate hence concluding that a service gap exists with all the service quality dimensions in the insurance industry in Kenya.

The study found that customers prioritize and value time-related (reliability) and disclosure (assurance) attributes. The study results point to the reinforcement of service reliability and assurance as very important dimensions that help to drive customer satisfaction in the insurance industry in Kenya. The study findings are aligned to past research studies in recognizing that focus on features such as customer relations in effort to improve customers' perception of service quality provision can be effectively used to compete in order to drive customer satisfaction (Yuen and Thai, 2015). The implication is that if the two dimensions of service reliability and service assurance are

fully enhanced by the insurance companies, then maximum customer satisfaction will be achieved. The insurance companies should also continue implementing the indicators of empathy and service blueprint that are already in place and also enhance the few that have not been implanted.

The relationship between service quality dimensions and customer satisfaction was assessed using Pearson's Correlation. Results indicated that all the service quality dimensions of reliability, empathy, service blueprint and assurance had a statistical significant relationship with customer satisfaction. The strongest correlation was between the service reliability dimension and customer satisfaction. This implies that strategies that improve the service reliability dimension should take priority. Some critical factors of reliability that contribute to customer satisfaction include the time taken by administrators, terms and conditions for claim settlement, claiming process and time taken in settling a claim, timeliness in service delivery, error free services and providing services as promised.

The service assurance dimension came second and this emphasized on the need for insurance company employees to give correct and adequate information on the insurance policies, quick response to customers' queries in polite and courteous ways and also the staff being approachable and willing to help. Service empathy came third and this stressed on the necessity of the availability of staff members and employees at any time of the day for consultation, having the customer' best interests at heart, understanding customer's specific needs as well as giving attention to their customers. The study also emphasized on the need for the employees to display confidence when selling insurance policies, having customer's interests at heart, convenient location of

the companies and their branches for easy access and also convenient companies' opening and operating hours to policyholders. The weakest correlation was observed between the service blueprint dimension and customer satisfaction although it was moderate, positive and significant hence capability and knowledge of employees, brokers and corporate agents, comprehensive coverage, minimum deductible applicable, wide policy outcomes, maximum customer satisfaction, use of extensive promotional activities and the conduct of the employees towards customers. Modern technology by the company, Availability of maximum consumable income and the availability of loan to meet associated cost of insurance contributes to customer satisfaction in the Kenyan insurance industry.

Customer satisfaction is associated with improved profitability due to repeat purchase from existing customers, customers speaking positively about the brand, and their willingness to recommend the product or service to other people including friends and relatives. This revelation is consistent with observations by multiple authors who noted that an improvement of the dimensions of service quality that are considered important by insurance customers will result to increased customer satisfaction hence sustainability and growth of the insurance industry (Lukmaan & Gertrude, 2013). Insurance companies that implement the various elements of all the service quality dimensions of reliability, empathy, service blueprint and assurance are therefore assured of high satisfaction among existing customers and attraction of new customers.

5.4 Recommendations

The study submits recommendations for the insurance industry in terms of theoretical, managerial and policy implications.

5.4.1 Theoretical Implications

The study provides a tool for measuring the customer satisfaction levels in the insurance industry in Kenya. Based on the empirical evidence, this study questions the completeness of the SERVQUAL model on the basis of dimensionality, a position supported by Owino (2013) and Samarasinghe et al. (2010). This implies that service quality theorists can unveil more dimensions in different service settings.

The study also unveils service blueprint as an important component of service quality in the insurance industry in Kenya. The study recognizes that service blue print has been disregarded in service quality theory before, but this study illustrates that an acknowledgement of service process flow has a significant positive relationship with customer satisfaction and its part in the service quality theory cannot continue to be ignored. The study further reveals four dimensions in the insurance industry service quality context and rates their predictive power as follows: Service reliability, Service assurance, Service empathy and Service blueprint.

The results offer support for the theorized relationship between service quality dimensions and customer satisfaction in the Kenyan insurance industry consistent with a broad view in existing Literature. The study found out that there was a positive significant relationship between service delivery practices and customer satisfaction. Reliability was found to be the most important predictor in explaining customer satisfaction. These findings agreed with those of Senthilkumar and Arulraj (2010) who

also established that reliability is the most important dimension that influenced customer satisfaction in Indian University. There was a statistically significant linear relationship between Empathy and customer satisfaction. This was consistent with studies by Akalu (2015) who found that empathy had a positive significant relationship with customer satisfaction of in selected insurance companies in Addis Ababa. The study established that assurance had a statistical significant relationship with customer satisfaction and this results agreed with the findings by Khurana (2014) who found that assurance affected customer satisfaction in Indian life insurance industry. More specifically, the results confirmed the findings of Kinyanjui (2013) who found a strong relationship between assurance and customer satisfaction in Jubilee Insurance in Kenya.

5.4.2 Managerial Implications

The management of the insurance industry can take into consideration the findings of the study as they describe and evaluate customer satisfaction levels with their service delivery. This information will give insights with regard to customer switching intentions and uncover dimensions of service quality that insurance customers consider important. The findings indicate that insurance customers are generally not satisfied with the quality of services offered by the insurance companies. The dissatisfied customers were way more than those that had their expectations exceeded, hence, it was concluded that there was a gap between customer expectations and their perception of the quality of services offered by insurance companies in Kenya and hence the need to continually evaluate service quality.

This study, therefore, recommends that insurance companies explore opportunities that will enable them to create an emotional bond with their customers, thereby, moving

them from the level of being satisfied to being delighted. This can be done through continuous customer care training to ensure employees are well equipped to serve customers more effectively. This is informed by the service empathy dimension which was found to have a positive significant relationship with customer satisfaction and which insurance companies can adopt as a method of service quality differentiation. Managers should also consider adopting the service blueprint dimension which was revealed as a new key component of service quality in the insurance industry and was found to have a positive significant relationship with customer satisfaction. Service blueprints provide employees with formal rules and procedures that guide every step of their service delivery process, hence helping to strengthen the other service quality dimensions.

5.4.3 Policy Implications

Insurance industry plays a great role towards the growth of every economy. The industry also plays a role in delivering Kenya's vision 2030 agenda and interests the policy-makers as well as investors. From the study, it is seen that service quality dimensions have a positive significant relationship with customer satisfaction in the insurance industry Kenya. To policy makers such as the Insurance Regulatory Authority, the study findings provides insights and a reliable guide to monitoring the operations of the insurance industry. To other stakeholders such as investors, shareholders, employees and consumer associations, the study provides information that may enable them offer suggestions with regard to improvement in service delivery in their respective insurance companies in Kenya.

5.5 Suggestions for Future Research Work

The study made conclusions based on data collected from the composite insurance companies in Kenya. The study therefore suggests that this study be replicated in another region or country to determine whether the results will be consistent.

There is need for future research to justify as well as strengthen the findings of this study for example, a similar research topic but with slight changes to the context. This study has no mediating variables but one can be conducted with mediating variables to determine whether results would be different. This study also did not take into consideration the behavioural consequences of customer satisfaction which include repeat purchases and customer loyalty, other researchers can study that. A comparative analysis of the insurance industry and other service companies can be undertaken. This will bring out service quality dimensions that are universal.

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APPENDICIES

Appendix 1: Introduction letter

KARATINA UNIVERSITY
SCHOOL OF BUSINESS
OFFICE OF THE DEAN
Email: deansob@karu.ac.ke

Tel: +254-(0)729 721 200

P.O. BOX 1957 – 10101,
KARATINA,
KENYA.

31ST January 2018

TO WHOM IT MAY CONCERN

RE: CATHERINE NJOKI – B400/1727P/14

This is to confirm that the above named is a bonafide student at Karatina University School of Business. She is pursuing a PhD in Business Management (Marketing option)

Ms. Njoki has completed her course work and successfully defended her doctorate research proposal. She has been permitted to collect both primary and secondary data for her research proposal titled: "***Influence of Service Quality on Customer Satisfaction in the Insurance Industry in Kenya".***

Any assistance accorded to her will be highly appreciated.

DEAN,
SCHOOL OF BUSINESS
31 JAN 2018
KARATINA UNIVERSITY
P.O. BOX 1957-10101, KARATINA.

Thank you.

Dr. D. Gichuhi
DEAN, SCHOOL OF BUSINESS

Appendix 2: Questionnaire

INTRODUCTION

This questionnaire is designed to collect information about how customers feel about the quality of service delivery by insurance companies in Kenya. This survey will help the insurance service providers understand how they can serve their customers better. Information provided will be treated with utmost confidentiality. Kindly respond to all questions by either filling in the blank spaces or placing a tick where shown.

Section A: Background Information

Please tick [√] the appropriate box for your answers.

1) Gender
   Male □ Female □

2) Age group
   19 Years and below □
   20-29 Years old □
   30-39 Years old □
   40-49 Years old □
   50 Years old and above □

3) Highest Level of Education
   Primary □
   Secondary □
   Postgraduate □
   Diploma □
   Advanced Diploma □
   Bachelor's Degree □
   Master's Degree □
   PhD □

4) Marital status

Single □
Married □
Separated □
Divorced □

5) Type of family
Extended □ nuclear □

6) Occupation
Employed □
Self-employed □
Housewife □
Unemployed □
Professional □
Retired □

7) Level of Income
Kshs. 10,000 and below □

Kshs. 10,000- 50,000 □

Kshs. 50,000- 100,000 □

Above Kshs. 100,000 □

Insurance background check

8) What is the name of your insurer? .....

9) What type of Insurance Policy do you own? (You may tick more than one)
Life Assurance □

Health/ Medical Insurance □

Motor Vehicle Insurance □

Education Policy □

Other……

10) What type of Insurance cover do you have?
Individual insurance □

Group insurance □

Family insurance □

11) What are the reasons for selecting your particular insurance cover? (You can rank the statements in order of priority). Scale 1-6 where 1 is most important and 6 is least important. (e.g. 3,2,5,1,6,4)

Statement	Rank
Travelling	
Employer's Contribution	
To avail good medical treatment	
Risk coverage against illness	
Avail education to children	
Measure of taxation	

12) When purchasing your policy who persuaded you?
   Individual decision □
   Friend's □
   Relative's □
   Advertisement □
   Insurance official's □
   Others……
13) In seeking the policy which method did you adopt?
   The insurance agents contacted me
   Yes □ no
   I sought out the insurance agent
   Yes □ no
14) Are the services provided by your insurance company delivered efficiently and effectively
   Yes □ no indifferent
   a) If yes would you renew the service after maturity of the current one?
      Yes □ no
15) If more additional services were included in your package would you be willing to pay for more?
   Yes □ no
16) On a scale of 1-5 and based on the statements in the table below how can insurance companies increase awareness of service quality practices?
   1=not effective 2=effective 3=most effective

Statement	1	2	3
Newspapers			
Conference and seminars			
Incentives to policy holders			
Renewal notice by insurance companies			
Advertisements			
Sponsoring events			
Use of internet			
Introduce saving inked insurance			

Part B: Factors that Influence Service Quality

Please tick (√) to indicate the extent to which you agree or disagree with the following statements on the functional service quality of the insurance company.

Use the scale:

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

Select only one option from the scale by ticking

(A). ASSURANCE

STATEMENT CRITERIA	**1**	**2**	**3**	**4**	**5**
The company effectively updates customers of any developments					
The staff give correct and adequate information on the policies					
The staff are quick to respond to customer queries					
The staff are always polite and willing to help customers					
The insurance company employees are consistently courteous					
The conduct of the staff instils confidence in me					
I feel that my investments are safe with this insurance company					
I believe that this insurance company gives the best policy covers					
The staff are always approachable and willing to help					

(B). EMPATHY

STATEMENT CRITERIA	1	2	3	4	5
The Staff are always available any time of day for consultation					
The employees have the customers' best interest at heart					
The employees understand the specific needs of their customers					
The insurance company operating hours are convenient for me					
The insurance company branches are easily accessible					
The employees give customers individual attention					
The front office staff are punctual in opening the office					
Employees display confidence when selling policies					
The company is located in a conducive environment					

(C). RELIABILITY

If you were to lodge a claim with the insurance company how would you rate the following statements? Ask a question to those who have ever lodged a claim

STATEMENT CRITERIA	1	2	3	4	5
The process of claiming was hassle free					
The settlement of the claim was hassle free					
Claim was settled within a limited time period					
The claim was fully settled					
The claim was partially settled					
Terms and conditions for claim settlement were limited					
The administrators were cooperative					
The insurance company surveyors were cooperative					
Time taken by surveyors was adequate					
Time taken by administrators was adequate					
Third party administrators e.g. police were cooperative					

STATEMENT CRITERIA	1	2	3	4	5
The insurance Company provides services as promised					
The staff are sincere and dependable in handling service problems					
The insurance company performs services right the first time					
The insurance company always maintains accurate records					
The insurance policy and other documents have no errors					
Claims and other benefits are paid in a timely manner					
The insurance covers/ policies meet customer needs					
Transactions are carried out within the specified time					
The services offered are dependable					

(D). SERVICE BLUE PRINT

Which of the following factors did you consider being the most important while choosing your insurance policy? Please give the response for following statements on five point Likert's Scale ranging from Strongly Agree to Strongly Disagree:

STATEMENT CRITERIA	1	2	3	4	5
Insurance company has a good name and reputation of the company					
Use of modern technology by the company					
Courteous employees, brokers and corporate agents					
Capability and knowledge of employees, brokers & corporate agents					
Availability of maximum consumable income					
Use of extensive promotional activities					
Maximum customer satisfaction					
Availability of loan to meet associated cost of insurance					
Minimum deductions applicable					
Wide policy outcomes					
Comprehensive coverage					

STATEMENT CRITERIA	1	2	3	4	5
The content of policy document is within what sales staff explained					
The sales staff use effective selling methods					
The process followed when buying the policy cover is clear					
The process of making premium payments is convenient					
I am well informed of the insurance policy rules and regulations					
The process of benefit claims is clear and adequate					
The staff facilitate depth of policy benefits discussion					
I am well informed of the benefits claims procedure					
I am well informed of the benefits I am buying in the policy					

Part C: Customer Satisfaction

Please tick (√) to indicate the extent to which you agree or disagree with the following statements on customer satisfaction. Use the scale: 1= Strongly Disagree 2 = Disagree: 3 = Neutral: 4 = Agree: 5 = Strongly Agree: **Select only one option**

STATEMENT CRITERIA	1	2	3	4	5
I have experienced a positive relation with the insurance company					
My experience with the insurance staff was excellent					
I am satisfied with the service quality of administrative staff					
I am willing to buy other products from this insurance company					
I am willing to recommend this insurance company to someone else					
Overall, I am satisfied with this insurance company					

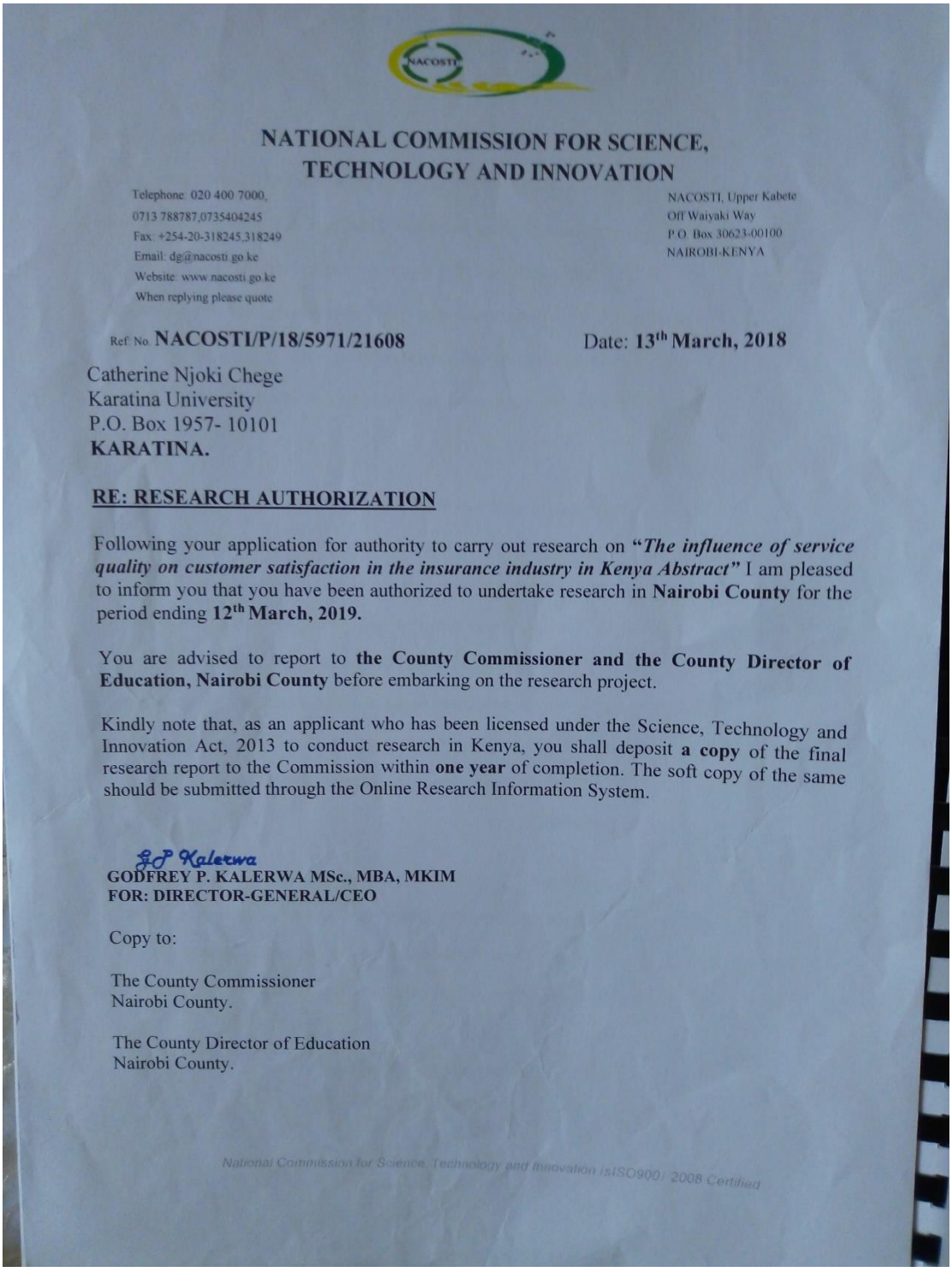
Thank you very much for taking your time to complete this questionnaire.

Appendix 3: CFA Factor Loadings

	Component 1	Component 2	Component 3	Component 4	Component 5
ba1	0.695				
ba2	0.785				
ba3	0.852				
ba4	0.844				
ba5	0.850				
ba6	0.892				
ba7	0.847				
ba8	0.852				
ba9	0.866				
be1		0.556			
be2		0.464			
be3		0.314			
be4		0.669			
be5		0.586			
be6		0.692			
be7		0.786			
be8		0.694			
be9		0.678			
ca1			0.860		
ca2			0.867		
ca3			0.846		
ca4			0.806		
ca5			0.636		
ca6			0.766		
ca7			0.701		
ca8			0.573		
ca9			0.556		
ca10			0.660		
ca11			0.499		
cb1			0.889		
cb2			0.848		
cb3			0.598		
cb4			0.611		
cb5			0.562		
cb6			0.844		
cb7			0.669		
cb8			0.824		
cb9			0.898		
da1				0.467	
da2				0.427	
da3				0.424	
da4				0.457	
da5				0.428	

da6	0.442	
da7	0.469	
da8	0.462	
da9	0.484	
da10	0.804	
da11	0.729	
db1	0.613	
db2	0.622	
db3	0.720	
db4	0.760	
db5	0.730	
db6	0.655	
db7	0.655	
db8	0.757	
db9	0.739	
cs1a		0.452
cs2a		0.440
cs3a		0.049
cs4a		0.400
cs5a		0.431
cs6a		0.405
cs7a		0.411
cs1b		0.922
cs2b		0.775
cs3b		0.858
cs4b		0.932
cs5b		0.944
cs6b		0.954

Appendix 4: Research Authorization letter



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

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NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/18/5971/21608** Date: **13th March, 2018**

Catherine Njoki Chege
Karatina University
P.O. Box 1957- 10101
KARATINA.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"The influence of service quality on customer satisfaction in the insurance industry in Kenya Abstract"*** I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **12th March, 2019.**

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

GP Kalerwa
GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

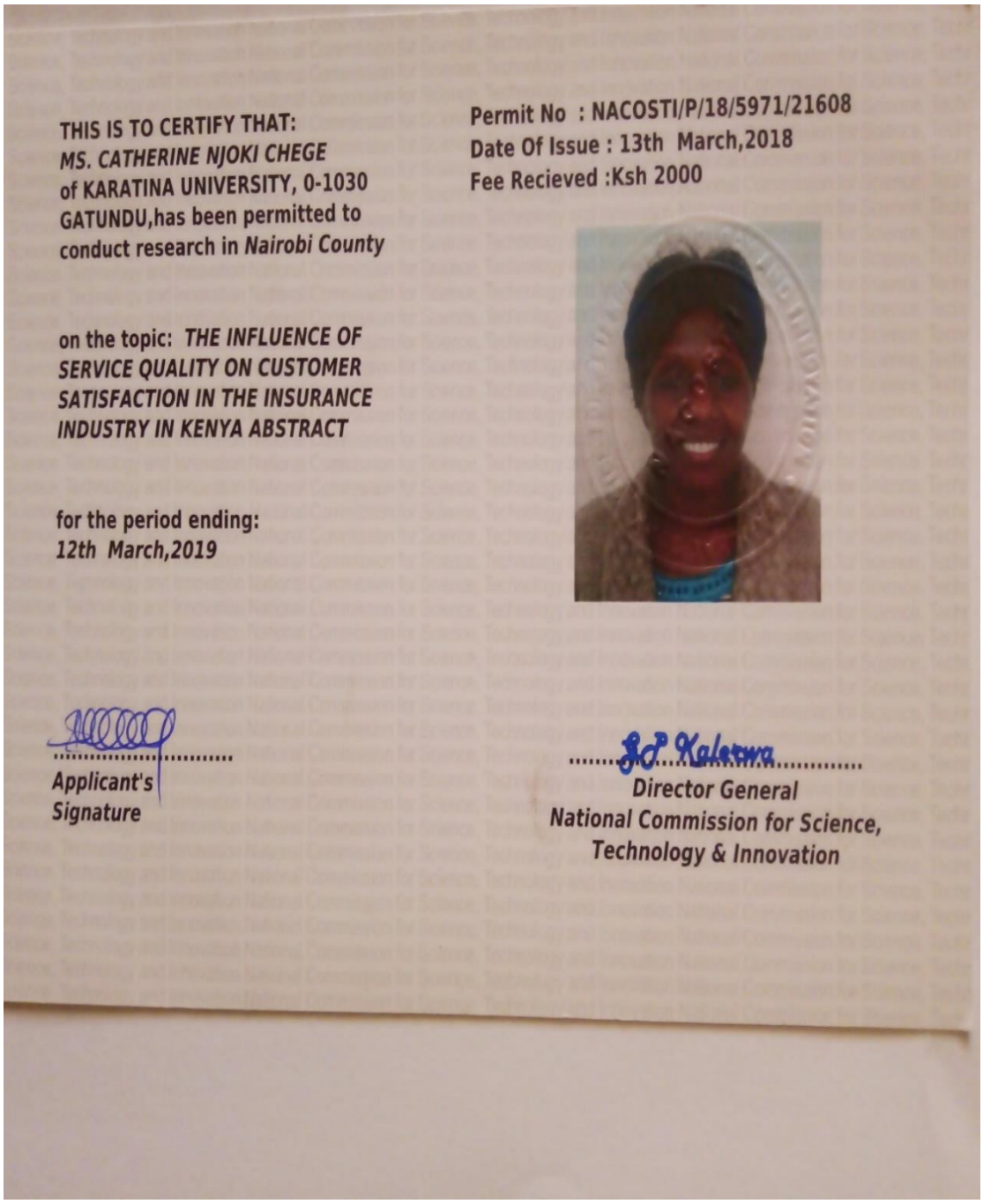
Copy to:

The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.

National Commission for Science, Technology and Innovation is ISO9001: 2008 Certified

Appendix 5: Research Permit from NACOSTI



THIS IS TO CERTIFY THAT:
MS. CATHERINE NJOKI CHEGE
of KARATINA UNIVERSITY, 0-1030
GATUNDU,has been permitted to
conduct research in *Nairobi County*

on the topic: *THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN THE INSURANCE INDUSTRY IN KENYA ABSTRACT*

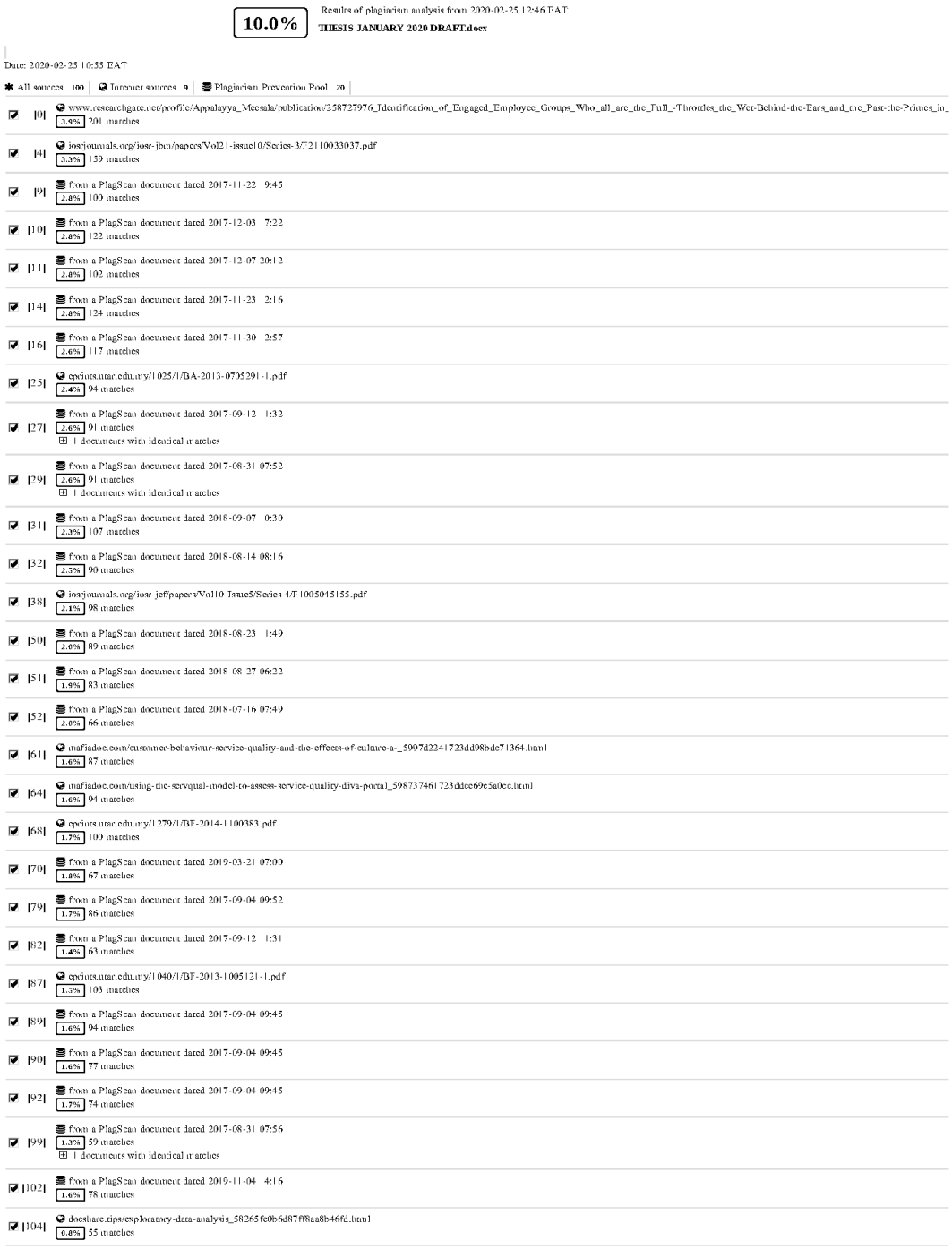
for the period ending:
12th March,2019

Permit No : NACOSTI/P/18/5971/21608
Date Of Issue : 13th March,2018
Fee Recieved :Ksh 2000

.....
Applicant's Signature

.....
Director General
National Commission for Science, Technology & Innovation

Appendix 6: Results of Plagiarism Test



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2.3% 90 matches

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2.0% 89 matches

[51] from a PlagScan document dated 2018-08-27 06:22
1.9% 83 matches

[52] from a PlagScan document dated 2018-07-16 07:49
2.0% 66 matches

[61] mafiadoc.com/customer-behaviour-service-quality-and-the-effects-of-culture-a-_5997d2241723dd98bde71364.html
1.6% 87 matches

[64] mafiadoc.com/using-the-servqual-model-to-assess-service-quality-diva-portal_598737461723ddee69e5a0ee.html
1.6% 94 matches

[68] eprints.utar.edu.my/1279/1/BF-2014-1100383.pdf
1.7% 100 matches

[70] from a PlagScan document dated 2019-03-21 07:00
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[79] from a PlagScan document dated 2017-09-04 09:52
1.7% 86 matches

[82] from a PlagScan document dated 2017-09-12 11:31
1.4% 63 matches

[87] eprints.utar.edu.my/1040/1/BF-2013-1005121-1.pdf
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