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**An Analysis and Assessment of Customer Satisfaction with Service Quality in
Insurance Industry in Palestine**

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ABSTRACT

This study conducted examine the factors that affect the customer satisfaction and accordingly influence the behavior of the customers and what are the perceptions of the customers about the service quality in the insurance companies in Palestine.

The study was quantitative and qualitative, interviews were conducted with the main key players of PIS, a questionnaire was designed for insurance companies customers, out of 180 questionnaire distributed 168 questionnaire returned for analysis representing 93% of the sample.

The study found that there are very strong relationship between overall customer satisfaction and each of the dimensions: Reliability, Technical Quality, Image quality, and Price Quality. Also Customer satisfaction affects customer behavioral intentions such that the customers with lower satisfaction are thinking to switch to use a better insurance company's service or unlikely to re-purchase insurance services of the same insurance company.

Furthermore, there are differences for some customer satisfaction dimensions that are due to Age group, and there are differences for Technical Quality dimension that are due to the period have been as a customer to major/main insurance company.ion

The needed recommendations were made; the limitations of the study were noted.

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Without help and support from all of the above-mentioned, I would never have the power to complete my study and overcome all difficulties.

DEDICATION

To the spirit of my father and my martyr brother

To my dear mother

**To my dearly wife Sawayb, and to my dear daughters and sons Saja, Sara,
Mohammed, and Adam.**

I dedicate this effort to all of them and to all who encouraged and helped me.

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CHAPTER ONE: Introduction

1.0 Introduction

Consumer protection in financial services is an important component of financial sector development. Consumers of financial services have less information than providers and are therefore at a disadvantage in the market. Consumer protection regulation attempts to correct that market disparity through improved transparency and market discipline. To achieve the correct balance between consumers' rights and the cost of regulation, market regulators need to understand both sides. (Group, 2009)

As the customer satisfaction and service quality are important components of customer protection in the insurance industry, "the problem of this study is principally informed by the fact that there is very limited documentation in the customer satisfaction (CS) and service quality (SQ) in the insurance industry (Amankwah, 2011, p. 2) in Palestine for both research and industrial management"..

Customer satisfaction now is very important factor for success in today's competitive business environment, as it affects company market shares and customer retention (Ahmad, 2012, p. 219)

The Palestinian insurance sector was growing significantly during the last years, (Palestinian Insurance Federation, 2014) but not any study held on the reasons for this growth and if there is any relation between this growth and the customers' satisfaction with the services provided to them and quality of the these services, so until now we can't considered this growth indicator on customer satisfaction and the quality of services provided to them from insurance companies.

As the increase of price competition in the Palestinian insurance market give an indication of the interest of customers and insurance companies in prices more than the services provided and insurance coverage's granted , where the stakeholders specially the regulators the insurance sector Palestinian Capital Market Authority (PCMA) and the Palestinian Insurance Federation(PIF) mad many attempts to raise the degree of commitment in the minimum limits of motor insurance prices which form 60% of the total

premiums in the insurance market , but these attempts did not succeed and competition still based on price and not on the quality of services provided. (Jaddo, 2014)

Therefore, there is an urgent need to increase understanding about the factors affecting customer satisfaction of insurance companies and its relation to the quality of the services provided, which would help those who on the insurance industry in Palestine to develop effective marketing strategies.

“Globalization of business, rival competition, increasing customer’s expectation, maintaining loyalty among customers, to gain more profit, customer retention and strategic customer care have evolved the recognition of the importance of customer relationship management (CRM) and relationship marketing the business organization. Today the companies have to shift from managing a market, to managing specific customers. But managing the customers and retaining them for long time is not easy task in a competitive market” (Bidhubhusan, 2012, p. 2)

1.1 Problem Statement

In view of the above, the main problem of this study is: What are the factors that affect and influence Customer Satisfaction with Service Quality in Insurance Industry in Palestine?

1.2 Purpose of Study

The main purpose of the study is to study the factors that affect the customer satisfaction and accordingly influence the behavior of the customers and what are the perceptions of the customers about the service quality in the insurance companies in Palestine.

1.3 Objectives of the Study

The main objectives of the study will be to study the determinations of customer satisfaction in (PIS), to study the influence of customer satisfaction on customer behavior, and to study the effect of the background data (Demographic Variables) on the relationship between satisfaction of service quality and behavior intentions.

1.4 Research questions:

Therefore, the problem being researched (What are the factors that affect and influence Customer Satisfaction with Service Quality in insurance industry in Palestine?) Will discuss and answer the following questions:

- 1- What are the factors that influence customer satisfaction in Palestinian insurance industry?
- 2- To what extent does satisfaction influence behavior intention in Palestinian insurance industry?
- 3- How the customers' is background data (gender, age, education, income level, years of experience with insurance companies, types of insurance) influence customer satisfaction and behavior intentions?
- 4- How insurance companies can increase the quality of services they provide?
- 5- What are the relationship between the customer satisfaction and service quality in Palestinian insurance industry?

1.5 Importance of the Study

The study is very important in various ways to business/marketing practitioners, policy makers and stakeholders.

The findings and results of the study will provide the management of Palestinian insurance companies with scientific data that will help them to evaluate the level of their customer's satisfaction and will help them to take the right decisions to maintain their customers, and improve the quality of service they deliver.

On the other hand and because of the lack of the insurance studies in (PIS), the study will be a scientific reference for researchers

Also it will give the decision makers in PCMA scientific indicators about the performance of the insurance companies and will help them to take the needed action.

The study will give all the interested in

(PIS) reliable information and it will help the insurance companies' employees to communicate in better way with the customers and improve their performance.

1.6 Limitation of the Study

The main limitations of the study will be the scarceness of the references and studies in (PIS), the time of the study is limited according to the academic calendar, the political situation and separation between west bank and Gaza strip is another limitation, reference to above the study is limited to the insurance companies customers in west bank and the sample will be limited to sizable customers.

Chapter Two: Palestinian Insurance Sector

2.0 Introduction

This chapter will provide a historical overview of the Palestinian insurance sector, the main obstacles and difficulties affecting this sector, and it will discuss the main stakeholders in the Palestinian insurance industry whose work significantly affects the performance of the insurance sector and accordingly the attitudes, impression and satisfaction of customers and their decisions in dealing with insurance companies.

2.1 Historical Overview

The Palestinian insurance sector is a relatively new one when compared to other sectors. The first insurance company established in the Arab Levant was in Palestine back in 1944 by the Arab Bank. Its name was the Arab Insurance Company, all of its capital was owned by Palestinians and it was run by Palestinians as well. (Abdeljawwad, 2010, p. 19) After the catastrophe of 1948 the company moved its business to Lebanon and became a Lebanese company. During that period insurance was practiced in the West Bank through branches of Jordanian and foreign insurance companies and agents. As for the Gaza Strip, it was practiced through branches of Egyptian insurance companies. After the Israeli occupation of 1967, and up to year 1975, the size of the market remained very small and insurance companies were branches of Israeli companies or agencies of foreign companies. (Abdeljawwad, 2010, p. 19)

In 1975, a military order was issued to make vehicle insurance compulsory. This milestone helped magnify the size of the insurance sector. Al- Arabiya Insurance Company was founded, but it was not operating alone in the market; It faced competition from Israeli insurance companies and some agencies of foreign insurance companies. This situation remained until the first intifada in 1987 which forced Israeli insurance companies to withdraw from the market and left Al –Arabiya Insurance Company was left alone in the market. However, this monopoly ceased when two new insurance companies were founded in 1993. These companies are Al-Mashreq insurance Company (MIC) and National Insurance Company (NIC), after the announcement of the Oslo Accords and the

founding of the Palestinian National Authority, many insurance companies were established. These companies are Trust International Insurance Company, Palestine Insurance Company (PIC), Ahlia Insurance Group (AIG), Arab Company for Accident & Life Insurance, Alico, Palestine Mortgage and Housing Corporation. (Assad, 2012)

The market continued to grow until the second Intifada in 2000 where it faced another setback and decline in the volume of premiums. In 2008, the first Takaful insurance company was established, then the Global United Insurance company was established in 2010 after Al- Arabiya Insurance Company left the market. Today, insurance companies offer different types of insurance such as motor, fire, general accident, marine, health , life and other types of insurance. Their total premiums reached up to about \$150,000,000 million dollars in 2011, they employ more than 1050 employees, and work with more than 240 agents, hundreds of service providers, thousands of physicians, pharmacists and members of medical networks. (Assad, 2012, pp. 4-5)

This sector has suffered for a long time from the absence of a Palestinian Insurance law. This chaotic situation reached its end with the establishment of the PCMA in 2004 becoming the authorized regulatory body to supervise, control and organize all businesses related to the insurance sector. Major steps were taken by the PCMA to improve the supervisory role on the insurance sector by introducing new directives and instructions aimed at mitigating the risk on insurance companies and providing better insurance coverage for the insured. (Palestinian Capital Market Authority, 2014)

2.2 Importance of Insurance

Insurance is a type of integration and social solidarity, it is an indicator of civilization and development, a means of security and emotional stability of individuals companies, because it gives some sort of protection and helps to reduce the bad results of the accidents and risks, insurance preserves the productive capital, and facilitate re-building projects when exposed to destruction and damage, it plays a vital role in capital formation and employment, insurance companies are saving large funds and main channels of financing. (Palestinian Insurance Federation, 2014).

2.3 Importance of Palestinian Insurance Sector

The insurance sector in Palestine is one of the most prominent and important economic sectors as a protective shield for the various segments of the society through its vital role

to compensate for the losses and damages that may infect the insured, is the insurance industry Palestinian industries developing and evolving and bearing horizons expand Despite the small Palestinian market, but the Palestinian insurance market achieve a steady growth rate of 20% in recent years with the exception of 2012 , which saw a decline for many reasons , especially the absence of the suitable work environment that enables insurance companies to operate effectively, which led to a decline in the percentage of the contribution of the insurance sector in the Gross Domestic Product (GDP) of 2.3% in 2011 to 2.1% in 2012 (Jaddo, 2014), and the insurance portfolio decreased by 4% in 2012 compared to 2011, with a total value of \$144 million, while total paid-up value of claims reached \$88 million in 2012 compared to \$75.5 million in 2011. (Palestinian Capital Market Authority, 2014)

2.4 Indicators and Premiums Size of (PIS)

According to official statistics from PIF the total premiums of PIS in the last five year were:

Table 1: Total Premiums of Palestinian Insurance sector

| # | Year | Motor Insurance Premiums \$ | General Insurance Premiums \$ | Total Premiums \$ |
|---|------|-----------------------------|-------------------------------|-------------------|
| 1 | 2008 | 51,303,545 | 43,006,984 | 94,310,529.00 |
| 2 | 2009 | 60,551,846 | 43,752,548 | 104,304,394.00 |
| 3 | 2010 | 74,826,749 | 50,974,803 | 125,801,552.00 |
| 4 | 2011 | 91,849,241 | 58,612,008 | 150,461,249.00 |
| 5 | 2012 | 87,943,842 | 56,521,315 | 144,465,157.00 |
| 6 | 2013 | 92,484,598 | 66,223,375 | 158,707,973.00 |

Source: (Palestinian Insurance Federation, 2014).

From the above table we can notice that PIS is a developed sector, it achieved around 15% increases in premiums in the last five years except the year 2012, and around 10% in the year 2013.

If the insurance sector have the adequate attention to overcome the obstacles that limit the chances of development and growth by decision-makers, it is certain that this sector will achieves a qualitative leap in the various aspects of its activities due to consider the PIS a promising market because of the fact of the low percentage of the beneficiaries of insurance services in Palestine when compared with the population. (Jaddo, 2014)

The following are some indicators of PIS

Table 2: Aggregated Operational and financial Data from 01/01/2013-30/09/2013 in US Dollars

| | Description | 30/9/2013 | 30/6/2013 | 31/3/2013 |
|---|--|------------------|------------------|------------------|
| Insurance sector results | Motor insurance premiums | 70,245,387 | 46,419,646 | 22,201,119 |
| | Workers insurance premiums | 10,730,740 | 8,083,909 | 4,400,954 |
| | Health insurance premiums | 24,915,364 | 19,054,227 | 7,459,672 |
| | Civil liability insurance premiums | 2,274,654 | 1,647,317 | 959,869 |
| | Non-life insurance premiums | 2,698,311 | 2,221,450 | 1,314,475 |
| | Fire insurance premiums | 7,571,073 | 5,349,089 | 2,681,194 |
| | Marine insurance premiums | 1,476,270 | 1,010,731 | 592,308 |
| | Engineering insurance premiums | 3,267,983 | 2,592,635 | 1,580,701 |
| | Life insurance premiums | 2,849,664 | 1,968,263 | 1,050,492 |
| | Total insurance premiums | 126,029,446 | 88,347,267 | 42,240,784 |
| | Total paid-up claims | 65,439,261 | 44,587,518 | 20,830,214 |
| Summary of assets and liabilities for insurance sector | Total current assets | 232,037,513 | 212,188,902 | 207,366,163 |
| | Total investments | 180,577,575 | 177,500,277 | 179,452,747 |
| | Accounts receivable, total | 76,052,829 | 75,504,127 | 96,571,317 |
| | Accounts receivable, net | 62,061,523 | 62,016,347 | 83,711,465 |
| | Total assets | 359,967,705 | 352,208,941 | 347,166,130 |
| | Total insurance policies assets | 33,152,317 | 32,415,619 | 34,503,480 |
| | Total insurance policies liabilities | 179,371,075 | 174,658,985 | 169,766,085 |
| | Paid-up capital | 67,874,806 | 67,874,806 | 67,874,806 |
| | Statutory reserve | 9,720,071 | 9,866,646 | 9,714,115 |
| | Optional reserve | 4,882,806 | 5,035,336 | 4,882,806 |
| | Cumulative change in assets fair value | 12,271,906 | 11,035,082 | 10,368,658 |
| | Retained earnings (losses) | 5,960,721 | 3,362,627 | 3,354,297 |
| | Total shareholder's equity | 113,947,469 | 109,738,185 | 108,135,309 |

Source: (Palestinian Capital Market Authority Website, 2014).

2.5 The problems and obstacles faced (PIS)

The real problem facing the insurance market is the absence of the Palestinian insurance awareness among the citizens , which led to an imbalance between supply and demand , official authorities lack of awareness of the importance of the insurance sector, (Ashour, 2009), the PIF Secretary General mentioned that the most important problems that faces the PIS are the tax law treatment of reserves and provisions for insurance, the separation between West Bank and Gaza strip, the absence of specialized judiciary and courts in insurance issues the relation between medical sector and insurance sector, the hyper competition in prices between the insurance companies, the inefficient in implementation of the mandatory insurance kinds (motors and workmen compensation), the weak and unhealthy relation between PIS stakeholders. (Jaddo, 2014), the problems faced by insurance companies can be noticed in the follows:

- The idea of public, who look at the insurance services as a luxury, (Ashour, 2009)
- PIS is still suffering from lack of awareness of the importance of this sector, where the percentage of the beneficiaries of insurance does not exceed 3.5 % of the total population, compared with a rate of about 60% in developed countries and average of the Palestinian citizens spend on insurance is not exceed US \$ 33 per year, compared with more than U.S. \$ 1,000 per capita in developed countries. (Jaddo, 2014)
- Fraud and try to inflate traffic accidents taking advantage of the facilities in compensation law (Palestine, 1997, p. 40)
- The fast and frequent changes in insurance companies, which is reflected in the service offered to customers.
- Lack of technical and qualified staff because there is no insurance program in any of the Palestinian universities.
- The code of conduct of PIS need a comprehensive assessment.
- There is a crisis of confidence between the insured and the insurance companies, especially in the field of motor insurance. (Ashour, 2009)

2.6 Palestinian Insurance Sector Stakeholders

2.6.1 Palestine Capital Market Authority (PCMA)

2.6.1.1 Historical Overview

PCMA established on the basis of Article No. (2) of the Capital Market Authority law No. (13) for the year 2004, It is governed by a Board of Directors composed of seven members. Its jurisdiction include securities, insurance, financial mortgage and financial leasing sectors, addition to any other non-banking financial institutions. In the past years the PCMA chaired the National Committee for Corporate Governance in Palestine (Palestinian Capital Market Authority, 2014).

The Palestine Capital Market Authority is a body corporate enjoying financial and administrative dependent autonomy as well as the legal capacity to undertake all businesses and actions that ensure the fulfillment of its objectives (Palestinian Capital Market Authority, 2014)

The Palestine Capital Market Authority, within a few years since its establishment, has been able to make concrete achievements in the sectors it oversees, thus, supervising, monitoring and giving authorization to all operations relating to the Securities sector, such as initial or secondary public offering, insertion, capital increase, etc. The Authority has also achieved remarkable progress in the management and reform of the insurance sector which suffered a lot during the past years. At present, the Authority is working on the completion of the legal and administrative environment that regulates mortgage, financial leasing and non-banking financial activity sectors. PCMA it coordinates and cooperates with all related parties such as the Palestine Securities Exchange, the Palestinian Monetary Authority, the Companies` Controller and the Palestinian Insurance Federation in a way that serves its objectives. (Owdeh, 2013)

The PCMA vision is to regulate the financial sectors (non banking), working to improve the capital market in Palestine and protect the interests of the stakeholders and dealers. And it's mission is to Regulation and supervision and control over the performance of all financial sectors (non banking) of the securities , insurance, mortgage and leasing in Palestine and developed in order to achieve the principles of transparency , fairness and

integrity and in accordance with best international practices . (Palestinian Capital Market Authority, 2014)

2.6.1.2 PCMA Strategic goals (2012-2014)

The completion of the issuance and review of secondary legislation in the fields of securities, insurance, mortgage and leasing guided by the standards of IOSCO, IAIS, Basel, Confirm compliance of sectors of the laws, regulations and instructions related of the capital market, Provide information and statistics on the sectors of the capital market, enhance corporate governance through the development of tools to measure the extent of the commitment of companies and increase awareness of governance, raise the efficiency of the through the development of the staff and the internal work environment, removing conflicts in the work environment, held awareness programs to raise the awareness about the sectors regulated and financial education and Increase the presence and exchange of experiences with similar local, regional and international bodies. (Palestinian Capital Market Authority, 2014)

2.6.1.3 Insurance department In PCMA

The insurance department in PCMA Regulate and control the insurance sector in Palestine according to article no. (2) in the Palestinian insurance law no.20 for year 2005, in addition to the law of PCMA No. 13 for the year 2004, and since then the the Insurance Control Department embarked for the preparation and publication of a number of secondary legislation supporting law (regulations, instructions, decisions, circulars) and by priority based on its importance to complete the frameworks, legislative for the insurance industry, were circulated to the insurance sector components. (insurance law, 2005).

2.6.2 Palestinian Insurance Federation (PIF)

2.6.2.1 Historical Overview

Palestinian Insurance Federation (PIF) is a non-profit organization and an independent legal entity that aims to promote trust in the Palestinian insurance industry while cooperating with relevant official bodies and those associated with the insurance sector locally and internationally. PIF was founded and has been operating since the late 1990s. It acquired its legitimacy in the insurance law No. (20) issued in 2005 where, in chapter 15. (Palestinian Insurance Federation, 2014)

The membership includes all insurance companies licensed and authorized to work in Palestine, as the membership mandatory for all insurance companies licensed in Palestine, (insurance law, 2005), the federation seeks by doing its activities to achieve many of the goals like adoption of the foundations and the fundamentals of the practice of the profession and work to spread insurance awareness and raise the literary value of the work in the insurance industry and the establishment of insurance pools according to the need of the Palestinian market , and coordination between the insurance companies operating in the market , resolve conflicts that may arise between them , to promote confidence in the insurance industry , to achieve cooperation and coordination with the official authorities , the relationship with the insurance industry locally, regionally and internationally , holding and professional conferences conduct scientific research, statistics, participate with the official authorities in the preparation of legislation. (Palestinian Insurance Federation, 2014)

2.6.2.3 Complain Handling Unit in PIF

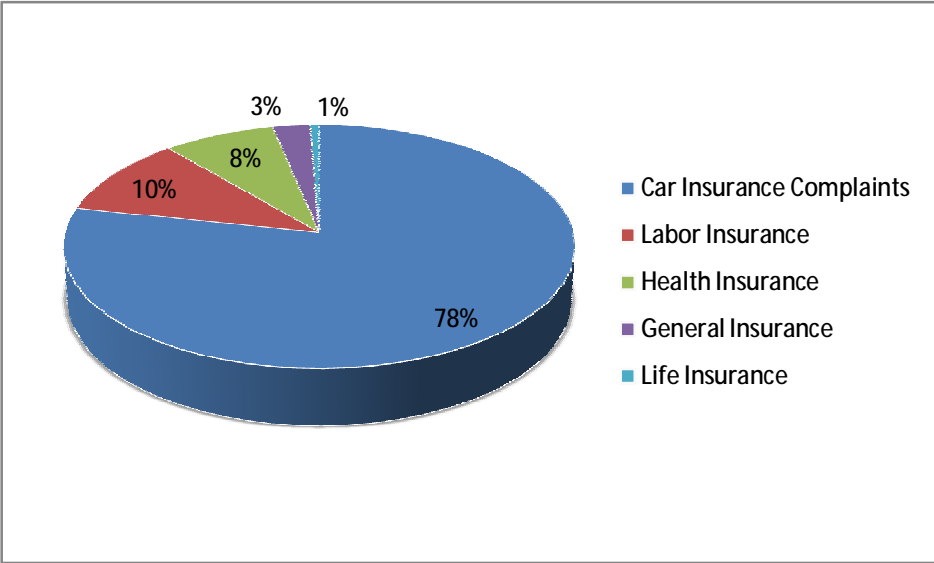
PIF established the Complain Handling Unit in cooperation between PIF and its members, this project provides the opportunity for customers to solve outstanding issues with all insurance companies, The unit do all of its duties to achieve the interest of the federation and the insurance companies and raise the trust level in the insurance industry, it also work in harmony to solve internal disputes resolution procedures applied at the insurance companies according to the instructions and rules of code of conduct issued by PCMA. The unit established to achieve many objectives like helping customers to resolve problems or issues related to insurance, Increase the trust between clients and insurance companies, identify the needs of customers with insurance companies, identify the concerns and fears of customers about insurance, evaluation of services provided, expanding the insurance market, raise the awareness of insurance in Palestinian society, and enhance confidence in the insurance sector.

Table 3 : Number of Complains Received by PIF from 10/04/2011-31/12/2013

| # | Type of Insurance | Settled | Not Settled | Total |
|-------|----------------------|---------|-------------|-------|
| 1 | Motor | 102 | 17 | 119 |
| 2 | Workmen Compensation | 10 | 6 | 16 |
| 3 | Health | 9 | 3 | 12 |
| 4 | General | 3 | 1 | 4 |
| 5 | Life | 0 | 1 | 1 |
| Total | | 124 | 28 | 152 |

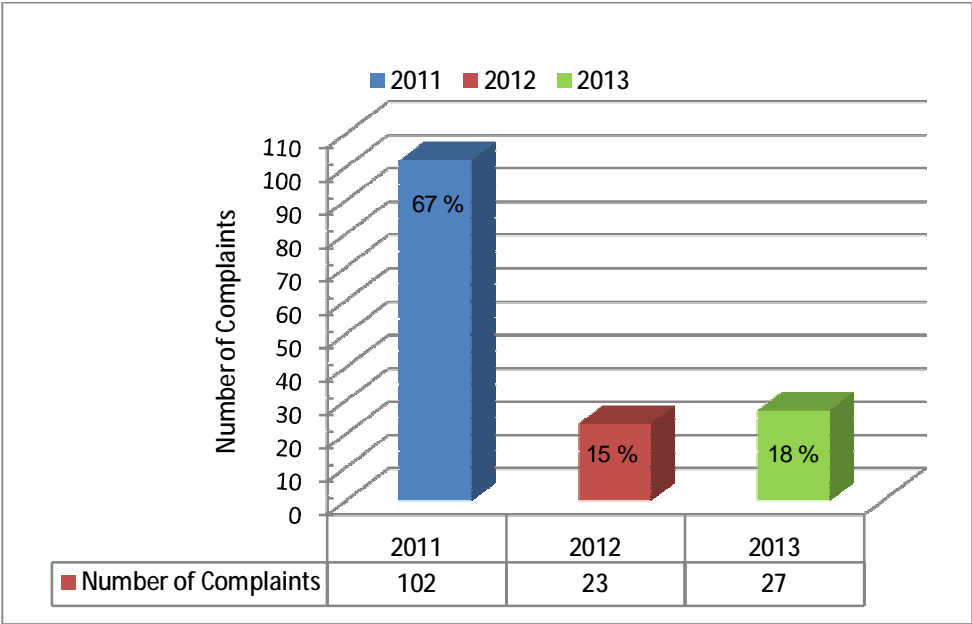
Source: (Palestinian Insurance Federation,2014).

Figure 1 : Total Complaints



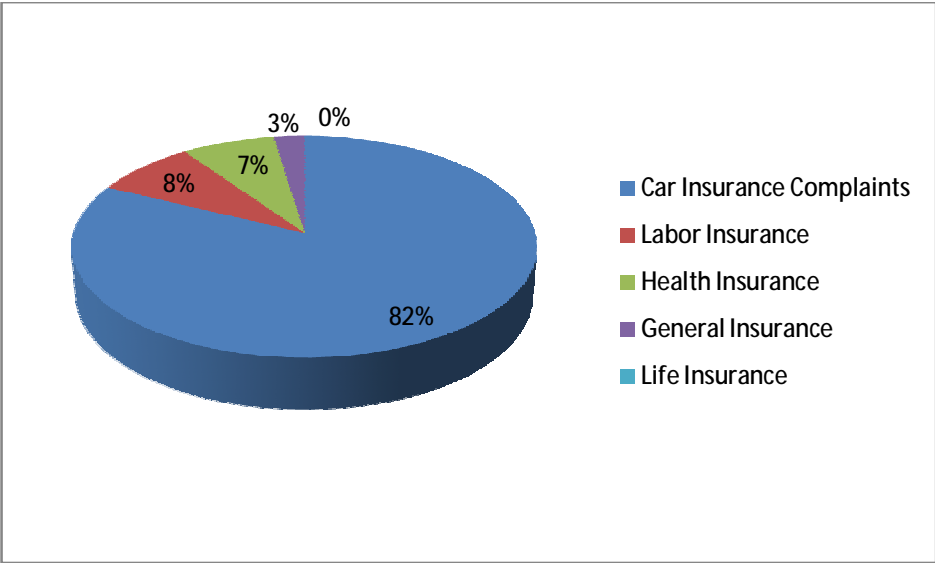
Source: (Palestinian Insurance Federation,2014).

Figure 2: Complaints Average for Each year



Source: (Palestinian Insurance Federation,2014).

Figure 3: Resolved Complaints



Source: (Palestinian Insurance Federation,2014).

From the above numbers we can notice that the most complaints was about motor insurance for 78%, this percentage Consistent with the percentage of the motor insurance which form about 60% of the total premiums in PIS.

Also we can notice that the customers complaints in the year 2011, the year of establishment of the complaints unit in PIF were high (102) complains, the it drop to 23 in 2012 and 27 in 2013, but we can't attribute these results to dissatisfaction of customers about the service quality of insurance company or to the awareness of the roll of this complaints unit, we will answer this concern in the research.

2.6.3 Insurance companies licensed and operating in the insurance sector

The number of licensed insurance companies operating in the insurance sector are ten, including seven general insurance companies, one company for life insurance, one company for Islamic insurance (Takaful), and one company for mortgage insurance, all companies that have been mentioned previously are members in PIF bylaw, these companies are:

Table 4 : Number of Companies in PIS

| # | Company | Year of Est. | Types of insurance | Branches | Employees | Agents |
|-------|----------------------------|--------------|------------------------------|----------|-----------|--------|
| 1 | Mashreq ins. company | 1992 | General, motor, Health | 12 | 112 | 25 |
| 2 | National ins. company | 1993 | General, motor, Health, Life | 23 | 189 | 35 |
| 3 | Trust ins. company | 1994 | General, motor, Health, Life | 15 | 210 | 49 |
| 4 | Ahleyyah ins. company | 1994 | General, motor, Health | 22 | 127 | 10 |
| 5 | Palestine ins. company | 1994 | General, motor, Health | 8 | 101 | 33 |
| 6 | Takaful ins. company | 2008 | General, motor, Health, Life | 11 | 89 | 14 |
| 7 | Arab life ins. company | 1995 | General, motor, Health, Life | 6 | 35 | 9 |
| 8 | Global United ins. company | 2010 | General, Motor, Health, Life | 17 | 180 | 41 |
| 9 | Palestine Mortgage co. | 1997 | Mortgage | 1 | 13 | 0 |
| 10 | ALICO (Metlife) | 1996 | Life | 1 | 3 | 1 |
| Total | 10 | | | 116 | 1059 | 217 |

Source: (Palestinian Capital Market Authority Website, 2014).

2.6.4 Palestinian Road Accidents Victims Fund (PRAVF)

PRAVF was established in its current form under the provisions of the Insurance Law No. (20) for the year (2005) , for the roll to Compensate the injured (except the driver) who deserves compensation under the provisions of the Insurance Law No. (20) for the year (2005) whom can't claim the insurer for compensation according a variety of reasons, for example if the driver caused the accident is unknown, or if the driver does not covered in the insurance policy the incident subject of the claim as stated in the law. (insurance law, 2005) (Assad, 2012, p. 5)

2.6.5 Advisory Committee of Insurance (ACI)

ACI established under article VII of the Insurance Law No. (20) for the year (2005) , the members of this committee are from the main stakeholders of the insurance sector like PCMA, PIF, PRVCF, its roles as well as stated by law to propose draft regulations for the implementation of the law and reported to the Board of Directors of the PCMA, propose draft amendments necessary to the law, the suggestion of the minimum rates of the insurance types stipulated by the law and its implementing regulations in cooperation and coordination with insurance sector stakeholders, and determine the types of violations and fines imposed on insurance companies and agents according to the law by make recommendations to PCMA board. (insurance law, 2005)

2.6.6 Insurance Agents Syndicate (IAS)

IAS was established in the year 1997 as a result to the changes and development in the Palestinian Insurance Sector to a chief and protect the insurance agents interests, some of IAS objectives are to organize the relationship between the licensed agents and the department of Insurance Supervision and insurance companies, raising the professional level of insurance agents through holding training courses in insurance, defend the interests of agents, and create a saving and pension fund for insurance agents. (Shaweesh, 2014)

Table 5 : Number of Insurance Agents in PIS

| Year | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------|-------------|-------------|-------------|-------------|-------------|
| No. of Agents | 225 | 265 | 239 | 229 | 217 |

Source: (Palestinian Capital Market Authority Website, 2014).

2.6.7 Other professionals associated with insurance

Such as insurance brokers, insurance investigators, loss adjusters and surveyors.

Chapter Three: Literature Review

3.0 Introduction

In this chapter the researcher will give overview on the literature written on the research subject, Over the past few years, many researches were made on different aspects of service quality and consumer satisfaction. Scholars such as Parasuraman and Carman consider service quality to be an abstract concept; one that is difficult to define and measure (Parasuraman A. a., 1988 , pp. 21-40) et al., (Carman, 1990, pp. 33-55). In his work on service quality modeling, Gronroos divides the customer's perceptions of any given service into two axes: technical and functional quality (Gronroos, 1984, pp. 588-601). On his part, Parasuraman proposed the Gap Model of service quality which defines service quality as the gap between the service customers experience and the service they expect (Parasuraman A. &, 1985, pp. 41-50) et al.

3.1 Customer Satisfaction

The concept of customer satisfaction has been tackled in a number of ways by different authors. Oliver explains that customer satisfaction is realized when customers compare their perceptions and thoughts of service performance against their expectations. The difference resulting herewith generates disconfirmation. This can either be positive disconfirmation which results with high satisfaction, or negative disconfirmation which results with high dissatisfaction. (Oliver, 1980, pp. 460-469)

In their book Marketing Management, Kotler and Keller define satisfaction as “a person's feeling of pleasure or disappointment resulting from comparing a product's performance (outcome) in relation to his or her expectation” (K., 2006, p. 144). The World Tourism Organization defines satisfaction as a “psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service” (WTO, 1985).

3.2 Service Quality

3.2.1 Defining Service Quality (SERVQUAL)

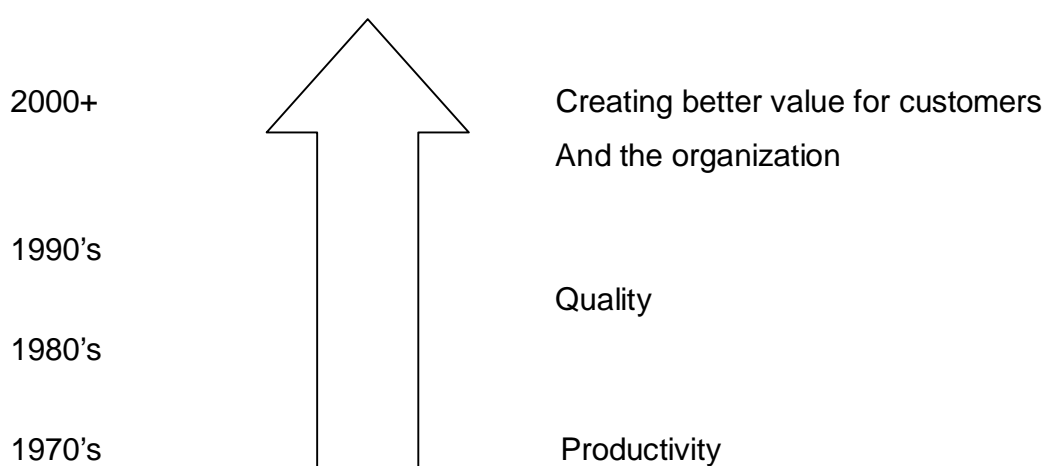
Service Quality is an unclear term, many authors wrote about service quality, in his book Customer Service Delivery: Research and Best Practices, Fogli defines service quality as “a global judgment or attitude relating to a particular service; the customer’s overall impression of the relative inferiority or superiority of the organization and its services. Service quality is a cognitive judgment” (Fogli, 2006) (p. 4).

SERVQUAL, is very important for any business in many ways, Superior product/service quality relative to competitors is the single most important factor affecting profitability, it ‘s important to set the Premium prices, in knowing the Customer preference, to maintain the Customer retention, for market expansion/market share, and for other benefits like productivity, advertising, distribution/access citation marketing. (Chapman, 2012)

3.2.2 Service Quality shifting focus

In the past, industry focused particularly on defining and meeting internal quality or technical standards, today the focus has shifted to quantifying customers' assessments of services and products (external measurement) and then translating these into specific internal standards, delivering quality service is fundamental to corporate success because research shows it is closely linked to profits. (Chapman, 2012)

Figure 4 : Service Quality Shifting Focus



Source: Marketing 101.

3.2.3 The Importance of Service Quality

Service quality is very important in all work components in superior product/service quality relative to competitors is the single most important factor affecting profitability, it's important in premium prices, in customer preference, in customer retention, in market expansion/market share, productivity, and advertising, distribution/access. (Chapman, 2012)

3.2.4 Service Quality Models

Functional Quality (Conformance Quality) is producing the product/service according to specification every time, with no correction required citation, (Chapman, 2012) there were many different models have been developed to explain and measure service quality, (Nitin S. et al., 2005, pp. 913-949) . The Dimensions of Service Quality have been defined in five categories in the previous studies, these dimensions are Reliability which it's the ability to perform the promised service dependably and accurately – delivering what is promised, Responsiveness, it's the willingness to help customers and provide prompt service adapting the service to customer needs, assurance it's the employees knowledge and kindness ability to inspire trust and confidence, Empathy which is caring, individualized attention, believe that customers are unique and special, show customers are understood and valued, and Tangibles it's the appearance of physical facilities, equipment, personnel and communication materials, continuity, and perceived quality. (Chapman, 2012)

Toran debates that quality is the most significant factor in providing insurance services (Toran D. , 1993). Marla Stafford, Thomas Stafford, and Wells discuss insurance companies approach towards service quality. In their article "Determinants of Service Quality and Satisfaction in the Auto Casualty Claims Process", they note that insurance companies are putting more and more emphasis on service quality and customer satisfaction. This article also points out a key observation which is the tool with which service quality is measured in the insurance industry: complaint ratio. It is basically the number of received complaints divided by a measure of the insurance business, (Stafford, 1998) which is so difficult to measure in the Palestinian Insurance Sector.

Later on, service quality was also defined broadly by Zeithaml, Berry, and Parasuraman in their article "The Nature and Determinants of Customer Expectations of Service" as

“consumers’ assessment of the overall excellence or superiority of the service” (Zeithaml, 1993, pp. 1-12) et al. It is viewed as an attitude or global judgment about the overall excellence of a service, with comparison of expectations and performance as the measuring tools. Researchers have tried to operationalize service quality from different perspectives for different service applications.

Service that is offered by insurance companies is accepted products. They include very few signals about quality. It has been found that consumers usually rely on inessential or extrinsic indications like the product's brand to ascertain and perceive service quality (Gronroos, 1984, pp. 588-601). This factor is especially true for a “pure” service such as insurance, which has minor tangible representations of its quality and is highly relational during most transactions. There is also a lack of price signals in the market because insurance products tend to be tailor-made according to customer needs. Thus, customers face difficulties in comparing prices; and consequently they cannot rely solely on price as an extrinsic cue to signal quality as is the case with other types of products. For example, in the case of life insurance purchases, output is often delayed. Thus, it doesn't allow for immediate post purchase evaluation by customers. Therefore, one cannot obtain an immediate measure of the overall satisfaction judging by reactions towards purchase. In such cases, the future benefits that will be received from the “product” purchased are difficult to foresee and thus the product takes a long time to “prove” its effects (Crosby L. A., 1987, pp. 404-411). Credence products which are infrequently purchased and used by consumers cause an inability or difficulty in forming service expectations because of the limited understanding of and familiarity with such service (Johnston, 1984, pp. 136-164) et al. Moreover, because these products are also expensive considering the amounts of money usually invested in insurance policies, customers strive for long-term relationships with their insurance companies and respective agents in order to reduce risks and uncertainties (Berry, 1995, pp. 236-245). Hence, pure services like insurance may invoke different expectations than those of services which are complemented with tangible products (Toran D. , 1993, pp. 10-11).

Insurance policies are almost always sold through agents who happen to be the customer's only contact in 80% of the cases (Richard, 1993, pp. 59-68); (Clow, 1993, pp. 22-32) and Vorhies, 1993; (Crosby L. A., 1986, pp. 69-89). Henceforth, usually customers highly value their agent's honesty and advice (Zeithaml, 1993). The perceived risk in

purchasing the life insurance product is highly affected by the quality of the agent's service and his/her relationship with the customer. These two factors serve to either alleviate or exaggerate this perceived risk. Insurance companies understand that the core competitive advantage in the insurance sector is to focus their efforts on distribution channels and their proficiency to manage these channels and create innovative ones. If insurance companies proved successful in achieving this aim, they will create customers' values and gain competitive advantage over competing firms. (Antonio Coviello, 2012, p. 2).

Putting the customer first and showing trust and integrity have been found to be fundamental factors in selling insurance (Slattery, 1989, p. 11). (Sherden, 1987, p. 22) laments that despite the increasing demand by customers for high quality service (defined as service that exceeds "customers' expectations"), it is rare in the life insurance industry. (Toran D. , 1993, p. 11) points out that quality should be at the core of what the insurance industry does. Customer surveys by Prudential show that customers seek more responsive, easily reachable agents, personalized communications from the insurer, accurate transactions, and quickly solved problems (Pointek, 1992, p. 34). Other important factors have been found by a different study conducted by the National Association of Life Underwriters. This study found that the financial stability of the company, the insurer's reputation, the agent's integrity and guidance, and the quality of information also played a role (King, 1992, p. 7). Evidently, knowing and understanding consumers' expectations of life insurance agent's service is crucial. This is because expectations serve as standards or reference points against which service performance is assessed (Walker, 2000, pp. 411-431). Another important factor is technology which is reflected in how the agent operates in the field including other functions such as distribution, claim costs and administration (Anonymous., 2004).

Research has shown that the quality of services and the achievement of customer satisfaction and loyalty are fundamental for the survival of insurers. The quality of after sales services particularly, is a significant factor leading to very positive results such as customer loyalty, positive WOM, repetitive sales and cross-selling (Taylor, 2001, pp. 30-57). However, many insurance companies appear to be unwilling to take the steps necessary to improve their image. In an extremely competitive market where competition never ceases to grow, this unwillingness to improve creates problems for insurers. Previous studies, notably those of (Wells, 1995, pp. 462-477), the Quality Insurance

Congress (QIC) and the Risk and Insurance Management Society (RIMS) (Friedman, RIMS plans to have third quality scorecard published in 2002., (2001a)., pp. 3-22) (Friedman, RIMS launches quality process., 2001b, pp. 3-29), and the Chartered Property Casualty Underwriters (CPCU) longitudinal studies (Cooper, 2001, pp. 99-111), have found widespread customer dissatisfaction in the insurance industry. This dissatisfaction stems from poor service design and delivery. Ignorance of customers' insurance needs (the inability of insurers to match customers perceptions with expectations), and inferior quality of services largely account for this. According to data from the American Customer Satisfaction Index, average customer satisfaction had gone down by 2.5% for life insurance and 6.1% for personal property insurance respectively between 1994 and 2002 (American Customer Satisfaction Index). In Greece, for example, 48% of consumers consider that the whole industry is characterized by a lack of professionalism.

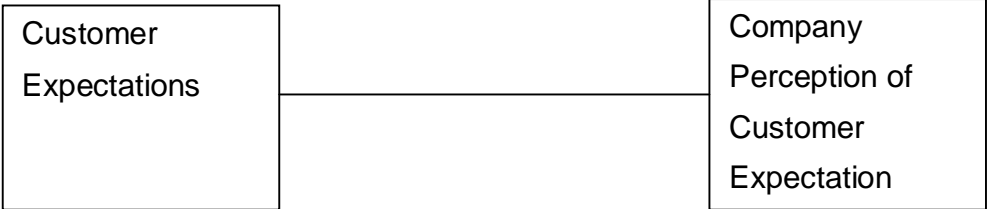
Consequently, it is not surprising to find that service quality measurement has brought about, and continues to bring about, a lot of attention in the industry (Wells, 1995, pp. 462-477). Different metrics have been used to measure service quality. For example, in the United States, the industry regulators and state regulators have used "complaint ratios" for this purpose (www.ins.state.ny.us). QIC and RIMS developed the "Quality Score Card", which has also been used in this respect. Nonetheless, both complaints ratios and quality scorecards methods have been found to be faulty and unsatisfactory in measuring service quality. Thus, a need for a more robust metric emerged. Although empirical studies on service sectors strongly tackle the structure of service quality, service quality modeling in the area of life insurance services has not been adequately investigated. Furthermore, a set of dimensions is required for service quality modeling but there seems to be no universal dimension. The dimension needs to be modified as according to the particular service in consideration. Accordingly, the issue of service quality dimensions requires reexamination in the context of life insurance services.

Many models were discussed Functional quality one of the most popular models is Gaps model, which was developed by Parasuraman, Zeithaml and Berry (1985). The model conceptualizes service quality to be the differences between expectation and performance according to quality dimensions. (Parasuraman A. &., 1985, pp. 41-50)

According to (Chapman, 2012), 2012 Service Quality Gaps are:

Gap 1 – Not knowing what customers expect, this usually happen because of unqualified market research, poor market segmentation, unclear contact employees to managers),Insufficient customer relationship focus, poor service recovery.

Figure 5 : QUALITY - SERVQUAL GAP 1.



Source: Marketing 101.

Gap 2 – incorrect service design & standards which happen in failing to translate customer expectations into clear quality specifications, poor of company commitment to service quality, unreasonable customer expectations, lack of a formal quality guidelines, poor service design.

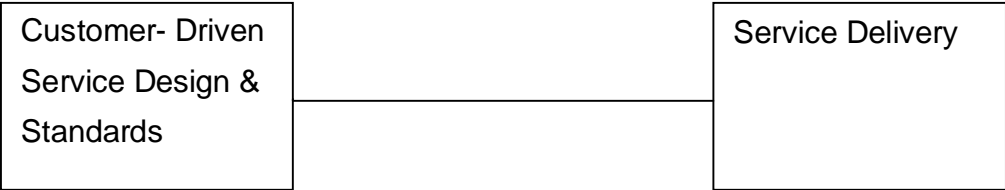
Figure 6 : QUALITY - SERVQUAL GAP 2.



Source: Marketing 101.

Gap 3 – Not delivering to service standards
 Employees not ready or unable to perform the service at the desired level, weak internal structure, ineffective recruitment, poor teamwork, employees not motivated, Inability to match supply and demand, lack of customer’s awareness of role, problems with service agents.

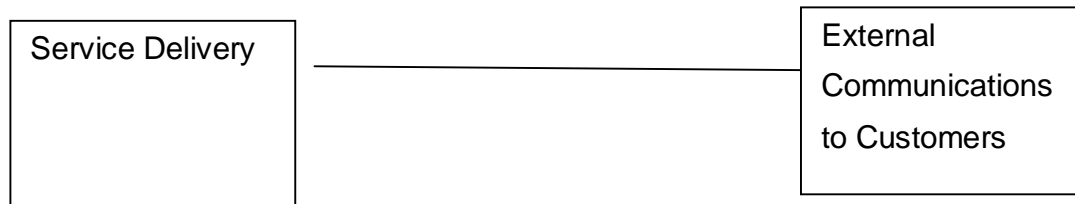
Figure 7 : QUALITY - SERVQUAL GAP 3



Source: Marketing 101.

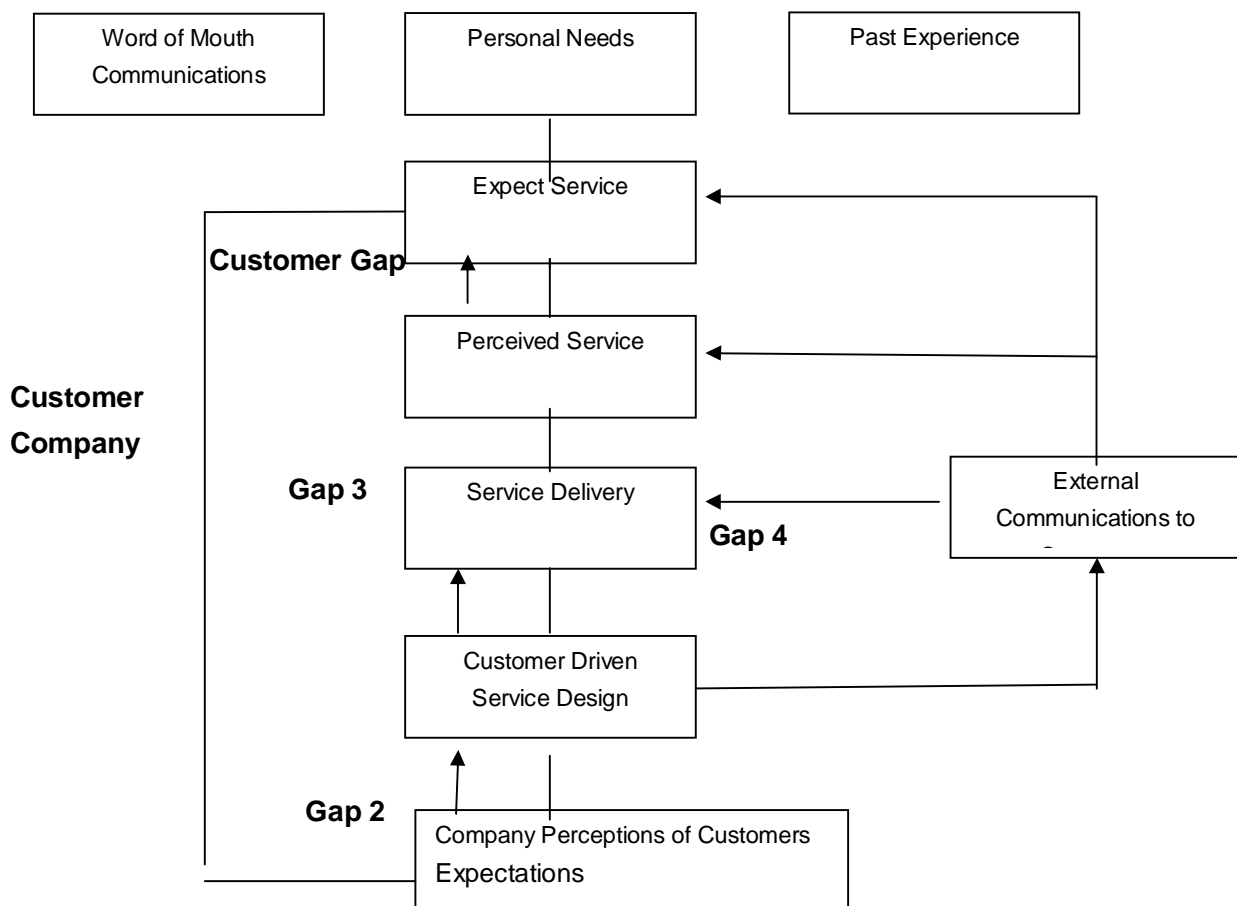
.Gap 4 – Promises do not match performance which occurs because of over-promising in advertising, personal selling cues, management attempts to show services offered in best levels, poorly-integrated marketing communications, fail in predictions of customer expectations.

Figure 8: QUALITY -SERVQUAL GAP 4.



Source: Marketing 101.

Figure 9 : SERVQUAL- Gaps Model of Service Quality



Source: Parasuraman, Zeithaml & Berry, 1985.

3.2.5 Technical and Image Quality (Quality in use)

It's the customer judgments about quality received and resultant level of customer satisfaction, which significantly affect customer's satisfaction. Christian Gronroos maintains that the customer evaluations of perceived performance of service against his/her perceived service quality result in a measure of service quality.

Technical quality is the quality of what consumer actually receives when his/her deals with the service company, and how he/she evaluate the quality of service.

How the customer gets the technical outcome, and Image which could be referred to as reputational quality. (Gronroos, 1984, pp. 36-44)

3.2.6 Technological quality

Technological quality concerns of superior performance features of product and service depend on advanced and new technologies. (Chapman, 2012)

3.3 Price

Customer satisfaction is driven also by perceived price or value. The concept of value is relative and has several dimensions to it, (Zeithalm V. A., 1988) considers customers value as the evaluation of the acquisition of a product based on perception of what is received and what is given. (Dodds, 1991, pp. 20,307) discussed that customers perceptions of value is the exchange between the quality or benefit they receive in the product with the paid price.

Pricing, inconvenience, service failure related to core business matters, competition, ethical issues, and involuntary switching are all factors that have been found to urge customers to switch to new providers. A useful tool for insurance companies to raise the percentage of their customers' retention can be market segmentation. This tool can help them improve their understanding of their customers, use resources more efficiently, use market opportunities effectively, achieve strong market positioning, (Epetimehin, 2011, pp. 63-64) highlights the stiff competition insurance companies are facing today because the property and casualty market is increasingly becoming a soft market and the life insurance market is a flat one. Between 2003 and 2004, insurance premiums only rose by 2.3 percent. For insurance companies to maintain profits and provide value for shareholders in such highly competitive environment, they are attempting more aggressively to acquire their competitors' customers. The fact that demand has slowed

correlates directly to increasingly higher expectations for services from insurance customers. Other industries have counteracted this situation by providing customers with better responsiveness (in a large part because of Web-based options), more highly personalized interactions and customized or targeted offers for products and services. Factors such as business globalization, stiff competition, customers' expectations, maintaining customers' loyalty to gain more profit, customer retention and strategic customer care have led to the recognition of the importance of customer relationship management (CRM) and relationship marketing in the business organization. Today, companies are led to shift their efforts from managing a market, to managing specific customers. However, managing specific customers and retaining them for a long time is not an easy task in such competitive market. Aside from having to cope with the changing psychology of customers, coping with their preferences and needs is becoming a challenge as well (Smallwood, 2004).

If the insurance company wants to keep its share while simultaneously keeping its customers from moving to another competitor, the only solution is to focus its efforts on quality service. This is because if not satisfied, the insured will be urged to try competitors' services. So, the new challenge that faces insurance companies in the coming years is to achieve customer satisfaction. (Johri, 2009)

“One dissatisfied customer tells his experience to eleven others who in turn happen to tell yet to another 5 each. One can image the cascading effect of these ripples spreading dissatisfaction to sixty seven”. (Johri, 2009)

In the insurance sector, customer retention has a strong impact on profit levels of insurance companies. This is especially true for motor insurance which is a market of a major share. In motor insurance, with the free price competition, loyalty of the customer base becomes even more important. (Antonio Coviello, 2012)p4, this case is applicable in the case of the Palestinian insurance sector where prices are unified yet the market suffers from strong price competition. On a global scale, there is a number of insurance companies competing and offering customers with an abundance of products. Customers are increasingly demanding quicker and better services from service providers. For insurance companies to be able to survive competition, they have to upgrade service quality as well as improve transparency and integrity to acquire and retain customers for the long run. A set of offers along with a value proposition have to be delivered by

insurers to potential target customers. Providing this requires a thorough market research in order to understand the needs of the customers and accordingly launch the products that match the customer's expectation. (Smallwood, 2004)

3.4 Customer Satisfaction and Behavior Intention

CS affects the behavior of customers in a many ways. First CS is found to be a key determinant of customer retention ((Rust, 1993, pp. 534-542); (Zeithalm V. A., 1996, pp. 31-46)

According to (Reichheld F. , 1996) CS is regarded as a necessary factor of customer loyalty, which in turns causes company profitability and performance (Heskett et al., 1997; (Reichheld F. F., 1993, pp. 64-73). Also, Increasing CS and customer retention leads to increase profits, positive word-of mouth, and lower marketing expenses (Reichheld F. , 1996).

But we must mention that customer loyalty and retention are not enough indicators to customer satisfaction, we must be careful because a customer may not be satisfied with the services/products but may find it difficult to switch to a competitor, this is usually happen in most services like insurance services, when the customer is enforced to maintain the insurance policy until the expiry date of the insurance policy, this is a kind of forced loyalty. Loyalty is therefore affected by situational factors and switching cost. (Frank Kwadwo Duodo, 2011, p. 34)

3.4 Influence of Demographic Variables

Many past studies have found that satisfaction of customers may be influenced by demographic variables such as gender, age, income and educational level.

3.4.1 Gender

Many previous studies have found that women have greater overall satisfaction than men in many different industries, (Bryant, 1996, pp. 2-20), studies explained that women may be more experienced shoppers with more skill at making attribute comparisons. This enables them to identify what can fit their personal needs and leads to higher overall satisfaction than men ((Bryant, 1996). However, these findings may not be deferent in the insurance industry, therefore the present will examine this factor

3.4.2 Age

(Amankwah, 2011) declared in their study that previous studies have found that elderly people are, on average, slower in understanding new information and in retrieving information stored in memory, thus reducing information processing capability.

In general, past research has found that older people are more satisfied than younger people. (Amankwah, 2011, p. 36)

3.4.3 Income and educational level

The influence of income and educational levels has been studied as factors that have a strong effect on customer satisfaction in many different industries, many studies find that the low income earners and low levels of education usually have lower satisfaction levels while higher income groups and higher educational levels have higher satisfaction levels. (Amankwah, 2011, p. 36)

3.5 More Studies

A study by J.D on car insurance found that about 75% of customers who shop for new insurance providers are doing so because they experienced poor customer service from their former insurers. Moreover, in light of the fact that 50% of motor insurance clients also take into consideration other insurance types from their new providers, so improving customer satisfaction is a strategic goal for insurance companies (Market tools, 2009)

A press release published by J.D. Power on auto insurance in the US showed that customer satisfaction declined in year 2013 in comparison to year 2012 primarily due to higher rates. A lesson can be learned from this press release that Insurers can achieve higher satisfaction scores when they discuss rate increases with customers prior to renewal notification.

The J.D. Power 2013 U.S. auto insurance study also found that despite the fact that overall customer satisfaction with auto insurance companies declined in 2013 from an all-time high in 2012, it still remained relatively high in comparison to the previous decade.

The study measured customer satisfaction in relation to five factors: interaction, price, policy offerings, billing and payment and claims. Overall satisfaction with auto insurance companies was found to be 794 (on a 1,000-point scale), which is 10 points less than that

of year 2012. Despite this drop, satisfaction in 2013 is the second-highest level since the study launched in 2000.

The score pertaining to all five factors showed continuing decrease year after year, with price and policy offerings both declining by 13 points. These two factors are the primary forces contributing to lower overall satisfaction. (Power, 2013)

There have been several studies that evaluated service quality in various countries, including: China (Bahia K, 2000); the United Arab Emirates (Jabnoun and Al-Tamimi, 2003); China (Lam, 2002; Guo et al., 2008); South Africa (Mels et al., 1997); Cyprus (Karapte et al., 2005); the UK (Aldlaigan and Buttle, 2002); Nigeria (Ehigie, 2006); South Korea (Chi Cui et al., 2003); Kuwait (Othman and Owen, 2001); Australia (Avkiran, 1994; Baumann et al., 2007); and Malaysia (Amin and Isa, 2008), to name just a few. Each of these studies provides service quality assessment for individual countries. Moreover, other studies followed these ones which provided comparisons of service quality among different countries, (Dash et al., 2009; Glaveli et al., 2006; Lewis, 1991; Malhotra et al., 2005). Most of these studies were particularly limited between developed and developing countries. However, cross-cultural service quality studies are becoming increasingly relevant as international business flourishes along with a more integrated global service environment (Arasli et al., 2005a; Dash et al., 2009). (Sharma, 2011, p. 4)

(Beeson, 2010) was one of many authors who tackled the topic of customer complaints. He pointed out that the process of handling customer complaints consumes significant resources because they are time-consuming and sometimes charged with emotion. Therefore, they are a burden on compliance and legal departments. Even determining whether a given customer communication is a complaint or not is often, in itself, an art rather than a science. It may not always be clear whether a particular statement by a customer is a complaint, or non-reportable regular customer correspondence (i.e., customer inquiries or observations). NASD Rule 3110(e) defines a complaint as "any written statement of a customer or any person acting on behalf of a customer alleging a grievance involving the activities of those persons under the control of the member in connection with the solicitation or execution of any transaction or the disposition of securities or funds of that customer." (Heilizar, 2010, p. 15) states that "although firms have well-documented procedures to handle and record customer communications that are deemed to be complaints, it may also be useful to document the thought process

behind a determination that a particular matter does not rise to the level of a reportable complaint. A decision may seem obvious at the time it is made, but as time passes, memories dim, and employees leave, it may become difficult to reconstruct thought processes and judgments, if called upon to do so during a regulatory examination or investigation. Firms may wish to keep a file of those communications determined NOT to constitute complaints, as well as note the reasons for those determinations” (p.g 10).

The National Association of Insurance Commissioners (NAIC) and state insurance departments have succeeded in directing substantial attention to the problems involved related to consumer complaints against insurance companies. They have achieved this by collecting insurance complaint data and making it available to the public (and others) via the “consumer information source (CIS),” which is a national Internet database of insurance complaints (National Association of Insurance Commissioners, 2014). This database provides a number of reports, but what is more important, is that it provides the “complaint ratio report” which is very useful to consumers because it enables them to compare a specific company’s complaint ratio to the national complaint ratio in a specific year. In addition to the CIS, a complaint ratios are regularly published by a number of state insurance departments to be used by consumers. For example, the state of New York publishes an annual ranking of automobile insurance complaints. This data is also useful for some regulators who employ this data in screening companies for market conduct or even financial examinations (T.S., 1998, pp. 24-41).

According to data gathered by studies of consumer satisfaction, these studies often suggest that insurers should be concerned about customer complaints. A recent survey, for example, which was conducted by (Aho, 2008) of 7724 randomly chosen respondents rated customer service for 140 companies from 14 major industries. Interestingly, it was found that of the 43 companies rated with the worst customer service ratings, 21 percent were insurance companies. Further, the three industries that dominated the worst ratings were: (1) communications; (2) banking and financial services; and (3) insurance. (Gores, 2007) states that this economic rationale breaks down if insurance companies have little or no regard for poor complaint ratios. Despite the fact that is quite evident that insurers should be concerned more about their complaint ratios, yet there is some evidence that

this might not be the case. Some insurers are found to continue having poor ratios year after year.

There is a very definite connection between size of the firm and complaint ratio, as seen in the table, and suggested by previous research by the authors (Wood, 2011). This relationship is reflected in a negative correlation: larger companies tend to have lower ratios. This correlation is very strong and applies to all lines of business not just insurance. Therefore, it is not appropriate to compare a firm's performance to all other firms in that line of business.

A study conducted by (Heilizar, 2010, p. 15) revealed that the customer complaint reporting requirements have become more complicated. Consequently, the process of analyzing, reporting, and responding to complaints may require input from the legal department so that they can help in navigating the regulatory maze created by recent regulatory changes and interpretive guidance. Thus, even though clear and continually updated procedures in this area may help compliance employees in handling the majority of registration and reporting issues that arise from complaints, the involvement of the law department may become increasingly essential in the customer complaint process. Despite the problem of certain privilege issues that this involvement might create, it nevertheless enables in-house counsel to cooperate with the business to help manage risks posed by the complaint response process.

Based on a study conducted by the Development Innovations Group to the Academy for Educational Development for ESAF Program (Expanded and Sustained Access to Financial Services) in year 2009, it has been found that mandatory automobile insurance services dominate the insurance industry. Insurance companies operate in a largely unregulated environment. Currently, auto insurance policies make up 55% of all insurance policies written in Palestine. Meanwhile, medical and fire insurance represent only a small but growing portion of the insurance industry. Other insurance types are small but stable: leasing represents only 2.3% of credit to the private sector; while it is expected to grow to serve business needs, it is unlikely to have an impact on household finance. (Group, 2009, pp. 8-9)

This study found that there are no clear rules for insurance companies according to which to handle complaints in the West Bank. In practice, when insurance customers face

certain issues with their insurer, they present their complaints to the manager of the insurance company or the head office. Some of them complain directly to the PCMA or the Insurance Federation. When the PCMA or the Federation receives a complaint, they inform the relevant insurance company about the complaint, investigate the issue, and try to solve the problem. While this system may provide relief to the customer and avoid a protracted legal battle for the parties involved, it is not advertised for by the insurers, the PCMA or the Palestinian Insurance Federation (PIF), thus it is not well known to customer, and consequently, not often used. Some customers seek the assistance of a lawyer to negotiate on their behalf with the insurance company, while others seek the court. Cases which end-up in court, however, may stay in the judicial system for many years, in part because judges lack the technical insurance knowledge to be able to effectively rule in such cases. (Group, 2009, p. 18)

In addition, the study conducted by the Development Innovations Group in year 2009 revealed that the PCMA and the PIF attempt to investigate and resolve complaints when they are aware of them. For its part, the PCMA has posted a Comments and Complaints form on its website. However, there is no mechanism with which to advise customers to use this process for filing a complaint. Moreover, the PCMA does not have the capacity to handle a large number of complaints. Furthermore, insurers are not required to advise their customers that they can file their complains to the PCMA neither do insurance documentations (agreements, contracts or forms) mention that the insurer is supervised by the PCMA and that consumers have a right to file complaints to the PCMA. Some customers seek justice in the legal system while others resort to a lawyer to negotiate on their behalf with the insurance company. As previously mentioned, judges lack the technical skills to effectively rule in these cases, which means lawsuits may take years to resolve in court. (Group, 2009, p. 19)

This study also showed that insurance companies comply with the Insurance Law where it is decreed that they must keep records of their customers. However, when it comes to the law requiring expedient claims processing, the study showed that insurance companies in the West Bank are not fully compliant with it. The Insurance Code of Conduct (a statutory code) demands that insurance companies should have a mechanism to deal with claims. This includes defining an acceptable time frame to review and resolve these claims, providing the necessary documents for customers to file a claim, and the

forms required to do so as well. Insurers are obligated to review and settle claims as soon as possible and keep the claimants updated regarding the status of their claims. Claims used to be disbursed within one month from the date they are approved for settlement. Particularly because the instructions provided by these laws are very general, the practices in this regard vary among different insurance companies. Consequently, an estimated 4,300 claim cases are still pending in the West Bank judicial system. (Group, 2009, p. 16)

In the World Insurance Report prepared in 2006, Mr. Bertrand Lavayssière, managing director of Capgemini Global Financial Services indicated that the weak relationship between distributors and customers cause a challenge for insurers who want to improve customer relationships. This is because, unlike most financial service companies, insurance distributors seldom interact with customers directly which makes it difficult for them to gain valuable consumer insights. In fact, the study found that %71 of customers never or rarely (only once per year) interact with their main distributor. In light of the rarity in communication opportunities between the insurance company and their customers, it is vital for insurance companies to understand the value of each and every interaction with the customer. Customers fit into different segments and each segment has its own characteristics. Thus, insurers need to understand how customers are grouped into different segments and how each of those segments are uniquely dynamic in the shopping, buying, servicing, expansion and claim phases of the insurance customer life cycle. The only way for carriers to be able to support a wide spectrum of customers is by seeking to optimize their customer interaction opportunities so that they may be able to deliver the right transactions and monitor those transactions to result in increased penetration, profitability and loyalty (EFMA, 2006, p. 2)

According to the World Insurance Report, 2006, John Mullen, vice president of Capgemini Insurance pointed out that prominent insurers and distributors are working towards obtaining a more comprehensive view of the customer. They are leveraging analytics via new technology tools that focus on customer data analytics, financial management, predictive modeling, automated monitoring, campaign, lead and contact management, and customized views, alerts and notifications – all of which makes insurers more competitive and able to stem loss of profitable clients (EFMA, 2006, p. 3)

The World Insurance Report of 2006 also depicted the seven countries which, together account for more than %60 of all direct insurance premiums written in the world: France, Germany, Italy, the Netherlands, Spain, the United Kingdom and the United States. Despite the fact that both insurers and customers in all of these nations were found to share many perspectives on key insurance matters, they often had contrasting views when it comes to insurance services. French customers, the study found, place less emphasis on price while stressing the importance of service than their global counterparts. Only %39 of French customers, according to the report, said that price was their principal purchasing criteria, compared to %54 globally. Conversely, France has the highest percentage of customers (%15) that rate "service" as key purchasing criteria, compared to the global average (%9). (EFMA, 2006, pp. 3-4)

On the other hand, German insurance customers give credence to the internet over basic service. In comparison to the global rate, the report revealed that %73 of German customers are satisfied with the Internet, compared to only %67 globally. At the same time, German customers are least satisfied with basic service (%50), %9 lower than the global average of %59. According to the statistics from Italy, it was found that Italian customers hold meetings with their insurers more frequently than any of the other customers in the countries surveyed. Having a high rate of interactions helps provide Italian insurers and distributor's with great opportunities to reinforce and broaden relationships with their customers, a situation not easily attainable for insurers and distributors in other countries. The research was able to determine the yearly number of meetings between Italian customers and insurers. It found that %51 of Italian customers meet with their insurers two or more times a year (which is a significant difference when compared to just %29 globally). Italian customers reported to the study the factors affecting both their level of satisfaction and purchasing decision. Factors affecting satisfaction included being focused on quality of advice (%21) and availability (%21). As for factors affecting the purchasing decision they were found to be purchase on price (%25), product specifications (%22) and advice (%18). (EFMA, 2006, pp. 4-5)

Moreover, the World Insurance Report of 2006 found positive indicators regarding customer satisfaction for Dutch customers. The report identified that customers in the Netherlands reported the highest levels of satisfaction in all of their interactions with

insurers; in the case of the Netherlands a few good interactions work. Among the different customer interaction channels, %83 of Dutch customers said they were satisfied with Internet, vs. %67 globally; %80 agent satisfaction vs. %74 globally; %80 claim satisfaction vs. %69 globally, %79 bank satisfaction vs. %61 globally; and %74 basic customer service satisfaction vs. %59 globally. Moving to Britain, the report found a high rate of changing insurance providers amongst British customers. The report found that %63 of the United Kingdom customers have changed non-life insurance providers in the past 5 years – compared to the global average of %39. The study also found positive indicators regarding the overall customer satisfaction in the United states. The study revealed that the overall customer satisfaction was found to be the highest in the United States which also has the second lowest percentage of customers who have switched insurance providers in the past five years. Only %31 of US customers changed non-life insurance providers in the past five years (in comparison to %39 globally). (EFMA, 2006, pp. 5-6)

The customer satisfaction survey conducted by the European Commission showed in its final report that the majority of EU consumers expressed their satisfaction with insurance services (7.92 customers out of 10). This survey mentioned that the “Quality of service is the element that has the least influence on overall consumer satisfaction”, a statement which proves that consumers take service quality for granted. (INRA, 2007, pp. 10,172).

Another research, conducted by Morris, Wood and Pierce (2012), found that insurance companies are actually concerned about the complaint ratios they receive. It also indicated that insurance companies are more likely to take steps to improve their services if complaint ratios increase. (Richard Morris, 2011, p. 35). There are two scenarios that usually cause the insurer to be concerned. The first is if the insurers complaint ratio showed substantial increases from year to year. The second is if the complaint ratio was found to be “too high” compared to companies of similar size. In other words, a company might be concerned if the complaint ratio itself has increased, and/or the company might be concerned if the level of complaints received is viewed as unacceptable. That is, a “bad” complaint ratio might be explained as a complaint ration that is increasing or it could be defined as one that is higher than some standard set by the company. (Richard Morris, 2011, p. 35)

Further, the European Insurance and Occupational Pensions Authority (2012) considers the following processes the best practices for an insurance undertaking's "complaints management policy":

- (i) Lodging a complaint with an insurance undertaking by any reasonable means (including complaints submitted by an authorized representative e.g. a family member or a solicitor) and confirmation that this is free of charge;
- (ii) Handling complaints received, including deadlines etc.
- (iii) The fair treatment of complainants;
- (iv) The proper treatment of a complainant's information and personal data, according to the applicable legal framework;
- (v) Preventing, identifying and managing possible situations of conflicts of interest in complaints management;
- (vi) The prompt, equal, fair and efficient management of complaints,
- (vii) The adequate training of staff participating in complaints handling within the insurance undertaking;
- (viii) Internal reporting, follow-up and monitoring of compliance with the "complaints management policy". (EIOPA, 2012, p. 3)

Furthermore, an investigation conducted by the American Association for Justice in 2009 identified the following three Pro-Consumer Insurance Reforms:

- i.** Require Insurers to Work in Good Faith with Consumers: The "Insurer Fair Conduct" bills, which have been introduced by many states and passed by some, establish a private right of action by a first and/or third party against insurers in case of failure to act in good faith. Insurers must be held to fair conduct standards when evaluating and settling claims.
- ii.** Require Prior Approval of Rate Increases Require insurers to obtain commissioner's approval of proposed rate increases of 10 percent or greater, and authorize interested parties to intervene in rate proceedings. In most states, insurers can raise rates without the approval of the Insurance Commissioner.
- iii.** Establish an Insurance Consumer Advocate States should ensure there is a consumer advocate either on the state's Insurance Commission or within the office of the Insurance Commissioner. Some states have already done so. For example, in 1991, the West Virginia legislature created the Office of Consumer Advocacy,

charged with representing consumers' interests in health care issues. The Consumer Advocate is also authorized to represent the public interest in matters coming before the Insurance Commission. (AAJ, 2009, p. 23)

Chapter Four: Research Methodology

4.0 Introduction

This chapter presents the methodology used in this study and provides a clarification for each step taken. It involves the General Research Perspectives, Data Collection, and Summary of Statistical Measurement.

4.1 The main objectives of the study

The main objectives of the study will be:

- 1- To study the determinations of customer satisfaction in (PIS).
- 2- To study the influence of customer satisfaction on customer behavior.
- 3- To study the effect of the background data (Demographic Variables) on the relationship between satisfaction of service quality and behavior intentions.

4.2 Research Questions

Therefore, the problem being researched (What are the factors that affect and influence Customer Satisfaction with Service Quality in Palestinian insurance Sector?) Will discuss and answer the following questions:

- 6- What are the factors that influence customer satisfaction in Palestinian insurance industry?
- 7- To what extent does satisfaction influence behavior intention in Palestinian insurance industry?
- 8- How the customers' is background data (gender, age, education, income level, years of experience with insurance companies, types of insurance) influence customer satisfaction and behavior intentions?
- 9- How insurance companies can increase the quality of services they provide?
- 10- What are the relationship between the customer satisfaction and service quality in Palestinian insurance industry?

4.3 Methodology

To achieve the study objectives and to answer its questions, the researcher will use both qualitative and quantitative research methods, and will use Secondary Resource and Primary Resource as follows:

- 1- A historical review for the (PIS) from the beginning of the sector to the improving phase, discussing the main obstacles face the sector, the main player and partners, the size and formulation of it, and the main opportunities in this sector.

- 2- A comprehensive review of the literature related to the subject of the research, talking about the importance of customer satisfaction in insurance sector, the concept of service quality, the main studies and literature and models in this field.
- 3- The researcher will use his long experience in insurance sector for more than 20 years in gathering, discussing, and analyzing research data.
- 4- A questionnaire which a adapted from a previous study and modified to be suitable for the research purposes, in addition to the general information, the questionnaire includes the dimensions of the customer satisfaction.

The researcher made the necessary adjustments before distributing the questionnaire according to the notes of the research supervisor and made the clarification needed according to the testing group questions; this testing group consists of 10 interviewers.

- 5- The researcher will use a qualitative method in the interviews with the main key players of the insurance sector, the results of these interviews will be used in the comments on the results of the questionnaire results.

4.4 Hypotheses of the Study

The following are the hypothesis that is to be tested in the research model:

H1: Functional quality positively influences on overall satisfaction in (PIS), the higher the functional quality, the higher the customer satisfaction.

H2: Technical quality will have significantly positive influence on overall satisfaction in (PIS), the higher the technical quality, the higher the customer satisfaction.

H3: Image quality will have significantly positive influence on overall satisfaction in (PIS), the higher the image quality, the higher the customer satisfaction.

H4: Price quality dimension will have significantly positive influence on overall satisfaction in (PIS), the higher the price quality, the higher the customer satisfaction.

H5: Customer satisfaction positively affects customer behavioral intentions.

H6. Demographic variables moderate the effect of customer satisfaction on behavioral intentions.

H6a. Customer's gender moderates the effect of customer satisfaction on behavioral intentions.

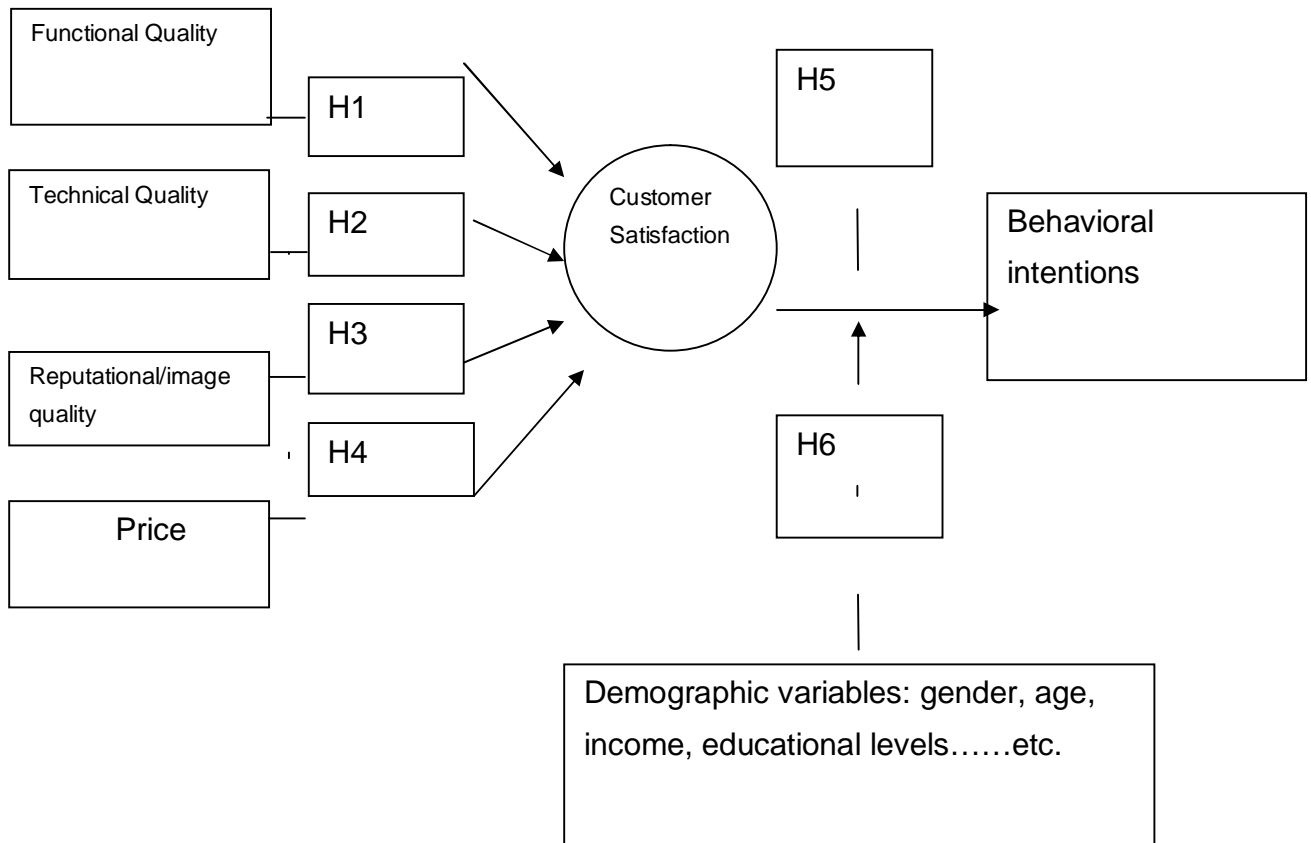
H6b .Customer's age moderates the effect of customer satisfaction on behavioral intentions.

H6c. Customer's income moderates the effect of customer satisfaction on behavioral intentions.

H6d. Customer's education level moderates the effect of customer satisfaction on behavioral intentions.

4.5 Conceptual Framework

Figure 10 : Conceptual framework



4.6 Population of the Study

The population of the study consists of all customers of insurance companies in west bank, there is no accurate statistics about the number of the customers in (PIS), where the percentage of the beneficiaries of insurance does not exceed 3.5 % of the total population. (Jaddo, 2014)

PIS consists of many players, there are Ten insurance companies, seven companies for general insurance, One for Takaful (Islamic insurance), One for life insurance, and one company for mortgage insurance, more than 217 agents, and a few number of brokers, loss adjusters, and consultants.

4.7 Sample Size

The number of the operated companies which offers both general and life insurance are 8 companies, because of the cost and time limitations, the sample size of the study will be a convenient sample size of 180 customer.

4.8 The Study Tools

The main tool will be questionnaires that adapted from a previous study, entitled An Analysis and Assessment of Customer Satisfaction with Service Quality in Insurance Industry in Ghana, conducted by Frank Kwadwo and DuoduTheresa Amankwah, in November 2011, and the researcher mad some modifications to insure that the questionnaire will be suitable for this study which designed to the Palestinian market, the questionnaire contains these sections:

- 1- General and personal information: it contains of 9 questions.
- 2- Overall satisfaction with service delivery: it contains of 6 questions.
- 3- Customer satisfaction with service quality dimensions: it contains of 9 main dimensions with sub questions, the first dimension is Tangible: it contains 4 sub questions, the second dimension is Reliability which contains 7 sub questions, the third dimension is Responsiveness which contains 5 sub questions, the fourth sections is Empathy with 7 sub questions, the five dimension is Empathy with 6 sub questions, the six dimension is Assurance which contains 9 sub questions, the seven dimension is price with 3 sub questions, the eight dimension is Technical quality with 10 sub questions, the nine dimension is image with 5 sub questions.

The other tool will be interviews which the researcher will make with the main key leaders of the Palestinian Insurance Sector, so the researcher will use the results of these interviews to compare and discuss with the questionnaire results, the interviews questions are mentioned in appendix B.

4.9 Data Collections

The researcher will distribute 180 questionnaires in many locations in the Palestinian cities in west bank, these locations will be insurance offices were customers come to have the service, companies, and other locations.

4.10 Methodology of Data Analysis

The analyses were conducted using SPSS. The analyses include Frequency tables, descriptive tables, hypotheses tests, and cronbach alpha. Frequency tables were

conducted to obtain frequency and percentages for customers in the sample characteristics and the responses on the items of the study. Descriptive tables were conducted to obtain averages and standard deviations for answers on items of the study.

The null hypotheses tests were conducted using Pearson correlation coefficient test between the overall satisfaction and Dimensions of satisfaction, and Anova for comparison of means for overall satisfaction among groups of independent variables. We also conducted cronbach alpha of scale reliability to measure the internal consistency for Dimensions of study.

4.11 Validity of Contents

To test the validity of the contents, the questionnaire that will be the main research tool has been reviewed from the following:

- 1- The Supervisor of this study.
- 2- The literature review and similar studies.
- 3- The researcher long experience in insurance for more than 20 years.
- 4- The test group which consists of 10 interviewers.

4.12 Cronbach Alpha Reliability Measures

Cronbach alpha reliability of internal consistency was conducted for the overall customer satisfaction and It was 0.98. Cronbach alpha was also conducted for dimensions of customer satisfaction of the study, and the results were as given in the table below:

Table 6 : Cronbach Alpha Reliability Measures

| Dimensions | Number of items | Cronbach alpha reliability |
|-------------------|-----------------|----------------------------|
| TANGIBLES | 4 | 0.74 |
| RELIABILITY | 7 | 0.87 |
| RESPONSIVENESS | 5 | 0.86 |
| EMPATHY | 7 | 0.89 |
| ASSURANCE | 9 | 0.92 |
| PRICE | 3 | 0.89 |
| TECHNICAL QUALITY | 10 | 0.93 |
| IMAGE | 5 | 0.88 |

The cronbach alpha coefficients of reliability for all the domains are statistically acceptable since they are above 70%.

Chapter Five: Data Analysis

5.0 Introduction

In this chapter the researcher used SPSS to analyze the data gathered by the questionnaires, and also discuss the interviewer's responds to answer the research questions.

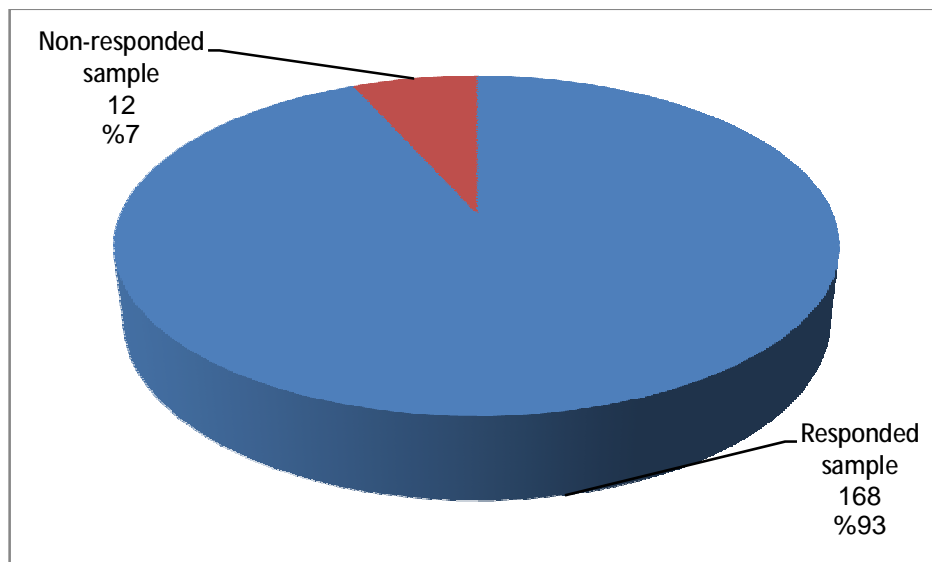
5.1 Response Rate

Out of 180 questionnaire distributed 168 questionnaire returned for analysis representing 93%.

Table 7 : Responded sample, Non-responded sample & Percentage of response

| Responded sample | Non-responded sample | Total sample | Percentage of response |
|------------------|----------------------|--------------|------------------------|
| 168 | 12 | 180 | 93% |

Figure 11 : Responded sample, Non-responded sample & Percentage of response



5.2 Respondents Demographics

The respondents demographics of the respondents are as below:

Table 8 : :Frequency and Percent of insurance companies customers sample by Gender

| | Frequency | Percent |
|--------------|------------------|----------------|
| Male | 105 | 62.5 |
| Female | 63 | 37.5 |
| Total | 168 | 100.0 |

Table 8 shows that the percentage of males higher than of females

Figure 12 : :Frequency and Percent of insurance companies customers sample by Gender

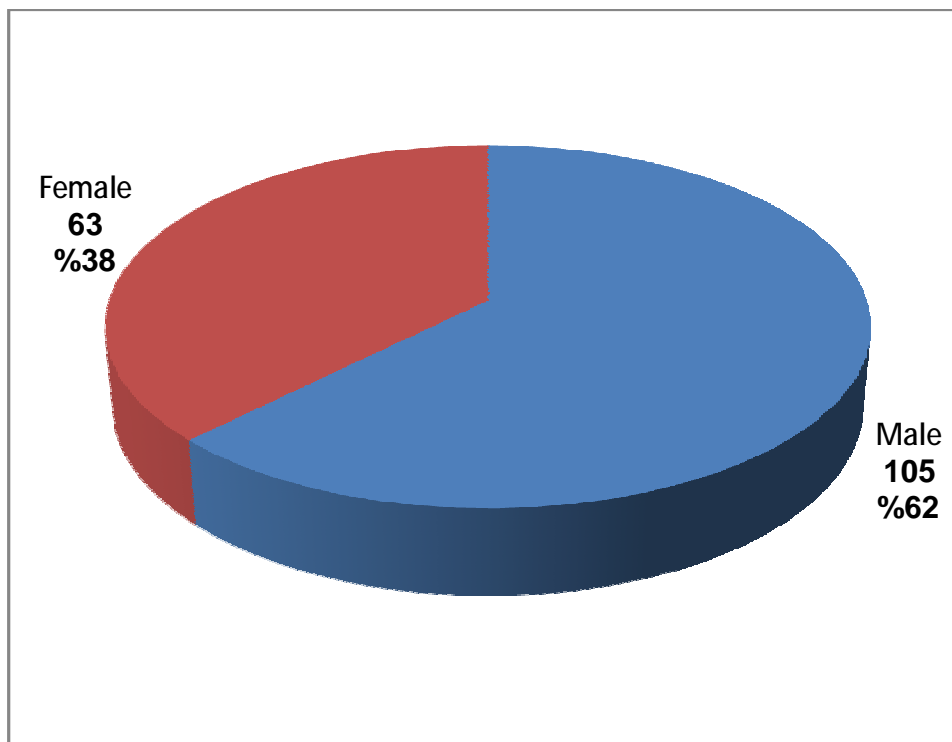


Table 9 : Frequency and Percent of insurance companies customers Sample by Age group

| | Frequency | Percent |
|--------------------|------------------|----------------|
| Below 20 years | 29 | 17.3 |
| 25 – 35 years | 98 | 58.3 |
| 35-45 years | 28 | 16.7 |
| 45 years and above | 13 | 7.7 |
| Total | 168 | 100.0 |

Table 9 shows that the highest percentage of the sample for the customers of 25-35 Years that represents about 58%, whereas the lowest percentage for the customers 45 years and above which represents about 8%.

Figure 13 : Frequency and Percent of insurance companies' customers sample by Age group

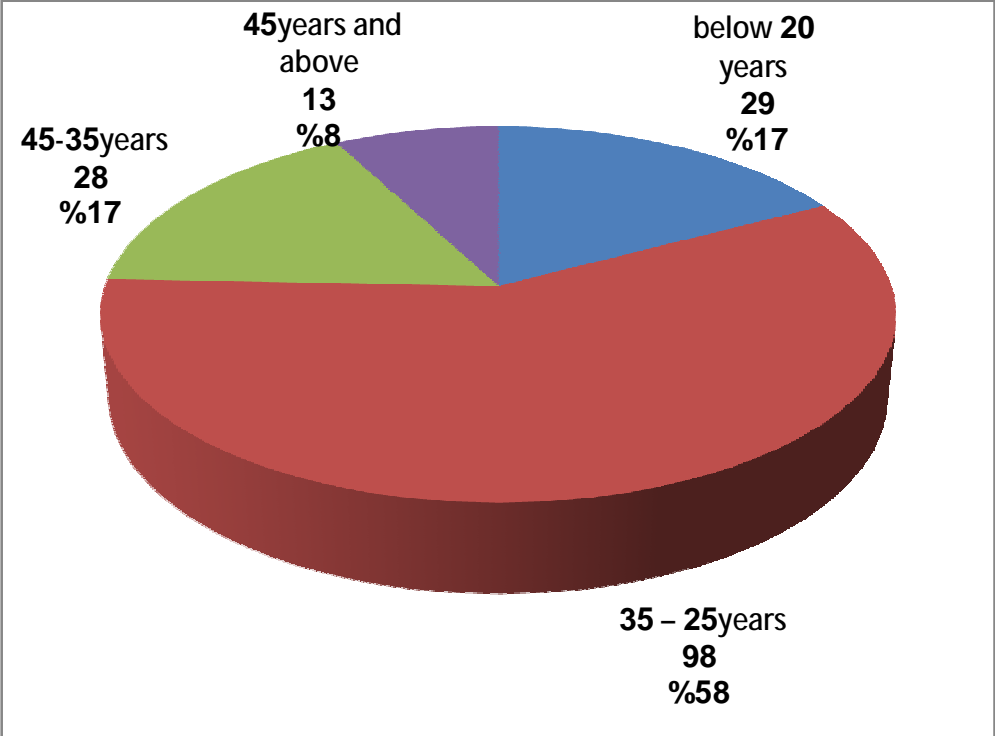


Table 10 : Frequency and Percent of insurance companies customers sample by highest academic or professional qualification

| | Frequency | Percent |
|----------------------|------------------|----------------|
| high school or below | 11 | 6.5 |
| Diploma | 24 | 14.3 |
| Bachelor | 111 | 66.1 |
| Master | 22 | 13.1 |
| Total | 168 | 100.0 |

Table 10 shows that the highest percentage of the sample for the customers with Bachelor Level that represents about 66%, whereas the lowest percentage for the customers with high school or below that represents about 7%.

Figure 14 : Frequency and Percent of insurance companies customers sample by highest academic or professional qualification

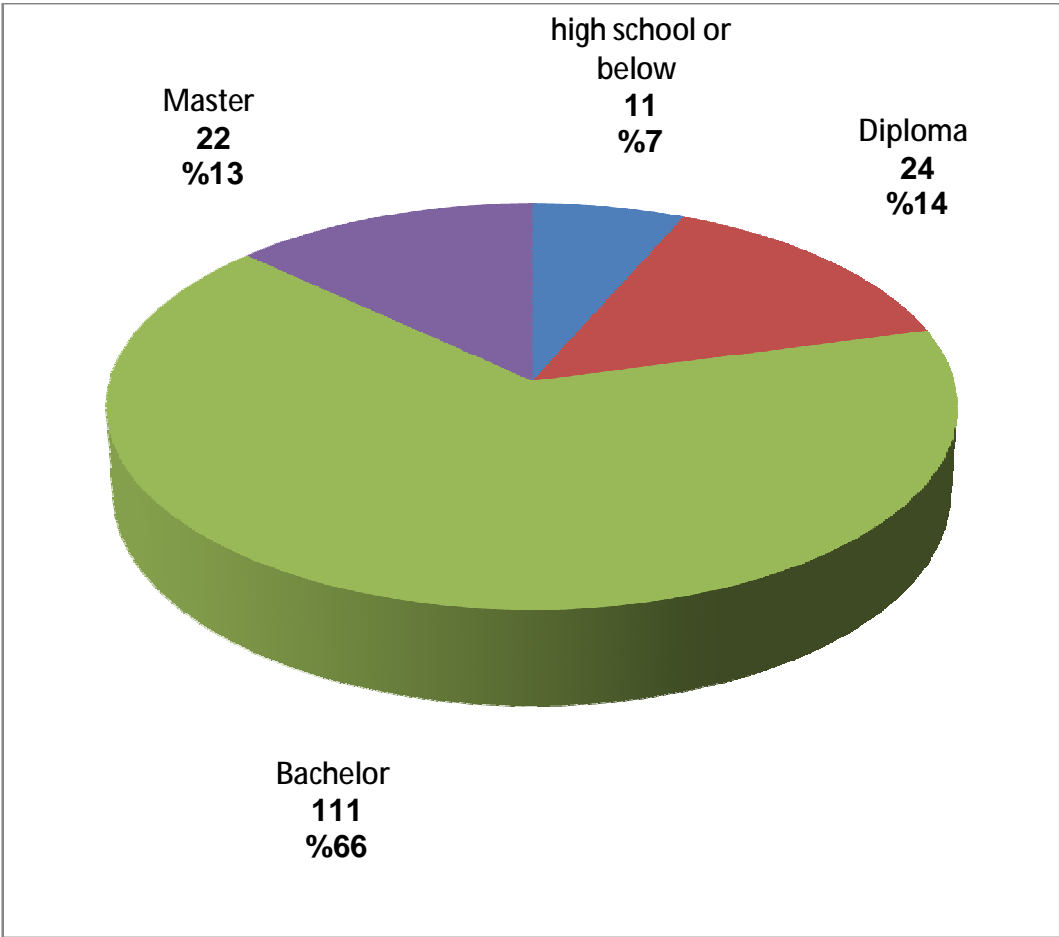


Table 11 : Frequency and Percent of insurance companies customers sample by place of residence

| | Frequency | Percent |
|--------------|------------------|----------------|
| Village | 49 | 29.2 |
| City | 112 | 66.7 |
| Camp | 7 | 4.2 |
| Total | 168 | 100.0 |

Table 11 shows that the highest percentage of the sample from City that represents about 67% and next village with 29%, and camp with 4%.

Figure 15 : Frequency and Percent of insurance companies' customers sample by place of residence

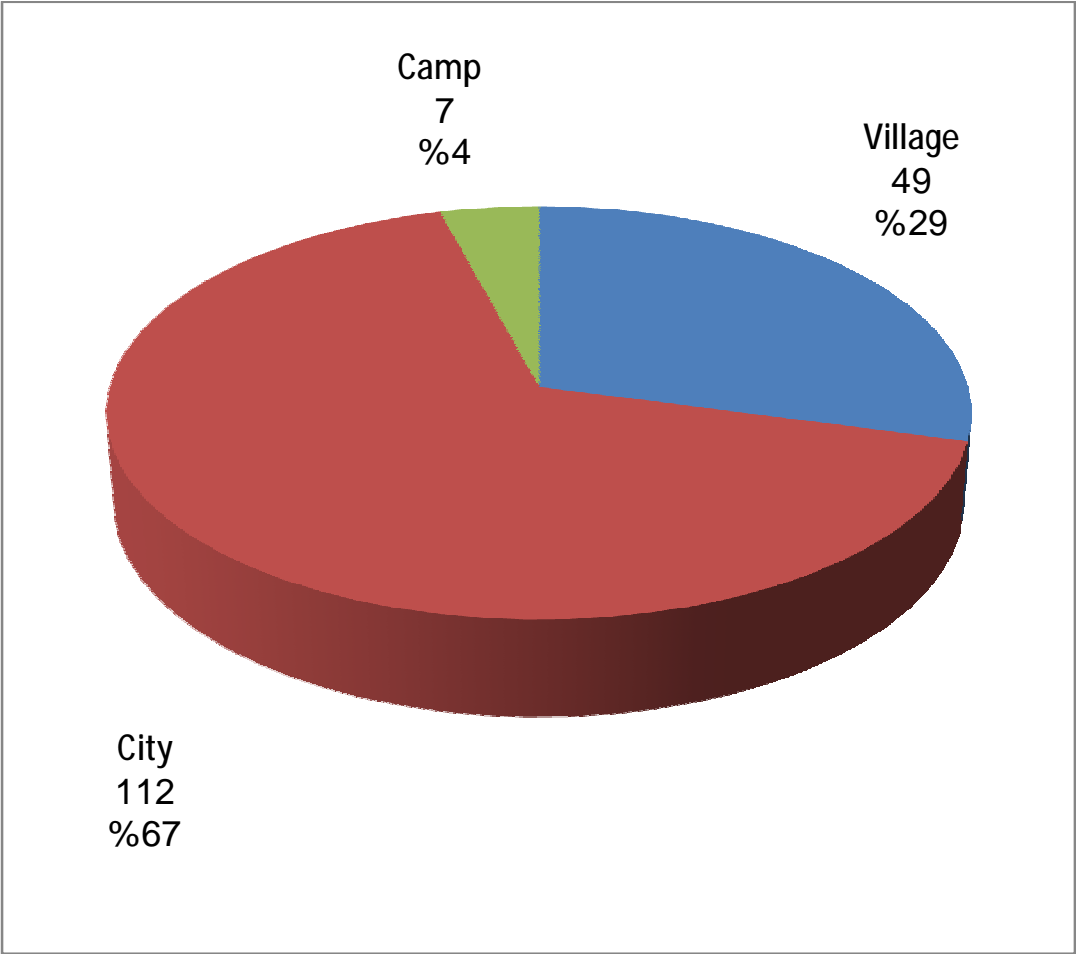


Table 12 : Frequency and Percent of insurance companies customers sample by occupation

| | Frequency | Percent |
|-------------------|------------|--------------|
| Employee | 128 | 76.2 |
| Manager | 20 | 11.9 |
| businessman/woman | 14 | 8.3 |
| Housewife | 1 | .6 |
| Other | 5 | 3.0 |
| Total | 168 | 100.0 |

Table 12 shows that the highest percentages of the sample for the occupation Employee that represents about 76%, next occupation Manager with percentage about 12%.

Figure 16 : Frequency and Percent of insurance companies customers sample by occupation

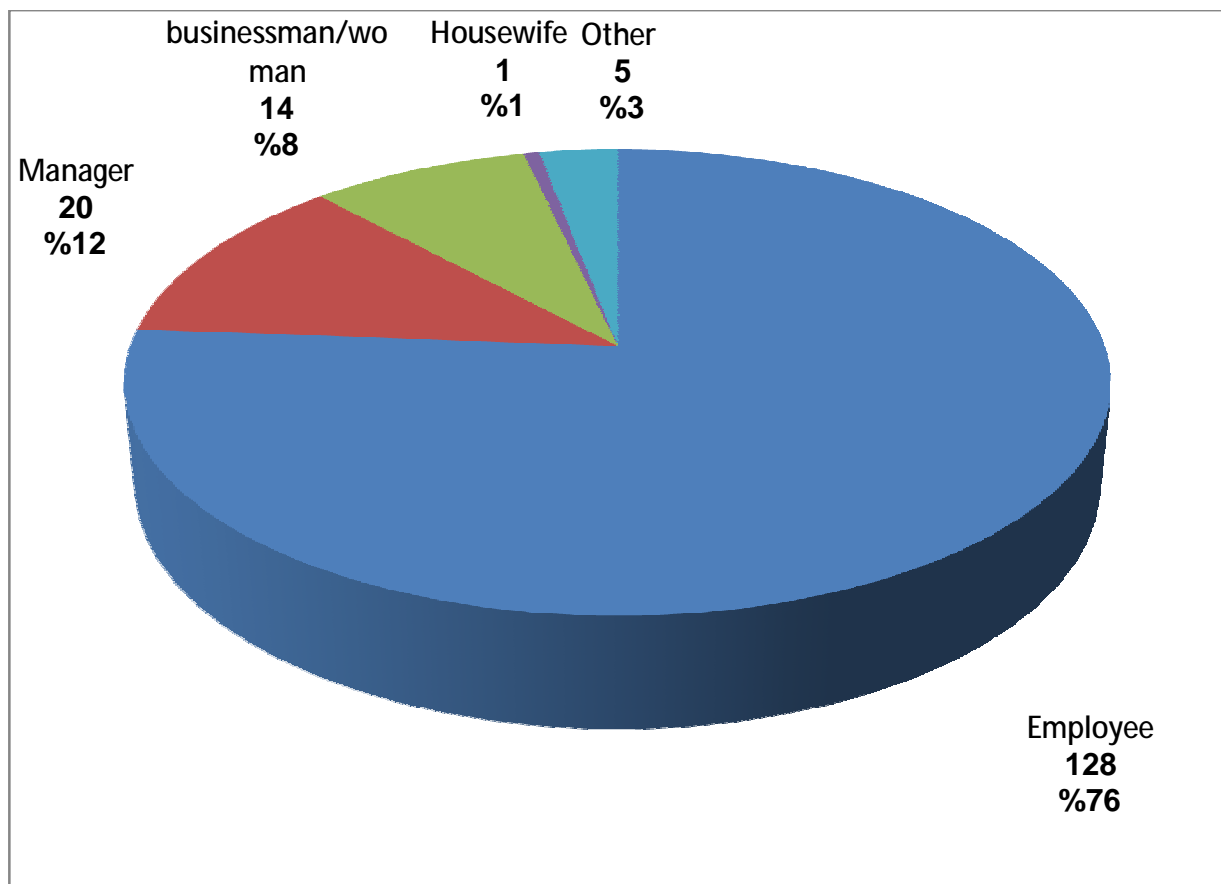


Table 13 : Frequency and Percent of insurance companies customers sample by monthly income

| | Frequency | Percent |
|-----------------|------------------|----------------|
| Below Nis 3000 | 74 | 44.0 |
| Nis 3001 – 6000 | 71 | 42.3 |
| Nis 6001 – 9001 | 16 | 9.5 |
| Above Nis 9003 | 7 | 4.2 |
| Total | 168 | 100.0 |

Table 13 shows that the highest percentage of the sample for two categories that are approximately equal and below 6000 NIS with percentage of 86%.

Figure 17: Frequency and Percent of insurance companies customers sample by monthly income

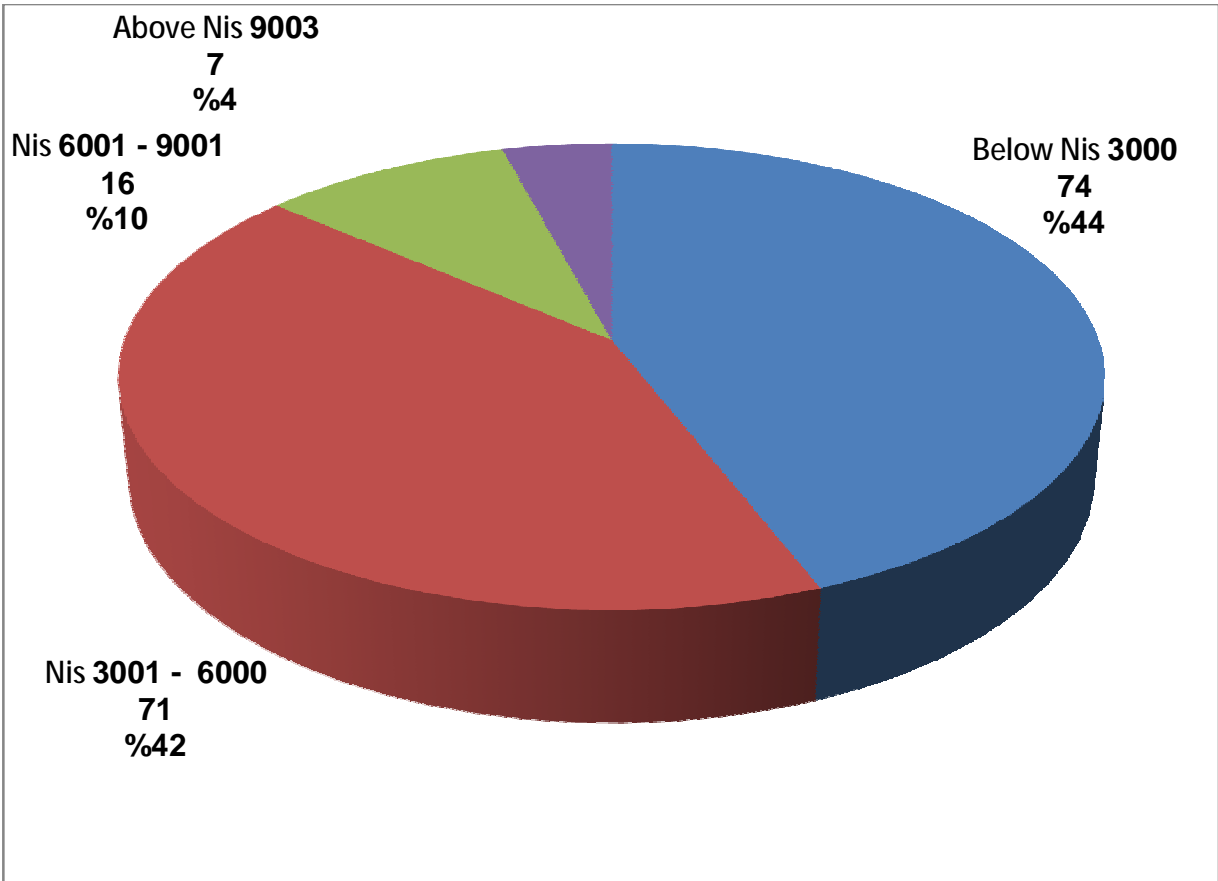


Table 14 : Frequency and Percent of insurance companies customers sample by the number of insurance companies undertake their insurance policies

| | Frequency | Percent |
|--------------|------------------|----------------|
| only one | 113 | 67.7 |
| 2 | 42 | 25.1 |
| 3 | 9 | 5.4 |
| 4 | 1 | 0.6 |
| more than 4 | 2 | 1.2 |
| Total | 167 | 100.0 |

Table 14 shows that customers who have insurance policies from one company represent about 68%, and those who have insurance policies from two companies represent about 25%.

Figure 18 : Frequency and Percent of insurance companies customers sample by the number of insurance companies undertake their insurance policies

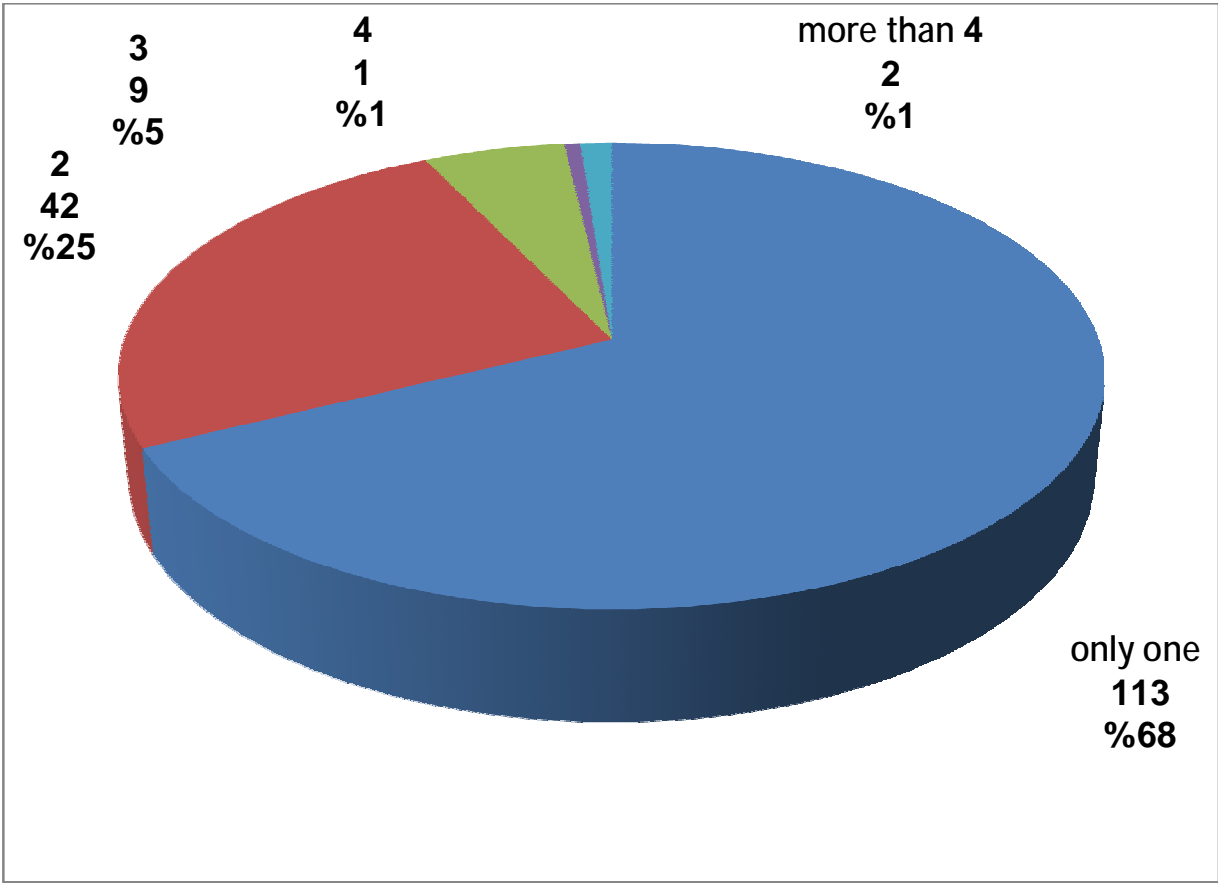


Table 15 : Frequency and Percent of insurance companies customers sample by the period have been a customer to major/main insurance company

| | Frequency | Percent |
|---------------------------|------------|--------------|
| below 3 years | 92 | 55.1 |
| more than 3 – less than 6 | 37 | 22.2 |
| more than 6-less than 9 | 16 | 9.6 |
| 9 years and above | 22 | 13.2 |
| Total | 167 | 100.0 |

Table 15 shows that the highest percentage of the sample for the customers below 3 years that represents about 58%, whereas the lowest percentage for the customers more than 6-less than 9 years that represents about 10%.

Figure 19 : Frequency and Percent of insurance companies customers sample by the period have been a customer to major/main insurance company

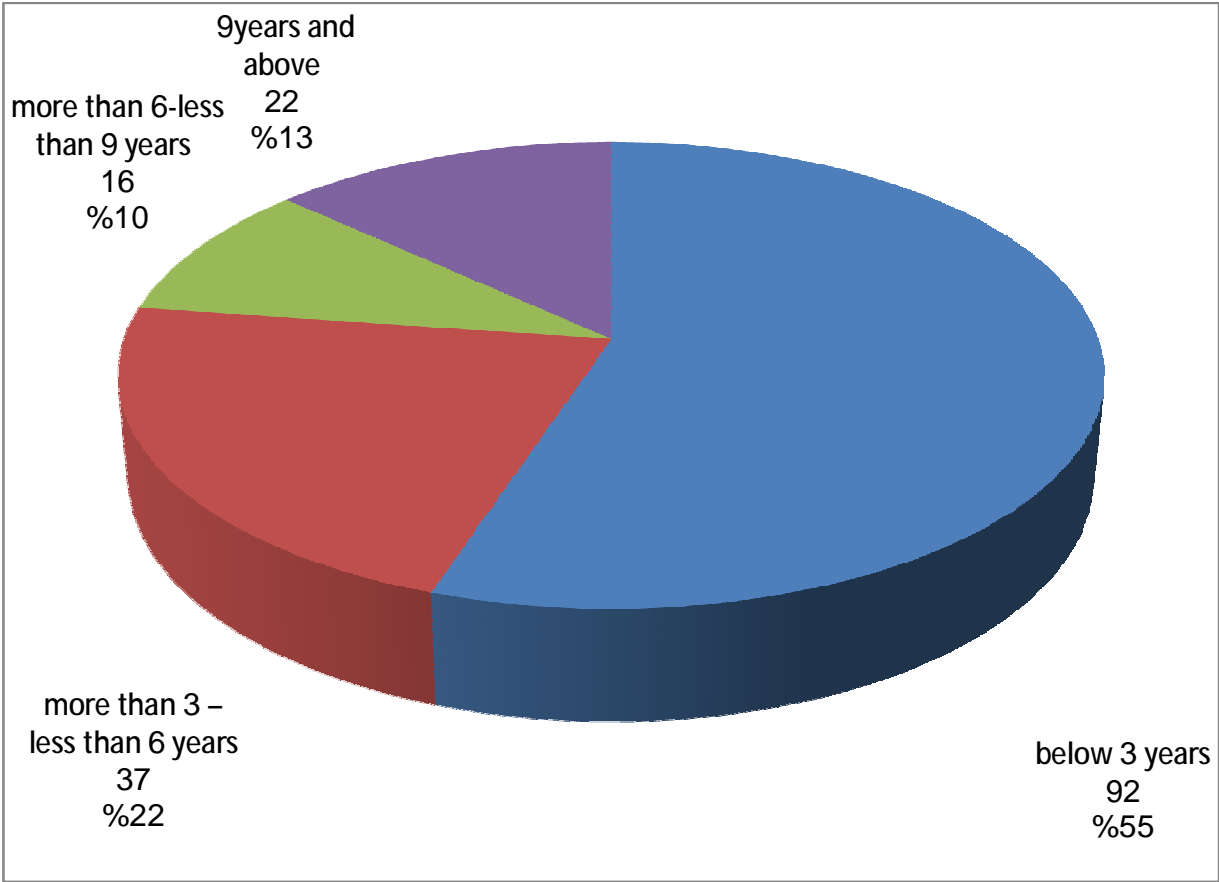
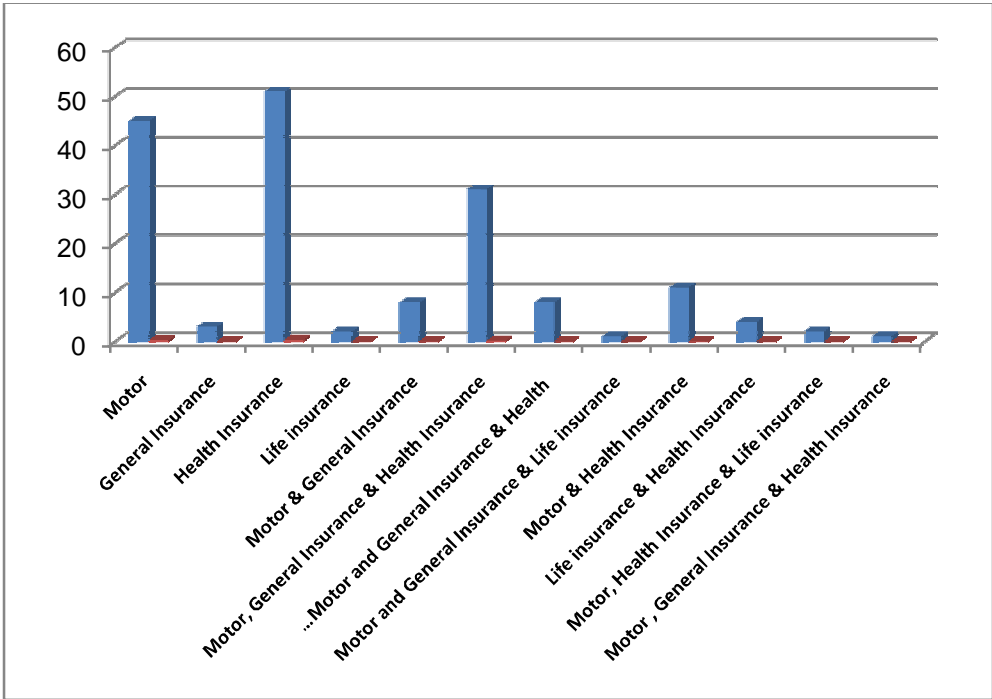


Table 16 : Frequency and Percent of insurance companies customers sample by type of insurance policy with major/main insurance company

| | Frequenc | Percent |
|---|-----------------|----------------|
| Motor | 45 | 26.9 |
| General Insurance | 3 | 1.8 |
| Health Insurance | 51 | 30.5 |
| Life insurance | 2 | 1.2 |
| Motor & General Insurance | 8 | 4.8 |
| Motor, General Insurance & Health Insurance | 31 | 18.6 |
| Motor and General Insurance & Health Insurance & Life | 8 | 4.8 |
| Motor and General Insurance & Life insurance | 1 | 0.6 |
| Motor & Health Insurance | 11 | 6.6 |
| Life insurance & Health Insurance | 4 | 2.4 |
| Motor, Health Insurance & Life insurance | 2 | 1.2 |
| Motor , General Insurance & Health Insurance | 1 | 0.6 |
| Total | 167 | 100.0 |

Table 16 shows that the types of insurance who are undertaken by customers can be ordered as following first Health Insurance with percentage about 31%, second Motor with percentage about 27%, third Motor, General Insurance & Health Insurance with percentage about 19%, and Motor & Health Insurance with percentage about 7%.

Figure 20 : Frequency of insurance companies' customers sample by type of insurance policy with major/main insurance company



5.3 Analysis of Respondents on Overall Customer Satisfaction with Service Delivery

Table 17 : Frequency and Percent of insurance companies customers responses on the services received from insurance company compare with the ideal/desired set of services

| | Frequency | Percent |
|--------------------------|------------|--------------|
| Much worse than desired | 7 | 4.2 |
| Worse than desired | 43 | 25.6 |
| Equal to my desire | 102 | 60.7 |
| Better than desired | 13 | 7.7 |
| Much better than desired | 3 | 1.8 |
| Total | 168 | 100.0 |

Table 17 shows that about 61% of insurance companies' customers see that services received from insurance company are Equal to what they desire, and about 25% see that services received from insurance company are worse than desire.

Figure 21 : Frequency and Percent of insurance companies customers responses on the services received from insurance company compare with the ideal/desired set of services

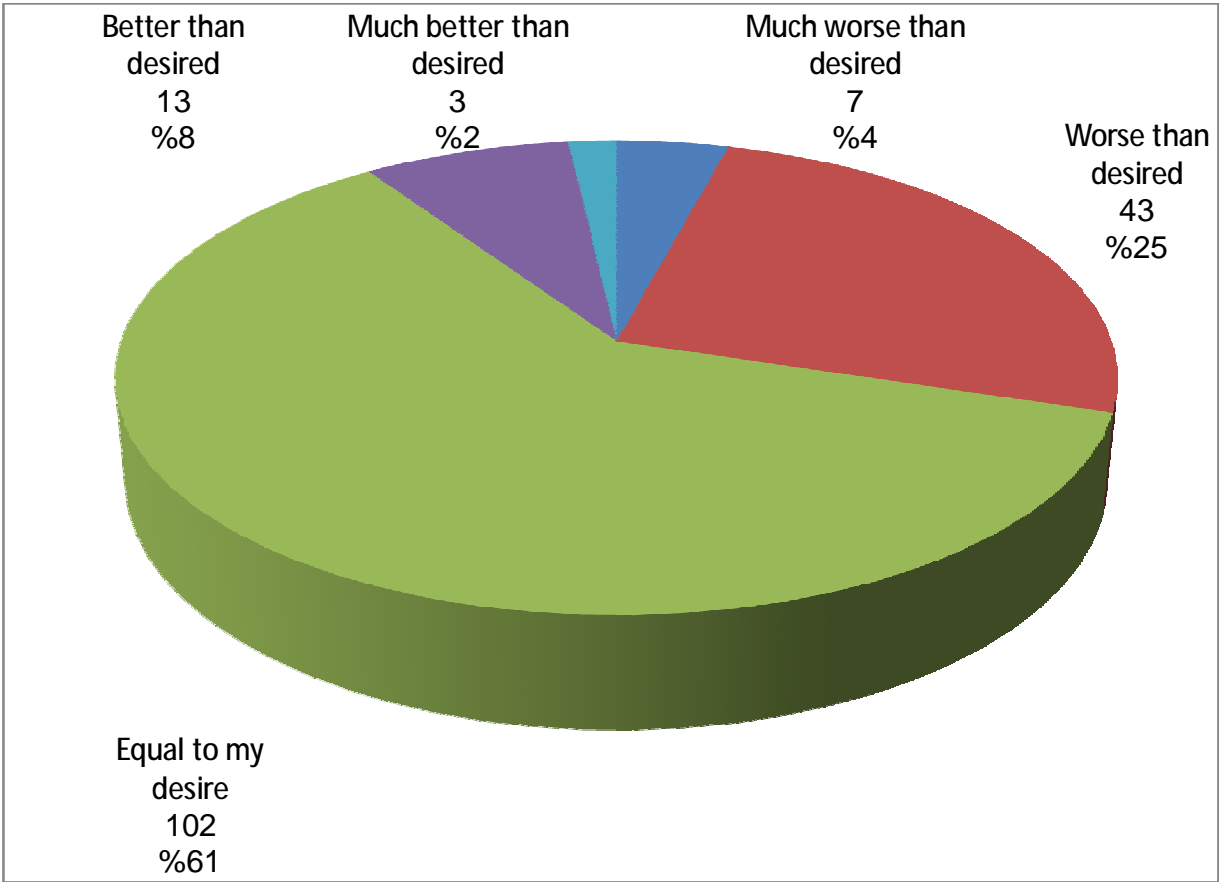


Table 18: Frequency and Percent of insurance companies' customers' responses on How likely to recommend insurance company to friends/families

| | Frequency | Percent |
|---------------|------------|--------------|
| Very Unlikely | 7 | 4.2 |
| Unlikely | 11 | 6.5 |
| Neither | 26 | 15.5 |
| Likely | 93 | 55.4 |
| Very Likely | 31 | 18.5 |
| Total | 168 | 100.0 |

Table 18 shows that about 55% of insurance companies' customers see that they are likely to recommend insurance company to friends/families, and about 19% very likely to recommend it, whereas about 16% Neither and about 11% unlikely or Very Unlikely to recommend it.

Figure 22: Frequency and Percent of insurance companies' customers' responses on How likely to recommend insurance company to friends/families

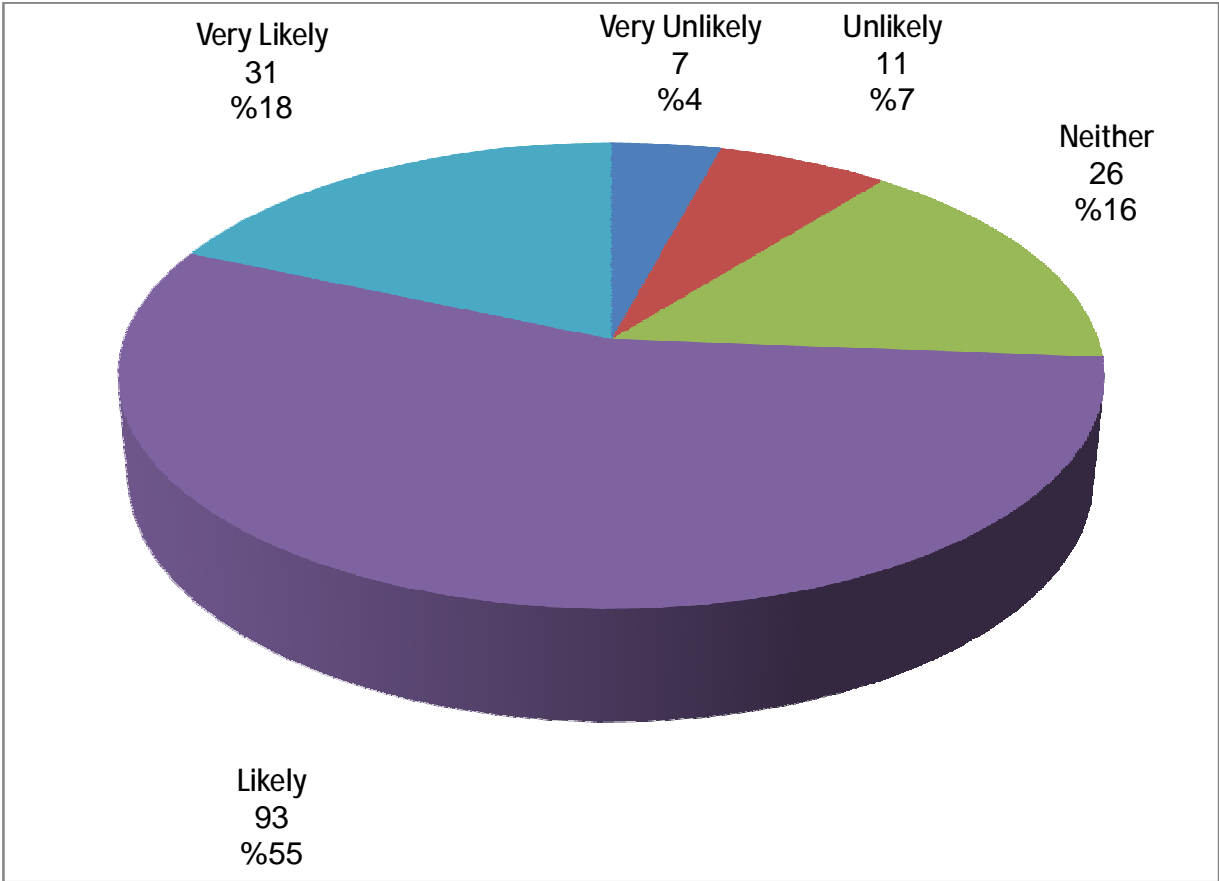


Table 19 : Frequency and Percent of insurance companies' customers' responses on the extent that have insurance company's services met the expectations

| | Frequency | Percent |
|--------------------------|------------|--------------|
| Much worse than desired | 7 | 4.2 |
| Worse than desired | 39 | 23.2 |
| Equal to my desire | 97 | 57.7 |
| Better than desired | 20 | 11.9 |
| Much better than desired | 5 | 3.0 |
| Total | 168 | 100.0 |

Table 19 shows that about 61% of insurance companies' customers see that the **extent that insurance company's services have met the expectations** is Equal to what they desire, and about 23% see the **extent** that insurance company's services have met the expectations is Worse than desired.

Figure 23: Frequency and Percent of insurance companies' customers' responses on the extent that have insurance company's services met the expectations

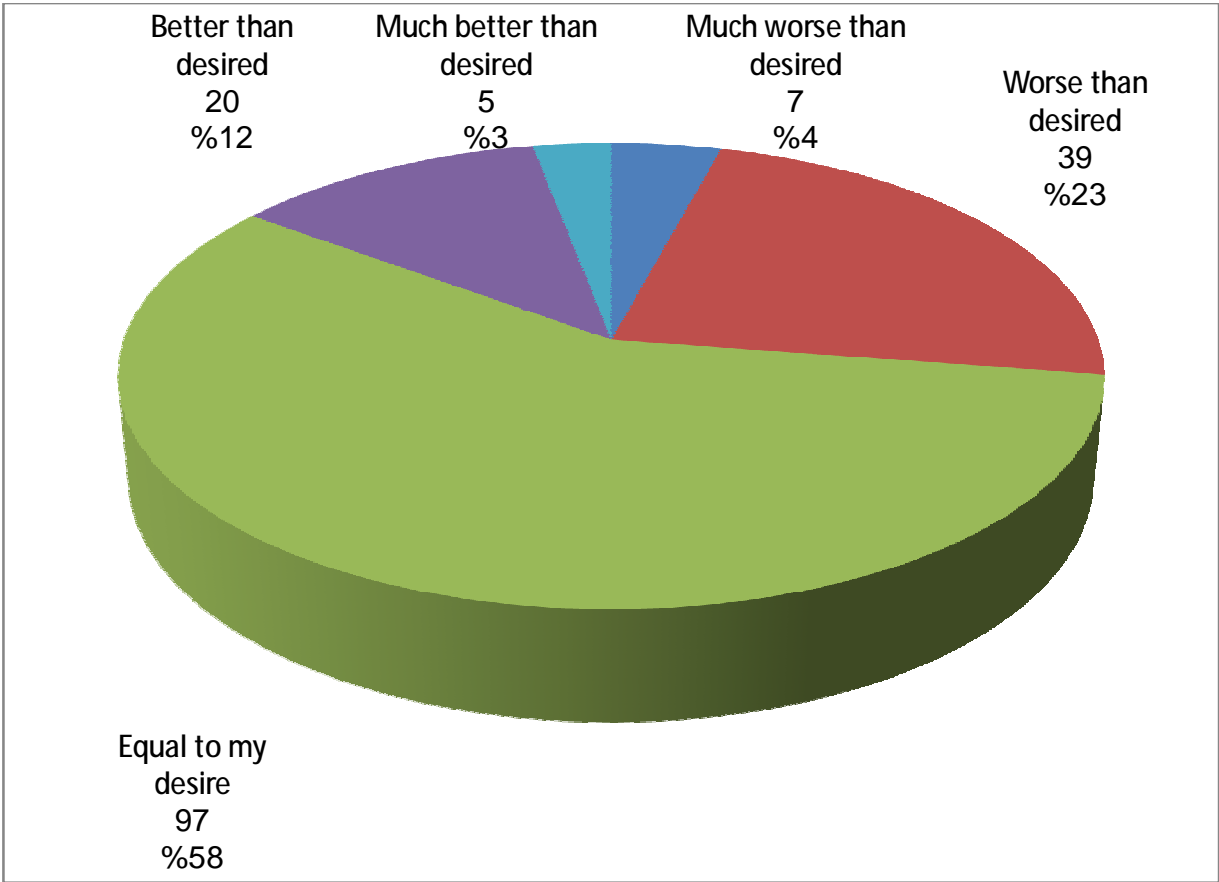


Table 20 : Frequency and Percent of insurance companies' customers' responses on the intention of switching to use a better insurance company's services

| | Frequency | Percent |
|----------------|------------|--------------|
| Definitely yes | 22 | 13.1 |
| a bit Yes | 52 | 31.0 |
| Neutral | 28 | 16.7 |
| a bit No | 40 | 23.8 |
| Definitely No | 26 | 15.5 |
| Total | 168 | 100.0 |

Table 20 shows that about 44% of insurance companies' customers agree definitely or a bit on the intention of switching to use a better insurance company's services, and about 23% don't agree definitely or a bit.

Figure 24 : Frequency and Percent of insurance companies' customers' responses on the intention of switching to use a better insurance company's services

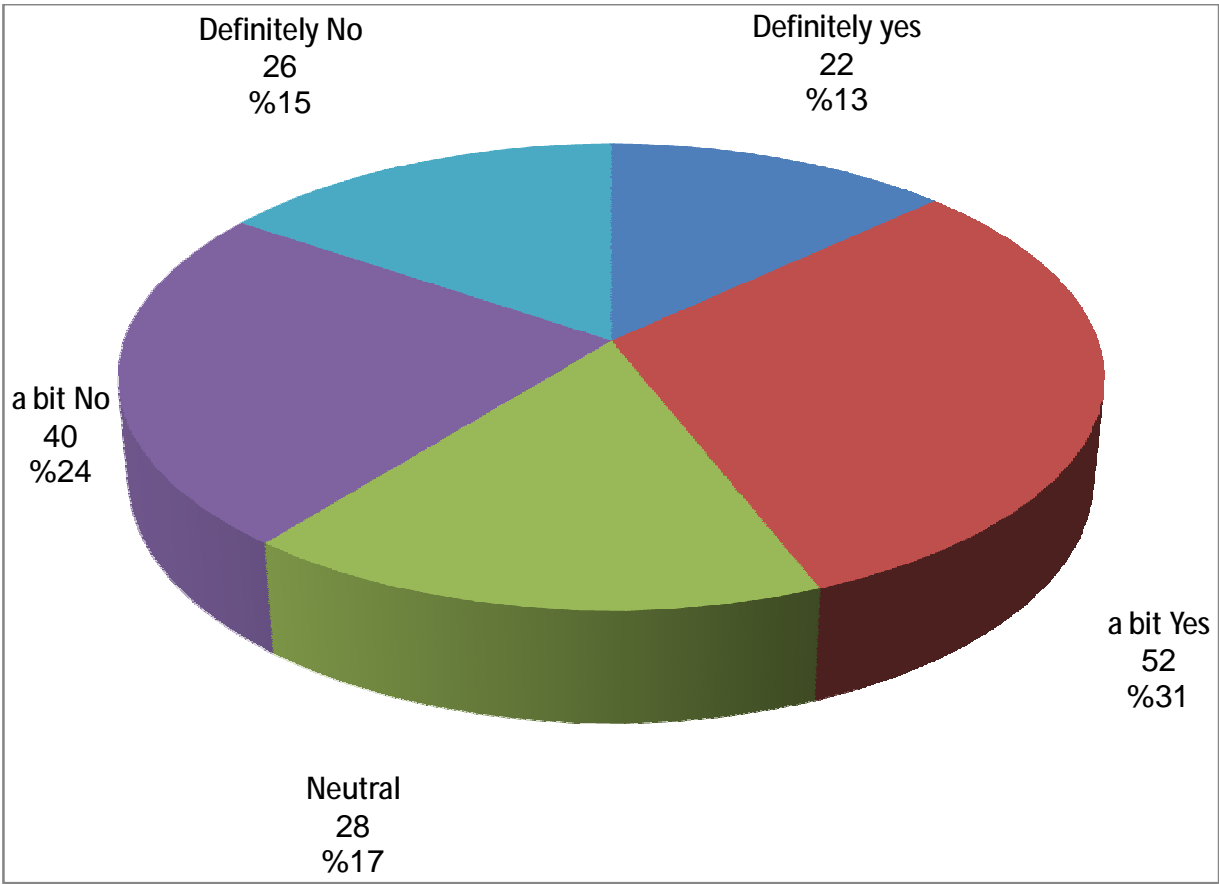


Table 21 : Frequency and Percent of insurance companies' customers' responses on How likely to re-purchase insurance services of insurance company

| | Frequency | Percent |
|---------------|------------|--------------|
| Very Unlikely | 5 | 3.0 |
| Unlikely | 13 | 7.7 |
| Neither | 28 | 16.7 |
| Likely | 87 | 51.8 |
| Very Likely | 35 | 20.8 |
| Total | 168 | 100.0 |

Table 21 shows that about 52% of insurance companies' customers see that they are likely re-purchase insurance services of insurance company, and about 21% are very likely to re-purchase insurance services of insurance company, whereas about 17% are Neither and about 11% are unlikely or very Unlikely.

Figure 25: Frequency and Percent of insurance companies' customers' responses on How likely to re-purchase insurance services of insurance company

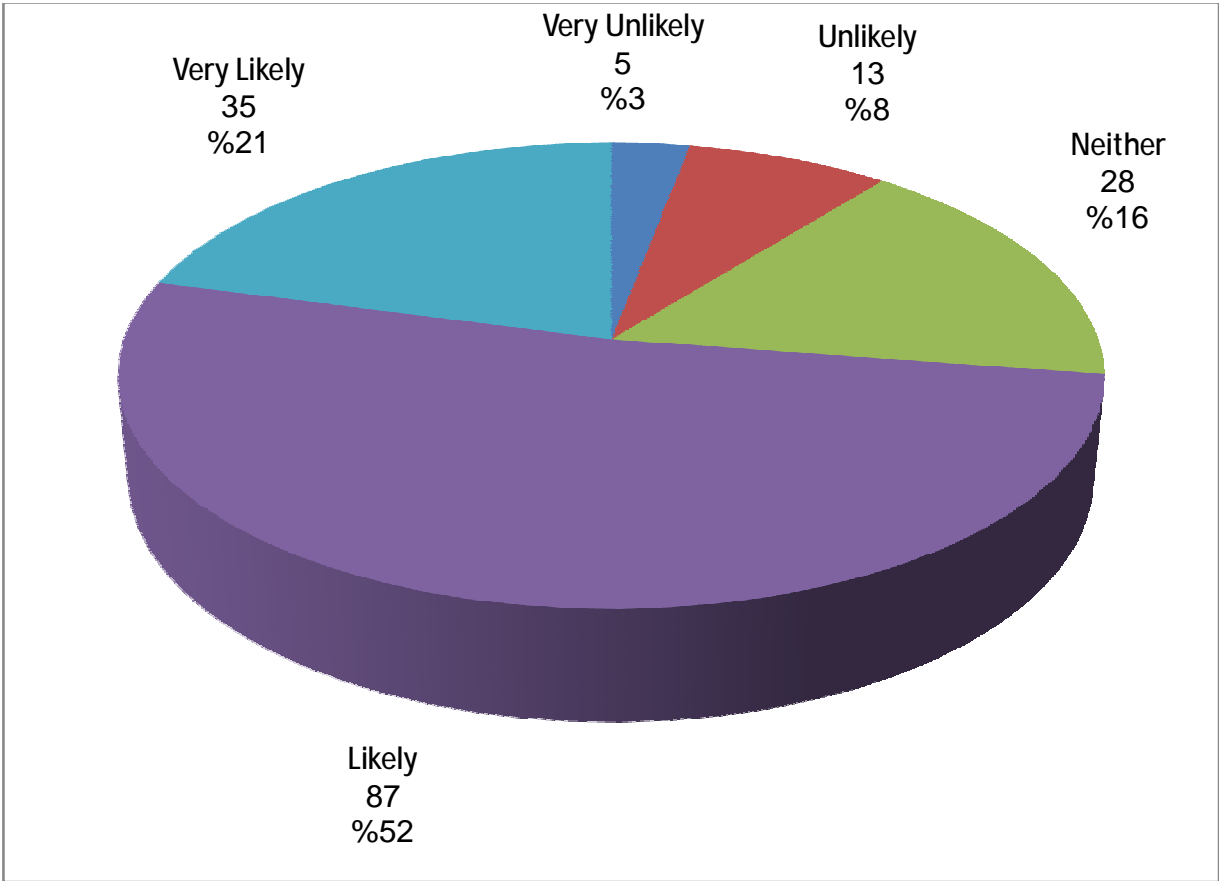
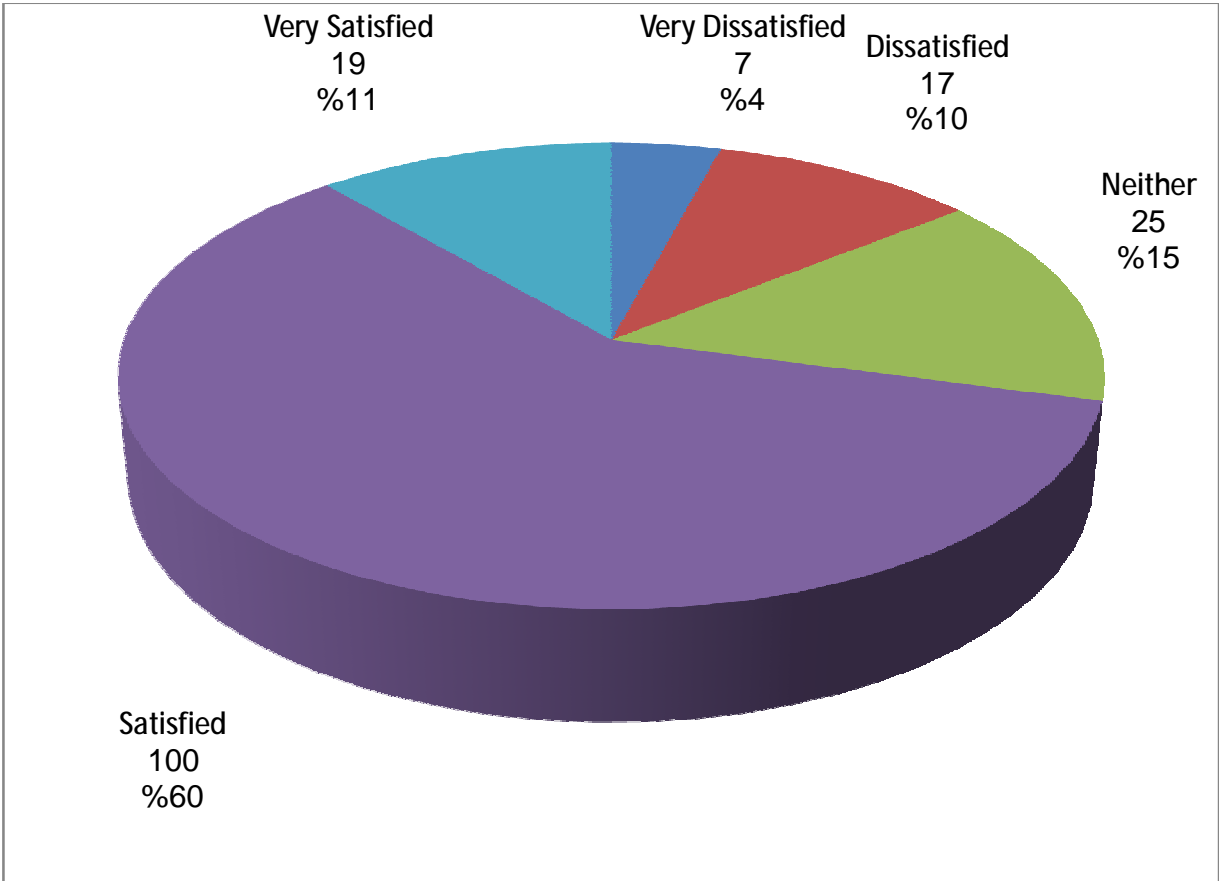


Table 22 : Frequency and Percent of insurance companies' customers' responses on how satisfied with the service quality delivered by insurance company

| | Frequency | Percent |
|-------------------|------------|--------------|
| Very Dissatisfied | 7 | 4.2 |
| Dissatisfied | 17 | 10.1 |
| Neither | 25 | 14.9 |
| Satisfied | 100 | 59.5 |
| Very Satisfied | 19 | 11.3 |
| Total | 168 | 100.0 |

Table 22 shows that about 60% of insurance companies' customers see that they are satisfied with the service quality delivered by insurance company, and about 11% are very satisfied, whereas about 16% are Neither and about 14% dissatisfied or Very dissatisfied.

Figure 26 : Frequency and Percent of insurance companies' customers' responses on how satisfied with the service quality delivered by insurance company



5.4 Hypotheses Tests:

H1: Functional quality positively influences on overall satisfaction in (PIS), the higher the functional quality, the higher the customer satisfaction.

Null Hypothesis: There is no relationship between Reliability and overall customer satisfaction at the level of significance $\alpha = 0.05$.

The hypothesis was tested using Pearson correlation coefficient test for the two variables of the reliability and overall customer satisfaction, and the results were as in the table below:

Table 23 : Reliability in Overall Customer Satisfaction

| | Overall Customer Satisfaction | | |
|--------------------|-------------------------------|-------------------------|--------|
| | N | Correlation coefficient | P(sig) |
| Reliability | 168 | 0.87 | 0.00 |

The significant value P is less than 0.05 and this means we have to refuse the null hypotheses and accept the alternative hypothesis that there is a relationship between reliability and overall customer satisfaction. The strength of the relationship as given by the correlation coefficient of 0.87 is considered very high.

H2: Technical quality will have significantly positive influence on overall satisfaction in (PIS), the higher the technical quality, the higher and the customer satisfaction.

Null Hypothesis: There is no relationship between Technical quality and overall customer satisfaction at the level of significance $\alpha = 0.05$.

The hypothesis was tested using Pearson correlation coefficient test for the two variables of the Technical quality and overall customer satisfaction, and the results were as in the table below

Table 24 : Technical Quality in Overall Customer Satisfaction

| | Overall Customer Satisfaction | | |
|--------------------------|-------------------------------|-------------------------|--------|
| | N | Correlation coefficient | P(sig) |
| Technical quality | 168 | 0.91 | 0.00 |

The significant value P is less than 0.05 and this means we have to refuse the null hypotheses and accept the alternative hypothesis that there is a relationship between

Technical quality and overall customer satisfaction. The strength of the relationship as given by the correlation coefficient of 0.91 is considered very high.

H3: Image quality will have significantly positive influence on overall satisfaction in (PIS), the higher the image quality, the higher and the customer satisfaction.

Null Hypothesis: There is no relationship between Image quality and overall customer satisfaction at the level of significance $\alpha = 0.05$.

The hypothesis was tested using Pearson correlation coefficient test for the two variables of the Technical quality and overall customer satisfaction, and the results were as in the table below

Table 25 : Image Quality in Overall Customer Satisfaction

| | Overall Customer Satisfaction | | |
|----------------------|-------------------------------|-------------------------|--------|
| | N | Correlation coefficient | P(sig) |
| Image quality | 168 | 0.89 | 0.00 |

The significant value P is less than 0.05 and this means we have to refuse the null hypotheses and accept the alternative hypothesis that there is a relationship between Image quality and overall customer satisfaction. The strength of the relationship as given by the correlation coefficient of 0.89 is considered very high.

H4: Price quality dimension will have significantly positive influence on overall satisfaction in (PIS), the higher the price quality, the higher and the customer satisfaction.

Null Hypothesis: There is no relationship between Price quality and overall customer satisfaction at the level of significance $\alpha = 0.05$.

The hypothesis was tested using Pearson correlation coefficient test for the two variables of the Price quality and overall customer satisfaction, and the results were as in the table below

Table 26 : Price quality in Overall Customer Satisfaction

| | Overall Customer Satisfaction | | |
|----------------------|-------------------------------|-------------------------|--------|
| | N | Correlation coefficient | P(sig) |
| Price quality | 168 | 0.81 | 0.00 |

The significant value P is less than 0.05 and this means we have to refuse the null hypotheses and accept the alternative hypothesis that there is a relationship between Price quality and overall customer satisfaction. The strength of the relationship as given by the correlation coefficient of 0.81 is considered very high.

H5: Customer satisfaction positively affects customer behavioral intentions.

Null hypothesis: There are no differences at significance level ($\alpha=0.05$) of customer satisfaction that are due to customer behavioral intentions (switch to use a better insurance company's services, re-purchase insurance services of your insurance company).

Two hypotheses were tested using ANOVA (Analysis of variance) for the options of and the results were as in the table below

Table 27 : Effect of Overall customer satisfaction on switching to use better insurance company's services

| Variable | Switch to use a better insurance company's services | Number of cases | Mean | Standard Deviation | F | P (sig.) |
|-------------------------------|---|-----------------|------|--------------------|-------|----------|
| Overall customer satisfaction | Definitely yes | 22 | 2.60 | 0.55 | 11.95 | 0.00 |
| | a bit Yes | 52 | 2.73 | 0.50 | | |
| | Neutral | 28 | 2.91 | 0.55 | | |
| | a bit No | 40 | 3.13 | 0.42 | | |
| | Definitely No | 26 | 3.46 | 0.66 | | |

The significant value P is less than 0.05 and this means that we have to refuse the null hypothesis and conclude that there are differences that are due to the switching to use a better insurance company's services. The customers who answered (Definitely yes or a bit yes) have lower mean than the customers who answered (Definitely No or a bit No).

Table 28 : Effect of Overall customer satisfaction on re-purchasing insurance services of your insurance company

| Variable | re-purchase insurance services of your insurance company | Number cases | Mean | Standard Deviation | F | P (sig.) |
|-------------------------------|--|--------------|------|--------------------|-------|----------|
| Overall customer satisfaction | Very Unlikely | 5 | 2.20 | 0.63 | 22.81 | 0.00 |
| | Unlikely | 13 | 2.27 | 0.43 | | |
| | Neither | 28 | 2.68 | 0.53 | | |
| | Likely | 87 | 2.97 | 0.43 | | |
| | Very Likely | 35 | 3.48 | 0.55 | | |

The significant value P is less than 0.05 and this means that we have to refuse the null hypothesis and conclude that there are differences that are due to the re-purchase insurance services of your insurance company. The customers who answered (Very Unlikely or Unlikely) have lower mean than the customers who answered (Very likely or likely).

Demographic variables moderate the effect of customer satisfaction on behavioral intentions.

H6a. Customer's gender moderates the effect of customer satisfaction on behavioral intentions.

Null hypothesis: There are no differences at significance level ($\alpha=0.05$) of customer satisfaction that are due to Gender.

The hypothesis was tested using -test for two groups (male, female) and the results were as in the table below

Table 29 : Customer Satisfaction due to Gender

| Variable | Gender | Number cases | Mean | Standard Deviation | t | P (sig.) |
|----------------------|--------|--------------|------|--------------------|------|----------|
| TANGIBLES | male | 105 | 2.83 | 0.66 | 0.79 | 0.43 |
| | female | 63 | 2.75 | 0.58 | | |
| RELIABILITY | male | 105 | 3.05 | 0.63 | 1.56 | 0.12 |
| | female | 63 | 2.89 | 0.71 | | |
| RESPONSIVENESS | male | 105 | 3.07 | 0.65 | 0.45 | 0.65 |
| | female | 63 | 3.02 | 0.71 | | |
| EMPATHY | male | 105 | 3.00 | 0.62 | 0.59 | 0.56 |
| | female | 62 | 2.94 | 0.62 | | |
| ASSURANCE | male | 105 | 2.90 | 0.68 | 1.49 | 0.14 |
| | female | 62 | 2.73 | 0.75 | | |
| PRICE | male | 105 | 3.05 | 0.77 | 1.70 | 0.09 |
| | female | 62 | 2.84 | 0.83 | | |
| TECHNICAL QUALITY | male | 105 | 3.00 | 0.61 | 1.57 | 0.12 |
| | female | 63 | 2.84 | 0.71 | | |
| IMAGE | male | 105 | 3.18 | 0.68 | 2.08 | 0.04 |
| | female | 63 | 2.94 | 0.74 | | |
| Overall satisfaction | male | 105 | 3.00 | 0.56 | 1.48 | 0.14 |
| | female | 63 | 2.86 | 0.63 | | |

The significant value P is greater than 0.05 and this means that we have to accept the null hypothesis that there are no differences that are due to Gender.

H6b .Customer's age moderates the effect of customer satisfaction on behavioral intentions.

Null hypothesis: There are no differences at significance level ($\alpha=0.05$) of customer satisfaction that are due to Age group.

The hypothesis was tested using ANOVA (Analysis of variance) for four groups (below 20 years, 25–35 years, 35-45 years,45 years and above), results were as in the table below

Table 30 : Customer Satisfaction due to Age Group

| Variable | Age group | Number cases | Mean | Standard Deviation | F | P (sig.) |
|----------------------|--------------------|--------------|------|--------------------|------|----------|
| TANGIBLES | below 20 years | 29 | 2.57 | 0.73 | 2.84 | 0.04 |
| | 25 – 35 years | 98 | 2.80 | 0.61 | | |
| | 35-45 years | 28 | 2.89 | 0.45 | | |
| | 45 years and | 13 | 3.13 | 0.70 | | |
| RELIABILITY | below 20 years | 29 | 2.74 | 0.75 | 2.96 | 0.03 |
| | 25 – 35 years | 98 | 2.98 | 0.55 | | |
| | 35-45 years | 28 | 3.25 | 0.75 | | |
| | 45 years and above | 13 | 3.05 | 0.86 | | |
| RESPONSIVENESS | below 20 years | 29 | 2.97 | 0.84 | 0.86 | 0.46 |
| | 25 – 35 years | 98 | 3.04 | 0.58 | | |
| | 35-45 years | 28 | 3.23 | 0.68 | | |
| | 45 years and above | 13 | 2.98 | 0.90 | | |
| EMPATHY | below 20 years | 29 | 2.83 | 0.75 | 1.02 | 0.38 |
| | 25 – 35 years | 97 | 3.00 | 0.55 | | |
| | 35-45 years | 28 | 3.11 | 0.65 | | |
| | 45 years and above | 13 | 2.90 | 0.80 | | |
| ASSURANCE | below 20 years | 29 | 2.72 | 0.83 | 0.57 | 0.64 |
| | 25 – 35 years | 97 | 2.84 | 0.62 | | |
| | 35-45 years | 28 | 2.97 | 0.82 | | |
| | 45 years and above | 13 | 2.79 | 0.89 | | |
| PRICE | below 20 years | 29 | 2.69 | 0.98 | 2.07 | 0.11 |
| | 25 – 35 years | 97 | 3.00 | 0.74 | | |
| | 35-45 years | 28 | 3.20 | 0.62 | | |
| | 45 years and above | 13 | 2.95 | 0.95 | | |
| TECHNICAL QUALITY | below 20 years | 29 | 2.75 | 0.72 | 1.41 | 0.24 |
| | 25 – 35 years | 98 | 2.94 | 0.58 | | |
| | 35-45 years | 28 | 3.10 | 0.72 | | |
| | 45 years and above | 13 | 2.99 | 0.87 | | |
| IMAGE | below 20 years | 29 | 2.77 | 0.86 | 3.14 | 0.03 |
| | 25 – 35 years | 98 | 3.12 | 0.61 | | |
| | 35-45 years | 28 | 3.32 | 0.68 | | |
| | 45 years and above | 13 | 3.11 | 0.96 | | |
| Overall satisfaction | below 20 years | 29 | 2.76 | 0.72 | 1.83 | 0.14 |
| | 25 – 35 years | 98 | 2.96 | 0.49 | | |
| | 35-45 years | 28 | 3.12 | 0.62 | | |
| | 45 years and above | 13 | 2.97 | 0.83 | | |

The significant value P is less than 0.05 for the dimensions (Tangibles, Reliability, Image) and this means that we have to refuse the null hypothesis for the dimensions and conclude that there are differences that are due to Age group. The age group below 20 is the lowest for the three mentioned dimensions, whereas the age group 45 years and above is the highest for Tangibles and the age group 35-45 years is the highest for Reliability and image.

H6c. Customer's income moderates the effect of customer satisfaction on behavioral intentions.

Null Hypothesis: There are no differences at significance level ($\alpha=0.05$) of customer satisfaction that are due to Monthly income

The hypothesis was tested using ANOVA for four groups (Below Nis 3000, Nis 3001 - 6000, Nis 6001 - 9001, above Nis 9003) and the results were as in the table below.

Table 31 : Customer Satisfaction due to Income

| Variable | Monthly income | Number cases | Mean | Standard Deviation | F | P (sig.) |
|----------------------|-----------------|--------------|------|--------------------|------|----------|
| TANGIBLES | Below Nis 3000 | 74 | 2.80 | 0.67 | 0.90 | 0.44 |
| | Nis 3001 - 6000 | 71 | 2.78 | 0.63 | | |
| | Nis 6001 – 9001 | 16 | 2.75 | 0.45 | | |
| | above Nis 9003 | 7 | 3.18 | 0.40 | | |
| RELIABILITY | Below Nis 3000 | 74 | 2.91 | 0.67 | 0.99 | 0.40 |
| | Nis 3001 - 6000 | 71 | 3.02 | 0.67 | | |
| | Nis 6001 – 9001 | 16 | 3.05 | 0.54 | | |
| | above Nis 9003 | 7 | 3.31 | 0.73 | | |
| RESPONSIVENESS | Below Nis 3000 | 74 | 2.99 | 0.75 | 1.21 | 0.31 |
| | Nis 3001 - 6000 | 71 | 3.14 | 0.62 | | |
| | Nis 6001 – 9001 | 16 | 2.89 | 0.51 | | |
| | above Nis 9003 | 7 | 3.29 | 0.47 | | |
| EMPATHY | Below Nis 3000 | 74 | 2.96 | 0.65 | 0.09 | 0.97 |
| | Nis 3001 - 6000 | 71 | 3.01 | 0.65 | | |
| | Nis 6001 – 9001 | 16 | 2.96 | 0.31 | | |
| | above Nis 9003 | 6 | 2.90 | 0.58 | | |
| ASSURANCE | Below Nis 3000 | 74 | 2.90 | 0.75 | 0.45 | 0.72 |
| | Nis 3001 - 6000 | 71 | 2.81 | 0.71 | | |
| | Nis 6001 – 9001 | 16 | 2.69 | 0.55 | | |
| | above Nis 9003 | 6 | 2.76 | 0.66 | | |
| PRICE | Below Nis 3000 | 74 | 2.91 | 0.89 | 0.37 | 0.78 |
| | Nis 3001 - 6000 | 71 | 3.04 | 0.73 | | |
| | Nis 6001 – 9001 | 16 | 3.02 | 0.67 | | |
| | above Nis 9003 | 6 | 2.83 | 0.69 | | |
| TECHNICAL QUALITY | Below Nis 3000 | 74 | 2.94 | 0.66 | 0.20 | 0.90 |
| | Nis 3001 - 6000 | 71 | 2.97 | 0.69 | | |
| | Nis 6001 – 9001 | 16 | 2.84 | 0.52 | | |
| | above Nis 9003 | 7 | 2.89 | 0.63 | | |
| IMAGE | Below Nis 3000 | 74 | 3.01 | 0.73 | 0.69 | 0.56 |
| | Nis 3001 - 6000 | 71 | 3.16 | 0.73 | | |
| | Nis 6001 – 9001 | 16 | 3.05 | 0.60 | | |
| | above Nis 9003 | 7 | 3.26 | 0.69 | | |
| Overall satisfaction | Below Nis 3000 | 74 | 2.93 | 0.63 | 0.20 | 0.90 |
| | Nis 3001 - 6000 | 71 | 2.98 | 0.60 | | |
| | Nis 6001 – 9001 | 16 | 2.89 | 0.42 | | |
| | above Nis 9003 | 7 | 3.05 | 0.55 | | |

The significant value P is greater than 0.05 and this means that we have to accept the null hypothesis that there are no differences that are due to Monthly income.

H6d. Customer's education level moderates the effect of customer satisfaction on behavioral intentions

Null hypothesis: There are no differences at significance level ($\alpha=0.05$) of customer satisfaction that are due to highest academic or professional qualification

The hypothesis was tested using ANOVA (Analysis of variance) for four groups (high school or below, Diploma, Bachelor, Master) and the results were as in the table below

Table 32 : Customer Satisfaction due to Academic Qualification

| Variable | highest academic qualification | Number cases | Mean | Standard Deviation | F | P (sig.) |
|----------------------|--------------------------------|--------------|------|--------------------|------|----------|
| TANGIBLES | high school or below | 11 | 3.20 | 0.68 | 2.02 | 0.11 |
| | Diploma | 24 | 2.90 | 0.52 | | |
| | Bachelor | 111 | 2.75 | 0.65 | | |
| | Master | 22 | 2.80 | 0.57 | | |
| RELIABILITY | high school or below | 11 | 3.23 | 0.63 | 0.72 | 0.54 |
| | Diploma | 24 | 3.04 | 0.81 | | |
| | Bachelor | 111 | 2.97 | 0.64 | | |
| | Master | 22 | 2.89 | 0.65 | | |
| RESPONSIVENESS | high school or below | 11 | 3.15 | 0.86 | 0.17 | 0.92 |
| | Diploma | 24 | 3.08 | 0.78 | | |
| | Bachelor | 111 | 3.05 | 0.64 | | |
| | Master | 22 | 2.98 | 0.62 | | |
| EMPATHY | high school or below | 11 | 3.12 | 0.77 | 0.68 | 0.56 |
| | Diploma | 24 | 3.03 | 0.64 | | |
| | Bachelor | 110 | 2.99 | 0.61 | | |
| | Master | 22 | 2.82 | 0.59 | | |
| ASSURANCE | high school or below | 11 | 3.29 | 0.78 | 2.13 | 0.10 |
| | Diploma | 24 | 2.91 | 0.78 | | |
| | Bachelor | 110 | 2.81 | 0.68 | | |
| | Master | 22 | 2.66 | 0.73 | | |
| PRICE | high school or below | 11 | 3.27 | 0.96 | 1.01 | 0.39 |
| | Diploma | 24 | 2.94 | 0.63 | | |
| | Bachelor | 110 | 2.99 | 0.82 | | |
| | Master | 22 | 2.77 | 0.73 | | |
| TECHNICAL QUALITY | high school or below | 11 | 3.30 | 0.79 | 1.86 | 0.14 |
| | Diploma | 24 | 2.97 | 0.72 | | |
| | Bachelor | 111 | 2.94 | 0.63 | | |
| | Master | 22 | 2.74 | 0.59 | | |
| IMAGE | high school or below | 11 | 3.35 | 0.69 | 2.28 | 0.08 |
| | Diploma | 24 | 3.21 | 0.68 | | |
| | Bachelor | 111 | 3.10 | 0.70 | | |
| | Master | 22 | 2.76 | 0.76 | | |
| Overall satisfaction | high school or below | 11 | 3.24 | 0.69 | 1.52 | 0.21 |
| | Diploma | 24 | 3.01 | 0.65 | | |
| | Bachelor | 111 | 2.94 | 0.57 | | |
| | Master | 22 | 2.79 | 0.57 | | |

The significant value P is greater than 0.05 and this means that we have to accept the null hypothesis that there are no differences that are due to highest academic or professional qualification.

H6e. Customer's period moderates the effect of customer satisfaction on behavioral intentions.

Null Hypothesis: There are no differences at significance level ($\alpha=0.05$) of customer satisfaction that are due to the period have been as a customer to major/main insurance company

The hypothesis was tested using ANOVA for four groups (below 3 years, more than 3 – less than 6, more than 6-less than 9, 9 years and above)and the results were as in the table below.

Table 33 : Customer Satisfaction due to Experience with Insurance Companies

| Variable | Customer period | Number cases | Mean | Standard Deviation | F | P (sig.) |
|----------------------|-------------------------|--------------|------|--------------------|------|----------|
| TANGIBLES | below 3 years | 92 | 2.69 | 0.65 | 2.56 | 0.06 |
| | more than 3 – less than | 37 | 2.98 | 0.66 | | |
| | more than 6-less than | 16 | 3.00 | 0.45 | | |
| | 9 years and above | 22 | 2.83 | 0.52 | | |
| RELIABILITY | below 3 years | 92 | 2.89 | 0.60 | 1.45 | 0.23 |
| | more than 3 – less than | 37 | 3.08 | 0.64 | | |
| | more than 6-less than | 16 | 3.19 | 0.70 | | |
| | 9 years and above | 22 | 3.08 | 0.89 | | |
| RESPONSIVENESS | below 3 years | 92 | 3.03 | 0.66 | 0.11 | 0.95 |
| | more than 3 – less than | 37 | 3.10 | 0.64 | | |
| | more than 6-less than | 16 | 3.08 | 0.79 | | |
| | 9 years and above | 22 | 3.05 | 0.74 | | |
| EMPATHY | below 3 years | 92 | 2.91 | 0.59 | 1.60 | 0.19 |
| | more than 3 – less than | 37 | 3.07 | 0.61 | | |
| | more than 6-less than | 16 | 3.24 | 0.72 | | |
| | 9 years and above | 21 | 2.91 | 0.69 | | |
| ASSURANCE | below 3 years | 92 | 2.77 | 0.72 | 2.30 | 0.08 |
| | more than 3 – less than | 37 | 3.02 | 0.65 | | |
| | more than 6-less than | 16 | 3.06 | 0.74 | | |
| | 9 years and above | 21 | 2.62 | 0.73 | | |
| PRICE | below 3 years | 92 | 2.86 | 0.78 | 1.68 | 0.17 |
| | more than 3 – less than | 37 | 3.19 | 0.84 | | |
| | more than 6-less than | 16 | 3.08 | 0.82 | | |
| | 9 years and above | 21 | 3.02 | 0.72 | | |
| TECHNICAL QUALITY | below 3 years | 92 | 2.85 | 0.63 | 3.49 | 0.02 |
| | more than 3 – less than | 37 | 3.12 | 0.52 | | |
| | more than 6-less than | 16 | 3.27 | 0.74 | | |
| | 9 years and above | 22 | 2.75 | 0.79 | | |
| IMAGE | below 3 years | 92 | 2.98 | 0.69 | 1.76 | 0.16 |
| | more than 3 – less than | 37 | 3.22 | 0.68 | | |
| | more than 6-less than | 16 | 3.34 | 0.78 | | |
| | 9 years and above | 22 | 3.13 | 0.80 | | |
| Overall satisfaction | below 3 years | 92 | 2.87 | 0.58 | 2.08 | 0.10 |
| | more than 3 – less than | 37 | 3.09 | 0.52 | | |
| | more than 6-less than | 16 | 3.17 | 0.62 | | |
| | 9 years and above | 22 | 2.90 | 0.69 | | |

The significant value P is less than 0.05 for the dimension of TECHNICAL QUALITY and this means that we have to refuse the null hypothesis and conclude that there are differences that are due to the period have been as a customer to major/main insurance company. The evaluation of the period of 3 to 9 years are higher than others.

H6f. Customer's Place of residence moderates the effect of customer satisfaction on behavioral intentions.

Null Hypothesis: There are no differences at significance level ($\alpha=0.05$) of customer satisfaction that are due to Place of residence

The hypothesis was tested using ANOVA (Analysis of variance) for three groups (Village, Diploma, City, Camp) and the results were as in the table below

Table 34: Customer Satisfaction due to Place of Residence

| Variable | Age group | Number cases | Mean | Standard Deviation | F | P (sig.) |
|----------------------|-----------|--------------|------|--------------------|------|----------|
| TANGIBLES | Village | 49 | 2.92 | 0.68 | 1.26 | 0.29 |
| | City | 112 | 2.75 | 0.61 | | |
| | Camp | 7 | 2.86 | 0.40 | | |
| RELIABILITY | Village | 49 | 3.13 | 0.60 | 1.67 | 0.19 |
| | City | 112 | 2.93 | 0.70 | | |
| | Camp | 7 | 2.96 | 0.21 | | |
| RESPONSIVENESS | Village | 49 | 3.14 | 0.65 | 0.67 | 0.51 |
| | City | 112 | 3.01 | 0.70 | | |
| | Camp | 7 | 3.09 | 0.25 | | |
| EMPATHY | Village | 49 | 3.17 | 0.62 | 3.53 | 0.03 |
| | City | 111 | 2.90 | 0.62 | | |
| | Camp | 7 | 2.94 | 0.23 | | |
| ASSURANCE | Village | 49 | 3.02 | 0.68 | 2.48 | 0.09 |
| | City | 111 | 2.77 | 0.73 | | |
| | Camp | 7 | 2.59 | 0.34 | | |
| PRICE | Village | 49 | 3.11 | 0.70 | 1.03 | 0.36 |
| | City | 111 | 2.91 | 0.85 | | |
| | Camp | 7 | 3.00 | 0.38 | | |
| TECHNICAL QUALITY | Village | 49 | 3.10 | 0.61 | 2.06 | 0.13 |
| | City | 112 | 2.87 | 0.69 | | |
| | Camp | 7 | 2.94 | 0.19 | | |
| IMAGE | Village | 49 | 3.23 | 0.56 | 1.55 | 0.22 |
| | City | 112 | 3.02 | 0.78 | | |
| | Camp | 7 | 3.17 | 0.29 | | |
| Overall satisfaction | Village | 49 | 3.10 | 0.55 | 2.31 | 0.10 |
| | City | 112 | 2.89 | 0.61 | | |
| | Camp | 7 | 2.91 | 0.19 | | |

The significant value P is less than 0.05 for the dimension of EMPATHY and this means that we have to refuse the null hypothesis and conclude that there are differences that are due to Place of residence. The village is higher than the city and is not different than camp.

5.5 Interviews Analysis

The researcher conducted interviews with many of the key players of PIS to see if their opinion on customer satisfaction and service quality is related to what customers think and believe, for this purpose the researcher conducted three interviews with the General Manager of the Insurance Directorate at the PCMA, Secretary General of PIF, and the Chairman of the Insurance Brokers Association, the results of these interviews were generally found to be consistent with the results of the questionnaire.

In his answer to the first question which was about the evaluation of insurance services provided by insurance companies operating in PIS, Barakat Mayadmeh, the insurance controller in PCMA said that, in general insurance companies offer many services and insurance programs both mandatory and non- mandatory that meet the business needs of many of the economic sectors and individuals, but the Palestinian insurance market still lacks insurance packages that target the less privileged and low income people which provides them with the necessary protection and financial stability and is suitable with their financial ability.

Amjad Jadoo, Secretary General of PIF said that the quality of the Palestinian insurance services is classified as "Very Good", taking into consideration the variation of quality between different insurance companies, based on the service provider's administrative level and technical experience, meaning that the service provided by the underwriter differs from the service provided by the underwriting manager, in terms of experience, knowledge of customers' needs and other essential factors.

Jadoo pointed out that this also depends on the nature of the customer and the insurance service provided, he said "you will definitely find that dealing with the fire or theft policy and coverage -for example- differs from the motors coverage, in which the latter requires higher quality of service and more professional and experienced method, while providing the customers with proficient and tactful answers for all inquires."

In his view on this matter, the Chairman of the Insurance Brokers Association Mr. Samir Abu Shaweesh declared that there are many differences between services offered by insurance companies, generally, the evaluation of these services is medium.

The second question was about the dimensions and factors that, in their view, control the quality of insurance services. In this regard, Mayadmeh said that insurance is a service that depends on promise, which increases the difficulty of the characteristics of the

service, and to be provide good insurance service, the insurance company must take into account the nature of the persons or institutions, their needs and desires, their culture and awareness of insurance as well as their ability to buy the service when designing the product. In addition, the insurance company must ensure that the programs offered are transparent, clear, and provide thorough information on the service (coverage and conditions), as well as after sale services and the quick settlement of claims.

In his opinion, Jadoo says that there are many factors that influence the quality of insurance services provided by the Palestinian insurance companies, including the human factor (employee), and the level of training, development and support provided for this employee to satisfy the customers. On the other hand, the company's financial position and coverage policy affect the provided services, in which the company is required to professionally meet its financial commitments towards the customers and meet their needs.

On his part, Abu Shaweesh mentioned many dimensions of customer satisfaction. These dimensions are:

- 1 – The serious commitment of insurance companies to the legal and technical responsibility for insurance policies issued.
- 2 - The application of the terms of the liabilities clearly shows the duties and rights.
- 3 - Hiring good staff and specializing in all types of insurance in addition to the development of the staff in order to provide quality services.
- 4 - Dealing with Insurance agents that have the technical solvency of all types of insurance and knowledge of them.
- 5 - Quick service and communication with the customers in all circumstances and accidents.

Is the price an important part of what makes a quality service in insurance services?

The answers of the respondents on this question was: The price is an important factor in any service, as for insurance, price should be determined specifically for each insurance product according to statistics on the size of the compensation for this risk, the nature of the risk, administrative costs for the marketing in addition to a reasonable margin of profit. For the success of any insurance product it must achieve an important condition which is the ability of the customer to buy this service, so if the prices of insurance are high the insurance company will lose customers either from their inability to purchase the service

or their sense of exaggeration in price to make a high profit, and if prices fall to levels below the fair price, this would lead to the inability of the insurance company to ensure the protection needed to the insured and to the bankruptcies of many insurance companies which puts the rights of the insured and the insurance industry at risk.

The prices of insurance products have a double-sided effect so it must be determined accurately to achieve the interests of both sides, Mayadmeh said.

However, Jadoo says that providing a high quality of service for the customer requires a proper payment commensurate with the potential danger, due to the financial commitments that the company would pay in case an accident occurs, in addition to the standard expenses that the company pays. Hence, despite the fact that the price factor plays a significant role, it is not the only major factor in the insurance process.

Abu Shaweesh says that the price is not important, but, unfortunately, the bad situation in the insurance market due to the rough competition between the insurance companies put the customers under the wrong impression that the price is an important factor in insurance. This isn't entirely incorrect; however, there is an intrinsic factor which is the technical issues that directly affect the quality of insurance services and compensation.

On his impression of the level of customer satisfaction in PIS, Mayadmeh mentioned that the level of satisfaction varies between customers, according to the difference in the level of culture, awareness, satisfaction and dissatisfaction of the customer either be unjustified because of lack of understanding of the insured for the rights and duties under the insurance contract, or that satisfaction is justified because of the practices and behaviors are not fair and not professional in the insurance market, including, for example:

- 1 - Lack of diligence in clarifying the benefits and exclusions of the insurance contract to customers. Such information is essential for making the decision to purchase the service or request additional services on this basis.
- 2 – Overpricing, by raising prices for some categories of insurance kinds especially mandatory kinds, and the failure of insurance companies in providing insurance services for these categories.
- 3 - Negatively dealing with claims either through the complicated procedures or by postponing the payment of claims without clear legal justification.
- 4 - The lack of procedures and mechanisms to discuss the complaints of the insured.

5 – Insufficient procedures to prevent or reduce all issues leading to a bad reputation to the insurance company, including the unfortunate selection of staff and insurance agents sometimes.

6 - Inadequate training for employees and agents on how to deal with customers.

7 – Ruthless competition between insurance companies and distributors.

“In conclusion, it is hard to please everyone, but the customer’s satisfaction in the insurance sector can be measured by the number of complaints received through the complaints processing unit in the Palestinian Insurance Federation, which I can assert that is very normal”, Jadoo declared.

He added that the main problem is that customers suffer from the lack of knowledge regarding the terms and coverage, due to not reading these documents well. Once the accident happens, the customer becomes unsatisfied with the coverage, while it completely meets the signed written terms in the insurance policy. Thus, customers should thoroughly read and understand all terms and exceptions, and employees must professionally clarify these elements for customers before signing the policy and without misleading them.

Abu Shaweesh estimated the level of customer satisfaction to be (four out of ten).

Chapter six: Summary, Findings, and Recommendations

6.0 Summary

The main purpose of the research is to study the factors that affect the customer satisfaction and accordingly influence the behavior of the customers and what are the perceptions of the customers about the service quality in the insurance companies in Palestine.

The study was quantitative and qualitative, interviews was conducted with the main key players of PIS, a questionnaire was designed for insurance companies customers, out of 180 questionnaire distributed 168 questionnaire returned for analysis representing.

Based on analysis and discussion of data, the main findings and results of the study was as follows.

6.1 Research Findings

- 1- There are very strong relationship between overall customer satisfaction and each of the dimensions: Reliability, Technical Quality, Image quality, and Price Quality.
- 2- Customer satisfaction affects customer behavioral intentions such that the customers with lower satisfaction are thinking to switch to use a better insurance company's services or unlikely to re-purchase insurance services of the same insurance company.
- 3- There are differences for some customer satisfaction dimensions that are due to Age group, and these dimensions are: Tangibles, Reliability and image. The age group below 20 is the lowest for the three mentioned dimensions, whereas the age group 45 years and above is the highest for Tangibles and the age group 35-45 years is the highest for Reliability and image.
- 4- There are differences for Technical Quality dimension that are due to the period have been as a customer to major/main insurance company. The evaluation of the period of 3 to 9 years is higher than others.
- 5- There are differences for Empathy dimension that are due to Place of residence such that the village is higher than the city and is not different than camp.

6.2 Recommendations

According to the main findings and results of the study, the following actions are highly recommended:

- 1- A further research is required in depth with the PIS leaders for the factors and procedures that can raise the customer satisfaction.
- 2- Awareness campaigns are highly needed to raise the Awareness of insurance products and companies.
- 3- To study the factors that drive satisfaction for specific insurance products in PIS.
- 4- Insurance companies need to work on image especially for the coming generations.

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Appendix A: Questionnaire for Customers Palestinian Insurance Industry



Dear customers and clients of insurance companies,

Measuring customer satisfaction for services provided by the insurance companies considered one of the most important tools and methods used to measure the ability of companies to maintain their customers, it used as an indication of the need to improve the quality of services provided, and also helps companies to stability and increase its market share.

The study conducted by researcher aims to measure and analyzes the level of customer satisfaction with the quality of services provided by insurance companies in Palestine, which will help insurance companies to provide better services to its faithful customers and will also help decision-makers in insurance sector to discover weaknesses in customer service and then take the necessary decisions.

Accordingly, this questionnaire has been designed for the purposes of scientific research and as a requirement to complete a master's degree researcher in business administration from Birzeit University, which aims to collect information on customers and their satisfaction with the quality of services provided by insurance companies in Palestine.

The researcher will deal with the information that will be collected confidentially and for scientific research purposes only.

Yours sincerely,

Researcher: Nihad Mohammed Assad

Supervised by: Dr. Samah Abu Assab

April, 2014

Please tick [] the appropriate box for your answers.

Part One: General Information

1- Please what is your gender?

male female

2- Please select your age group.

below 205 yrs 25 – 35yrs 35-45yrs 45yrs and above

3- Select your highest academic or professional qualification: high school or below

Diploma Bachelor Master Doctorate

4- Place of residence: Village City Camp

5- What is your occupation?

Employee Manager businessman/woman Housewife Other

6- What is your monthly income?

Below Nis 3000 Nis 3001 - 6000 Nis 6001 - 9001 above Nis 9000

7- How many other insurance companies do you undertake their insurance policies?

one only 2 3 4 more than 4

8- How long have your been a customer to your **major/main** insurance company?

below 3 yrs more than 3 – less than 6 yrs more than 6-less than 9 yrs

9 yrs and above

9- Which type of insurance policy do you have with your **major/main** insurance company?

Life insurance Motor and General Insurance Motor, General & Health Insurance

Motor, General, Health & life Insurance

Part Two: Over All Satisfaction With Service Delivery:

10- How well did the services you received from your insurance company compare with the **ideal/desired** set of services?

| | | | | |
|-------------------------------------|--------------------------------|--------------------------------|---------------------------------|--------------------------------------|
| Much worse than desired 1 | Worse than desired 2 | Equal to my desire 3 | Better than desired 4 | Much better than desired 5 |
| | | | | |

11- How likely are you to **recommend** your insurance company to friends/families?

| | | | | |
|---------------------------|----------------------|---------------------|--------------------|-------------------------|
| Very Unlikely 1 | Unlikely 2 | Neither 3 | Likely 4 | Very Likely 5 |
| | | | | |

12-To what extent have your insurance company's services met your **expectations**?

| | | | | |
|--------------------------------------|---------------------------------|-------------------------------------|----------------------------------|---------------------------------------|
| Much worse than expected 1 | Worse than expected 2 | Equal to my expectation 3 | Better than expected 4 | Much better than expected 5 |
| | | | | |

13-Do you have the intention of **switching to use a better insurance company's services**?

| | | | | |
|----------------------------|-----------------------|---------------------|----------------------|---------------------------|
| Definitely yes 1 | a bit Yes 2 | Neutral 3 | a bit No 4 | Definitely No 5 |
| | | | | |

14-How likely are you to **re-purchase** insurance services of your insurance company?

| | | | | |
|---------------------------|----------------------|---------------------|--------------------|-------------------------|
| Very Unlikely 1 | Unlikely 2 | Neither 3 | Likely 4 | Very Likely 5 |
| | | | | |

15- **Overall**, how **satisfied** are you with the service quality delivered by your insurance company?

| | | | | |
|-------------------------------|--------------------------|---------------------|-----------------------|----------------------------|
| Very Dissatisfied 1 | Dissatisfied 2 | Neither 3 | Satisfied 4 | Very Satisfied 5 |
| | | | | |

Part Three: Customer Satisfaction With Service Quality Dimensions:

In your opinion, how does the *service quality* of your insurance company *meet your expectations* in terms of following dimension items in the table?

Respond by using this scale of 1 – 5, where:

- 1- Much worse than expected 2 – Worse than expected 3 - Equal to expectation
4 – Better than expected 5 – Much better than expected**

Please Circle only one option in 1 - 5

| # | Dimension | Much worse than desired 1 | Worse than desired 2 | Equal to my desire 3 | Better than desired 4 | Much better than desired 5 |
|----|---|------------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
| | TANGIBLES | | | | | |
| 1- | Your insurance company's ability to give you access to information, product/service catalogues, | | | | | |
| 2- | Provision of visually attractive, offices, equipment and materials. | | | | | |
| 3- | Insurance company's ability to providing variety of entertainment facilities, etc. | | | | | |
| 4- | Appearance and uniforms of employees | | | | | |
| | RELIABILITY | | | | | |
| 1- | How timely is the delivery of insurance services by your insurance company? | | | | | |
| 2- | How truthful (keeping to promises) is your insurance company to you? | | | | | |
| 3- | How dependable and consistent is your insurance company in solving customers' complaints? | | | | | |
| 4- | How able is your insurance company to perform services right the first time? | | | | | |
| 5- | How able is your insurance company to insist on error free records. | | | | | |
| 6- | To what extent the insurance company tells the customer when his insurance policy expired | | | | | |
| 7- | To what extent does the insurance company Committed to pay the claim in the required date | | | | | |

| # | Dimension | Much worse than desired 1 | Worse than desired 2 | Equal to my desire 3 | Better than desired 4 | Much better than desired 5 |
|----|--|------------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
| | RESPONSIVENESS | | | | | |
| 1- | How is your insurance company able to tell customers exactly when services will be performed? | | | | | |
| 2- | How able is your insurance company to give prompt customer services and attend to customers' needs/problems? | | | | | |
| 3- | How are employees' willing to help customers in emergency situations? | | | | | |
| 4- | How are the employees approachable and easy to contact? | | | | | |
| 5- | How is the Employees' ability to communicate clearly with you. | | | | | |
| | EMPATHY | | | | | |
| 1- | Your insurance company favorable terms and conditions. | | | | | |
| 2- | Your insurance company has operating hours convenient to all customers | | | | | |
| 3- | Your insurance company has sound loyalty programme to recognize you as a frequent customer | | | | | |
| 4- | Your insurance company has customer's best interest at heart | | | | | |
| 5- | Your insurance company makes efforts to understand specific customer needs. | | | | | |
| 6- | Your insurance company apologizes for inconvenience caused to customers. | | | | | |
| 7- | Your insurance company follow up quality of service offered to you (after the accident) | | | | | |
| | ASSURANCE | | | | | |
| 1- | Ability to provide variety of value added services to customers, e.g. loan facilities, etc. | | | | | |
| 2- | Sincerity and patience in resolving customers' complaints/problems | | | | | |
| 3- | The behavior of employees in instilling confidence in customers. | | | | | |

| # | Dimension | Much worse than desired 1 | Worse than desired 2 | Equal to my desire 3 | Better than desired 4 | Much better than desired 5 |
|-----|--|------------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
| 4- | There is a clear instruction to solve conflicts which raise with insurance companies. | | | | | |
| 5- | The interest of regulators in customer's complaints on insurance companies. | | | | | |
| 6- | Employees' use of required skills and knowledge to answer customers' questions. | | | | | |
| 7- | How the insurance companies employees are professional | | | | | |
| 8- | How is the insurance law clear and understandable | | | | | |
| 9- | Mechanisms used in the courts to resolve outstanding issues with insurance companies | | | | | |
| | PRICE | | | | | |
| | How suitable are your insurance company prices in case of: | | | | | |
| 1- | Charges for insurance premium | | | | | |
| 2- | Charges for other services customers receive(the additional services) | | | | | |
| 3- | Ways of installments | | | | | |
| | TECHNICAL QUALITY | | | | | |
| 1- | Successful in completing insurance claims settlements | | | | | |
| 2- | Employees have technological knowledge and skills in solving customer problems. | | | | | |
| 3- | Insurance company's ability to provide insurance products/policies that meet customers' requirement. | | | | | |
| 4- | Insurance company innovativeness – ability to use current techno improve services. | | | | | |
| 5- | Providing adequate variety of insurance policies. | | | | | |
| 6- | How adequate are conditions of insurance policies | | | | | |
| 7- | How adequate are covers of insurance policies | | | | | |
| 8- | Your insurance company have advanced website | | | | | |
| 9- | Your insurance company ability in offering clear and complete information through it's website | | | | | |
| 10- | Your insurance company use social media as facebook, tweter.... | | | | | |
| | IMAGE | | | | | |

| # | Dimension | Much worse than desired 1 | Worse than desired 2 | Equal to my desire 3 | Better than desired 4 | Much better than desired 5 |
|----|--|------------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
| 1- | How <i>successful</i> is your insurance company? | | | | | |
| 2- | What is the <i>reputation</i> of your insurance company? | | | | | |
| 3- | What is the <i>brand image</i> of your insurance company? | | | | | |
| 4- | How <i>socially responsible</i> is your insurance company? | | | | | |
| 5- | How usefull are the insurance companies? | | | | | |

If there is any additional information or data believes it appropriate and useful to enrich this research please mentioned

.....
.....
.....
.....

Thank you for your cooperation.



حضرات السادة عملاء وعميلات شركات التأمين المحترمين/بات

يعتبر قياس رضى العملاء عن الخدمات التي تقدمها شركات التأمين من أهم الأدوات والوسائل المستخدمة لقياس قدرة الشركات على المحافظة على عملائها ومؤشراً على حاجتها لتحسين نوعية الخدمات التي تقدمها، كما يساعد الشركات أيضاً على استقرارها وزيادة حصتها السوقية.

إن الدراسة التي يجريها الباحث تهدف لقياس وتحليل مستوى رضى العملاء عن جودة الخدمات التي تقدمها شركات التأمين في فلسطين، وهي سوف تساعد شركات التأمين على تقديم خدمات أفضل لمؤمنيه وعملائها وكذلك سوف تساعد اصحاب القرار في الجهات المختلفة على معرفة مواطن الخلل ومكامن الضعف في خدمة العملاء ويمكنهم من اتخاذ القرارات اللازمة.

وعليه فقد صمم هذا الاستبيان لأغراض البحث العلمي و كمتطلب لإتمام الحصول على درجة الماجستير للباحث في تخصص إدارة الأعمال من جامعة بيرزيت، وهو يهدف لجمع المعلومات عن شعور الزبائن ورضاهم عن جودة الخدمات التي تقدمها شركات التأمين في فلسطين.

مؤكداً أنه سيتم التعامل مع المعلومات التي سوف يتم جمعها بسرية تامة ولأغراض البحث العلمي فقط.

وتفضلوا بقبول فائق الاحترام،،،

الباحث: نهاد محمد أسعد
إشراف: د. سماح أبو عصب
نيسان 2014

الرجاء الإجابة بوضع إشارة (N) عند الإجابة المناسبة

القسم الأول: المعلومات العامة

1. الجنس: () ذكر () انثى
2. العمر: () أقل من 25 سنة () 25- أقل من 35 سنة () 35- أقل من 45 سنة () 45 فأكثر
3. المؤهل العلمي: () ثانوية عامه او أقل () دبلوم بعد الثانويه العامه () بكالوريوس () ماجستير () دكتوراه
4. مكان السكن: () قرية () مدينه () مخيم
5. المهنة: () موظف () مدير () صاحب عمل () ربة منزل () أخرى
6. الدخل الشهري: () أقل من 3000 شيكل () 3001- 6000 شيكل () 6001- 9001 شيكل () أكثر من 9000 شيكل
7. ماهو عدد شركات التأمين التي تتعامل معها حالياً (تحمل وثائقها): () شركة واحدة () شركتان () 3 شركات () 4 شركات () أكثر من 4 شركات
8. عدد سنوات التعامل مع شركة التأمين الرئيسية: () أقل من 3 سنوات () أكثر من 3 سنوات - أقل من 6 سنوات () أكثر من 6 سنوات - أقل من 9 سنوات () 9 سنوات فأكثر
9. ما هو نوع وثيقة التأمين التي تحملها من شركة تأمينك الرئيسية:
() تأمين مركبات () تأمينات عامة () تأمين صحي
() تأمين حياة () تأمين مركبات وتأمينات عامة
() تأمين مركبات وتأمينات عامة وتأمين صحي () تأمين مركبات وتأمينات عامة وتأمين صحي وتأمين حياة

القسم الثاني: رضاك بشكل عام عن الخدمات التأمينية المقدمة

10- كيف تقارن الخدمات التأمينية التي تتلقاها من شركة تأمينك بالخدمات التأمينية المثالية والتي تتمناها؟

| | | | | |
|------------------------------------|---------------------------|----------------------|----------------------|----------------------------|
| أسوأ بكثير من التي أتمناها 1 | اسوأ من التي أتمناها 2 | مساوية لتمنياتي 3 | أفضل من تمنياتي 4 | أفضل بكثير من تمنياتي 5 |
| | | | | |

11- لأي مدى ممكن أن تقدم توصية لعائلتك أو أصدقائك للتعامل مع شركة تأمينك؟

| | | | | |
|-----------------|-------------|--------------------|-----------|---------------|
| استبعد جدا 1 | استبعد 2 | لا أقدم توصية 3 | ممكن 4 | ممكن جدا 5 |
| | | | | |

12- لأي مدى تليي الخدمات التي تقدمها شركات تأمينك توقعاتك؟

| | | | | |
|----------------------------|----------------------|----------------------|----------------------|----------------------------|
| أسوأ بكثير من توقعاتي 1 | اسوأ من توقعاتي 2 | مساوية لتوقعاتي 3 | أفضل من توقعاتي 4 | أفضل بكثير من توقعاتي 5 |
| | | | | |

13- هل لديك نية للانتقال لشركة تأمين أخرى للحصول على خدمات تأمينية أفضل؟

| | | | | |
|-------------------|-----------|-------------|--------------|------------------|
| بالتأكيد نعم 1 | ممكن 2 | لا رأي 3 | ممكن لا 4 | بالتأكيد لا 5 |
| | | | | |

14- ماهي إمكانية التأمين مرة أخرى لدى شركة التأمين التي تتعامل معها حالياً؟

| | | | | |
|----------------------|------------------|-------------|-----------|---------------|
| من المستبعد جدا 1 | من المستبعد 2 | لا رأي 3 | ممكن 4 | ممكن جدا 5 |
| | | | | |

15- بشكل عام هل أنت راضي عن نوعية الخدمة التي تقدمها شركة تأمينك؟

| | | | | |
|---------------------|---------------|-------------|-----------|-----------------|
| غير راضي بتاتا 1 | غير راضي 2 | لا رأي 3 | راضي 4 | راضي تماما 5 |
| | | | | |

الثالث: أبعاد رضا الزبائن عن نوعية الخدمات المقدمة

باعتمادك كيف تتقابل/ تلبي جودة الخدمات المقدمة من شركة تأمينك مع توقعاتك من حيث الأبعاد الواردة في الجدول أدناه؟

الرجاء الاجابة باستخدام القياس من 1-5، حيث:

- 1- أسوأ بكثير مما أتوقع 2- أسوأ مما أتوقع 3- مساوية لتوقعاتي 4- أفضل من توقعاتي 5- أفضل بكثير من توقعاتي

| # | العبرة/ البعد | أسوأ بكثير مما أتوقع | أسوأ مما أتوقع | مساوية لتوقعاتي | أفضل من توقعاتي | أفضل بكثير من توقعاتي |
|----|--|----------------------|----------------|-----------------|-----------------|-----------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| | الخدمات الملموسة TANGIBLES | | | | | |
| -1 | قدرة شركات تأمينك على منحك امكانية الوصول للمعلومات وللمنشورات المنتجات والخدمات | | | | | |
| -2 | قدرة الشركة على تقديم مكاتب وادوات ومواد جذابة | | | | | |
| -3 | قدرة الشركة في تقديم وسائل ترفيهية ووسائل دعائية متنوعة | | | | | |
| -4 | مظهر الموظفين ولباسهم الموحد | | | | | |
| | الموثوقية والاعتماد RELIABILITY | | | | | |
| -1 | مدى قدرة شركة تأمينك على تقديم الخدمة في الوقت المحدد | | | | | |
| -2 | مدى حفاظ شركة تأمينك على وعودها لك | | | | | |
| -3 | مدى انتظام واهتمام شركة تأمينك في حل شكاوى الزبائن | | | | | |
| -4 | مدى قدرة شركة تأمينك على تقديم الخدمة الصحيحة من المرة الاولى | | | | | |
| -5 | مدى قدرة شركة تأمينك واصرارها على الحفاظ على سجلها خالياً من الأخطاء | | | | | |
| -6 | لاي مدى تقوم شركة التأمين باشعار المؤمن له بتاريخ انتهاء تأمينه | | | | | |
| -7 | مدى التزام شركة التأمين بالتعويض خلال المدة المتفق عليها | | | | | |
| | الاستجابة RESPONSIVENESS | | | | | |
| -1 | قدرة تقديم شركة تأمينك للخدمة المطلوبة بصورة سريعة | | | | | |
| -2 | لأي مدى شركة تأمينك قادرة على تقديم خدمات متواصلة لزيائنها وتلبية احتياجاتهم وحل مشاكلهم | | | | | |
| -3 | ما هو مدى استعداد موظفي شركة تأمينك لمساعدة الزبائن عند الحالات الطارئة | | | | | |
| -4 | ما مدى سهولة الاتصال بالموظفين وسهولة ايصال المعلومة لهم | | | | | |
| -5 | ما مدى قدرة الموظفين على التواصل معك بسهولة ووضوح | | | | | |

| # | العبرة/ البعد | أسوأ بكثير مما أتوقع | أسوأ مما أتوقع | مساوية لتوقعاتي | أفضل من توقعاتي | أفضل بكثير من توقعاتي |
|----|---|-------------------------|-------------------|--------------------|--------------------|--------------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| | التعاطف/ EMPATHY | | | | | |
| -1 | تضع شركة تأمينك شروطا ومصطلحات مناسبة | | | | | |
| -2 | تعمل شركة تأمينك لساعات عمل تناسب الزبائن | | | | | |
| -3 | لدى شركة تأمينك برنامج ولاء (للزبائن المميزون) لتمييزك كزبون دائم ومتكرر | | | | | |
| -4 | تضع شركة تأمينك مصلحة الزبائن في صلب اهتماماتها | | | | | |
| -5 | تبذل شركة تأمينك جهد خاص لفهم الاحتياجات المحددة للزبائن | | | | | |
| -6 | تعذر شركة تأمينك عن الاخطاء اتي تسببها للزبائن | | | | | |
| -7 | تتابع شركة تأمينك جودة الخدمة بعد تقديمها لك (بعد التعرض لحادث) | | | | | |
| | الضمان/ ASSURANCE | | | | | |
| -1 | القدرة على تقديم خدمات متنوعة ذات قيمة مضافة مثل القروض | | | | | |
| -2 | صدق وصبر شركة التأمين في حل شكاوى ومشاكل الزبائن | | | | | |
| -3 | سلوك الموظفين من حيث زرع الثقة بالزبائن | | | | | |
| -4 | هناك تعليمات واضحة لمعالجة المشاكل التي تنشأ مع شركات التأمين | | | | | |
| -5 | مدى اهتمام الجهات المسؤولة بشكاوى المواطنين عن شركات التأمين | | | | | |
| -6 | يستخدم الموظفون المهارات والمعرفة المطلوبة للاجابة على اسئلة واستفسارات الزبائن | | | | | |
| -7 | لاي مدى يتمتع موظفي شركات التأمين بالمهنية | | | | | |
| -8 | لاي مدى تعتبر قانون التأمين واضح ومفهوم | | | | | |
| -9 | الآليات المستخدمة في القضاء لحل القضايا العالقة مع شركات التأمين | | | | | |
| | الأسعار/ PRICE | | | | | |
| | ما مدى مناسبة أسعار شركة تأمينك من حيث أقساط (أسعار) التأمين التي تدفعها كزبون | | | | | |
| -1 | أقساط (أسعار) التأمين التي تدفعها كزبون | | | | | |
| -2 | أقساط (اسعار) الخدمات الاضافية التي يتلقاها الزبائن | | | | | |
| -3 | طرق اقساط التأمين (التقسيط) | | | | | |

| # | العبرة/ البعد | أسوأ بكثير مما أتوقع | أسوأ مما أتوقع | مساوية لتوقعاتي | أفضل من توقعاتي | أفضل بكثير من توقعاتي |
|-----|--|-------------------------|-------------------|--------------------|--------------------|--------------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| | TECHNICAL QUALITY / الجودة الفنية والتقنية | | | | | |
| -1 | النجاح في تسوية واستكمال معالجة الحوادث والمطالبات | | | | | |
| -2 | الموظفون لديهم معرفة تكنولوجية ومهارات في حل مشاكل وقضايا الزبائن | | | | | |
| -3 | قدرة شركات التأمين على تقديم وثائق ومنتجات تأمينية تلبى متطلبات الزبائن | | | | | |
| -4 | قدرة شركات التأمين الإبداعية في استخدام التكنولوجيا المتاحة لتقدير الخدمات | | | | | |
| -5 | تقديم خدمات تأمينية مناسبة ومتنوعة | | | | | |
| -6 | لأي مدى تعتبر شروط وثائق التأمين مناسبة | | | | | |
| -7 | لأي مدى تعتبر تغطيات وثائق التأمين مناسبة | | | | | |
| -8 | لدى شركة تأمينك موقع إلكتروني متطور | | | | | |
| -9 | قدرة شركة تأمينك على تقديم معلومات واضحة وكاملة من خلال موقعها الإلكتروني | | | | | |
| -10 | تستخدم شركة تأمينك وسائل التواصل الاجتماعي مثل فيسبوك، تويتر.... | | | | | |
| | صورة شركة التأمين/ IMAGE | | | | | |
| -1 | لأي مدى تعتبر شركة تأمينك ناجحة | | | | | |
| -2 | كيف تقيم سمعة شركة تأمينك | | | | | |
| -3 | كيف تقيم العلامة التجارية لشركة تأمينك | | | | | |
| -4 | لأي مدى تساهم شركة تأمينك بالمسؤولية الاجتماعية | | | | | |
| -5 | لأي مدى تعتبر شركات التأمين مهمة للمجتمع | | | | | |

في حال وجود أية معلومات أو بيانات إضافية تعتقد أنها مناسبة ومفيدة لإثراء هذا البحث أقدر لكم ذكرها

.....

.....

.....

.....

شكراً جزيلاً لتعاونكم،،،

Appendix B: Interviews Questions

1. Services delivered by insurance companies

What is your evaluation of services delivered by Palestinian insurance companies?

2. Dimensions of service quality

What do you think makes a service delivered a good quality?

3. Price

Discuss whether economy (price) is an important part of what makes a quality service

4. Customer satisfaction

What is your impression about the level of customer satisfaction in Palestinian insurance sector?

أسئلة المقابلات باللغة العربية

- 1- ما هو تقييمكم للخدمات التأمينية التي تقدمها شركات التأمين العاملة في السوق الفلسطيني؟
- 2- ما هي العوامل التي تعتقد انها تتحكم بنوعية الخدمات التأمينية لتكون خدمات جيدة؟
- 3- هل الاسعار عامل مهم في نوعية الخدمة التأمينية؟
- 4- ما هو انطباعكم عن مستوى رضا الزبائن في قطاع التأمين الفلسطيني؟