UNIVERSITY OF KWAZULU-NATAL

The Relationship between Consumer Awareness, Consumer Protection, Service Quality, Customer Satisfaction and Loyalty among Long-term Insurance Consumers in Namibia

By
Magreth Bianca Tareekouje Tjizumaue
217080590

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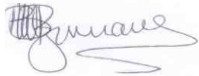**College of Law and Management Studies**

Supervisor: Professor Krishna Govender

2019

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ABSTRACT

Due to the absence of appropriate consumer protection legislation in Namibia, there seems to be a lack of consumer protection and this may result in the exploitation of consumers by the suppliers of goods and services. Since the literature reveals that consumer awareness, protection, service quality and customer satisfaction influence customer loyalty, this relationship was explored among consumers of long-term insurance products. The researcher embedded the study in the Services Marketing and User's Satisfaction/Dissatisfaction theory and developed a framework to create a more aware consumer and thus contribute to the growth and survival of the long-term insurance industry in Namibia.

A mixed methods approach was employed, which included in-depth interviews with relevant government officials and representatives of certain long-term insurance service providers in Namibia, as well as a survey, using a questionnaire, among a judgmental sample of 407 consumers. The data obtained using each research approach was analysed separately and the results were triangulated. Structural Equation Modelling was used to analyse the hypothesized relationships among the research constructs alluded to in the title of this study. NVivo was used to analyse the qualitative data obtained from the individual interviews.

In summary, it was ascertained that if customers were made aware (have sufficient knowledge) of products and their consumer rights, they would feel protected against unfair business practices. Furthermore, if they perceived that they were receiving quality services, they would more likely be satisfied with the service provider and would, therefore, remain loyal.

It is recommended that long-term insurance companies create product awareness and ensure that consumers are educated about their rights. Furthermore, these companies should also adhere to consumer protection guidelines, as well as ensure that their employees receive training on the products. Moreover, government regulators also have to ensure that strict penalties are in place to sanction insurance companies that do not adhere to consumer protection laws and exploit ignorant consumers. Finally, consumers should be vigilant when purchasing long-term insurance products and know when and where to complain, should the need arise.

Keywords: Long-term Insurance, Consumer protection, Consumer awareness, Service quality, Customer satisfaction, Customer Loyalty.

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LIST OF ACRONYMS AND ABBREVIATIONS

AVE: Average Variance Extracted

CFA: Confirmatory Factor Analysis

CLV: Customer Lifetime Value

CPA: Consumer Protection Act

CR: Composite Reliabilitya

CRM: Customer Relationship Management

EFA: Exploratory Factor Analysis

EDT: Expectancy Disconfirmation Theory

GDP: Gross Domestic Product

GoF: Goodness-of-Fit

MOJ: Ministry of Justice

MOU: Memorandum of Understanding

NAMFISA: Namibia Financial Institutions Supervisory Authority

NUST: Namibia University of Science and Technology

SEM: Structural Equation Modelling

SPSS: Statistical Package for Social Sciences

UN: United Nations

CHAPTER 1

INTRODUCTION

1.1 **Introduction**

Kumar (2016) explains that people who purchase goods and services for their personal consumption and not for business purposes or further processing are known as consumers and that the marketing activities that organisations engage in are directed towards consumers because they are the source for economic growth. He further points out that the higher the consumer awareness, the lower the exploitation in the society. Thus, consumers should be aware of their rights and responsibilities and should constantly be watchful in protecting themselves from any deceptive practices by traders. They should also be aware of products and their benefits before they make a purchase (Kumar, 2016).

According to Devi and Rao (2016), with technology that is constantly improving and advancing and the impact of globalization and education, consumers have more retail opportunities such as purchasing products online using various devices instead of going to the retail outlets. However, it is unfortunate that in this technological era, consumers are still the main target of exploitation and also fall victim to unfair business practices. Devi and Rao also state that organisations are implementing several strategies to make profits at the cost of the customer in order to remain competitive and that the major contributing factor to this is that the consumers do not know their rights and the protection measures available to them. (Devi & Rao, 2016).

Consumers are usually referred to as 'the kings' of the market, because all marketing activities are normally directed at them. Yet, although regulations, policies and acts are in place in some countries to protect them, they are continuously being exploited (Syal & Goswami, 2012). Schlettwein (2013) is of the opinion that the buyer-seller relationship has to be equal, that both parties should have equal bargaining powers and both parties should have the necessary information before any transaction. It is also vital that consumers are provided with all the necessary information regarding the products or services for them to be able to make well informed decions regarding their purchses. Unfortunately, in most cases the buyers and sellers do not have equal bargaining power and this is why the need to protect consumers has evolved (Schlettwein, 2013). Consumer protection laws govern the sales and credit practices regarding consumer goods and services, preventing businesses from implementing dubious business practices (Felix, 2017). The aforementioned researcher further states that historically, the

buying of consumer products was fair and transactions between buyers and sellers were favourable to both parties. However, in recent years, there have been many complaints from consumers complaining that they have been constantly disadvantaged, especially when they buy from bigger organisations, and this has resulted in various regulatory agencies being established to protect them (Felix, 2017).

Bix and McKee (2010) postulate that consumer protection regulation plays a major role in financial inclusion in several ways. Firstly, it contributes to companies being open and honest about their products and it also helps consumers make the right purchasing decisions. Furthermore, it helps consumers avoid harmful products and practices. However, consumers have a responsibility to do proper research before purchasing products so that they can avoid being taken advantage of and are able to choose wisely. If they may have limited awareness, knowledge and skills to assess product appropriateness, costs and risk, the consequences of their financial mistakes may be critical, because it could result in loss of income, assets and consumption (Bix & McKee, 2010). According to Amunkete (2013), the Namibian economy is characterized by unfair trade practices and most consumers do not really know who to consult when they have been wronged and this can result in exploitation by service providers.

One of the major contributors to a country's gross domestic product is the consumers henceforth consumers should be considered important and necessary to be protected (Amunkete, 2013).

Even though the long-term insurance industry has been in existance for a long time in Namibia there is still a lack of consumer protection and awareness (Kamati, 2017). Consumers who are aware of products and the benefits of products, as well as their rights, are more likely to make informed decisions. Marketers exploit the ignorance of consumers (Sriram & Suresh, 2013) and although all consumers are vulnerable to exploitation and misinformation, consumers who purchase long-term insurance policies are more likely to need more protection, more information about the products that they are to purchase and more knowledge on those products since the intangible nature of the services only allows them to experience the product benefits when an event has occurred (Ardic, Ibrahim & Mylenko, 2011).

According to Piratheepan and Pushpanathan (2013), organisations are required to ensure that they implement promotional strategies, which will assist in ensuring that consumers are aware of their products and who they should consult should they experience any unfair practices from sales personnel or any other issues before or after a purchase, (Mwakatumbula, Moshi &

Mitomo, 2015). It is usually difficult for the service providers to always ensure that their customers are satisfied but when customers are satisfied, they are to remain loyal to the service providers (Barshan, Elahi & Aghaei, 2017), organisations however strive to ensure that customers remain loyal because retaining them is more cost effective then acquiring new ones. Organisations who provide quality service are likely to have satisfied customers thus ensuring loyalty from the customers in return (Demir, Talaat & Aydinli, 2015).

In light of the above, this research aims to explore the relationship between various variables, that is, consumer awareness, consumer protection, service quality, customer satisfaction and loyalty in the long-term insurance industry in Namibia by drawing on Service Marketing Theory and User's Satisfaction/Dissatisfaction Theory.

1.2 Background of the Study

At present, since Namibia lacks a well-structured consumer protection framework, various institutions provide mechanisms to avert possible prejudice to consumer rights (Schlettwein, 2013). The Namibia Financial Institutions Supervisory Authority (NAMFISA) is one such institution that specifically undertakes consumer awareness programmes in relation to long-term insurance companies. At times, consumers might have the right information, "but factors such as their level of literacy and affordability may hinder them to make the right purchasing decisions" (Schlettwein, 2013:4). Gibson (2011) posits that companies in the long-term insurance sector are known for exploiting consumers. Johri (2009) also argues that the services that consumers receive from long-term insurance companies are either poor or unsatisfactory.

According to Boonzaaier (2006), when research was conducted about consumer protection and legislation in Namibia, it became evident that there was no legislation in place to protect Namibian consumers. Currently, the only legislation in place is the Credit Agreements Act 75 of 1980 and the Usury Act 73 of 1968, legislation that was inherited from South Africa during the apartheid era (Boonzaaier, 2006). Boonzaaier further states that although early discussions have been taking place to enact legislation, primarily for the protection of the consumer, no such legislation is yet in place.

Amunkete (2013) states that Namibia is characterized by many economic and social issues such as income inequality, high levels of poverty and illiteracy. Most of the population in

Namibia falls within the vulnerable group who are usually easily taken advantage of by service providers since they usually lack sufficient knowledge and awareness of their rights and the higher the vulnerability, the more necessary the protection becomes. Amunkete suggests that consumer awareness in Namibia is an important matter that needs to be well understood and studied. According to Abdolvand, Farzin, Asl and Sadeghian (2016) knowledge and awareness are significant factors which assist in the behaviour and attitudes of consumers towards the products since when consumers are aware and have the knowledge of the products and benefits of the products the markets are more likely to grow. These researchers were also of the opinion that developed countries are more aware and have better knowledge than in developing countries hence the higher consumption in these developed countries. It is therefore essential that companies ensure that they implement effective awareness strategies.

Marketers have to communicate information about their products to consumers as part of the organisation's promotional strategies (Kotler & Amstrong, 2016). Creating consumer awareness is essential for any organisation, and the promotional strategy within the marketing mix ensures that products on offer are known by consumers and that the benefits of products are well defined and communicated to them, so that they can make intelligent and informed purchasing decisions. Although all companies want to ensure that their customers remain satisfied and loyal, unfortunately, most are failing to do so, because they do not engage in the marketing concept, and organisations such as those in the insurance industry are more sales oriented. It has always been a challenge for these organisations to sell insurance products, since they are intangible in that they cannot be seen, felt, touched or tasted, making it difficult for customers to make purchasing decisions (Alinvi & Babri, 2007). Moreover, long-term insurance providers are usually more interested in selling the products than in keeping their customers satisfied (Wanjiru, 2013). Unfortunately, this results in these organisations being seen as lacking a customer service orientation and this, in turn, has resulted in complaints being submitted to NAMFISA (Kamati, 2017).

The importance of customer satisfation is that it contributes to customers remaining loyal to service providers, which actually increase their profits (Madikwe, 2015). When consumers are protected and better aware of the products or services, they are more likely to make better purchasing decisions and they will also be able to protect themselves against any unfair practices when they know their rights better and make informed decisions. This then results in consumer satisfaction (Mwakatumbula et al., 2015). Consumers are usually likely to remain

loyal if they are satisfied, which should result in the success of the organisation (Matthew, 2015). Consumers also usually expect organisations to provide excellent service so that they receive reliable and quality services. If consumers do not receive this from an organisation, they are more likely to look for alternative service providers. Consumers in the long-term insurance industry in Namibia are also sensitive to how the services are provided, and for them to remain loyal, the provider should pay attention to this aspect. According to Kobylanski and Pawlowska (2012), consumers are satisfied when they feel that they have received acceptable services from their providers. However, Gizaw and Pagidimarri (2014) are of the opinion that consumer satisfaction is the total assessment of a consumer's experience, which usually leads to consumer loyalty. Consumer satisfaction is, therefore, the key to all service providers, since it is considered as a main indicator of a firm's performance (Kobylanski & Pawlowska, 2012; Nazari, Divkolaei & Sorkhi, 2012). Given the above, the study therefore aims to explore the relationship between consumer awareness, consumer protection, service quality, customer satisfaction and loyalty amongst consumers in the long-term insurance industry in Namibia.

1.3 Statement of the Problem

Various researchers (Kousalya, Mohan & Yuvaraj, 2013) argue that companies continue to exploit consumers, more specifically, financial institutions, which are known for their exploitation, and the service consumers receive is either poor or unsatisfactory (Lester, 2009). Gibson (2011) posits that explotation of consumers is more prevalent in the long-term insurance industry and Johri (2009) agrees that the services that consumers receive especially in this industry are either poor or unsatisfactory. Insurance sales consultants have the tendency to entice consumers into buying their products and they even pressurize them at times. The benefits of the products offered are sometimes not well explained to prospective clients and are often exaggerated. Furthermore, the disadvantages of purchasing certain insurance policies/products are not well explained, which might even lead to claims not being approved (Magunga, 2010). A cancellation process might be a challenge and premiums can still be deducted although the policies have been cancelled. Insurance companies often do not refund clients the deductions that may have continued after the service cancellation, and unfortunately, most consumers do not usually know the claim or cancellation procedures (Eling & Kochanski, 2012). It is important to know whether these consumers are aware of what they are purchasing and whether all the benefits as well as the disadvantages have been communicated to them, or whether they are purchasing unnecesary products. Kuugongelwa-Amadhila (2012) emphasized that for consumer protection to be effective consumer literacy on financial matters should also

be in place. The level of consumer and financial literacy in Namibia is low in both old and young Namibian citizens therefore the various institutions such as NAMFISA and Bank of Namibia have been offering public education. Usually, when consumers realise they have purchased these unsought products without having the necessary information to make informed purchase decisions, they are more likely to become dissatisfied and source for other service providers (Strenitzerova & Gana, 2018).

The lack of a consumer protection legislation in Namibia is a possible contributing factor to the lack of service quality in the various industries. When consumers are not protected through having the right policies and regulations in place in terms of fair prices, deceptive promotion, fair claim process; services providers are more likely to take advantage of the consumers. The services they will provide to the consumers are more likely to be unsatisfactory which will result in consumers being dissatisfied. However if there is a consumer protection legislation and consumers are protected the service providers are more likely to engage in fair practices since the legislation will be there to protect the consumers and therefore the service providers will likely be motived to provide excellent sevices to the consumers; best quality service, better consumer awareness through promotion and educating the consumers on their rights and specific benefits and disadvantages associated with the products they are to purchase, which will therefore result in customer satisfaction and customers will likely remain loyal to the specific service providers.

Based on the above, it was apparent that there is a need to ascertain the following aspects:
- what is the level of consumer awareness in relation to the products that are offered by companies in the long-term insurance industry;
- what protection do the consumers in Namibia enjoy;
- what are the various consumer protection policies and laws in Namibia;
- what consumer protection related education is provided to these consumers;
- what are the consumer perceptions of the service quality provided by the long-term insurance industry;
- what are the satisfaction levels of consumers in the long-term insurance industry;
- whether the quality of the services provided ensures satisfaction of customers.
- how loyal are consumers of long-term insurance to the specific organisations they purchase their products from; and

- what strategies have companies implemented to ensure customers are satisfied and remain loyal to the service providers.

1.4 **The Rationale of the Study**

There is little research on consumer awareness, protection, service quality, satisfaction and loyalty in Namibia in general and, more specifically, with respect to the long-term insurance industry. However, it is vital to ensure that consumers know their rights and that these rights will assist them in making the right purchasing decsisions. This study can assist the long-term insurance industry to develop appropriate consumer education programmes and conduct business more ethically in ways that will not be perceived as consumer exploitation. The nature of their products requires that long-term insurance companies develop service excellence to ensure customer loyalty. This would encourage insurance companies to realize the importance of service quality and customer satisfaction and the kinds of strategies they could implement to ensure customer loyalty.

1.5 **Research Objectives**

The following research objectives were identified for the study:
a) To assess whether consumer awareness influences customer loyalty in the long-term insurance industry;
b) To establish whether consumer awareness influences the levels of customer satisfaction in the long-term insurance industry;
c) To evaluate whether consumer awareness influences service quality in the long-term insurance industry;
d) To establish whether consumer protection influences customer loyalty in the long-term insurance industry;
e) To assess whether consumer protection influences customer satisfaction in the long-term insurance industry;
f) To establish whether consumer protection influences service quality in the long-term insurance industry;
g) To assess whether customer satisfaction influences customer loyalty in the long-term insurance industry;

h) To evaluate whether service quality influences customer loyalty in the long-term insurance industry; and

i) To assess whether service quality influences customer satisfaction in the long-term insurance industry.

1.6 Research Questions

The main research questions are the following:

a) Does consumer awareness influence loyalty among long-term insurance consumers?

b) Does consumer awareness influence levels of satisfaction among long-term insurance consumers?

c) Does consumer awareness influence perceptions of service quality of long-term insurance customers?

d) How does consumer protection influence customer loyalty in the long-term insurance industry?

e) How does consumer protection influence customer satisfaction in the long-term insurance industry?

f) Does consumer protection influence service quality in the long-term insurance industry?

g) Does customer satisfaction influence loyalty among consumers in the long-term insurance industry?

h) To what extent does service quality influence customer loyalty in the long-term insurance industry?

i) How does service quality influence customer satisfaction in the long-term insurance industry?

1.7 Research Hypotheses

According to Best and Khan (2002), a formal affirmative statement predicting a single research outcome is known as a hypothesis and its most commonly used to test whether an existing theory can be used to solve a problem. Kothari (2004) states that, a hypothesis is considered as a predictive statement which can be tested by various scientific methods that relate to independent variables or dependent variables. Malhotra (2007) also states that the hypothesis is an unproven proposition or statement regarding a phenomenon or factor that is of interest to the researcher and which could also be a possible answer to the research questions.

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Based on the research objectives and questions, as stated below, nine hypotheses have been formulated through a detailed review of the literature and tested with the data collected from a sample of 407 consumers of the long-term insurance industry in Namibia.

H1: Long-term insurance consumer awareness positively influences customer loyalty;

H2: Long-term insurance consumer awareness positively influences customer levels of satisfaction;

H3: Long-term insurance consumer awareness positively influences customer service quality perceptions;

H4: Long-term insurance industry consumer protection positively influences customer loyalty;

H5: Long-term insurance industry consumer protection positively influences customer satisfaction;

H6: Long-term insurance industry consumer protection positively influences service quality;

H7: Long-term insurance customer satisfaction positively influences customer loyalty;

H8: Long-term insurance industry service quality positively influences customer loyalty; and

H9: Long-term insurance industry service quality positively influences customer satisfaction.

1.8 Significance of the Study

Considering that there is a lack of research in the long-term insurance industry on this topic in Namibia, the study contributes in addressing the issue of consumer awareness, consumer protection, service quality, customer satisfaction and loyalty in the long-term insurance industry. In addition, the findings could assist the long-term insurance organisations in Namibia in improving their services and to also better understand the need for consumers to be protected in this industry as well as the significance of educating the consumers about their rights and the products.

Moreover, the organisations within the long-term insurance industry may get a better understanding of how their consumers perceive their service and ensure that they amend their strategies to guarantee customer satisfaction and ensure loyalty to their companies. Government policy-makers would also become more aware of whether policies currently in place are adequate to protect the rights of consumers and if there is a need to develop better

policies or enforce the ones in existence. Long-term insurance consumers may also become more aware of their responsibilities and their rights as consumers thus be in a position to make correct and responsible purchasing decisions, and also know where to look for recourse should they be misinformed or feel exploited.

1.9 Scope of the Study

The study investigates the relationship between consumer awareness, consumer protection, service quality, customer satisfaction and loyalty amongst consumers in the long-term insurance industry in Namibia. It focuses on the three largest long-term insurance companies, namely Sanlam Namibia, Old Mutual Namibia and Metropolitan Life Namibia, and their consumers. Time and resources were too limited to base the study on all the long-term insurance companies in Namibia. Additionally, due to the limited resources, the study only concentrated on companies and consumers in the capital city of Namibia, Windhoek. The data was collected from October to November 2018.

1.10 Delimitation of the Study

Delimitation of the research is usually the limits a researcher imposes on the scope (Marshall & Rossman, 2015). The study was limited to Windhoek, the capital of Namibia, since it has the largest urban population concentration.

1.11 Research Methodology

Both exploratory and conclusive research designs were used, with a focus on the descriptive component and a mixed methods approach. For the qualitative study, semi structured in-depth interviews were conducted with several key informants of the three insurance companies chosen specifically for the study. In total, there were 24 interviewees for the qualitative research. Three separate questionnaires were developed and used: two for qualitative data collection and the other for the quantitative data collection. Appointments were made with specific individuals at the various organisations on the basis of their positions and how their specific roles would provide relevant information. Judgment sampling was used to select 407 customers of long-term insurance companies. Permission to collect information from the consumers was not needed from the insurance companies because consumers were allowed to

participate in any survey as long as they permitted the researcher to do so. The data were analysed using the Statistical Package for Social Sciences (SPSS) Version 24 to conduct descriptive and exploratory factor analysis (EFA), while the SmartPLS software was used for conducting the Structural Equation Modelling (SEM). A bootstrapping resampling method was used to test the statistical significance of the relationships.

1.12 Ethical Considerations

Gatekeeper permission was obtained from the respective organisations mentioned in the study to conduct interviews with the employees and the consumers also gave their consent before completing the questionnaires. Permission was granted by the ethics office at the University of KwaZulu-Natal to conduct the research. The researcher thus complied with the ethical standards of academic research, which is to ensure that the interest and identities of the respondents are protected and confidentiality of the information provided by the respondents is maintained.

1.13 Structure of the Study

Chapter One includes the introduction, background of the study, statement of the problem, purpose of the study, research objectives, research questions, and hypotheses, significance of the study and the scope and delimitation of the study. An overview is provided of the research methodology, since it is discussed in Chapter Four in detail. The rationale of the study and the ethical considerations are also explained.

Chapter Two provides a comprehensive review of the literature on consumer awareness, consumer protection, service quality, consumer satisfaction, consumer loyalty in general and with reference to the long-term insurance industry. The chapter explains the concepts and the relationship between these concepts.

Chapter Three covers the theoretical and conceptual framework that supports the study and the hypotheses that were formulated there from.

Chapter Four focuses on the research design and methodology. The chapter is a detailed discussion on the research design, data collection and analysis method, sampling and questionnaire design.

Chapter Five reports on the research findings and the data analysis and discusses the results with reference to the research questions, objectives and hypotheses of the study.

Chapter Six deals with an analysis of the findings, which entails a comparison of the results with the relevant international, regional and local literature.

Chapter Seven contains the conclusions and recommendations of this study with respect to the research objectives and offers some direction for future research.

1.14 **Conclusion**

The chapter outlined the background of the study, the objectives, research questions and hypotheses to provide insight into and context to the study. The rationale, delimitation and the research methodology were discussed and finally, the structure of the thesis.

Chapter Two discusses the literature relevant to this study. It therefore reviews the concepts, and their characteristics and the relationship between consumer awareness, consumer protection, service quality, consumer satisfaction and loyalty amongst consumers of the long-term insurance industry.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Kumar (2016) asserts that consumers are the origin of the modern marketing world. Thus, all the marketing activities of an organisation revolve around the consumers and they are also the main pillars of economic development in a country. However, this author states that consumers are in many ways exploited by sellers. Before consumers make purchases, it is important that they seek full information regarding goods or services and they should be careful about false and misleading advertising (Si & Kapoor, 2015). Consumers are usually not organized, but it is important that they organize themselves and make their voices heard in order to be protected from unfair, unreliable and deceptive practices by sellers (Babaogul, Sener & Surgit, 2010).

Kamati (2017) states that most businesses do not act responsibly and are therefore more likely to take advantage of the ignorance of consumers. It is especially the insurance companies that fail to provide their consumers with the correct information of their products thus limiting the consumers' ability to make the right purchasing decisions (Kamati, 2017). Furthermore, for consumers to be able to make the right purchasing decision, companies should not only provide enough and accurate information about the products, but they also have to ensure that consumers know their rights. This would encourage consumers to lodge complaints when they are not satisfied with the supplier or service. Namibia has realized the importance of implementing a Consumer Protection Act, and the different stakeholders are currently in the process of ensuring that it is implemented in Namibia in the future (Kamati, 2017) since if there is no consumer protection legislation, consumer rights are likely to be infringed.

Customers obviously expect to receive quality services when they purchase products. Therefore, service providers should develop strategies to ensure customer satisfaction, which would result in increased competitiveness, effectiveness and flexibility of the company (Long & Khalafinezhad, 2012). To retain their customers for as long as possible, organisations should realize the significance of customer satisfaction and ensure that they constantly come up with strategies which will assist in achieving this goal (Mackay, Petzer & Mostert, 2014). Satisfied

customers are usually more loyal and increase the survival chances of an organisation (Dagger & Danaher, 2014).

The concepts of consumer awareness, consumer protection, service quality, customer satisfaction and loyalty will be elaborated on in addressing the aims and objectives of the study in the context of long-term insurance.

2.2 **Long-term Insurance**

According to Sibindi (2015) the following metrics provided on the global insurance demonstrates the importance of insurance. "Firstly, the global insurance industry continued its recovery in 2014 as evidenced by total direct premiums written which grew by 3.7% in 2014 to USD 4 778 billion after a year of stagnation in 2013 (Swiss Re, 2015). Secondly in 2014, total insured and uninsured losses due to disasters were estimated at USD 110 billion, down from USD 138 billion in 2013 and well below the inflation adjusted 10-year average of USD 200 billion. Asia was hardest hit with losses of USD 52 billion. Further according to Swiss Re (2015), overall the insurance sector covered USD 28 billion of losses from natural catastrophes and USD 7 billion from man-made disasters. Severe thunderstorms in the US and Europe trigged many of the insurance claims. Harsh winters in the US and Japan were the other major causes of claims. The large gap of USD 75 billion between total and insured losses highlights the lack of insurance protection, particularly in emerging markets, but also advanced markets", (Sibindi, 2015: 319)

Muguto (2018) states that South Africa remains the most dominant market and Nigeria remain underpenetrated. "The country insurance penetration in Africa is as follows: South Africa 16.99% , Namibia 6.69% , Lesotho 4.76% , Mauritius 4.18% , Zimbabwe 4.09% , Kenya 2.83% , Swaziland 2.44% , Togo 1.98% , Mozambique 1.58% , Malawi 1.52% , Senegal 1.51% , Gabon 1.38% , Zambia 1.11% , Ghana 1.10% , Cameroon 1.05% , Congo 1.05% , Benin 0.85% , Burkina Faso 0.78% , Uganda 0.77% , Angola 0.71% , Tanzania 0.68% , Gambia 0.67% , Madagascar 0.67% , Niger 0.65% , Sudan 0.57% , Mali 0.53% , Ethiopia 0.43% , Sierra Leone 0.41% , Eritrea 0.38% , Burundi 0.35% , Nigeria 0.30% , Central A.R. 0.29% , D.R. Congo 0.29% , Eq. Guinea 0.21% , Chad 0.20% , Guinea 0.04% . Insurers present in these countries need to be innovative and use new distribution methods to be able to reach prospective

customers. Most rural areas are not easily accessible but the sales personnel should strive to also access these markets", (Muguto, 2018: 14).

LONG TERM INSURANCE
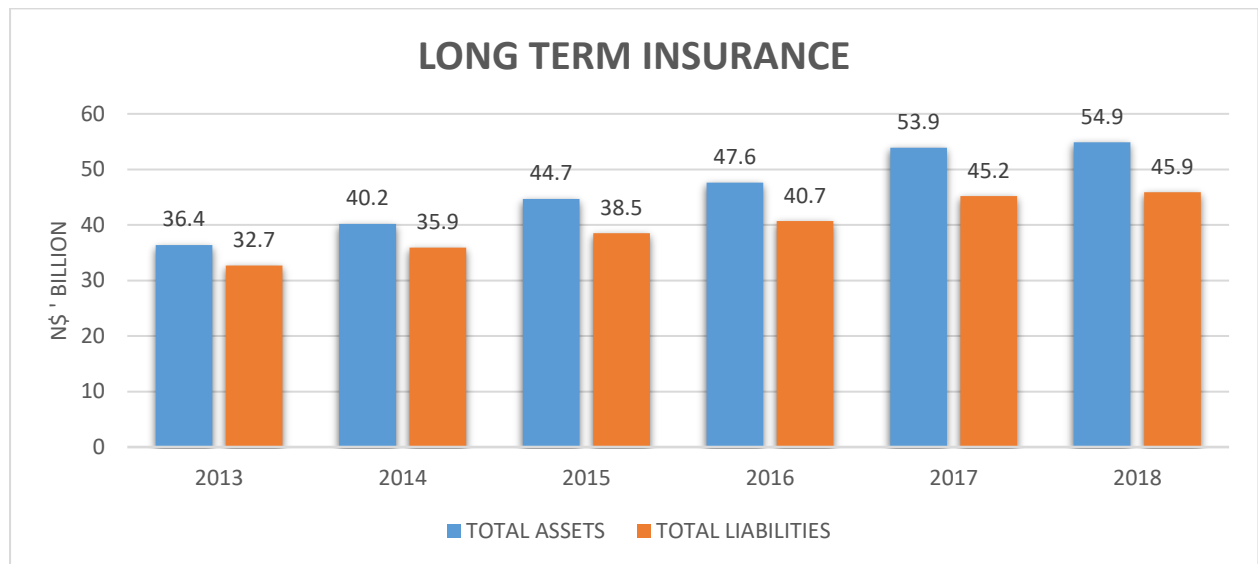
Figure 1.1: Long term insurance in Namibia

Source: Motinga (2018)

The above graph shows the Long-term Insurance Industry performance on total assets and liabilities over a period of 5 years. Total industry assets reported a Compound Annual Growth Rate (CAGR) of 9% over the past 5 years with a lower CAGR of 7% reported for total liabilities in the same segment of the market. This is indicative that the LTI industry is adequately capitalized as at all times as assets grows at a higher rate in relation to the insurance liabilities that it backs up.

Generally, people want to protect their dependents against any future unforeseen events that may cause disability, or even death, and therefore they purchase insurance policies (products). Balaji (2015) posits that when consumers make the right purchasing decisions and secure the right policies, they are able to secure their future and that of their families. Consumers who purchase unsought products such as insurance policies expect certain levels of service associated with the product, since they have to be confident that they have made the right and the best decision. According to Balaji (2015), the aim of the long-term insurance is to protect people against losses they incur financially which might transpire due to death or illness, and

it also helps with financial planning. Amunkete (2013) is of the opinion that people consider investing in a safe long-term financial plan while still young. The author believes that obtaining a long-term insurance policy or product is one way of ensuring that dependents are financially catered for upon their death or disability, but there are usually also policies offered for savings and retirement.

According to Muranda and Kaurimuje (2016) long-term insurance includes the following main classes: funeral insurance, life insurance, disability insurance, sinking fund insurance, health insurance and fund. Amunkete (2013) pointed out that long-term insurance policies can also be obtained for security purposes to cover debt upon death or disability. The numerous long-term insurance products make it vital that the consumer comprehends the various products and how they suit their specific situation, risk and need insurance (Amunkete, 2013). Thus, relevant information about the products and consumer rights must be well communicated by the sellers before the buyers can make any decision regarding the purchase of these products.

Gibson (2011) has argued that insurance is important to avoid falling into the poverty trap, and to be ready for any unforeseen events. Gibson (2011) further suggests that to protect consumers, regulations should ensure that consumers are sold the right products which will satisfy their specific need and can afford. The aforementioned author also suggests that it is important that consumers' risks and savings needs are met, because low financial literacy, inappropriate product design and selling of the wrong insurance products to the consumers, defeats these objectives.

Insurance is a service and marketing of services differs from marketing of tangible products. This is due to the fact that the intangible nature of the services requires the service providers and the customers to have a personal interaction.

Yu and Tseng (2016) claim that life insurance product benefits are generally difficult to demonstrate because customers only experience the benefits after an incident has occurred and because they are usually not confident in judging the worth of the service. Therefore, consumers of these services need to be more vigilant when making a purchasing decision. The marketing of insurance products is also very complex, because there are many factors involved, such as personal services, which require more a complex relationship with the service provider (Geethamani, 2016). Furthermore, this difference from tangible products makes it significant

for the service providers to realize the dynamics of services. They should ensure that the strategies they implement result in customers receiving quality service, being highly satisfied and wanting to remain loyal to the organisation. It is also important that when consumers make the decisions to purchase these services they are fully aware of their responsibilities as consumers as well as their rights as consumers.

Syal and Goswami (2012) define consumer awareness as the process of making the consumers aware of their responsibilities as consumers, making them aware of their rights as consumers and also making them aware of the product characteristics and all the elements in the marketing mix. Similarly, the consumers in Namibia should be made aware of their responsibilities as consumers so that they know when to submit complaints and to which authorities they are to submit their complaints; they should know the products and their benefits so they make the right purchase decisions; and also know their rights which will help them to be vigilant therefore not exploided by the service providers. Jain and Goyal (2012) state that a lot of consumers may not be completely aware of their responsibilities and rights although they have been purchasing insurance products for many years, it is therefore imperative that insurance companies realize the importance of consumer awareness and protection. It is against this background, that the relationship between consumer awareness, consumer protection, service quality, customer satisfaction and loyalty among long-term insurance customers in Namibia is explored by reviewing and discussing the literature on the key research concepts in this study.

2.3 Consumer Awareness

Sharma (2013) points out that consumer awareness is when people are aware of what they are purchasing in terms of the product's benefits, the price of the products, as well as any potential deceptions related to the products. Sharma (2013) stresses that it is important for consumers to do thorough research on the product before purchasing so that they know exactly what they are purchasing and what they should expect when buying a certain product, thus reducing the chances of exploitation (Sharma, 2013). Adopting a slightly different view, Kumar (2016) is of the opinion that consumer awareness is when people clearly comprehend the importance of knowing and understanding the purchasing conditions, the usage of a product and every important detail about it, which will help them make the right purchasing decisions and become cautious consumers. Sharma (2013) asserts that consumer awareness is the additional understanding and knowledge of rights, which would help consumers get the most from their purchases. He/she stresses that consumer awareness is a combination of the following:

- The consumers having the information of the product in terms of the benefits and quality of the products;
- consumers having information on the various hazards and any problems related to the product;
- Information about their rights as consumers, meaning that the consumer must know that he/she has the right to get the right kind of product;
- knowledge about the consumer's own responsibilities; and
- acting more responsibly and collaborate with the government (Sharma, 2013).

Magunga (2010) postulates that to create better awareness, it is vital for organisations to segment the market, thus enabling them to create specific campaigns instead of having a general offer to their entire customer database. Syal and Goswami (2012) assert that creating consumer awareness is very important in order to safeguard consumers' interest by educating them about their rights and responsibilities. They propose the following ways to create consumer awareness:

- advertising as a promotional tool as well as websites of the organisations which assist in ensuring that consumers are aware of the different features of the product sold;
- branding as a strategy in companies to differentiate themselves from the competitors;
- pamphlets to communicate information about the company's products to prospective customers;
- presentations to schools and businesses to explain how people can tackle specific financial issues,;
- radio announcements or advertisements to communicate the producst to the target audience;
- using television to ensure that consumers are aware of the products they are offering; and
- newspaper advertising to reach the target audience.

Phukon (2016) argues that if consumers are not duly aware of the products/services in terms of appropriate prices, quality, durability and performance, warranty, after-sales service, discounts and concessions, they may not know about their rights and responsibilities either. He further states that even if consumers are well educated, they may not necessarily be aware of their rights, and even if they are, they may not be open to fighting for their rights (Phukon, 2016).

Magunga (2010) pointed out that starting a new business and acquiring customers is difficult for any new business, but when a business implements innovative ideas and good techniques it is more likely to succeed. This author states further that successful sales intermediaries have realized the importance of constant communication with customers such as following-up on queries, updates on products and any other important information.

According to Sharma (2013), although most buyers respond to advertisements and buy the products based on them, advertisements do not always provide comprehensive information that assists buyers to make informed purchasing decisions. Makanyeza (2014) emphasizes that when consumers are well informed and aware of their rights and responsibilities the consumers are able to make well informed purchasing decisions and also confidently demand to receive quality services from the service providers which will thus reduce the chances of them being exploited by the service providers. NAMFISA strives to ensure that consumers are empowered through knowing their rights and obligations and they usually do it through awareness and education. When the consumers are aware of their rights and obligations they will be empowered to enjoy legal protection from the service providers and they will also be able to make informed decisions and be motivated to lodge complaints against any unfair practices they experience (Matomola, 2016).

Ioncica, Petrescu, Ioncica, and Constantinescu (2012) however assert that the behaviour of the consumer of insurance products is largely influenced by numerous factors that can be classified as payment methods, external factors, demographic and psychographic factors, sales personnel and marketing activities such as the promotional strategies of the insurance company. Each of these factors are briefly discussed as relevant to the study.

2.3.1 *Payment Methods*

The payment methods that organisations have in place can influence consumer buying behaviour. Consumers want a convenient and secure way of paying for their services and should be prioritised by service providers. Consumer payment behaviour is complex and the choice of payment method can be influenced by consumer demographics (Consumer Payments Research Center, 2017). Marketers need to understand how consumers make their payment choices and why, because different payment instruments have certain exclusive attributes, such

as transaction speed, cost, convenience, security, restraint, records keeping and acceptance, which may influence whether consumers purchase the service or not (Schuh & Stavins, 2011: 17).

2.3.2 *External Factors*

Consumer buying decisions are not only influenced by internal factors, but also by external factors, since the environment is so complex. Although there are several external factors that include culture, social class, personal influence, family and situation, it is social status and culture that are the most influential factors (Mohanty, 2009). Since the living standards and social status of people are changed by the external factors, it is important that before marketers come up with awareness strategies, they should understand how, when and why the external factors influence consumers (Raghav, 2013).

2.3.3 *Demographics*

Among the many factors that affect the decisions of customers regarding the insurance policy they purchase, demographic factors play a big role in the selection of the products they deem suitable (Navarathinam, 2016). Service providers should therefore understand how consumer behaviour is influenced by age, gender, education, income, and marital status. These categories play an important role in predicting consumer demand for insurance products, how they have to be designed and the marketing strategies that should be implemented. Furthermore, service providers should design products and promotional strategies differently, based on the gender of the customers (Jetawati & Mistry, 2017). However, in a study done in Ghana, it was found that socio-economic and demographic factors positively and significantly influenced the demand for insurance products and these factors also have a positive influence on insurance patronage. There are various challenges identified in purchasing insurance policies, these are challenges such as lack of complete information of the products, affordability challenges, lack of information on the advantages and disadvantages of these products and the challenges consumers experience with the claims process (Fofie, 2016). Product awareness, economic and demographics factors significantly influence the buying of insurance products, but social factors are found to be not as significant for insurance uptake. Organisations should therefore insure that their clients are profiled according to their demographic as well as their economic characteristics and furthermore, they should create marketing strategies for each segment and develop various products based on these segments (Langat, Naibei & Getare, 2017).

2.3.4 *Psychographic Factors*

According to Callwood (2013), as cited by Durmaz (2014), individuals purchasing decisions are more often also influenced by other factors such as psychographic factors and are characterized as the individuals' perceptions, motivations, learning and beliefs and attitudes. The psychological factors are exclusively important to each person and the individual's influence is strong, making it difficult for marketers to study these psychographic factors. They usually represent a consumer's unique qualities and way of responding to the market, and they are further linked to the operation of demographic, cultural and socio-economic factors. This makes it necessary for marketers to pay attention to the psychology of the market as well as the intentions and attitudes of consumers (Lichev, 2017).

2.3.5 *Sales Personnel*

Suki (2013) is of the opinion that consumer confidence is normally increased by the service standards of insurance providers and this is usually achieved through employing the right sales personnel who are professional and highly educated. Such sales personnel are able to critically review the policy wording and premium rates of products that they have to sell to policyholders, which results in consumer satisfaction and even referrals of their social and family network to the specific insurer and sales person. Rai and Medha (2013) concur on the importance of an insurance company employing the right sales personnel, because the encounter between the sales personnel and the customer is very important and critical. The delivery of service by sales personnel can result in lasting relationships with customers, therefore companies need to conduct systematic training programmes for their sales personnel (Hazratil, Zohdi, Seyedi & Dalvand, 2012).

As employees are the central pillar of services and the key to achieving a competitive advantage, to ensure good customer services, organisations need to have good human resources management policies in place for employee selection, staff development and employee motivation, which will result in ensuring that customers remain satisfied and loyal (Khartabiel & Saydam, 2014). According to Nyaguthii (2013), most customers prefer customer care staff that are enthusiastic, responsive, courteous, proactive and who listen carefully. Customers expect the services that are provided to them to be problem free, highly efficient and speedy as they view the insurance products to be extremely important since these products are for

protection against uncertainties of the future. Keong, Xiang, Yee, Hsien and Pei (2014) are of the opinion that customers usually settle for insurance companies that offer services of high quality and those who provide consumers with inclusive information on the services and products. They suggest that an insurance company that provides this and well trained sales agents, will build a good perceived value, a good corporate image, have fewer complaints from consumers, and will generally increase customer satisfaction. Suki (2013) adds that customer satisfaction is reinforced when sales personnel have outstanding communication skills and the customer is served in a good atmosphere with pleasing physical facilities. Suki states that when staff understand the needs of customers, they give individual attention and this, in turn, make it more likely that loyalty will be maintained and they will continue to purchase from that company, and customer switching will be minimized.

Furthermore, employee job satisfaction generally leads to an increase in customer satisfaction and that it is usually affected by factors such as compensation and the work environment. A highly motivated workforce can also raise the quality standards of the service providers, hence, the importance of motivating and rewarding employees, based on their performance evaluations. Sales personnel are the link between the company and the client and because the product offerings within the insurance industry are similar, companies should ensure that they are well trained to provide excellent services to customers for the company to excel in the market (Qoadeer, 2013; Tuan, 2015). It is therefore important that employees are well trained, well compensated and that the work environment provided is conducive to the employees (Jeon, 2017). All these factors that keep employees satisfied, could be determining factors for sales personnel to maintain professionalism and ensure that they act within high ethical and moralstandards when they sell policies to the customers. Sales personnel that understand the concept of acting honestly, ethically and with dignity are more likely to ensure that customers understand what they are purchasing and are therefore more likely to build trust. This usually results in customers remaining loyal to the organisation and repeating their purchase. It is important for consumers to have a good relationship with sales personnel, because this increases the likelihood of receiving proper advice (Yu & Tseng, 2016). Training sessions held by organisations, where their sales personnel are informed of the core Customer Relationship Mangment process such as customer acquisitions, customer retention and customer development are vital. It is important for sales personnel to have a broader idea of this process, since this will allow them to engage with customers in ways that retain their loyalty (Du Plessis & Roberts-Lombard, 2013).

William (2015) and Adesoga (2016) reiterate the importance for sales personnel to have trusting and committed relationships with their customers because it can influence their assessment of the organisation. Furthermore, according to Gachau (2016) when this relationship exists they are more likely to recommend others to the firm and remain loyal. If sales personnel are satisfied in their work, they are more likely to improve service delivery quality in the company, as they will be motivated to provide quick feedback, error-free policy documents, to enlighten customers, update them and effectively listen to them.

There is a need to study the insurance industry from the agent's perspective (Irulappan & Bincy, 2014). Insurance agents (employees of insurance companies) are considered to be the interface between customers and the insurer, therefore they are the best source of information to assist the insurer to implement the correct strategies that contribute to customer satisfaction. Organisations should have feedback sessions with customers on their satisfaction if they want to improve on their customer service, because they can serve as supervisors for organisations based on their experience with sales personnel and the products they have purchased. Organisations can implement better information strategies based on customer feedback (Tuan, 2015). The next section discusses promotional strategies that organisations implement to create customer awareness.

2.3.6 *Promotional Strategies*

According to Osman, Othman, Rana, Jin and Soiman (2016), promotion is to make a product, an institution, an idea or a person known and accepted by the target market. Thus, for consumers to be made aware (of a product or service) and educated in the process, effective promotional strategies should be developed and implemented. Promotion involves appropriate conviencing communication to arouse interest in the target market so they are positively disposed towards the brand offering (Saha, 2015). When a company produces a product or service it needs to be introduced in the market so that people will become aware of that service or product. then appropriately planned by the marketing management team and the sales team to make sure that customers or prospective customers are aware of the newly released products or service (Anusha, 2016). The promotion strategy, when compared to the other marketing mix tools, is the one that greatly impacts the company's market share. It is therefore important to understand the specific strategies needed to arouse the necessary interest and stimulate positive

customer behaviour (Yang, 2010). Promotion is one of the important marketing tools and a business success usually depends on an effective promotional strategy (Shawon, 2012).

Familmaleki, Aghighi and Hamidi (2015) define promotion mix as a tool that businesses effectively utilize to communicate to their prospective customers or current customers the benefits of their products and services. The researchers add that the primary purpose of promotion is to reach the targeted consumers and to persuade them to buy the products they are offering to the market. Long-term insurance companies sell unsought products, which are those that customers do not think of purchasing or are not aware of (Familmaleki et al., 2015). These unsought products also do not have immediate tangible benefits, so aggressive promotional campaigns such as heavy advertising and good sales techniques would be ideal for selling these types of products (Osman et al., 2016). Enitilo, Ajayi and Famuagun (2017) emphasize that promotion is used by organisations to ensure that customers are aware of the products (and services) they are offering. They state that promotion is one of the key aspects in the marketing mix and it plays a crucial role in the success of an organisation.

Vishnuvarthani (2016) is of the opinion that it is not only in the marketing of goods and services where the marketing mix is important, the marketing mix equally plays a vital role in the marketing of services. The marketing mix for services however comprises of 7Ps and not 4Ps as in the marketing of goods. The 7Ps are products, price, place, promotion, people, process and physical evidence and although all the 7Ps are vital in service delivery, promotion plays an important role in ensuring that the service reach the consumers (Vishnuvarthani, 2016). Creating awareness among the target audience can be easily done through newspaper or television to reach the mass, but a sense of urgency to reach the audience can be done through personal selling most especially in the insurance industry since people don't actively sought for such services. Organisations should ensure that they give importance to the promotional tool and select the correct media, message and choose the right promotional cycle as the components of a service promotional plan, (Vishnuvarthani, 2016). The additional 3Ps were exclusively introduced for the service industry. The people represent the personnel of the organisation and since the services are intangible in nature the customers have to rely on the personal before making a purchase decision, the personnel has to ensure that customers trust them since trust and assurance is important before making a final purchase. Furthermore, the process is another important P in service marketing and it describes the service delivery time and the physical component of the mix ensures that the consumer has an opportunity to see the

product before they can make a purchase decision which is the physical environment were the service is being provided, and other tangible components such as name, logo, image and colours, (Satpathy, Patnaik and Kumar, 2017).

According to Mohammad (2015) factors such as physical evidence, process and product has a significant impact on customer satisfaction whereas place, promotion, price and people are not significantly related to customer satisfaction. Mohammad, further state that organisations should consider improving their pricing strategy to achieve competitive advantage, they should integrate promotional mix such as advertising, sales promotion, personal selling which will give basis for customer satisfaction. Personnel should also be well-trained, the environment should also be conducive, air conditioning, and parking space for customers and secure environment should be prioritized and the distribution component should also be in such a way that it will offer satisfaction to the customers (Mohammad, 2015).

According to Akroush (2011) a fully integrated and coherent marketing mix strategy is considered to be vital in the formulation of a successful marketing strategy. Additional to the traditional 4Ps the 3Ps should be included as strategic elements which affects the organisations performance most especially when the organisations offer services. Although elements such as the service price and place still exert a positive and significant effect on business performance, the people element has the strongest impact on the performance dimensions. Organisations should therefore ensure that good relationships are built between the sales personnel and customers for the purpose of customer satisfaction and loyalty (Akroush, 2011)

Although all the 7 Ps are important for organisations to be able to effectively deliver their services, promotion plays a significant role in ensuring that the services these organisations offer reach the consumers (Vishnuvarthani, 2016). According to Nicholas (2014) promotion usually affects the level of customer satisfaction, particularly more so through advertising such as radio and television. Poranki (2015) adds that brand awareness directly influences the customer satisfaction level since the consumers are likely to purchase the products they are more aware of and furthermore, the relevant prior information on the product benefits increases their satisfaction with their purchases.

Piratheepan and Pushpanatha (2013) concur that promotion is one of the important factors in the marketing mix since it plays a key role in the success of an organisation and serves as a

tool to inform, persuade, remind and communicate with customers; it makes them aware of the product, stimulates interest to purchase it and give feedback to providers about their experience. Marketing of life insurance service is however more critical and complex as compared to non-life insurance products since their time span is usually longer, claims only happens when an unforeseen event transpires and there is usually also high brand switching costs involved (Singh, Chakraborty & Raju, 2011). Companies in the insurance industry mostly use low cost strategies and differentiation, and their products are intensively distributed by agents and brokers who are selling the products through personal selling (Tapera & Gororo, 2013).

Consumers need to be persuaded, reminded and maintained for these companies to survive in the industry. Thus, it is not only important to come up with appropriate promotional strategies, but companies should also ensure that they provide excellent customer service, especially when they are doing personal selling, which is one of the promotional tools that companies can implement and the most common in the insurance industry. A sense of urgency is usually added through a personal selling pitch, because personal sales pitches are especially effective when selling insurance products as people are not normally enthusiastic about buying insurance products (Vishnuvarthani 2016). For successful personal selling, it is important that good customer service is prioritized. The personal encounter between the buyer and the seller is very important and it is actually a determining factor for whether buyers will make repeat purchases. However, consumers should not only be made aware of the products and their benefits, but they should also receive education regarding their rights before making a purchase.

2.3.7 *Consumer Education*

Every person has the right to be an educated and informed consumer, so that they can make the right purchasing decisions (Kumar, Nageswara & Narayane, 2015). Consumer education is significant and should be a priority among important interventions ensuring that consumers are protected. Consumers will not be able to claim their rights and enforce them in a meaningful and cost-effective manner if they are not well educated (Jacobs, Stoop & Van Niekerk, 2010; Reddy & Rampersad, 2012). According to Mazlan, Redzuana and Bakara (2014), consumer education helps a community to be a civilized community that is committed to the principles of fairness to all. Consumers are not only educated about their rights, but also about their responsibility regarding consumption and the environment. Good business practice is when businesses commit themselves in educating their consumers by providing them with relevant

information, disclosing all information, giving them good advice related to legislation and regulations and ensuring that they are financially educated and literate in the long run (SAIA, 2012).

Jarva (2011) posits that consumer education must be acknowledged as lifelong education and states that there have been initiatives emphasizing the importance of educating people at all levels of the educational system, from preschool children upwards.

Saaty (2012) reiterates the importance for service providers to invite the public to consumer education and awareness programs, which will assist in clarifying any doubts and questions they may have. Most insurance companies in Namibia leave this responsibility to Namibia Financial Institutions Supervisory Authority (NAMFISA), and some are not performing this important function at all. Abaidoo (2015) suggests that effective insurance systems must be implemented to educate both employees and the public and argues that there should be proper supervision because the insurance sector would be less prone to unethical practices when under supervision.

Loewenstein et al., (2013), point out that there are consequences when consumers have a limited understanding of the products they purchase. Consumers are more likely to make wrong purchasing decisions and likely to maintain insurance products that are not suitable for them, even though there are newer or better options they can select. Consumers sometimes seek advice from friends and family, who may have low levels of literacy, resulting in the wrong purchasing decisions and some may even settle for products because they are constantly advertised, but not necessarily suitable for them.

According to Johnson and Leary (2017) one of the main reasons for consumer protection intervention is that markets do not provide consumers with the necessary information to make informed decisions. They argue that companies usually find this a costly exercise and they may fear that once consumers have fuller information they may not want to purchase products. Mandatory disclosure is one of the policies that can be implemented for the purpose of consumer protection, as this allows them to receive all the necessary information that would result in correct purchasing decisions (Johnson & Leary, 2017).

Du Plessis and Roberts-Lombard (2013) are of the opinion that long-term insurance service providers should train their sales personnel in such a way that they understand that every encounter with the customer is critical. They argue that the central focus of these organisations should be on attracting and retaining customers. They can do this through sharing relevant information with their customers, building trust and commitment, fulfilling promises and making sure that the sales force discloses all information to customers so that they are able to make informed decisions. When customers have purchased insurance policies, it is important that sales personnel constantly communicate any changes, for example, price increases. Some insurance companies are less likely to communicate this type of information, and often when they do, it is likely that they will not communicate timeously which can result into dissatisfied customers who will seek alternative service providers with better services.

According to the Saudi Arabian Monetary Agency (SAMA) (2014:6), "Insurance companies should clarify rights, responsibilities and duties of each party along with details of premiums, commissions, types of risks and the mechanism of cancelling an insurance policy, with all arising effects whatsoever on the insured". Loewenstein et al. (2013) add that if consumers of insurance policies are aware that they lack understanding, it may increase their capacity to raise their dissatisfaction with the current insurance options. The main benefits should also be clear, easy to understand, well summarized and accurate, with updates provided on all information related to services. Furthermore, companies should create programs which will increase consumer awareness and mechanisms which will assist the consumers in understanding the benefits and potential risks associated with insurance products as well as explaining their rights to them and directing them to the organisations they can obtain any additional information should they wish to have clarity or wish to lodge complaints (SAMA, 2014). When consumers are well informed about a product and well educated about their rights, they are less likely to be exploited and this reduces their vulnerability in the market. However, it is still imperative, they are protected in the market, through legislation (Kumar, 2016). According to Ioncica et al. (2012) the behaviour of consumers and their purchasing decisions can change based on the level of education the consumers receive from the service providers. Abaidoo (2015) posits that the stakeholders in the insurance industry should collaborate to create insurance awareness and also ensure that insurance companies adhere to professional ethical practices in the industry for the purpose of reducing any negative perceptions that consumers may have about insurance. Educating consumers on their rights increases their desire to protect themselves against any unfair practices. Ishak and Zabil (2012) reiterate that when consumers are unaware of their

rights they are more likely to be ignorant and have a decreased capacity to protect and uphold those rights, becoming vulnerable to fraud. The next section discusses the measurement of consumer protection.

2.4 **Consumer Protection**

According to Sule (2012), consumer protection is a set of regulations in place to help consumers exercise their rights concerning the purchasing of products and services. He states that with all regulations, the primary goal of consumer protection is to ensure that they obtain important information to enable them to make informed decisions. Consumer protection is significant in every market, as it reduces consumer vulnerability. Ibarra and Revilla (2014) cite Subedi (2007), who states that consumer rights became important in the 20th century when the United Nations (UN) announced the basic guidelines regarding consumer rights protection. The UN guidelines state that regardless of the income or social standing of a consumer, all citizens have basic rights as consumers (Subedi, 2007, cited by Ibarra & Revilla, 2014).

The Consumer laws that are put in place usually provide a variety of methods which help with taking action against service providers who exploit, mislead or harm the consumers (OECD, 2008). These laws, however, also serve to activate competition that leads to increased profits for the seller, since sellers will strive to improve on their dealings with customers. According to Tennyson (2016), consumer protection in insurance markets focus mainly on protecting consumers from unfair practices, or misrepresentation or unwarranted risk in insurance contracts such as the contractual language used. Furthermore, consumers are also protected against insurance pricing, selling methods, claims payment and advertisements. Consumer protection aims at protecting the interests of consumers, with the goal of promoting the response of the industry to consumer needs, furthermore, the consumer confidence in service quality is realized through the development and administration of consumer standards and codes as well as the resolution of consumer disputes (Malaysian Communication and Multimedia Commission, n.d).

Singh, Ahlawat and Chaudhary (2017) contend that it is however difficult for sellers to exploit consumers who know their rights as consumers and they further contend that usually high levels of poverty and illiteracy are the greatest contributing factors to consumer exploitation. Illiterate consumers are easy to exploit and mislead, as they would find it difficult to understand

the content of advertisements and the terms and conditions attached to agreements (Singh, Ahlawat & Chaudhary, 2017).

Reddy and Rampersad (2012) state that some of the unethical business practices relating to consumers are misleading or deceptive advertising, contracts that have difficult clauses and some contracts that may even be one-sided and limit the liability of the sellers. These authors also emphasize the importance of companies acting in a responsible manner by following ethical, fair and reasonable trade practices. According to Kumar et al. (2015), consumer organisations are in a better position to play a vital role in protecting and educating the consumer. Most consumers may not be able to handle complaints or even submit them if they have been wronged, since it may even be their first complaint submission, however, it would be easier for consumer organisations who are familiar with service related complaint procedures to deal with them.

Mugobo and Malungo (2015) state that there is a lack of adequate education of many consumers and thus not fully knowing their rights makes them vulnerable to exploitation by companies, which than resulted in enacting the consumer protection act. The government of South Africa enacted the Consumer Protection Act (CPA) in 2009, after rigorous discussions with various stakeholders (Mugobo & Malungo, 2015). According to Campbell and Logan (2011), the purpose of the South African Consumer Protection Act as "set out in Section 3 are:

- to establish a legal framework for a consumer market that is fair, accessible, efficient, sustainable and responsible;
- to promote fair business practices;
- to protect consumers from unfair, unreasonable or other improper trade practices and to protect them from deceptive, misleading or other fraudulentconduct;
- to promote social, economic and environmental responsibility in consumer markets;
- to improve consumer awareness and information and to encourage responsible and informed consumer choice and behaviour;
- to promote consumer confidence and empowerment and develop a culture of consumer responsibility through individual and group education, vigilance, advocacy and activism;
- to provide a consistent, accessible and efficient system of consensual resolution of disputes arising from consumer transactions; and

- to provide an accessible, consistent, harmonized, effective and efficient system of redress for consumers" (Campbell & Logan, 2011: 7-8).

Jacobs et al. (2010) state that the Consumer Protection Act provides a comprehensive framework for consumer protection and its main objectives are to develop, protect and enhance the rights of the consumers as well as eliminating unethical suppliers and abolishing improper business practices. The authors add that the Consumer Protection Act is based on all the transactions that relate to the supply of goods and services as well as promotions of the goods and services in South Africa.

"The rights that are covered in the act are:
- the right to equality in the consumer market;
- the right to privacy, choice, disclosure and information;
- the right to fair and responsible marketing, fair and honest dealing, fair, just and reasonable terms and conditions, and fair value;
- the right to good quality and safety; and
- the right to the suppliers' accountability to the consumers" (Jacobs et al. 2010:318 - 345)

Namibia currently only has a number of laws that have elements of consumer protection but does not have a generally applicable consumer protection law. Consumer groups in Namibia therefore have been quite active in expressing their concerns regarding the abuse and harms the Namibian consumers face and they have been advocating for the implementation of a generally applicable consumer protection law, (LRDC, 2014). There are a number of issues that the Namibian consumers face such as unclear and unfair terms in the sales agreements, organisations charging undisclosed fees, misleading advertising, but unfortunately the consumers can only obtain redress through the courts for unfair commercial conducts under the Namibian Constitution by arguing that that one of their fundamental rights or freedoms have been violated, (LRDC, 2014). Most Namibian consumers do not know that there are certain laws within the Namibian Constitution which make provisions to protect them and those who know about the existence of these laws do not know how to assert their rights under the specific laws. NAMFISA regulates the insurance sector specifically (Kamati, 2017), and in the absence of national legislation, NAMFISA provides a platform that allows consumers to air their grievances. Amunkete (2013) emphasizes that there should be strong collaboration among all institutions in Namibia who deal with consumer protection so that they can develop an

approach best suited to ensure that consumers are protected. Amunkete adds that a general approach to consumer protection will not be ideal, because the laws may differ in the different service industries, therefore it would be best to design consumer protection laws and policies in such a way that they address specific areas and issues as deemed fit (Amunkete, 2013).

Mochesane (2014) emphasizes the importance of protection of clients in their dealings with insurance advisors, because of their lack of knowledge about insurance products, making them very vulnerable to exploitation. The regulators of insurance companies should ensure adequate protection of clients against this, something not easily attainable in jurisdictions such as the example of Lesotho, where the Central Bank of Lesotho is the only regulator for all financial institutions. The outdated insurance regulatory framework in Lesotho resulted in the passing of a bill, but the market conduct regulation and consumer education is still in its infancy. However, it is believed that within a few years the market will be better educated about financial products, consumer rights and the associated duties. Furthermore, social media and networks have proven to be very powerful tools in influencing the youth and could play a vital role in educating people about financial products. In addition to that, radio shows can also be considered as a tool to educate people (Mochesane, 2014).

Similarly, in Namibia, NAMFISA is the only regulator of insurance companies, suggesting that clients in the Namibian insurance markets may also experience similar problems as those in Lesotho, concerning the lack of protection against insurance advisors. In contrast to both these countries, South Africa has a Consumer Protection Act (CPA), which takes a broader view in the promotional strategies implemented by the companies as well as addressing the major business practices. The promotional activities were handled in isolation therefore prior to the CPA implementation the regulatory framework for these promotional activites were considered unsystematic and illogical, resulting in consumers and business being ignorant of the full extent of the law and merely addressing the laws they were cognisant of (Barnard & Scott, 2015). The CPA of South Africa has incorporated constitutional principles such as the right to privacy and equality through direct marketing provisions of the act and the pre-existing common law pre-legislation. The particular industry bodies still have important roles to play in this context. However, they emphasize that in order for South Africa to ensure effectiveness of all the provisions related to promotional activities in the CPA, there is a need for consumer education to guarantee that consumers know their rights and how to enforce them (Barnard & Scott, 2015). The legal protection given to clients in South Africa is extensive compared to other

African countries such as Lesotho and Namibia. The current legal framework in South Africa also makes provision for the protection of clients against insurance advisers who are regulated by the Financial Services Board and there are also systems in place regulating the conduct of insurance advisors when dealing with the clients (Mochesane, 2014).

In East Africa, as indicated in a statement, which was confirmed by the World Bank in the 2013 Rwandan Diagnostic Review of Consumer Protection and Financial Literacy Assessment, there is generally also a strong consumer protection provision. For example in the Rwandan Insurance industry the legal framework has to be revisited so that the existing gaps can be redressed and also to establish one institution to be in charge of consumer protection. In Rwanda, this is more likely to be the National Bank of Rwanda, since it already has experience in supervising financial institutions (Ntaganda, 2016). Although Rwanda has several institutions that are in charge of consumer protection, some of their roles overlap and some are, in fact, inactive. Therefore, it has been recommended that the missions of these institutions be clearly specified and that the enactment of the law governing the competition and consumer protection regulatory body should be expedited, since the current legal and regulatory framework has gaps (Ntaganda, 2016). Vijayalaskhmi and Madegowda (2014) state that the judiciary system of each country pledges citizen privileges and justice, and protection against the violation of any fundamental rights to its citizens. These scholars state further that unfair business practices and deceptive practices have resulted in the establishment of an organized movement known as consumerism.

Dawids (2010) asserts that consumer rights are often weakened by the fact that some negative clauses are either not included or not well explained in 'lay' person's language. This researcher argues that consumers also do not know their rights, nor that they have the right to information. In fact, there should be legislation protecting these consumers' rights since these laws are usually designed in such a way that it motivates the service providers to share accurate information with their consumers. Well-educated and informed consumers are more likely to exercise their rights and are more confident enquirers regarding product or service information that is not clear. It is also important that the consumers inform or familiarize themselves with the company profile and with government policies, so they are informed and familiar with protective policies or legislations should suppliers not deliver the service as per their expectation.

However, consumer protection initiatives should not only be from service providers and the government, but consumers themselves should ensure that they are vigilant and responsible enough to make the right purchasing decisions. Consumer protection frameworks are growing as services become more complex and they usually comprise of three complementary components such as effective execution of dispute resolutions, safeguarding transparency, fairness and recourse rights as well as laws and regualtions which govern relations among users and service providers and the framework should also include the promotion of financial literacy by supporting the users of the services to gain the necessary skills and knowledge to manager their finances (Ardic et al., 2011).

However, sellers too have a responsibility towards buyers and should ensure that clients have a clear understanding of what they are purchasing and that they are given time to read and understand the contracts they sign, especially when purchasing insurance policies. Unethical business practice can have quite a negative impact on consumer buying behaviour, because it is more likely that clients will not repurchasing from a service provider again if they feel they were deceived or were not well informed before making the purchase. Therefore, organisations should encourage their sales personnel to explain contracts clearly to consumers before getting them to sign, and ensure that they operate ethically at all times. Sales personnel should be reminded that unethical behaviour could have a negative impact on the company. The consumers no longer judge the service providers' performance on profits alone but also judge the service providers based on whether their actions are socially responsible and ethical thus encouraging these service providers to aspire to be better corporate citizens which will help them in reaching long-term profits in an ethical manner (Reddy & Rampersad, 2012).

Sule (2012) adds that particular forums and other forms of advocacy must be established for the purpose of addressing customer complaints. The sellers usually know everything about the products and services they offer to consumers, while consumers do not have much knowledge about the products he or she may purchase, thus this realization creates pressure on governments and concerned institutions to intervene and attempt to re-establish the balance between traders and the consumers (Alfghafri, 2013).

Kumar (2016) suggests that government organisations should include consumer education in the curriculum in universities and must encourage consumer advocates in the market. According to Solli (2013), most countries have consumer advocates who have certain consumer

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rights advocacy strategies. They also formulate methods that assist with the enforcement and application of laws intended to protect consumers. Of the consumer advocates in Namibia, the Namibian Consumer Protection Group was established to provide an information channel to Namibian consumers regarding their rights and to focus on unethical and illegal behaviour of service providers (Kamati, 2017). However, consumer advocates should also monitor legislative activities by identifying any opportunities that can provide input on draft legislation which may impact consumers. To be effective, advocates are required to be familiar with the nation's legal framework and should also have an understanding of legal frameworks of other countries to able to benchmark their own legislation with those of the other countries (Solli, 2013). According to Solli (2013:6), consumer advocates are also tasked to:

- identify what pro consumer legislation exists;
- to make a determination whether, and how, the law is being applied or enforced to the consumer's benefit; and
- design interventions to reinforce the efficacy of the law or to provide consumers with access to information and the means to protect themselves and how to obtain redress

Babaogul et al. (2010) concur with the previous author that consumer protection starts with educating consumers at an early age and further stress that the education of consumers should not only be in schools, but should also be on television and radio programmes to have a better impact.

According to Kuugongelwa- Amadhila (2012) there are 18 long-term insurance companies in Namibia and consumers all over the globe are facing financial insecurities hence the emphasis on the importance of consumer protection and financial education of consumers. The consumers in Namibia have a low consumer knowledge regarding their rights and products that are offered and this can usually lead to a negative impact on the national economy and the citizens. It is therefore important that necessary infrastructure is put in place to protect the consumers from unfair practices. Consumer education and awareness is imperative to ensure that the relevant information and guidance is provided to the public.

Namibian consumers usually face the challenges of the difficulty of lodging complaints against businesses with unfair practices, resulting in businesses taking advantage of them. There is no consumer protection law in Namibia as yet, however the references regarding the consumer

rights are normally made to the Constitution of Namibia which was adopted from South Africa after Namibia's independence.

The Constitution makes broad statements such as human dignity shall not be violeted and no one should be discriminated based on their gender, ethnicity, relion or economic status. References are also made to Article 13 of the Namibian Constitution, which guarantees the right to privacy as an individual. The Constitution also contains statements such as the essential services that should be provided by the state to its citizens (Solli, 2013). Consumer protection is significant in every market and since consumers form a fundamental part of a country's economic society, it is important that their rights are protected but unfortunately the consumers do not often realize their rights because they are laypersons (Boonzaaier, 2006). Furthermore, vulnerable groups such as the illiterate, the young and the elderly and those who cannot understand important information are more likely not comprehend advertisements, agreements, warnings, instructions, so they would need more protection (Amunkete, 2013). According to Boonzaaier (2006), Namibia is one of three African governments that have implemented the United Nations' guidelines for consumer protection, the other two being South Africa and Mauritius. Furthemore, the Namibian Constitution provides authority to the ombudsman to conduct investigations on any claims related to the violations of human rights as well as to investigate complaints and allegations related to practices and actions in violation of the fundamental rights and freedoms of a person or an organisation (Solli, 2013).

Kihara (2014) relates that according to a study done in Kenya, it was found that the Insurance Regulatory Authorities are often faced with challenges of compliance and are required to devise strategic measures to ensure compliance and harmony among all stakeholders. Furthermore, the challenges of adopting these strategies revolve around harmonization of the stakeholders in the market, consumer protection and education, all of which would improve the understanding and acceptance of insurance and result in enhancing the image of the insurance industry (Kihara, 2014). However, Sjoblom (2012) is of the opinion that consumer welfare is the central objective for consumer protection and there is an evident need for legislation on consumer protection in Namibia. Thus, Namibia is in the process of developing a consumer policy that will contribute to a comprehensive consumer law.

Generally, when consumers are protected, it is more likely that they will be open to expressing their views and demanding good customer service from service providers.

2.5 **Customer Service and Service Quality**

Excellent customer service should be key for any organisation, and its products and corporate culture should be considered as an integral part of customer service (Jeske, Chimusoro & Karodia, 2015). Provision of excellent customer service delivery should be frequently redesigned and improved to accommodate constantly changing customer expectations. Efforts to understand customer needs can provide companies with the guidelines to improve and modify their service. In fact, organisations need to exceed customer expectations if they want to provide an excellent customer service. To achieve this, they should keep any promises made to the customers and not make commitments they cannot deliver. Organisations can only succeed if they develop good relationships with their customers by providing them with enhanced customer service, to achieve this, their sales personnel must be driven to make their customers feel important (Jeske et al., 2015). In this regard, Supriaddin, Palilati, Bua, Patwayati and Jusuf (2015) assert that complaints submitted by customers should be treated with utmost hospitality and politeness to discourage customers from making complaints through the media rather than going through proper organisational channels. Based on a study done in Tanzania, Myola (2014) states that the delivery of quality service is important for any economic enterprise and emphasizes that part of this delivery demands that companies commit themselves to ensure that their employees are competent, that they settle claims timeously, charge fair premiums, use advanced technology, and have clear communication channels and advertising. Sales personnel usually feel angry when customers submit complaints especially if they feel that they were not responsible for the service failure but suppressing this anger is of high importance since their responsibility is to provide a high quality customer service, (Tao, Karande and Arndt, 2016). Sales personnel should remain professional to be able to provide high-quality service and avoid becoming less eager to be committed to serving the customers. Customer complaints are perceived as beneficial to the organisations, but could sometimes be demotivating to the sales personnel leaving them providing poorer service to the specific customer and other customers (Tao, Karande and Arndt, 2016).

According to Malik and Oberoi (2017:109), "Customer Service can be improved by learning customers' needs and wants and accordingly developing action plans and processes to give customers what they really want and need." Zheve, Chetty and Karodia (2015) postulate that customer service is ensuring that the quality of the service provided not only meet but also

exceeds the customer expectations and that the needs of the customers are satisfied by providing them assistance, finding the right solution to complaints and dealing with their enquiries promptly.

Saaty (2012) emphasizes that when companies improve their customer services the loyalty of the customers will improve thus retain them as customers. Malik and Oberio (2017) postulate that customer service is important for the survival of the organisations, hence service quality is important, making it necessary to constantly evaluate the quality of the service. Wong, Tong and Wong (2014) further highlight that customers who feel their needs have been met are more likely to repurchase products from service providers and are also more likely to engage in positive word-of-mouth advocating. This would generate more interest from potential customers, which in turn would lead to increased revenue for the service provider.

Epetimehin (2011) stresses that it is important to be creative and innovative in the provision of new services to satisfy customer's needs. Companies need to introduce innovation in the elements of the marketing mix: price, promotion, place and the product, in order to attract new clients. The researcher states, in addition, that it is also vital that companies providing insurance services implement service recovery strategies for the purpose of rectifying any errors that might occur when services are delivered to the customers. This would help insurance companies to satisfy, maintain and even attract new customers. Machando and Diggines (2013) suggest the following ways in which companies can provide good customer service:

- First impressions are vital when in contact with the customers. Companies can embody simple approaches towards customers such as employee friendliness, a welcoming, accommodating attitude, maintaining eye contact and a presentable dress code.
- Employees should reflect an optimistic attitude, which includes displaying a sense of interest in customers, being trustworthy, kind, helpful and reliable. Employees who also portray confidence and open-mindedness tend to be very appealing to customers.
- Effective communication is also very important: listening to customers' queries and requests, while displaying an understanding nature during the process of the queries influences the way a customer might respond to the employee. It is advisable that employees adopt a critical thinking approach when liaising with customers. This would entail using good grammar and a friendly approach, which would make the customers

feel more comfortable because this reflects that an empathetical solution will be provided.

- Building and maintaining relationships is important: the authors highlight that building and maintaining relationships further improves customer service. Service providers should therefore build relationships with customers and have good rapport with customers, ensuring these relationships continue for a long period of time. It is also imperative for the service providers to always ask customers the right questions when they have queries, so that they can give the right solutions to problems the customers might encounter. To provide good solutions to each unique query by individuals, they should know the customers' names and faces, thus making them feel important and appreciated (Machando & Diggines, 2013).

Jeske et al. (2015:9) add that organisations have "to be aware of the fact that there is a cost related to poor customer service". The loss of a customer and of sales to the company must not be considered as independent factors, but as interdependent factors, because when a customer decides to no longer purchase from the company, the company will lose on sales and thus the total cumulative cost involved will be affected. Furthermore, when a customer decides to leave because of bad service reception, then they are more likely to spread negative word-of-mouth views. Thus, the authors emphasize that organisations should have strategies to resolve any issues before customers make these decisions to leave the company. When organisations can convince customers to remain with the suppliers, the lifetime value will increase and make the organisation more profitable. There are several reasons that usually cause consumers to leave an organisation, such as because the prices are too high or unfair, a submitted complaint was unresolved, better competitor offers, or they somehow felt abandoned by the service provider.

Without the support of an effective service management measurement system, even the best customer service systems are destined to fail. Although there are several service quality measurement models, the most commonly used and highly researched is the SERVQUAL model (Phiri & Mcwabe, 2013; Shahin & Samea, 2010). This model has been broadly used in different organisations in the service industry, such as insurance, banking and the hospitality industry (Vinayak & Bedi, 2017; Bharwana, Bashir & Mohsin, 2013). "SERVQUAL is founded on the view that quality evaluations as perceived by customers stem from a comparison of what the customers expect the organisation should offer, and their perceptions of the performance of the organisation providing the service, which means that the level of

perceived service quality is dependent on the magnitude of the gap between expectations and perceptions – the smaller the gap, the higher the level of perceived service quality" (Parasuraman, Zeithamal & Berry, 1988 as cited by Tegambwage, 2017, 78).

It is imperative that companies know the customers' perception of their services so that they can implement the correct strategies which will influence the customers' to have a positive perception of the services.

The SERVQUAL GAP Model "has been widely used in various contexts throughout other studies because it provides a basic skeleton which can be adjusted or complemented to fit the characteristics or specific research needs of an organisation" (Parasuraman et al., 1988 as cited by Adil, Fala, Ghaswyneh and Albkour, 2013:68). The SERVQUAL service quality model consists of several quality gaps (Q) as indicated in the model in Figure 2.1.
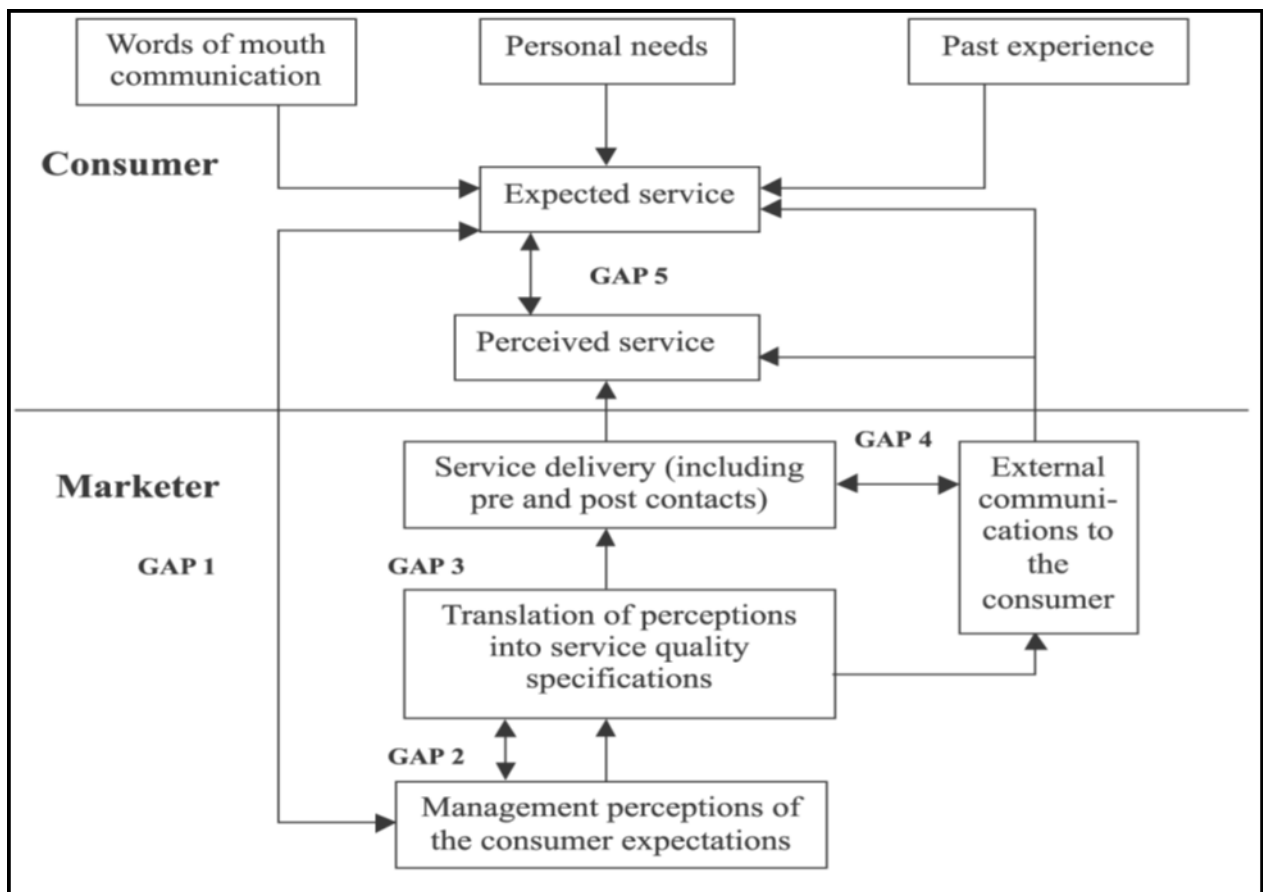
Figure 2.1: The Gaps Model of Service Quality

Source: Parasuraman, Zeithaml and Berry (1985)

The various GAPS of the SERVQUAL model are briefly explained below:

"Gap 1: The manager perceives the customers' expectations differently from the customers.

Gap 2: The service quality specifications do not agree with management perceptions of quality expectation.

Gap 3: The difference between quality specifications of the promised service and the final service delivered.

Gap 4: Promises made by market communication activities are not met by the delivered service.

Gap 5: The difference between the expectations of what firms should provide in the industry and the perceptions of how a given service provider performs.

Gap 6: The difference between the expectations of what firms should provide in the industry and their employee's perceptions of consumer expectation.

Gap 7: The difference between the employee's perceptions of consumer expectation and management's perceptions of consumer expectation" (Parasuraman et al., 1988 as cited by Adil, Fala, Ghaswyneh and Albkour, 2013:68).

Within the "SERVQUAL model, service quality is defined as the gap between customer perceptions of what happened during the service transaction and his [sic] expectations of how the service transaction should have been performed" (Culiberg & Rojsek, 2010:152). "SERVQUAL refers to five dimensions of quality:

- Tangibles is the appearance of the physical facilities, including the equipment, personnel, and communication materials.
- Reliability is the ability to perform the promised service dependably and accurately.
- Responsiveness is the willingness to help customers.
- Assurance is the knowledge and courtesy of employees and their ability to convey trust and confidence. This assurance includes competence, courtesy, credibility and security.
- Empathy is the provision of caring, individualised attention to customers. This empathy includes access, communication, and understanding the customer." (Culiberg & Rojsek, 2010:152)

Although the SERVQUAL has been used universally, there has been much criticism directed to this model. Several researchers have essentially contended that a SERVQUAL instrument is a generic instrument therefore it is not an appropriate instrument to use to measure service

quality for all the various industries since it could work well for one industry and could be ineffective for another (Shekarchizadeh, Rasli, & Hon-Tat, 2011:67-81). However, Anjum, Aftab Sultan and Ahmed (2016) assert that service providers usually evaluate their SERVQUAL model with the main objective of ensuring that the quality of their services is improved by identifying any drawbacks and enhancing customer satisfaction. Furthermore, the model has also been used by several companies to measure the level of the quality of their services based on five dimensions such as empathy, responsiveness, tangibles, assurance and reliability (Malik & Oberoi, 2017).

Ismail and Yunan (2016) postulate that when the service providers correctly implement in their daily jobs the various dimensions such as empathy, assurance, tangibles, responsiveness and reliability, the outcome will be that customers will be satisfied thus also remain loyal to the organisation. Jothi (2016:363) states that, "when companies consistently provide quality service it results in bringing the real value and meaning to business". The author adds that, "the insurance sector provides an intangible service and therefore requires the endorsement of customer delight because of the long-term relations between insurer and insured". Jothi (2016) suggests that insurance companies should provide their customers with timely services and adequate product knowledge. Customers generally feel important and valued when they receive quality services from service providers and this usually encourages them to remain loyal customers.

Ujakpa, Fundisi, Mutasa, Uushini, Sheepo and Esha (2017) state that companies need to improve their service quality for them to be able to remain competitive in the market and further stress that companies should always strive to have a competitive advantage over their competitors. Service quality is an important predictor of customer satisfaction and customer loyalty, consequently, service providers can improve customer satisfaction through improved service quality which usually results in enhanced customer retention, customer loyalty and profitability (Singh, Sirohi & Chaudhary, 2014). Major (2017:166) emphasizes that "in a study done in South Africa, it was found that service quality perceptions can be improved by encouraging responsiveness to customers and trust can be improved by committing to the promises made to the customers whereas switching cost perception can be improved by communicating to customers in advance about the cost involved in switching to another service provider".

In the next section, the concept of customer satisfaction, which had been sporadically alluded to in the preceding discussion, will be explained in more detail in general, with emphasis on service industries in particular.

2.6 **Customer Satisfaction**

Customer satisfaction is considered as the key performance indicator of any organisation and helps to measure how the products or services these organisations offers meet or exceed customer expectations, hence the importance of developing principles and strategies to achieve customer satisfaction (Selvarani & Parveen, 2017). Zheve et al. (2015) posit that customer satisfaction and customer care has become very important in today's business and although it is difficult for companies to ensure that their customers remain satisfied, since it is not always easy to determine a customer's perceptions and thoughts, organisations ensure that they build good relationships with their customers for the purpose of understanding consumers, and so fufill their specific needs so that they remain satisfied and loyal to the organisation. Borah (2012: 85) states that customer satisfaction as a key differentiator between competitors in a modern economy. Anjum et al. (2016) define customer satisfaction as the feeling that a person experiences when the service they are offered meets their expectation. According to Wong et al. (2014), customer satisfaction is an important factor of marketing and the aim of marketing is to serve organisations in such a way that will help these organisations to provide goods and services that will satisfy the needs of the customers which will thus allow the organisations to gain profits.

Ganiyu (2017) posits that because customer satisfaction is extremely important in building and enhancing customer loyalty, service providers should implement strategies which will ensure long lasting relationships among the customers and service providers by offering quality services that will not only meet but also exceed the customers' expectations. According to Talukder (2017:10), "Customer satisfaction is an ambiguous and abstract concept because the actual manifestation of the state of satisfaction varies from person to person and service to service. The state of satisfaction usually depends on a number of factors which consolidate as psychological, economic and physical factors."

Jeske et el. (2015) believe that the most important stakeholder of an organisation is their customers. Thus, the service providers should commit themselves to satisfying customers. Subashini and Velmurugan (2016) similarly opine that a satisfied customer is the pillar of any

company, meaning that the service providers need to ensure they keep their customers happy for the growth of the company. Retaining customers is more profitable than attaining new ones, so companies should implement strategies that will keep customers satisfied, and therefore, loyal to the company. Furthermore, the more information the company has about customers, the more targeted their marketing can be and the better able they will be to serve their customers' needs.

Ilieska (2013) posits that organisations should manage, constantly monitor customer satisfaction and also ensure that they measure the satisfaction of their customers on a regular basis. However, the author argues that the traditional measuring of customer satisfaction is no longer adequate because most of the dissatisfied customers do not really complain or most of the complaints do not reach the right people who can effectively make decisions (Ilieska, 2013). Furthermore, sales personnel only submit selective feedback, but third party surveys can serve as a consistent customer satisfaction indicator. Generally, satisfying customers is not an easy task; hence, different factors should be taken into consideration, which include providing the best and most favourable products in the market and maintaining good relationships with customers (Khadka & Maharjan, 2017).

Karimi (2014) posits that organisations should improve the use of technology-related relationship marketing practices such as the use of WhatsApp, Facebook, Instagram and Twitter, among others. This author comments that to improve customer satisfaction, organisations should not use complicated channels to address customer feedback. Furthermore, organisations should ensure that regular training sessions for their staff are conducted, which cover customer relations, effective listening skills, social media and best practice and regular surveys on customer satisfaction should also be conducted.

According to Eugene and McCarthy (2011), successfully maintaining customer satisfaction levels results from customer focused corrective actions such as having constant customer meetings, improved electronic/print mail communication with the customers and providing the customers with more friendly financial information that is easy to understand. Ruefenacht (2018) states that by implementing and maintaining efficient two-way communication channels, organisations will improve consumer product knowledge therefore reduce customers' future regrets which will thus result in increased customer satisfaction. Furthermore, regular and open communication with the customers can assist the organisation

in building trust with their customers and also induce co-production which will thus have a positive effect on customer satisfaction and customer loyalty.

According to Evanschitzky, Groening, Mittal, and Wunderlich (2011), customer satisfaction is influenced by two important factors; firstly, the front-line employee satisfaction, which means managers can impact the satisfaction and behavioural intentions of their customers; secondly, employees that are satisfied also influence customer satisfaction and this also further influences the customers repurchase intentions.

According to Khadka and Maharjan (2017), the organisations that are making an effort in satisfying their clients are those that are succeeding in business and satisfying their clients also help them to gain high market position. They further posit that customer satisfaction plays an important role in the expansion of market value. Satisfied customers create possibility of new customers because when they are satisfied with the products and services offered to them they usually tend to recommend the service provider to new customers (Khadka & Maharjan, 2017) and this usually leads to increasing the number of customers and also increases the level of the relationship with the customers. These authors further maintain that this is particularly relevant to the insurance industry, since the products are unsought and not what consumers normally actively procure.

There is a positive correlation between consumer satisfaction and consumerism, but it is of utmost importance to note that when consumer protection agencies fail in accomplishing their tasks can lead to negative customer satisfaction, yet effective implementation of their objectives can lead to positive customer satisfaction (Al-Ghamdi, Sohail & Al-Kaldi, 2007). Rahman and Safeena (2016) state that customers and their needs are the most important for the survival of any organisation and the more knowledge you have about your customers, the more effective your sales and marketing efforts will be. They further mention that for the companies to be able to satisfy the needs of their customers, they should assess their customer needs by analyzing factors such as who their specific customers are, what they usually purchase and why they purchase the specific products.

Cheng, Chiu, Hu and Chang (2011) stress that usually customers tend to be satisfied when the actual feeling of receiving the service exceeds what they were expecting before receiving the service and they are dissatisfied if the service they receive was less than what they were

expecting. Nyaguthii (2013) is of the opinion that customer satisfaction is central for the retention and loyalty of customers and satisfied customers are more likely to serve as excellent sales personnel because they will positively share their experiences with others. This author maintains that customer satisfaction is one of the most important factors that assists in sustained growth and profitability of the company.

Nguyen, Nguyen, Nguyen and Phan (2018) state that factors such as perceived value, corporate image and service quality are associated with customer satisfaction in the life-insurance services therefore there is an emphasize on insurance service provides to focus on constant improvement of service quality and the corporate image as well in order for them to be able to ensure customer satisfaction that leads to customer loyalty.

Singh et al., (2014) agree that when insurance companies focus on increasing customer satisfaction through improved service quality there will be an increase in customer retention, loyalty and the organisation will also advance. Shamsuzzaman (2013) opines that success in business is usually related to customer satisfaction and businesses are shifting from being product oriented service providers to service oriented, meaning they have realised the importance of providing a good customer service instead of simply wanting to sell the products. Furthermore, the author posits that relevance must be placed in considering the needs and desires of the customers since doing so will enable organisations to offer the customers the right products based on their specific needs and also provide an excellent service to their customers, thus retaining them.

Nguyen et al. (2018) state that for the successful implementation of good practices that relate to customer satisfaction, the service personnel should be competent and companies should train their staff and sales personnel in product knowledge, problem solving skills and communication skills. They also need to improve their corporate image, corporate social responsibility, their business ethics as well as their interaction with the customers.

According to Duodu and Amankwah (2011) businesses should be customer centric and the constant improvements should be based on the analysis and evaluation of customer satisfaction. These authors further state that "customer satisfaction" should be viewed as the baseline for business to ensure excellent performance and also assist the companies in identifying opportunites within the markets.

According to Sharmin (2012), customer satisfaction directly impacts the profitability of an organisation as well as the market share and that when customers are satisfied they are more likely to think twice before switching to a different service provider. Zairi (2000) as cited by Sharmin (2012), mentions that customers who received satisfactory services are usually likely to share their experiences with only five individuals, whereas dissatisfied customers are likely to share their dissatisfaction with ten people, which means organisations must ensure that their customers remain satisfied and ensuring customer satisfaction will result in retaining them and it is usually also less costly to retain customers than acquiring new customers. Cheng et al. (2011) emphasize that the primary task of any organisation is to ensure customer satisfaction and they also stress that when customers are satisfied, it is more likely that the profits of the organisation will increase. According to Razminia, Mirsardoo, Shabani and Shafiee (2016), satisfied customers are the source of organisations' profits and organisations that are not capable of keeping their customers satisfied are less likely to survive in the market. Singh et al. (2014) concur that "customer satisfaction and the perceptions of customers of the service quality of an insurance company plays a role in the company's economic performance". "Customer satisfaction" can therefore be used to measure customer consumption behaviour.

According to Khurana (2012), life insurance providers offer pure services which is intangible in nature thus making it challenging for the customers to evualte the quality of the product. This researcher further states that although the service provider always tries to satisfy customers by matching the customer's expectation with their service offering, customer's expectations constantly increase. Khartabiel and Saydam (2014) assert that satisfaction replicates the psychological case or emotional feeling that may affect the consumer due to a comparison between the performance, the service provided and what they expected. These researchers argue that the level of satisfaction is usually linked with perceived quality of the service. According to Kursunluoglu (2011) when "customer satisfaction" occurs it is usually in a situation of confirmation which will either be positive or negative disconfirmation were as negative disconfirmation means that the customer was dissatisfied with the services received.

Subashini and Velmurugan (2016:28) state that the golden rule of marketing is that "one satisfied policyholder brings hundred[s] more policyholders"; most companies follow this rule to survive in the business market, therefore, customer satisfaction needs to be analyzed to know the demand of policyholders. According to Sogunro and Abiola (2014), customer satisfaction

is a great management tool and a key performance indicator which assist companies in improving their relationships with the customers for them to be able to remain competitive in the industry.

Suchanek and Kralova (2015) assert that acquiring the correct data about customer needs will assist companies in implementing the correct strategies, which will assist in customer satisfaction. They further assert that competitors should also be monitored, because this will put them in a better position to know what the customers are comparing their products with, which will then allow them to either provide the same products at the same prices or even better products at better prices. Jamejami (2016) identified six "important reasons for customer satisfaction, which are as follows":

- **"It is a leading indicator of consumer repurchase intentions and loyalty"**

  "Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future".

- It is **"a point of differentiation"**

  "In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator. Not only can customer satisfaction help businesses keep abreast of existing customer needs but can also act as a point of differentiation for new customers".

- **"It reduces customer" turnover**

  "Customer satisfaction is the metric that can be used to reduce customer turnover, by measuring and tracking customer satisfaction, new processes can be put in place to increase the overall quality of customer service".

- **"It increases customer lifetime value**

  Successful businesses understand the importance of customer lifetime value (CLV). If this is increased, the returns on marketing costs increase. Customer lifetime value is a beneficiary of high customer satisfaction and good customer retention".

- **"It reduces negative word-of-mouth communication**

  McKinsey found that an unhappy customer tells between nine to 15 people about their experience. In fact, 13% of unhappy customers tell over 20 people about their experience. To eliminate bad word-of-mouth communication, businesses need to measure customer "satisfaction" on an ongoing basis".

- **"It is cheaper to retain customers than acquire new ones**

  It costs six to seven times more to acquire new customers than it does to retain existing customers. They cost a lot of money to acquire. Marketing teams spend thousands of dollars getting the attention of prospects, nurturing them into leads and closing them into sales but spend little or no money on customer retention" (Jamejami, 2016:73–74).

Vazifehdust and Farokhian (2013) add that insurance companies should continue to examine customer satisfaction to be able to identify the factors that are important to customers and then prioritize those factors to them keep them satisfied and retain their loyalty. Dhingra (2016) found that female clients are usually more dissatisfied compared to the male clients. Therefore, the author suggests that the company representatives should be more courteous and generous in their approach when serving female clients. According to Dhingra (2016), sales personnel should provide reliable and error free services to customers and also provide the best insurance policy according to their respective needs. Unfortunately, most people do not have full understanding of their insurance policies, because sales personnel do not give them full details of the policies. Some companies simplify the language of the insurance contracts, but it is important for them to have sessions with their sales personnel to emphasise the importance of sharing and explaining all the necessary details about the policies to their customers. Dhingra (2016) suggest that the best communication between a sales person and the customer is to have face-to-face or telephonic communication, which are more personal and usually improve the relationship between them. Although the contact between these two parties is important, it should not be too frequent because it could become irritating to customers.

To remain competitive in the market and survive in the market, organisations must ensure customer satisfaction and service quality for both their internal and external customers. Thus, employees who are defined as internal customers should receive good treatment from their employers and employers should appreciate their employees and less job related stress and also improve the working environment for the employees. Furthermore, companies should reward their employees, give them training and increase motivation amongst them. This would lead to increased employee satisfaction, motivation, competency and commitment. Equally, external customers need to be satisfied by service providers. A study done in Kenya revealed that customers are usually satisfied when they receive quality services, friendly staff, low premiums and good communication (Gachau, 2016).

It is important that insurance companies constantly develop new strategies that will improve the quality of their service and increase customer satisfaction. A minimum amount of research has been conducted on customer satisfaction in Namibia, especially in the long-term insurance industry. Therefore, from a Namibian perspective, the literature on customer satisfaction is limited.

Customer satisfaction is considered as an important factor for any organisation and insurance service providers are no exception. Key success factors relating to customer satisfaction in this industry should therefore be recognized for the purpose of surviving extreme competition within the market and to increase penetration into the market. Organisations should come to the realization that their future and security could be in jeopardy should they not value their customers or should they not ensure that they keep their customers satisfied. Moreover, customer satisfaction could have a big impact on customer loyalty, which is discussed in the next section.

2.7 Customer Loyalty

According to Ranabhat (2018), customer loyalty exists when customers are willing to buy a brand frequently from the same service provider, even if they have other options. This author states that loyal customers are usually the main source of bringing more customers to the business because of positive word-of-mouth communication and are also the key to making profits. For these reasons, first priority should be given to customers. Ilieska (2013:330) explains that, "customer loyalty is a combination of the customer's professed likelihood to repurchase from the same supplier in the future, and the likelihood to purchase a company's products or services at various price points and customer loyalty is also the critical component of the model as it stands as a proxy for profitability".

Afsar, Rehman, Qureshi and Shahjehan (2010) are of the opinion that most organisations focus their marketing strategies on customer loyalty because of the intense competition they face. Furthermore, they also commit themselves to providing a wide range of services and improving their customer services by leveraging their service standards and their technology. Rai and Medha (2013) assert that the results of customer loyalty is not only repeat purchase and positive publicity but it can also have a positive impact on cross-buying intentions and priority-based preference of the service provider.

Padmavathy, Balaji and Sivakumar (2012:246-266) posit that "loyalty can be a positive experience of significant value to both customers and the firm, and even if their decisions are not the most rational, customers continue to purchase and maintain the relationship with the company. Customer loyalty also provides organisations with exceptional advantages and opportunities through customer retention and cost reduction." These researchers further argue that the cost of obtaining a new customer is five-to-tenfold usually more costly than retaining existing customers. According to Heryanto (2011), customer loyalty is the commitment of subscribing again or repurchasing products/service from the same service provider, bearing in mind that consumer purchase behaviour might change because of the situation and the marketing efforts of the service providers.

De Waal and van der Heijden (2016) opine that high performance organisations always aim at providing a good service to their customers and further add that employees of organisations should treat customers in such a way that the customers remain satisfied and loyal. According to Jeske et al. (2015) when there are good relationships between service providers and their customers, loyalty and repeat business is apparent. However, the elasticity of a product also affects customer loyalty, that is, if the services offered are similar to what other service providers offer, then it is more likely that a consumer will move to a different service provider who offers unique and special features or benefits.

Another factor that influences customer loyalty is demographics such as age, income, nationality, sex and location. Usually older customers are more likely to remain loyal, compared to younger ones, because they always want to try new products (Ranabhat, 2018). Saad, Ishak and Johari (2013) believe that the income factor has more impact on customer loyalty, compared to other factors such as demographics (age, occupation, gender and lifestyle), and that, generally, older consumers are more likely to remain loyal compared to younger ones because they are reluctant to go through the trouble of finding alternative products. Curak, Dzaja and Pepur (2013) add that the demand on the insurance products is also influenced by different factors such as institutional, economic, social and demographic factors. However, Sivesan and Karunanithy (2013) are of the opinion that personal demographics, such as age, gender and marital status, does not have an influence on customer satisfaction, but state that the view and appreciation of service quality vary among these demographic factors.

Mensah and Nimako (2012), interestingly, found that demographics also influence consumer complaints, especially ones such as marital status and education. Hence, it is important for companies to constantly collect important demographic information about customers, to enable understanding of their motivation for complaints and to implement the correct strategies to reduce or address them. In order for organisations to achieve loyalty, they should enhance their customers' satisfaction which can be achieved by improving service quality, trust and discouraging customers from incurring switching costs (Major, 2017). Additionally, organisations should keep their promises to customers, because this might lead to dissatisfaction. Furthermore, for companies to ensure sustainable business capabilities, customer loyalty and customer retention, they must develop CRM strategies to ensure that their customers are well served and their demands are met in innovative and proactive ways (Apuke, 2016).

Abaidoo (2015) states that there should be proper supervision of life insurance administrative systems by regulators, which will encourage insurance companies to be more innovative and improve operational efficiency. Shamsuzzaman (2013) suggests that physical facilities should be improved and, in addition to that, insurance providers should be consistent and dependable. Abaidoo (2015) further emphasizes that insurers should also improve empathy towards its customers as well as trust. Qadeer (2013) cites other important factors to improve, namely:

a) brand b) price c) physical environment c) customer experience and d) human interactions.

Each of these factors are discussed below:

2.7.1 Brand Image

According to Zheve et al. (2015), the corporate image plays a significant role in loyalty, thus a good brand image would help organisations to improve and sustain the relationships with their customers. Furthermore, when the customers trust the brand they are likely to remain loyal to the service provider since trust results in valuable relationships. So, King, Sparks and Wang (2016) are of the opinion that constant customer engagement increases brand trust and brand loyalty, and therefore the importance of managing the customer's experience with the brand is emphasized. These authors, however, add that service brand evaluation may reach a point where its improvement may not be practically feasible any longer. Therefore, organisations should implement marketing strategies that will increase customer dialogue and other forms of communication, which may influence their loyalty towards them.

2.7.2 Price

Customers buy goods and services from the business that meets their needs and wants and they usually purchase these products to meet their expectations in terms of money. Companies are therefore compelled to determine their pricing on the basis of the quality of the products that attract customers and influence long-term relationships (Khadka & Maharjan, 2017). When organisations provide a full service equivalent to its monetary value, this usually increases the number of customers and improves the relationships between the customers and organisations, which will then influence the existing customers to attract new ones through sharing of information about the products and services. Savo (2017) is of the opinion that it is hard to switch to another service provider because prices of the different providers need to be compared before making a decision about a good and affordable offer. The author is of the opinion that service providers should make a price comparison sheet available to consumers when they want to switch to another service provider. This could lead to a higher trust rating, since the consumer will feel that the service provider cares and is alleviating them from the distress of price comparisons.

2.7.3 Physical environment

According to Gupta (2012), physical evidence, also known as the physical environment, is when the service provider helps the customer to see what he/she is buying. In the insurance industry, physical evidence can be the policy certificate and premium receipt, or it could be the ambience and office building, or even the personnel that provide the service, and even include the logo and brand name. However, Auka, Bosire and Matern (2013) posit that serving customers with care and individualized attention is more important than providing them a with favourable business environment.

2.7.4 Customer experience

According to Chandra (2014), the experience of the customers greatly impacts their satisfaction.

When customers have a good experience, they are more likely to remain satisfied and repurchase from that specific service provider. The brand image also has an influence on customer experience. The interaction between the customer and the service provider usually shapes the organisation's brand positioning within the mind of the consumer, which then has a

positive effect on customer loyalty, thus making them less likely to consider other brands (Imbug, Ambad & Bujang, 2018).

2.7.5 Human interaction

Van Tonder and Roberts-Lombard (2016) emphasize that building good relationships with the clients is imperative to ensure that the customers remain loyal over a long period of time. According to Emaratkar, Doshmanziari and Ziaei (2018), sales personnel in service organisations are their most important representatives, because their behaviour when interacting with customers will determine if they will remain loyal or not. The authors reiterate that sales personnel should have certain characteristics that will make them appealing and for the consumers to want to return to the company to repurchase, such as knowledge about the product and the organisation at large, experience and skills in a particular field, ability to answer special questions and a likeable personality. All these attributes usually lead to increased trust and therefore increased loyalty. Educating consumers on financial planning is considered important because it results in building a financially inclusive society. Financial advisers can play a vital role in this since they can provide clients with training to help them understand their financial needs and to plan accordingly for the long term (Van Tonder & Roberts-Lombard, 2016).

Employees in service organisations, especially those that are in direct contact with the customers, usually serve as representatives of both the organisation and its services. Therefore, the manner in which they communicate and how they treat customers can have a great impact on how consumers assess the entire service experience (Nepwanga, 2011). It is therefore important that the employees are empowered and motivated to portray a positive image to the customers. Unmotivated and disempowered employees are more likely to portray a negative image of the company. Management should therefore ensure that they implement systems that not only ensure that customers remain satisfied, but also ensure that employees are satisfied. Mehmood and Iqbal (2013) posit that the employees are the actual asset of an organisation, since they are the ones that interact with the customers on a daily basis, directly and indirectly. Whether customers return or not is dependent on their interaction with customers. Moestopo (2018) emphasizes that for service providers to ensure repeat purchasing, they should be friendly, courteous, patient, and willing to listen to complaints when dealing with the customers, since they are the pillars of the organisation.

Kotler (2002:25), as cited by Heryanto (2011:69), identified "five indicators of loyal customers: Customers tend to buy more and are loyal longer; customers increase cross-selling or add-on-selling; customers are not sensitive to price; customers will engage in positive word-of-mouth; and customers offer ideas to the company's goods or services." (Heryanto, 2011:69).

Du Plessis and Roberts-Lombard (2013) state that an organisation's intentions should be to retain and develop loyal customers, and to achieve this, they should offer them special benefits and should also timeously communicate relevant information. Rai and Medha (2013:151) assert that, "the factors leading to customer loyalty are mainly those which either stem from customers' evaluations and subsequent perceptions of the service such as service quality and customer satisfaction or the ones that fall into the category of relational outcomes of repeated service transactions like trust and commitment". According to Ranabhat (2018), as much as customer satisfaction and customer loyalty are inter-related, it does not necessarily mean that every satisfied customer is loyal to one service provider or one brand. Heryanto (2011) argues that customers do remain loyal to a service provider when they are satisfied and customer satisfaction is usually influenced by customer expectation and product performance, meaning that customers are satisfied if the performance exceeds expectation, but are more likely to be dissatisfied if the performance is below their expectation.

According to Du Plessis and Roberts-Lombard (2013:7), "long-term insurance organisations should ensure they implement a CRM system which will help in increased customer loyalty. The policies and other services should however also be delivered as promised by the service provider". Ansari and Riasi (2016) state that the prosperity of a business is strongly reliant on customer loyalty and that the importance of customer loyalty is generally more apparent in service providers where they have a closer relationship with their customers.

According to Du Plessis and Roberts-Lombard (2013; 7) "managers aiming to build a loyal customer base should concentrate on the issue of two-way communication and conflict handling and should come up with strategies to improve communication with their customers as well as conflict handling". These authors add that long-term insurance companies can nurture the loyalty of customers by sharing accurate and necessary information regarding their services. When service providers disseminate accurate and necessary information, customers are more likely to trust them. De Waal and van der Heijden (2016) noted that there are several

important employee behavioural factors that create customer loyalty and customer intimacy. These factors are the trust customers have in employees, the behaviour of employees towards the customers, the competency of employees in delivering a service of high quality, the empathy employees have towards the customers' needs and how they understand and respond to these needs, and lastly, the service manners the employees display when delivering service. De Waal and van der Heijden (2016) thus emphasize the role and importance of the insurance salesperson/consultant in the insurance customers' experience.

Kanyan, Andrew, Ali and Beti (2015) suggest that measures should always be in place that will lead to winning the trust and confidence of customers, and they further emphasize that there should be efforts to keep promises made to customers, as well as ensuring that the customer information is kept confidential. Rai and Medha (2013) concur that customer trust in the insurance company is a determining factor of their loyalty towards the company and the various factors leading to customer loyalty commonly comes from repeat service transactions. Trust is especially important when it comes to purchasing insurance policies, since the sector is usually deemed as sales oriented as opposed to customer oriented.

Yu and Tseng (2016) are of the opinion that constant sharing of information positively influences the relationship between customers and life insurers and state that frequent exchange of information also allows buyers and sellers to be in constant conversation, resulting in better understanding between the parties, especially regarding their goals and resources. When close relationships are developed, both parties usually feel at ease to contact each other for any information or clarity needed. In addition, closer relationships usually result in more sales (future business generation) because the sellers can approach the buyers when there are new products available. The buyers are also comfortable to ask the seller questions regarding the market or any issues they feel are unclear. The buyers feel some sort of trust when they build strong relationships with the sellers. The insurance industry is a very complex industry and consumers do not feel comfortable contacting the sales personnel when they do not have relationships with them. Having the right sales personnel, who build relationships with their customers, is therefore the best solution in such a complex industry.

According to Kanyan et al. (2015), there are several other strategies that can nurture loyalty such as providing reliable and timely information to the consumers, conflict handling as well as successful resolutions of customer's complaints. Additional to that, companies should come

up with loyalty programs that will encourage the customers to remain loyal to the organisation, since it is more expensive to acquire new customers than to retain the current or existing customers. Loyalty programs are used to encourage customers to frequently purchase products from the same service provider and the strategies implemented give customers free merchandise, coupons, rewards, among other examples. There are two main benefits of implementing loyalty programs such as relationship building and increasing profits (Ranabhat, 2018).

Magunga (2010) opines that it is important for organisations to improve their research component, because this will enable them to develop more, and better, customer retention strategies, which will help them identify both the most valuable and the riskiest customers. When these customers are identified organisations are more likely to increase retention and acquire more profitable customers.

Yadav and Tiwari (2012) state that the customers are the main pillars of a life insurance business therefore it is of utmost importance that the insurance companies understand their customers and their customers' needs and expectations so that they are able to improve on the products and the service they offer their customers hence retain these customers and also attract new customers. Osman et al. (2016) argue that one of the toughest jobs is to sell unsought products, because it requires a company to commit themselves to aggressive marketing campaigns including sales efforts by well-trained sales personnel. It is imperative that organisations selling unsought products, such as insurance companies, ensure that they provide excellent customer service.

According to Lahtinen and Isovitta (1994), as cited by Ihalainen (2011), offering a service consists of many series of events and three main elements are distinguished in these events: the first is the service environment, which includes the location, appropriate service equipment, and whether the premises are pleasant, comfortable and spacious; secondly, whether contact personnel are highly professional and competent, helpful and pleasant and their service is fast and well managed; thirdly, the importance of other customers' experiences and word-of-mouth recommendations.

2.8 **Conclusion**

The literature reviewed in this chapter guided the definition of consumer awareness, protection, service quality, customer satisfaction and loyalty, and explained how these variables link with each other and the benefits of customer satisfaction and loyalty to organisations. Not much literature was found in the Namibian context, but the researcher considered literature from other African countries and other international countries.

The next chapter deals with the marketing theories identified as being relevant to this study and provides the conceptual framework, allowing for the development of the hypotheses.

CHAPTER 3

CONCEPTUAL FRAMEWORK

3.1 **Introduction**

Selecting from among the numerous marketing theories, the researcher chose to discuss Services Marketing Theory because the study is based on the long-term insurance industry, which offers a service and not physical products and also discuss the Users' Satisfaction/Dissatisfaction Theory which will specifically concentrate on the most commonly acknowledged conceptualization concept which is the Expectancy Disconfirmation Theory. The Users' Satisfaction/Dissatisfaction Theory allows the researcher to examine the reasons for consumer satisfaction or dissatisfaction with service providers. The conceptual framework for the study and the development of the hypotheses is explained in this chapter.

3.1.1 *Services Marketing Theory*

According to Saraswathi (2016) marketing of services is a new phenomenon in marketing and it only gained it relevance as a discipline towards the end of the 20th century. It only gained its popularity in the 1980's when the debate started on whether services were completely different from the tangible product offerings, it was however usually considered as merely an aid to the production and marketing of goods thus the importance of it being relevant on its own was ignored. Its relevance only became transparent in the 1980s as the shift in thinking emerged and as the service sector started to grow and it emerged as a significant contributor to employment and to the Gross Domestic Product (GDP). The academics and the marketing practitioners started to look at marketing of services in a new perspective. With this new perspective of thinking a rise in concepts such as product-service spectrum, franchising of services, customer retention and relationship marketing transpired (Saraswathi, 2016).

Gronroos (1982:30) states that, "the first comprehensive service marketing theory or frame of reference was the one published by Rathmell (1974), who tried to use traditional concepts and models from consumer marketing theory in services marketing." Gronroos (1982:30) concludes that, "definitions, classifications, data, and concepts are lacking. The development of general theories or frameworks for service marketing seems to have followed two different

paths." He continues: "According to one approach, the services offered by service companies ought to be changed in a more product-like manner, so that current marketing theories can be applied" (Gronroos, 1982:30). Gronroos (1982:30) states that "the other approach starts from a notion that services are different in comparison to physical products and holds that marketing concepts and models have to be developed in a more service-like direction."

Awara and Anyadighibe (2014) posit that service marketing is when an organisation offers intangible offerings such as financial service, telecommunication service, air travel, health care services, professional services, car rental services and usually comes in a form of either Business -to -Business or Business –to- Consumer markets. Services are usually consumed at the point of sale and the nature of the services are perishability, heterogeneity, inseparability and intangibility. The service sector has been growing significantly and seems to be taking over the world economy and most developing countries are now engaging more in service sector and is more their core sector of economy, (Awara and Anyadighibe, 2014)

Jan (2012) agrees that the challenges usually faced by service marketing companies comes from the basic characteristics of services such as the inseparable, intangible, perishable and heterogenious of the nature of services. The managers most often find themselves fighting the challenge of heterogeneity of services. Customers are less likely to receive standardized service experience since it is usually affected by several factors such as behavior, attitude and the mood of the frontline employees (Jan, 2012). This researcher further cites Zeithaml and Bitner (1996), who argue that these challenges revolve around understanding customer needs and expectations for service, "tangibilizing" the service offering, dealing with numerous people and delivery issues, and keeping promises made to customers.

Johann (2015) asserts that four service characteristics are central to the discipline of services marketing and should be considered by service providers at all times. Johann adds that because suppliers also play a vital role in the creation of services, it is of utmost importance that reliable suppliers are utilised by service providers. Jan (2012: 43) further states that "the biggest challenge faced by financial service marketers is heterogeneity and to overcome this, the marketers can use a host of strategies like:
- keeping the service branches well equipped with modern infrastructure to give a message of high quality service standards to the customers;

- rewarding the strong sales personnel with financial and nonfinancial incentives to increase job satisfaction and ultimately ensure positive attitudes from the customer contact employees;
- training their frontline employees in skills like reliability, responsiveness, assurance and empathy to help them deliver good quality service to the customers; and
- empowering employees to decide about the best way to serve customers, as too many rules tend to inhibit the judgment of employees to cater to the heterogeneous nature of service customers' needs and must also be able to respond to service failure so that the organisation maintains its credibility or good image.

Solid recovery techniques should also be used to transform a customer's unpleasant experience during a failed service into an opportunity to lead to a more satisfied service encounter (Jan, 2012; 43). According to Johann (2015), with certain services, consumers also take part in the service delivery (co-creation), such as queuing up for assistance, and they are usually required to cooperate in the development of a process in order for them to consume the underlying service. For example, when submitting for an insurance claim, a customer is required to queue to be assisted with the claim process. In service marketing it is important to consider the characteristics of services. Table 3.1 explains the implications of service characteristics and how marketers should respond to these for the service organisation to be successful.

Table 3.1: Implications of service characteristics and suggested marketing response

Service characteristics	Implications	Response
Intangibility	Difficulties with assessing quality Increased level of uncertainty Perceived high level of risk	Adding physical evidence Developing strong brands Facilitating recommendations Stressing tangible elements in advertising
Inseparability	Production process affects the service outcome Employees affect the service outcome	Monitoring and controlling the service production process Management of consumer-producer interaction

		Precisely defining target market
Heterogeneity	Different levels of service quality Employees affect the service quality	Quality control procedures Selecting, training, motivating and controlling service personnel
Perishability	Services cannot be stored, resold and returned	Management of demand Promotion and price policies

Source: Developed from Palmer (1994, as cited by Johann, 2015:10)

These service characteristics are important in determining customer satisfaction and service quality within a context of a service provider as opposed to suppliers of tangible products.

Jan (2012) postulates that each characteristic poses certain challenges, which require marketers to implement specific strategies to ensure that these characteristics influence service marketing positively. The intangible nature of services is a challenge in the sense that policyholders cannot have a concrete sense of experience of what they are buying, which makes it difficult for them to determine in advance if they are going to be happy with the product. However, insurance companies have policy contracts which serve as a tangible component, since the policyholder will at least have an idea of what they are buying, the benefits and the price they are paying and that they in fact will own the product. Another challenge that a service has is the fact that it cannot be separated from the service providers. For insurance policyholders to be able to purchase the product, the sales consultant should be physically present to discuss the policy and its benefits to them. The policyholder can also only experience the service when an event transpires that requires them to claim. This is generally a huge challenge because one does not know how a service will perform until one utilises it. Perishability poses the challenge of the service not being able to be stored for later use. The sales person cannot store their appointments with policyholders for later use. Therefore, when a customer has an appointment with a sales person for advice or would like to submit a claim that appointment automatically lapses if the client has to cancel. However, technological advancement such as internet access and telecommunication better equip service providers to overcome these challenges (Moeller, 2010).

Finally, heterogeneity reveals that no two services are alike when offered by different service providers or by different sales personnel within an organisation. Furthermore, the behavior of the sales personal immensely affects the satisfaction level of the customers and managers also finds it difficult to ensure that the sales personal behavior is consistent. This can be a determining factor whether a customer settles for one competitor over another on the basis of their service quality or whether they have a preference for one sales person over another based on their judgment of the sales person's service. Service performance may also differ on each occasion, depending on the mood of the individual sales person on a particular day. This reiterates the importance of personnel behaviour when interacting with customers and warrants training for this within organisations (Jan, 2012). The personnel highly contribute to service quality by creating a good image for the firm and providing better service compared to other service providers. Service firms should therefore ensure that they find ways to effectively manage the personnel who deal with the customers so that they ensure their attitudes and behavior are conducive in delivering of service quality. If personnel are not properly managed they are more likely to provide heterogeneous services which could create difficulties for the service providers since it can affect customers' perception of the service which will then affect customer satisfaction and in turn affect customer retention (Awara and Anyadighibe, 2014).

Satpathy, Patnaik and Kumar (2017) state that service quality is an important part of service marketing and most of the organisations highly depend on service quality process since it determines the satisfaction of customers. Measuring quality service is usually a complicated task which makes it complicated for organisations to understand the exact nature of the service quality and subsequent improvement in customer satisfaction. Usually, quality of services is defined by the customers and if the service does not meet customer expectation then it will fail in the market. It is therefore important for organisations to know how consumers evaluate and perceive the services thus make the necessary amendments to meet the customers' expectation.

Alipour and Darabi (2011) postulate that service dynamic environment is viewed as the key to effective marketing and it is therefore important for organisations to design services in such a way that it considers the customers needs, distribute the services in a suitable manner and introducing the service to customers actively and price their services programmatically. The

managers should have a good understanding of the service marketing elements to be able to manage their organisation better in an active and competitive world.

3.1.2 *Users' Satisfaction/Dissatisfaction Theory*

Aigbavboa and Thwala (2013:48) state that satisfaction is a common concept in various fields such as in office evaluation by employee satisfaction, site evaluation by visitor and hospital evaluation amongst others. Citing Oliver (1980), Aigbavboa and Thwala (2013:49) state that "the most commonly acknowledged conceptualization of the user satisfaction concept is the Expectancy Disconfirmation Theory which proposes that a user's satisfaction level is a result of the difference between expected and perceived product performance, and expectations as predictions of future performance". These researchers assert in addition that the theory suggests that if the product satisfies high expectation it is likely to generate greater client satisfaction than products that meet low expectations (Aigbavboa & Thwala 2013).

Van Ryzin (2013) postulate that expectancy-disconfirmation theory originates from the study of consumer behavior and that the theory holds that the consumers cultivate the different expectations of the quality of the service provided on the basis of their personal experiences with the service providers, advertising and word of mouth hence the consumers are more likely to apply various standards in judging whether they are satisfied or dissatisfied. Furthermore, the resulting difference in expectation can either be positive or negative which means with positive the performance exceeded the expectations and with negative the performance fell short of the expectation. According to Schwarz (2011) the Expectancy Disconfirmation Theory (EDT) proposes that customers usually experience multi-stage process when the make a decision to repurchase a service. The consumer first forms a certain expectation about the service before using the service and if they had previously used the service it is more likely that their expectation will be realistic unlike if it is the first time they are to experience the service because their expectations will be more based on media reports, word of mouth or the service providers marketing initiatives. The final stage is that the consumer will use the service themselves thus evaluates if the extent of their experience matches their initial expectation of the service (Schwarz, 2011). Expectation or desire is related to the pre purchase time period that a customer has initial expectation or desire about a specific performance such as quality of products or services. Experience or perceived performance is related to the after purchase time

period that the customer gets the experience after perceiving a real performance such as quality of a specific product or service. The difference between initial expectation or desire and perceived experience or performance is known as disconformation of expectation or desire. It means that disconfirmation of expectation or desire can be positive or negative. When customer ′s perceived performance over the quality of specific product or service is higher than the customer′s expectation or desire, the positive disconfirmation will occur. In the same way, when customers perceive the performance is worse than what they expected or desired about the quality of specific product or service, the negative disconfirmation will happen (Naeimeh and Aryati, 2012).

When a service does not perform as expected the customer will be dissatisfied, but if performed as expected the customer will be satisfied hence the importance of service providers to ensure that the service performs as expected by the customers (Elkhani & Bakri, 2012). Understanding the consumer's satisfaction or dissatisfaction is related to the customer's ability of learning from the past experience and concluding their satisfaction or dissatisfaction on the basis of that past experience. The reward the customers gain in utilizing the service provider's service will lead to evaluation of the degree of satisfaction in conformity with the purchasing which can thus influence the customers' beliefs and attitudes towards the service providers services (Isac and Rusu; 2014)

Spreng, MacKenzie, and Olshavsky (1996) proposed a model which shows that when customer is satisfied with the information they receive before making their purchases can influence their satisfaction. If the perceived information performance as expected they will be satisfied, if the information does not satisfy their desired expectation they will be dissatisfied.
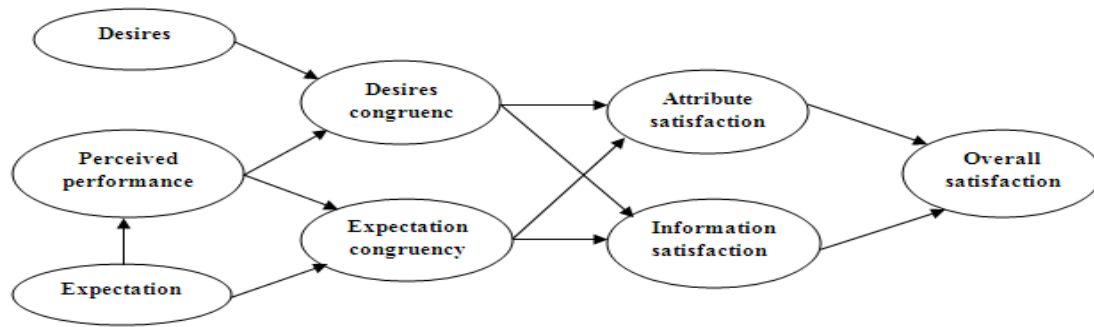
Figure 3.1: Expectation Disconfirmation Theory model

Source: Spreng, MacKenzie, and Olshavsky (1996)

According to Jiang (2009), the concept behind Expectation-Confirmation Theory (ECT) is simple. Before receiving a service, the customers have an expectation, if the expectation is met, than the customer is satisfied if the expectation is not met the customer will be dissatisfied. Similarly, if the managers hire their personnel and they donnott meet expected performance the managers will be dissatisfied. Furthermore, Jiang (2009) posits that the obvious reaction of customers is that they will return to the service providers if they are satisfied with the performance and the managers will rate the work of the appointed staff high if they are satisfied with their performance.

The Expectancy Disconfirmation Theory is a cognitive framework which is used to measure post-purchase customer satisfaction or dissatisfaction after the customer had received a service which is usually based on the difference between what the customer expected and the initial performance of the service. The framework is considered as a significant and influential model to understand consumer satisfaction and analyzing how dissonance between expectation and perceived performance affects satisfaction (Tand and Pun 2017). Service quality and customer satisfaction are the two constructs in this study that are related to Expectancy Disconfirmation Theory, in the sense that customer perception of overall satisfaction usually results from a comparison between previous expectation of the service performance and the performance of the service. Thus, it is important for organisations to have an understanding of how they can ensure that services perform in accordance with customer expectation (Van Ryzin, 2013).

3.2 Conceptual Framework and Hypotheses Development

3.2.1 *The Relationship between Consumer Awareness, Customer Satisfaction, Service Quality and loyalty*

Arivazhagan and Geetha (2011) state that creating awareness is important for organisations to acquire customers; when customers are aware of the products they are more likely to purchase them, leading to increased sales. Once consumers start purchasing a product and are satisfied with the service they received from the service providers they are more likely to repurchase from the same service providers and advocate the service provider to their friends and family. Hussein (2012) argues that creating awareness is one of the key steps to promoting the existence of an organisation. However, Soni and Chouhan (2014) are of the opinion that the organisations should develop aggressive programmes to increase consumer satisfaction.

Almosawi (2012) states that promotion mix determines customer retention since it helps customers make the right decisions about the services. Customer retention has significant impact on customers' loyalty and emphasized that strategic promotions are very important for customer's satisfaction, loyalty and retention (Khan, 2012).

Kotler and Armstrong (2017) identified promotional activities as a key element of the marketing mix and customer preferences and motivations usually influence the customer's behavior on the market due to the intensive promotional activities directed to these customers (Powers and Loyka, 2010). According to Loda (2014) the promotional messages is usually interpreted carefully by the customers and they perceive the information in different ways. The core message of advertising should be carefully selected since this affects the strength of the customers' beliefs. Similarly, Maulani (2017) found that marketing communication tools are likely to provoke various perceptions among individuals. Bakator, Đorđević and Ćoćkalo (2018) found that promotional activities have a positive influence on customer satisfaction as well as the overall customer experience.

Kotler and Armstrong (2008) as cited by Firdausy & Idawati (2017) suggested five variables regarding promotion and they are as follows:
- Advertising which is usually a non-personal presentation and promotion;
- Personal selling which is a personal presentation to existing customers and prospective customers and helps build relationship with the existing customers;

- Sales promotion which usually serves as short-term incentives to encourage customers to purchase;
- Public relations is another variable and it helps organisations in building good relationships with the public and ensure that the good image of the organisation is maintained; and
- Direct marketing is used as direct communication to obtain an immediate response from the customers.

When the customers become more knowledgeable the demand for high quality services increases (Rosmayani and Mardatillah, 2016). Consumers might purchase repeatedly if they are assured of its quality through brand awareness since the customers usually make purchase decision based on awareness, knowledge and experience of the specific brand. The loyalty of the consumers becomes stronger and firmer when they are aware of the brand which can be created through advertising and repetitive publicity (Valavi, 2014). There are several authors that found that the relationship between awareness and loyalty is insignificant (Ramaseshan et al., 2013; Hyun & Kim, 2011), while others found the relationship to be significant (Tsang et al., 2011; Valavi, 2014). The contact between the customers and the sales personnel is also very important in services since this offers the opportunity to either satisfy or not satisfy the consumers and the expectation of the customers is significant in determining the satisfaction of the customers and perception of the service quality, (Rosmayani and Mardatillah, 2016). Furthermore, customer satisfaction can be increased through providing innovative services then the competitors, by improving the facilities in the service process, provide the customers relevant information which will help them make the right purchase decisions, provide high quality services to the customers and provide the customers with the services that are based on their needs (Marlina, Wardi & Patrisia, 2018). Service quality has an impact on customer satisfaction and that there is a direct impact of service quality on customer loyalty without the mediation of customer satisfaction, thus based on their study the conclusion that can be drawn is that customer loyalty is affected by both customer satisfaction and service quality (Jamaluddin & Ruswanti, 2017). Many organisations have realized the importance of educating the customers and consider it a priority since it is believed that educating the customers leads to customer loyalty and profitable relationships, (Aubert, 2007) The education provided to customers can be delivered through a various educational programs, advertising, seminars, blogs, seminars, professional advice and forums (Gruen, Osmonbekov, & Czaplewski, 2006). Customer education increase the competitive advantage of an organisation but there might be potential difficulties the organisations may experience when educating customer since

educating the customers will increase their level of expertise thus increasing their expectation which may even cause them to later leave the service providers and establish a competing organisation (Suh, Greene, Israilov & Rho, 2015). However, when customers are well informed or well educated it changes customer perception overtime. The organisations that consider relationship building should develop training programs which ensures that sales personnel are knowledgeable hence being able to share the right information with the customers thus resulting in the organisation having a competitive advantage over their competitors since they will have informed customers who make informed decisions which results in customer satisfaction, (Suh, Greene, Israilov & Rho, 2015). According to Wahab, Hassan, Shahid, & Maon (2016) the marketing mix specifically on the dimensions of promotion and place has a significant impact on customer satisfaction whereas the product and price variable don not have a significant effect on customer satisfaction. Sarker, Aimin, & Begum (2012) however argue that the product, place, process, people and physical evidence have a significant effect on customer satisfaction and only the price variable which does not have a significant effect on customer satisfaction. Saira and Ahmed (2019) however argue that for organisations to be able to increase customer loyalty and build long-term relationships with the customers they should focus on providing accurate information and provide competitive services to the customers. The researchers further argue that when organisations engage in deceptive advertising this can cause negative word of mouth which is likely to influence customer loyalty.

In order to explore the link between "consumer awareness, customer loyalty, customer satisfaction and service quality" with reference to the long-term insurance trade in Namibia, four hypotheses are made:

H1: Long-term insurance consumer awareness positively influences customer loyalty.

H2: Long-term insurance consumer awareness positively influences customer levels of satisfaction.

H3: Long-term insurance consumer awareness positively influences customer service quality perceptions.

H4: Long-term insurance industry consumer protection positively influences customer loyalty.

3.2.2 *The Relationship between Consumer Protection, Customer Satisfaction and Service Quality*

Selvakumar and Sathyalakshmi (2015) believe that customer satisfaction is not highly influenced by factors related to consumer protection. However, Nwaizugbo and Ogbunankwor (2013) disagree with this view, stating that consumer satisfaction and consumer protection are positively correlated. They state that agencies engaging in consumer protection should address complaints quickly and limit all forms of unfair trade practices. Consumers should be provided with fair value, safety and good quality products and services (Reddy & Rampersad, 2012).

There is apparent customer dissatisfaction in the insurance industry. The main reason for this is the failure of insurance providers to satisfy customer's needs and the 'mis-selling' of products in the market. It is therefore of utmost importance that companies providing insurance products identify the reasons for poor service quality and implement measures to improve their services by bridging the gap between the expected services and the actual services provided (Irulappan & Bincy, 2014). Organisations should also do research on their service quality levels in relation to the needs and demands of customers and how much the customers can pay for the service. The needs and demands of customers that are to be considered should be based on good quality service but affordable prices, (Alipour and Darabi, 2011). According to Tao, Karande and Arndt (2016) the personnel should always be recongnized for their hard work since this will determine how they will react to customer complaints. The authors' further state that what causes service failure in many cases is the long wait for feedback. Customers become very impatient when the feedback process is lengthy and this might cause the customers to consider switching service providers. Al-Ghamdi and Sohail (2007) argue that the process of filing for complaints must be simplified, the customer service providers must be easy to approach and consumers must not be discouraged by the hassles they are going to experience when submitting the complaints and the agencies that are responsible to receive the complaints are not controlled by the service providers and there must also be consumer education programs. Furthermore, consumer protection agencies must ensure a friendly business environment through creation of consumer awareness, maintaining good code of conduct, service charter and ensure that questionable business practices are eliminated.

The relationship between consumer protection, customer satisfaction and service quality with respect to long-term insurance customers in Namibia can thus further be explored through the following two hypotheses:

H5: Long-term insurance industry consumer protection positively influences customer satisfaction.

H6: Long-term insurance industry consumer protection positively influences service quality.

3.2.3 *The Relationship between Customer Satisfaction and Loyalty*

Mohsan, Nawaz, Khan, Shaukat and Aslam (2011) state that satisfaction is viewed as how well customer's needs and demands are met and customer loyalty is a measure on whether customers are to repeat the purchase from the service provider and continue with engaging in relationship activities with this service provider.

According to Njoroge (2016), customer service and satisfaction are important in organisations to ensure that customers remain happy and loyal. Furthermore, it is important to enhance sustainable competitive advantage. Ogbechi, Onifade and Okafor (2018) postulate that both customer satisfaction and customer loyalty are success factors in any service based organisations, thus the importance of ensuring that strategies are formulated to ensure that customer needs and wants are satisfied. Vazifehdust and Farokhian (2013) state that the factors influencing customer satisfaction are consumer access to information and services, the feedback time and the trust of customers in the service provider. Customers usually remain loyal to the service providers when they receive quality service. Organisations should therefore train employees in skills to serve customers promptly and to deal with the customers courteously (Ogbechi et al., 2018).

Other factors that influence customer satisfaction are the insurance company adhering to its obligations, assigning the right sales person and the right product based on the customer's needs, sales personnel displaying the right behaviour such as patience and friendliness and dealing effectively with customers, sales personnel transmitting accurate and comprehensive information and not limiting it because of the fear that customers will not purchase the product when they know certain aspects about the products (Vazifehdust & Farokhian, 2013). According to Irfan, Shamsudin and Hadi (2016), there are various determinants of customer satisfaction and loyalty such as price fairness and service fairness, switching barriers, conflict handling, relational benefits, communication and commitment. The determinants vary, based on the particular industry in which the service provider is operating. Customers of financial services' loyalty is determined by factors such as conflict handling, service fairness and commitment, whereas switching barriers and rational benefits are considered as the important

factors within the airline services but then in the auto repair and maintaince services crucial determinant of customer satisfaction and loyalty is price fairness (Irfan et al., 2016).

Ansari and Riasi (2016) postulate that customer satisfaction strongly impact customer loyalty and the degree of customer loyalty increase when customers are satisfied and the perceived value increase. Ganiyu (2017) posits that consumers that utilise a service frequently are more likely to be loyal and that customer satisfaction is of utmost importance for the purpose of building and increasing customer loyalty. Therefore, it is also important for organisations to offer service quality that exceeds customer satisfaction. Zephan (2018) agrees that customer satisfaction enhances customer loyalty and that maintaining the customers usually has a positive effect on the profit margin of an organisation. He/She further emphasizes that as much as acquiring new customers is important, it is always best to maintain existing customers and therefore organisations should invest more into strategies that can increase customer satisfaction and build customer loyalty. Al-Msallam (2015) asserts that customers can re-do the purchase if they find the services satisfying and can even recommend the service provider to other people. However, the author emphasize that it is important for service providers to study in advance what their customers' expectations are, because failure to meet these is more likely to lead to dissatisfaction. Matthew (2015) states that customer loyalty is directly linked to customer satisfaction and customer satisfaction has a positive impact on customer loyalty. Therefore, when companies measure customer satisfaction they should incorporate customer loyalty. However, Mohsan et al. (2011) argue that customer satisfaction is not an accurate indicator of loyalty, because despite the consumers being satisfied with the services, they will not remain loyal to an organisation if they can pick up worth, convenience or quality service from another service provider. Therefore, it can be concluded that customer satisfaction does not necessarily influence customer loyalty, but loyalty can influence satisfaction (Mohsan et al., 2011).

Abaidoo (2015) proposes, that for life insurance policies, understanding of life insurance functions and benefits, operational efficiency and responsiveness are determinants of customer satisfaction. Sekyere (2015) states that as the players within the insurance industry are increasing in most African countries this forces the companies to ensure customer satisfaction by improving on their offerings so as to be to maintain their existing customers and to acquire new ones. The study by Sekyere however further found that high switching is a factor that influences customers to remain loyal to a service provider, which indicates that over

concentrating on customer satisfaction only may not be enough to ensure that the customer remains loyal. Odunlami (2015) states that organisations in Nigeria want to build good relationships with their customers and constantly monitor competitors' strategies to ensure that the customers do not switch to their competitors, since customer satisfaction in Nigeria as a whole has independently contributed immensely to the maintaining of customers. The findings of a study in Nigeria clearly indicated that there is a significant relationship between customer satisfaction and customer retention (Odunlami, 2015). Although Nigeria and Namibia are not as closely related as South Africa and Namibia, all customers want to receive satisfying services, thus developing a master plan that will make certain of customer satisfaction and can lead to customer loyalty is imperative. Customer loyalty should always be evaluated from time to time to provide the service providers with better tools to make informed decisions that will help them meet changing needs in the industry and the complex nature of their customers (Iddrisu, Nooni, Fianko & Mensah, and 2015:15). Suki (2013) states that when customers are happy with the service they receive from the insurance company, they will express their satisfaction with the insurance companies by renewing their policies and become more inclined to purchase more insurance products and recommend the company to their families and friends. Strachan and Roberths-Lombard (2010) posit that it is vital for long-term insurance organisations to have a loyal customer base to be able to survive in the market. One of the best strategies for survival of an organisation is to have a Customer Relationship Management system which will have a direct influence on the value concept to the customers and will automatically put the organisation in a competitive position in the market thus lead to customer loyalty and at the same time increase the profits of the organisation.

To explore the relationship between customer satisfaction and loyalty in the long-term insurance in Namibia, the following is hypothesized:

H7: Long-term insurance customer satisfaction positively influences customer loyalty.

3.2.4 *The Relationship between Service Quality and Loyalty*

Irulappan and Bincy (2014) define service quality as customers' personal experience with the service provider. Since customers usually compare their experience of competing service providers. It is critical for organisations to deliver service quality superior to their competitors. However, organisations always find it difficult to measure the quality of their service to customers due to the three unique features of service: intangibility, heterogeneity and

inseparability. Thus, customer perception of the quality of service they experience can only be measured by the quality of services offered (Irulappan & Bincy, 2014). The variables of service quality such as Reliability, Empathy, Tangibles, Assurance and Responsiveness positively influence customer loyalty through customer satisfaction and customer satisfaction directly influence customer loyalty, furthermore, service quality greatly influence customer loyalty as it is defined as the result of the customers comparison of their expecations of the service and the perception of the way the service was provided to them which therefore lead to loyalty (Zheve et al., 2015).

According to Zheve et al. (2015) although customer satisfaction has become so significant in today's business, it is of importance to know that it is difficult to fathom exactly what goes on in the mind of the customers, hence the importance of companies to put more emphasis on customer delight and service quality. Osman and Sentosa (2013) define service quality as the extent to which services are perceived by customers to meet or exceed their expectations. According to Anjum et al. (2016), service quality is how well the services are delivered based on consumers' expectations. They state additionally that when perceived service is equal to expected service, customers are more likely to be contented, but if the perceived services are less than expected, customers are more likely to be dissatisfied.

Chadya, Akpo and Karodia (2014) propose that service quality is the customer's judgment of total excellence of the service that was provided, relative to the quality that was expected and it is an essential determinant of customer satisfaction. Five dimensions are usually associated with service quality: reliability, responsiveness, assurance, empathy and tangibles. Nguyen et al. (2018) add that providing the quality of service can be enhanced by various practices such as quick service delivery and attending to each customer's needs; sharing policy and contract information and providing the correct documentation; explaining the contract terms and specialized terms clearly to the customers; and ensuring efficient completion of the service process.

Khan and Fasih (2014) posit that service quality and its extent such as empathy, authenticity, tangibles, and assurance have a positive and significant connection with customer satisfaction and the customer's loyalty towards their specific service providers. However, it can be seen that in today's market-driven system that customers are unfortunately not only loyal to one specific service provider but are on a constant search for quality products and services which

satisfy their needs effectively, therefore, it is important for the service providers to source ways to create satisfied and happy clients.

According to Thaichon, Lobo and Mitsis (2014), improvement of quality of service results in organisations influencing the loyalty of customers as well as encouraging them to increase propensity for repurchase intentions. By formulating appropriate marketing strategies which focus on service quality, organisations can achieve competitive advantage. Felix (2017) asserts that service quality is the key determining factor of an organisation's competitiveness in initiating and sustaining a satisfying relationship with clients. The researcher adds that customer satisfaction and service quality are linked, because higher service quality normally results in higher customer satisfaction. However, Qureshi and Bhat (2015) are of the opinion that the key for the success of any organisation is to deliver more superior service quality than their competitors, but add that measuring the quality of service offered to customers is difficult for organisations because of the intangibility of products and it is only measurable by customer perceptions of the quality of service they are experiencing from their service providers. Irfan et al. (2016) agree that the key source of competitive advantage is service quality, since it helps to retain and attract customers. However, Malik and Oberio (2017:109), postulate that service quality serves as a differentiator between the expected quality of the services and the perceived quality of the services and further explain that the customers expected quality is the level of the service quality the customers implicitly or explicity request from the service providers whereas the perceived quality is considered to be the level of service quality obtained from the post consumption of the services based on the experience of the customer. These researchers point out that service quality has become a vital competitive policy that companies have in place to ensure that their customers remain satisfied with their services, thus also developing good relationships with them. They state that customer satisfaction, perceived as the key differentiator, has become the core element of business strategy (Malik & Oberoi, 2017).

Zheve et al. (2015) conclude that customer satisfaction is the main determinant of customer loyalty and shapes the overall loyalty of the customers towards the organisation, as it will determine how regularly they purchase their service after the initial one. They also conclude that service quality has an effect on customer loyalty in that generally, customers determine the service quality by comparing their service performance expectations to their views of the actual service performance. Furthermore, it has always been a challenge for customers to

switch from one service provider to another, since they feel there is too much effort involved and it is also costly. This also induces customers to remain loyal to a service provider.

According to Jeske et al. (2015), when the service provider and the customer has a good relationship, loyalty is enhanced and customers are more likely to repeat business with the service provider. The authors' further state that a good level of customer service and a good relationship with the service providers are the two most important factors to customers, and these two factors are the greatest motivators for customer loyalty to the service provider.

Hassan, Nawazb, Lashari and Zafard (2015) define customer relationship management as the practice of creating and maintaining relationships with consumers. In addition, they state that it is also the process of identifying, luring, differentiating and keeping customers. According to Saaty (2012), many customer relationship management programs are aimed at increasing the number of loyal customers. Bazini, Elmazi and Sinanaj (2012) postulate that in recent times most managers have started to understand the importance of maintaining their most active customers to ensure their survival in the market. They add that because of their reliance on their most loyal customers, it is important that companies form relationships with these customers. Magunga (2010) agrees that customer relationship management improves customer experience and increases retention. Yu and Chen (2014) posit that the stronger and more frequent the interaction between the buyers and the sellers, the higher "customer satisfaction"and trust will be. Hassan et al. (2015) agree that CRM helps companies to know their customers and understand their needs and thus tailor their service according to this, resulting in incremental shareable value. Saaty (2012:20) states that, "marketing is managing profitable customer relationships and suggests that the twofold goal of marketing is the attraction of new customers to the organisation and thereafter delivering superior value to them which will result in keeping and growing the current customers". The managers responsible for Customer Relationship Management should be knowledgeable and experienced enough to be able to run the complex and intangible nature of services in such a way that customers are able to comprehend and understand the product offerings. (Bazini et al., 2012) and since there is constant contact between the insurance agents and the customers it is important that they build good relationships with them, which will result in the service message being transferred in a competent manner (Bazini et al., 2012).

Wijenayaka, Perera and Sanjeewa (2015) postulate that organisations consider customers as their most important assets and therefore view customer relationship management (CRM) as a profitable transaction. It assists in building long-term beneficial relationships, which in turn result in having loyal customers and increased profits. A good relationship between the seller and the buyer also makes it easy for issues to be resolved and for customers to easily submit complaints when they are not satisfied. This allows the seller to easily rectify any errors and change any strategy that is not appropriate for the buyer, which helps them to keep their customers satisfied (Wijenayaka et al., 2015).

Appointing the right well-trained sales personnel who have good customer service skills has an impact on building long-term relationships with the customers. Kanyan et al. (2015) state that if organisations want to build relationships with their customers and ensure their retention, they should have a good understanding of their customers' behaviour so that they can come up with appropriate marketing strategies to assist with this process. Customer satisfaction shapes the overall loyalty of the customers towards their service providers, since their satisfaction will determine how frequent they will purchase from the particular service provider after using their services. However, Irulappan and Bincy (2014) argue that customer loyalty is more important to the success of the organisation, compared to customer satisfaction, and companies would therefore have to implement strategies that will ensure they gain loyalty from both existing and prospective customers. Customer satisfaction is only affected significantly by empathy and reliability whereas loyalty is affected by empathy, responsiveness, assurance and tangibility (Kumar, 2017). Ďado, Petrovičová, Riznić & Rajić (2013) postulate that providing quality service can assist in enhancing customer loyalty and reliability, assurance and empathy are the service quality dimensions that play a significant role. The service quality dimensions on customer loyalty is usually done through the mediating impact of customer satisfaction, but this relationship could be different in the various countries since cultures and background of customers are diverse. Gee, Coates and Nicholson (2008) as cited by van Es (2012) state several advantages of customer loyalty such as less service cost, the willingness to pay higher prices for the service and acting as marketing agent by word of mouth marketing.

To examine the relationship between service quality and customer loyalty further, specifically in the long-term insurance industry, the following is hypothesized:
H8: Long-term insurance industry service quality positively influences customer loyalty.

3.2.5 *The Relationship between Service Quality and Customer Satisfaction*

Agyapong (2011) defines service quality as customers' perceptions of how well a service meets or exceeds expectations and adds that the evaluation of service quality usually leads to customer satisfaction. Sivesan and Karunanithy (2013) state that the measuring of customer satisfaction is usually short-term and transaction specific, while service quality is an attitude formed by a long-term, overall evaluation performance of the services the customer receives. The two concepts are intertwined, although the relationship between them is unclear. Agbor's (2011) view is slightly different, since the author believes that the relationship between customer satisfaction and service quality depends on the service quality dimension and suggests that organisations have to improve on the dimensions of service quality if they want to provide quality service to satisfy their customers. However, Zafar, Zafar, Asif, Hunjra and Ahmad (2012) conclude that there is a positive relationship between service quality and customer satisfaction and a change in one affects the other. According to Leninkumar (2016) in the relationship between service quality and customer loyalty only three dimensions of service quality namely reliability, tangibility and empathy have a significant positive effect on customer loyalty. Of these three dimensions of service quality, only two aspects of reliability, problem solving and personal interaction have a significant association with customer loyalty. Thus, organisations should put much effort into training their employees for the purpose of enhancing service quality (Nguyen, Nguyen, Cao & Phan, 2016). Insurance providers and managers should be conscious that the satisfaction of the customer is largely based on service quality. It is therefore imperative that the service providers have a clear understanding of what customer satisfaction involves prior to attempting to measure it and its relationship with the service quality dimensions. Thus, quality improvement should not only be based on improving customer satisfaction, but management should also focus on improving customers' perceptions of service quality, indicating that service providers should constantly improve both service quality and customer satisfaction (Nyaguthii, 2013). Even though it is difficult for customers to evaluate intangible nature of services, companies have to look for profitable ways to differentiate their services from those of competitors, since the key to success is to retain existing customers. Therefore, the need to understand their customers is a very important aspect (Kumar, 2017).

The survival of the organisations depends on the quality of the services they provide to the customers thus the importance of service quality cannot be ignored by the organisations. They

should ensure that customers are updated with information about the products as well as their rights, (Satpathy, Patnaik and Kumar, 2017). Organisational policies usually determine the service standards and some tangible elements such as customer feedback, employee manual, service blueprints help to set the service quality standards.

In order to explore the relationship further with respect to the long-term customers in Namibia, it is hypothesized as follows:

H9: Long-term insurance industry service quality positively influences customer satisfaction.

From the research objectives and hypotheses presented in this study, a conceptual model has been developed in Figure 3.2 . The model is evaluated in this study conducted on the relationship between consumer awareness, consumer protection, service quality, customer satisfaction and loyalty amongst consumers of the long-term insurance industry in Namibia.
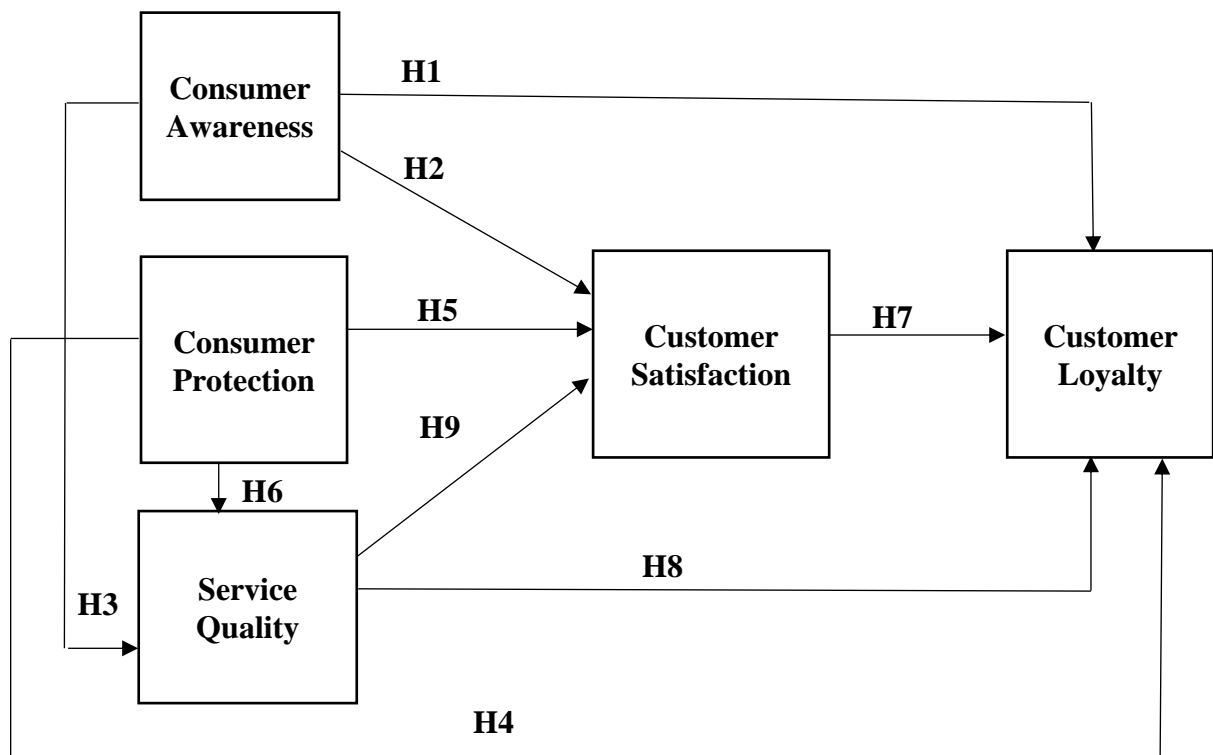
Figure 3.2 Hypothesised Model

Source: Developed by the researcher

3.3 **Conclusion**

This chapter outlined the theoretical and conceptual framework of the research. The emphasis has been on the different theories that relate to the study as well as the relationships that exist amongst the variables. The conceptual framework formulated for this study resulted in the

development of nine hypotheses. The next chapter presents the methodological approach used in conducting the research, which addresses the study objectives as well as the hypotheses of the study.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 Introduction

According to Kothari and Garg (2014), research can be defined as an exploration for information or a scientific and systematic look for data on a selected topic. Collis and Hussy (2014) assert that research has a different meaning for different people, but they argue that there is general agreement that it is a method of inquiry and investigation, is systematic and methodical and contributes to increased knowledge. Research generally follows a scientific process, which is referred to as the research methodology. This chapter explains the research methodology of this study, by providing an overview of the research philosophy, research design, data collection, research population and sampling frame, data collection instruments, pre-testing and pilot testing of the instruments, validity and reliability, data analysis and hypotheses testing.

4.2 Research Philosophy

Saunders, Lewis and Thornhill (2016:124) state that "research philosophy is the system of beliefs and assumptions regarding the event of knowledge". It is typically connected to the researcher's personal read on the event or information, that is, what the investigator concludes to be information can have an impression on however the investigator can approach the analysis (Wilson, 2014). The three varieties of analysis philosophies square measure positivism, interpretivism and pragmatism. Positivism is the use of a positivist approach to a study during which the researcher's beliefs square measure freelance to the research. It is objective and frequently the analysis is quantitative and not qualitative. The interpretative approach is one during which the investigator views the planet as advanced and receptive to interpretation and a certain system of measuring is not adopted as a result of its qualitative nature. Pragmatism does not align itself with either of those two analysis philosophies, however, it is sometimes viewed because the most well-liked for mixed technique social enquiry. Therefore, for the purpose of this study the analysis philosophy of pragmatism was adopted, since the investigator recognises the importance of each of the physical and also the social world (Wilson, 2014).

4.3 Research Design

According to Malhotra (2007:78), "a research design is a framework or blueprint for conducting a research project and the research design may be broadly classified as exploratory or conclusive." The core objective of an exploratory research design is to provide insights into the specific problem as well as to understand the problem, whereas a "conclusive research design is to assist the decision-maker in determining, evaluating and selecting the best solution" (Malhotra, 2007:73). It is applied in specific situations and it is also best to examine relationships and test specific hypotheses. Berndt and Petzer's (2011:31) view is that "the research design is the plan that researchers will follow to make sure that they reach the research." Considering the research objectives of this study, the researcher used both exploratory and conclusive research designs, specifically focusing on the descriptive and inferential components.

4.3.1 *Research Approach*

According to Creswell (2014), the three approaches to research are quantitative, qualitative and mixed methods. Whereas the quantitative approach is used for testing theories through examining the variables, qualitative research is used to explore and understand the meaning individuals or groups assign to a problem and it usually involves a huge amount of data. Creswell states that the mixed method is an approach used to collect both qualitative and quantitative data. The researcher used both quantitative and qualitative data collection methods, since both contributed to improve the reliability of the research. The quantitative approach was adopted on the basis of the positivist research philosophy selected, which involves data that is numerical in nature, in which the self-administered questionnaire was used that was distributed amongst the consumers of the three main long-term insurance companies selected for this study. The researcher also adopted the qualitative approach because interpretivism was also selected. This was on the basis of in-depth interviews, which were conducted with the three long-term insurance companies, the Ministry of Justice and the Ministry of Industrialisation, Trade and SME Development, and entailed a huge amount of collected data (Wilson, 2010).

4.4 Research Population and Sampling Frame

Malhotra (2007:336) defines the target population as "the collection of elements from whom data is collected and about which inferences are to be made." According to Hyman and Sierra

(2010), when defining a target population, one has to look at the research questions, because the answers to the questions gives one an indication of who should part take in the study.

The research population in this study comprised consumers of long-term insurance products, the consumer protection authority in Namibia known as NAMFISA, which is an agent of the Ministry of Finance, and selected government ministries that have an interest in or play a role in consumer protection issues, such as the Ministry of Justice and the Ministry of Industrialisation, Trade and SME Development, as well as the staff of the three largest long-term insurance companies in Windhoek, Namibia.

Namibia has many long- and short-term insurance companies, but the study only concentrated on the three main long-term insurance companies, which have been in operation for many years and have the highest asset market share in the industry (NAMFISA, 2014). The three companies are Old Mutual Namibia, Sanlam Namibia and Metropolitan Life Namibia Limited. Metropolitan Life Namibia Limited is a division of MMI Holdings Namibia, with its head office in Windhoek, and has been in operation in Namibia for 40 years. Its target market is low to middle income groups in Namibia. Metropolitan Life Namibia has 17 branches in Namibia (Uupindi, 2017). Sanlam Namibia was established in South Africa in 1918, and it is known to be a solid, stable and industry-leading insurer. Sanlam offices in Namibia were opened in 1928, and in 1943, it established its first independent life assurance branch office in Namibia. The company grew rapidly, and in the year 1994 the company established Namibia's first ever unit trust company. In the same year, Sanlam became the first Namibian insurer to be listed on the Namibian Stock Exchange. Old Mutual Namibia has 24 branches in Namibia and has been in operation for over 90 years, offering life insurance, asset management, retirement funding, and short-term insurance and also provides financial advice (Hesekiel, 2017).

4.5 Sampling

According to Sapsford and Jupp (2006), once choosing a sampling technique the researcher, most significantly, considers the cost and feasibility of the exact method. They further state that there are two main sampling categories: probability sampling and non-probability sampling methods. According to Berndt and Petzer (2011), probability sampling may be a random choice of the sample and a method that assures that every population part of the chosen population has an equal chance of being selected as part of the sample. Probability sampling

consists of systematic sampling, simple random sampling, cluster sampling and stratified random sampling, whereas, non-probability sampling consists of convenience sampling, quota sampling, judgment/purposive sampling and snowball sampling. The members of the population in non-probability sampling do not all have an equal likelihood to be selected for the sample (Berndt & Petzer, 2011).

Due to the confidentiality clause, the long-term insurance companies could not provide a list of their customers, and therefore non-probability sampling, more specifically a judgmental sampling method was the most appropriate method for this study in quantitative research. There was, unfortunately, no list of customers available from which the researcher could draw the sample. According to Blaikie (2009), one of the most common reasons for applying a judgmental sampling method is that accessing a certain sector of the population may be difficult and there may also be a lack of a sampling frame. The researcher distributed the questionnaires through company visits and home visits in the months of October and November 2018 and before completing the questionnaires the respondents were asked if they have life insurance policies with any of the 3 main insurance companies which made it easier for the researcher to collect data from the respondents who would have the relevant information related to the study.

After the questionnaires were collected, they were edited, any spoiled questionnaires were rejected and those remaining were included in the final sample for the data analysis. It is important to note that even with the specific limitation of not being able to obtain the customer list, the objective in this study was not to generalize any findings beyond the sample that was studied, thus judgmental sampling was considered to be appropriate (Amandeep & Ghorbani, 2014). For the qualitative research, the judgmental sampling method was also used to conduct semi-structured in-depth interviews with the key informants. The researcher controlled possible bias with the use of judgmental sampling by ensuring that they have confidence in the knowledge of the respondents chosen for the Judgmental sampling. Furthermore, the researcher also ensure that triangulation will be done through the use of both questionnaire and in-depth interviews to avoid generalization and bias by using one instrument only. Furthermore, the researcher adopted a broad methodological description which allowed the integrity of research data to be corroborated.

4.5.1 *Sample Size*

According to Malhotra (2007:338), "the sample size refers to the number of elements to be included in the study". The researcher only sampled the Windhoek population, since according to the statistics by NSA (2011), it has the largest population in Namibia, and by implication is likely to have the largest number of customers of long-term insurance products. Consumers of the three main long-term insurance companies in Windhoek were used as the sampling frame from where a judgment random sample of the respondents was selected.

Certain factors were considered when determining the sample size:

- Presentations of the estimates should be in the arrangement of proportions.

- Estimates are solely necessary at sub level (Old Mutual Namibia, Metropolitan Life Namibia Limited, Sanlam Namibia).

- Margin of error (E) is fixed around 5% for the specific "long-term insurance companies" within Windhoek on estimates.

- The level of confidence is taken as 95% where the critical value is K = 1.96.

- The order of the proportions (p) under study was not well known, and was assumed to be 0.5 so that the sample size is maximised for the given precision.

The following formula was used for the calculation of sample size in the judgment sampling design:

$$n = \frac{k^2 pq}{E^2} \ \ where \ n \ is \ the \ sample \ size \ and \ q = 1 - p$$

$$n = (\frac{1.96\text{^}2)(0.5)(1-0.5)}{0.05(0.05)} = 390 \sim 400$$

Therefore, the consumer sample size used by systematic sampling is taken as 400 (rounded) for each domain. However, 500 questionnaires where distributed and 407 were the achieved sample. The questionnires were administered and collected by the researcher and two trained research assistants who were appointed for the purpose of data collection. The data was collected and concluded within the months of October and November 2018.

Table 4.1 reflects the customer sample statistics of the three long-term insurance companies selected for the purpose of the study. Table 4.2 reflects the consumer sample allocation done through probability sampling.

Table 4.1: Long-term life insurance customers

Long-term insurance companies	Customer distribution			
	Namibia		Windhoek	
	Number	%	**Number**	%
Old Mutual Namibia	140000	29.3	56000	30.2
Sanlam Namibia	112353	23.5	40000	21.6
Metropolitan Life Namibia	224978	47.1	89205	48.2
TOTAL	477331	100.0	185205	100.0

Source: Developed by the researcher

Table 4.2: Distribution of the sample by long-term insurance companies

Long-term insurance companies	Sample allocation (Probability proportional to size)	Sampled consumers in Windhoek
Old Mutual Namibia	0.30 x 400 = 121	121
Sanlam Namibia	0.21 x 400 = 86	86
Metropolitan Life Namibia	0.48 x 400 = 193	193
TOTAL		**400**

Source: Developed by the researcher

For the qualitative study, the marketing managers of the selected long-term insurance companies were interviewed, because they had the necessary information relevant to the objectives of this study. The researcher chose purposive sampling method which was used for the qualitative data collection. The researcher therefore contacted the insurance companies' Human Resources departments to obtain information regarding the employees in managerial positions who would be able to provide comprehensive and relevant information based on the

study. Based on the information provided by the Human Resources Departments of the various insurance companies the researcher made the selection for the interviews as follows:

Sanlam Namibia has in total 10 Managers, two managers were selected for the purpose of this study, one from the New Business department and one from the Marketing department. Old Mutual Namibia has 9 Executive managers; the Marketing Department Executive was selected for the purpose of the study. Furthermore, there are various lower level managers and supervisors totalling to 35, for the purpose of this study one lower level manager was selected and is from the Operations department where as at Metropolitan Life Namibia the researcher considered the Regional Managers who are in total two and only one was selected. The researcher also considered the Administrative Department managers which are 16 in total and one was selected for the interview.

Similarly, the Chief Executive Officer office of NAMFISA specified the departments which would be able to provide relevant information. Currently, there are six employees at NAMFISA's complaints department (NAMFISA, 2017) and all six employees were interviewed for the purpose of receiving accurate information. The long-term insurance department at NAMFISA has nine employees and only four were interviewed one employee in a managerial level and three at a lower level, because they could provide relevant and accurate information for the study. The same questions were asked to all participants at NAMFISA.

According to the Directorate Legislative Drafting division of the Ministry of Justice the legislative division has 15 employees of which the researcher only interviewed five, because they could supply the relevant information needed for the study and the same questions were directed to all five participants. The selection was based on the purposive sampling method.

The Ministry of Industrialisation, Trade and SME Development identified through their Human Resources department the three employees who should be interviewed to provide the relevant information relating to the study. The Division of Consumer Protection and Internal Market Regulation in the Ministry of Industrialisation, Trade and SME Development was the directorate selected and three employees are in that directorate and all three from this specific directorate were personally interviewed.

The researcher scheduled appointments with the various employees and conducted the interviews with the various employees based on the schedule. Furhtemore, the researcher took notes and used a voice recorder during the interviews to ensure that important information shared will not be omitted.

The researcher used an unstructured questionnaire for the purpose of the in-depth interviews with the various employees. All the interviews were conducted face to face in Windhoek at the various organisations and the time allocated was 30 minutes for each interview but some interviews lasted a bit longer than the allocated time of 30 minutes.

4.6 Data Collection Techniques

According to Altinay and Paraskevas (2008:107), "there are a variety of data collection techniques that researchers can use to complete their research but it is important for the researcher to consider the appropriateness of the several data collection techniques in relation to the aims and objectives of the research". Zikmund, Babin, Carr and Griffin (2013) state that the purpose of survey research is to collect primary data, which are data for a particular project. They further state that research normally involves questioning respondents to provide answers to written or spoken questions and the questionnaires used are generally either collected through the mail, over the telephone or, alternatively, face-to-face. Data for this study was collected using the personal interviews to collect qualitative data and a survey to collect quantitative data. The techniques are discussed below.

4.6.1 *In-depth Interviews*

The in-depth face-to-face interview method was used to interview the employees at the three long-term insurance companies, as well as the representatives from the relevant Ministries and NAMFISA. Zikmund et al. (2013) postulate that a face to face interview is a direct interview with the respondent and is usually associated with qualitative research and according to Wilson (2010:138), "advantages of face-to-face interviews are the ability to engage in verbal and non-verbal communication, the respondent's feedback can often be recorded therefore provides accurate information, more flexible when delivering the questions and the completion is immediate".

4.6.1.1 Questionnaire for the personal interviews with the employees of the long-term insurance companies

This questionnaire comprised five sections, which were developed based on the research objectives of the study.

SECTION A: Demographic and Socio-economic status

SECTION B: Consumer awareness

This section covers questions related to consumer awareness.

SECTION C: Consumer protection

This section has questions on consumer protection.

SECTION D: Service quality

This section covers questions that related to service quality.

SECTION E: Customer satisfaction

This section covers questions on customer satisfaction.

SECTION F: Customer loyalty

This section reflects questions on customer loyalty.

4.6.1.2 In-depth questions for Namfisa, the Ministry of Trade and Industry and the Ministry of Justice

The in-depth interview questions with NAMFISA, the Ministry of Trade and Industry and the Ministry of Justice were the same and the unstructured questionnaire had questions associated with consumer protection. There was a total of nine questions.

4.6.2 *Survey Questionnaires*

The data from the consumers was collected through a structured questionnaire, which had both open-ended and closed-ended questions and were personally administered by the researcher and enlisted fieldworkers trained by the researcher. The purpose of personally administering the questionnaires was to cater for respondents who did not have access to online facilities. The questionnaires were self-administered, which means that the respondents completed the questionnaire themselves without the assistance of the researcher.

According to Ligthelm and Van Wyk (2005: 385), "a questionnaire is simply a data-collection research instrument that indicates the questions to be asked in a formal way in order to generate the desired information and the questionnaire." When using questionnaires, the same set of questions are usually asked to the respondents selected for the study, based on the sample selected and identified for the specific study. Since questionnaires are usually the most widely

used data collection instrument, considerable time is allocated to designing and constructing the questionnaire (Gray, 2009). There are also several advantages of a questionnaire identified by McClelland (1994:22, as cited by Wilson, 2010:148). These are as follows:

- it allows the researcher to acquire accurate information;
- it is not costly and can provide both qualitative and quantitative feedback; and
- it provides relevant and accurate data through thoughtful design, testing and detailed administration.

The first section in the questionnaire required consumer demographics and socio-economic status. The questions in sections B, C, D, E and F were worded on a 5-point Likert scale, where 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree. Furthermore, open-ended and closed-ended questions, which were in a nominal, ordinal and interval order, were also included (Wilson, 2014:215). Below is the structure of the survey questionnaire aimed at "consumers of long-term insurance products".

SECTION A: Demographics and Socio-economic status

Section A collected the demographic information of the respondents such as gender, age and occupation. Information was also obtained on which insurance company each respondent had procured insurance policies from and the duration period the respondent had been a client of the specific insurer. These details were important because the responses would be cross-tabulated with the main constructs of the study: consumer awareness, consumer protection, service quality, customer satisfaction and customer loyalty.

SECTION B: Consumer Awareness

The questions were structured to collect information on consumer awareness in the long-term insurance industry in Namibia. The questions were adopted from previous researchers Abdolvand et al. (2016), who did a study on the effect of consumer awareness on consumer ethnocentrism and loyalty with regard to international brands. Additional questions were constructed based on the hypotheses formulated, which resulted in all hypotheses of the study being supported.

For the purpose of this study, only seven items were chosen that related to the variable consumer awareness. Respondents had to indicate their level of agreement or disagreement,

which was constructed on a 5-point Likert scale, where 5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly disagree.

SECTION C: Consumer Protection

In this section, the questions were adapted from Kamati (2017), who conducted interviews using structured questionnaires in order to obtain empirical understanding of the need for strengthening consumer protection in the financial sector. The study population in Kamati's (2017) comprised individual customers of financial institutions, consumer protection groups and officials dealing with customer complaints at financial regulators. For this study, the respondents were required to respond to statements related to consumer protection, which were on a 5-point Likert scale, where 5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly disagree.

SECTION D: Service Quality

Respondents were required to answer a set of questions related to service quality, where the appropriate box had to be ticked. Thereafter, they were required to indicate on a 5-point Likert scale their level of agreement or disagreement with respect to 22 items pertaining to perception of service quality. The questionnaire was adapted from the SERVQUAL service quality dimension. Respondents had to rate each question based on the level of importance they attached to each service quality dimension related statement (Aydina & Yildirim, 2012), where 5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly disagree.

SECTION E: Customer satisfaction

The questions in this section were adapted from the literature, especially from a study done on Determinants of Customer Satisfaction and Loyalty in Vietnamese Life-Insurance Setting (Nguyen et al. 2018). Respondents for this study were similarly asked to complete a 5-point Likert scale questionnaire where they indicated their level of agreement or disagreement with each of the statements pertaining to customer satisfaction, where 5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly disagree.

SECTION F: Customer Loyalty

In this section, customer loyalty questions were formulated from a previous study on Customer Satisfaction and Loyalty Intention of Customers of Financial Institutions in North Cyprus (Thiam, 2013). The questions were on a 5-point Likert scale and respondents had to express

their level of agreement or disagreement on a measurement range, where 5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly disagree.

The next section will discuss pre-testing and pilot testing of the questionnaires in detail.

4.7 **Pre-testing and Pilot Testing of the Questionnaire**

Prior to administering the questionnaire, a pilot study was conducted, using a convenience sample comprising colleagues at the Namibia University of Science Technology (NUST) who have long-term insurance policies with the three insurance companies selected for this study. The questionnaires were pilot tested to test preliminary reliability, improve the format, questions and scales. A pre-test was also conducted among academicians in the field of marketing. It became evident that a participant would spend about 20 minutes to complete the questionnaire. Furthermore, the interview questions for the in-depth interviews were also pilot tested, using a convenience sample of colleagues at NUST, and it became apparent that the participants did not seem to have any difficulty responding to the questions.

4.8 **Validity**

According to Maree (2016:239), "the validity of an instrument refers to the extent to which it measures what it is supposed to measure." Ligthelm and Van Wyk (2005:296) state that "validity is the degree to which differences in scores on the measurement reflects true differences among individuals, groups, or situations in the characteristic that they seek to measure, or reflect true differences in the same individual, group, or situation from one occasion to another, rather than constant random errors." According to Collis and Hussy (2014:53), "validity refers to the extent to which a test measures what the researcher wants it to measure and whether the data collected truly represent the picture of the concept." According to Creswell (2014), validity is when the researcher views how accurate the findings are by employing specific procedures. There are different types of validity such as face validity, content validity and construct validity, and below is a brief discussion of each and an explanation of how they will be measured.

4.8.1 *Face Validity*

"Face validity means that the tests or measures used by the researcher do in fact measure or represent what they are supposed to measure or represent" (Collis & Hussy, 2014:53). Face validity was assured in this study because the questionnaire measured the relationships between the variables of the study: consumer awareness, consumer protection, service quality, customer satisfaction and loyalty. Face validity was also confirmed by the pilot test, which was done with the NUST employees who had policies with the insurance companies.

4.8.2 *Content Validity*

Content validity is usually associated with validating the content of a test (Gray, 2009: 157). According to Saunders et al. (2016:450), content validity refers to the degree to which the measurement device provides a passable coverage of the investigative questions. Content validity is mostly measured by consulting experts in the field to confirm the relevance of the measures being used in the questinnaire. To test the content validity a pre-test was done amongst lecturers in the field of marketing who had no concerns with the content of the questionnaire.

4.8.3 *Construct Validity*

"Construct Validity relates to the problem that there are several phenomena that are not directly observable, such as motivation, ambition, satisfaction and anxiety and these are known as hypothetical constructs which are assumed to exist as factors that explain observable phenomena" (Collis & Hussy, 2014:53). Saunders et al. (2016:450) posit that construct validity is the extent to which a set of questions truly measures the construct the researcher intended them to measure. Construct validity was measured through Correlation Coefficient analysis for the purpose of testing the association between the constructs, since this method measures the extent to which two constructs are linearly related (Wilson, 2014:261).

Furthermore, the study used the Average Variance Extracted to examine the discriminant and convergent validity as proposed by Paap and Sawi (2014). Nusair and Hua (2010) posit that a low – cross correlation implies discriminant validity where convergent validity is usually transparent when the sturdy loading of the things is transparent on their acquainted constructs. To determine the degree that a construct converges by giving a description of the item's

variance to its indicators is known as convergent validity (Cheah, Sarstedt, Ringle, Ramayah and Ting, 2018). Convergent validity is normally assessed through the calculation of average variance extracted (AVE). According to Alarcón, Sánchez and De Olavide (2015), "The average variance extracted estimate reveals the amount of variance within the indicators accounted for by the latent construct". While the theory states that the AVE should be above 0.5, some researchers argue that 0.4 is deemed marginally acceptable (Chinomona & Chang, 2012). Higher values for the AVE (greater than 0.5) reveal that the indicators represented the latent construct well.

Inter-construct Correlation Matrix is commonly used to check if there is a discriminant validity to assess if the correlation between the researcher's constructs is less than 1.0, as recommended by Chinomona (2011). Discriminant validity is described as the extent to which a construct is entirely different from the alternative constructs by trial and error based on how a single construct is represented and how the alternative constructs is linked to the model (Sarstedt, Ringle, Smith, Reams & Hair, 2014) and the degree to which the construct is significant in terms of the measurement items is referred to as convergent validity (Sarstedt et al., 2014).

The study applied factor loading to assess convergent validity and to measure items in order to confirm convergent validity the recommended loading is above 0.5 as shown in the literature (Quigley, Wright, Dobson and Sears, 2017).

4.9 Reliability

An instrument's reliability is determined by the fact that if the same instrument is administered at different times or to different respondents from the same population, the findings will still be the same (Maree, 2016:238). Zickmund et al. (2013) reiterate this, when they define reliability as a pointer that measures internal consistency and that the measure is reliable when different efforts at measuring something gives the same results. According to Collis and Hussy (2014:52), "reliability refers to the accuracy and precision of the research instrument and the absence of differences if the research were to be repeated." They add that it is the component that determines the credibility of the findings. When the results are stable and consistent, then they will be considered reliable, but it is also important to note that for a test to be reliable it should also be valid.

There are three common approaches for testing reliability. The test-retest approach correlates data collected using the same questionnaire collected under equivalent conditions. Internal consistency is another approach, involving correlation of the responses to the questions. The Cronbach Alpha test is the most common test of internal consistency and was used in this study because, according to Chinomona and Pretorius (2011), Cronbach's Alpha coefficient indicates a high reliability of the measurement scale used in a study.

4.9.1 *Composite Reliability*

To test the reliability of every construct the Composite Reliability was also applied (Cho & Kim, 2015; Yu & An, 2016). According to Raykov, Gabler and Dimitrov (2016), a composite reliability value is greater than 0.7 signifies the internal consistency of the construct.

4.10 **Data Analysis**

According to Altinay and Paraskevas (2008), a researcher should be able to organize, code and enter data for analysis using a statistical software package. They suggest that the different packages that exist for data analysis differ from simple spreadsheets, such as MS-Excel, to more advanced statistical packages such as SPSS and, for qualitative data, NVIVO. In this study, the data were analysed separately, using two different statistical tools: SPSS (Version 24) was used to perform descriptive and interferential statistical analysis, and NVIVO was used to analyse the qualitative data obtained through in-depth interviews. Saunders et al. (2016) postulate that descriptive analysis enables the researcher to describe variables numerically and the research objectives and questions should guide the researcher on the choice of statistics, whereas, Wilson (2010; 304) state that "inferential statistical analysis is normally used to draw inferences about a population from a given sample".

Firstly, the researcher assigned the codes for the data analysis in terms of descriptive data. The data was thereafter entered onto an excel spreadsheet, the test was first run in order to clean up the data, thereafter the excel sheet was imported into SPSS (Version 24) then the data was analysed, thereafter the descriptive statistics was computed.

4.10.1 *Structural Equation Modelling Approach*

Structural Equation Modelling (SEM) was employed in this study since it is widely utilized by researchers in testing theories in several research fields (Byrne, 2016). According to Henseler, Ringle and Sarsted (2015), SEM may be a multivariable, applied statistical technique, for the foremost, used for learning relations between latent variables (or constructs) and discovered variables that represent a model. Additionally, Steinberg, Stow and McBride (2005) and Grace (2006), it is a method to produce theoretical concepts and validate projected casual relationships through two, or extra, structural equations. The SEM technique is recognized as similar to multivariate analysis therein it assesses the causal relationships among constructs, whereas at constant time accounting for measurement error (Sarstedt et al., 2014). Victimization SEM with SmartPLS involves performing a procedure that is acknowledge as supportive correlational analysis (CFA) and path analysis (Brown, 2014) synchronously. The role of CFA is to gauge how the latent variables are measured by the observed variables (Brown, 2014), whereas that of the path analysis is to analyse casual relationships among unobserved variables (Nusair, 2010).

4.10.2 *Structural Equation Modelling: A Component-based Approach*

To statistically analyse the measurement and structural models, this study used SmartPLS software (Ringle, Wende & Will, 2005 as cited by Bøe, 2016).). In SEM, the measurement model refers to the linkages between the latent variables and therefore their manifest variables and the structural model captures the hypothesized causative relationships among the analysis constructs (Muthén & Muthén, 2015). SmartPLS has emerged as a strong approach to check causal models involving multiple constructs with multiple indicators (Chinomona & Surujal, 2012). SmartPLS, a component-based methodology, has a capability to model latent constructs that are uncontaminated by measure error beneath conditions of non-normality. It can handle advanced prophetic models in small-to-medium sample sizes. In this respect, the Bootstrapping resampling tecchnique was used to test the statistical significance of the relationships.

4.10.3 *Path Modelling*

When creating use of SEM, path analysis is involved. Path modelling explains the connection between measured variables and therefore the theoretical constructs, and then it additionally tests the paths and conceptual model (Moghaddam, Rezaei & Amin, 2015; Rezaei, Amin,

Moghaddam & Mohamed, 2016). The SEM procedure was created to demonstrate and test the theoretical underpinning of this study and additionally to test the significance of the connection between the model constructs (Serrano, López-Soria, Trinchera & Segalés, 2014). The structural model was evaluated using the p-value and also standard regression weights.

4.10.4 *Factor Analysis*

The general purpose of factor analysis is to "summarize data so that relationships and patterns can be easily interpreted and understood. It is usually used to regroup variables into a limited set of clusters based on shared variance and it also helps to isolate constructs and concepts, (Yong & Pearce, 2013:80). The two main factor analysis techniques are Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). The Confirmatory Factor Analysis was used for this study. CFA attempts to confirm hypotheses and uses path analysis diagrams to represent variables and factors, (Yong & Pearce, 2013:80)

The various variables were measured using factor loading and any measure were delected if they did not meet the 0.5 threshold. Usually the higher the factor loading of the scores the better the dimensions of the factors are accounted by the variables, therefore the factor loading of a variable determine how much specifically the variable contributes to the factor (Yong and Pearce, 2013:84),

4.10.5 *The Hypothesis Testing Process*

In simple terms, a hypothesis is a mere assumption or theory that needs to be proved or disproved; it may further be defined as a formal question that needs to be resolved (Kothari & Garg, 2014). According to Gray (2009:466) a hypothesis is a statement relating to a population, or populations, that may or not be true and it constitutes an inference, or inferences, about a population that was drawn from sample information. The stages of hypothesis testing are as follows:

- Hypothesis formulation;
- Specification of significance level to see how safe it is to accept or reject hypothesis;
- Identification of the probability distribution and definition of the region of rejection;
- Selection of appropriate statistical tests; and

- Calculation of the test statistic and acceptance or rejection of the hypothesis (Gray, 2009:466).

Furthermore, the hypotheses primarily come in three forms. Firstly, examining the characteristics of a single population and may involve calculation of the mean, median and standard deviation and the shape of the distribution; secondly, exploring contrast and comparisons between the groups; and thirdly, examining associations and relationships between groups (Gray, 2009:467).

After the measurement and structural model was measured and finalized the relationships among the latent variables were examined using the path analysis (Bonett & Wright, 2015). According to Javanmard and Montanari (2014) and List, Shaikh and Xu (2016), SEM asserts that exact latent variables directly or indirectly influence one another within the model, leading to estimation results that portray how the research variables are connected.

In Table 4.3 nine hypotheses were formulated in this study and the hypothesized relationships were assessed using the relevant techniques as indicated in the table.

Table 4.3: Summary of hypotheses and relevant tests

Hypotheses	Techniques used to analyse
H1: Long-term insurance consumer awareness positively influences customer loyalty	Structural Equation Modelling
H2: Long-term insurance consumer awareness positively influences levels of customer levels of satisfaction	Structural Equation Modelling
H3: Long-term insurance consumer awareness positively influences customer service quality perception	Structural Equation Modelling
H4: Long-term insurance industry consumer protection positively influences customer loyalty	Structural Equation Modelling
H5: Long-term insurance industry consumer protection positively influences customer satisfaction	Structural Equation Modelling
H6: Long-term insurance industry consumer protection positively influences service quality	Structural Equation Modelling
H7: Long-term insurance customer satisfaction positively influences customer loyalty	Structural Equation Modelling
H8: Long-term insurance industry service quality positively influences customer loyalty	Structural Equation Modelling
H9: Long-term insurance industry service quality positively influences customer satisfaction	Structural Equation Modelling

Source: Developed by the researcher

4.11 **Ethical Considerations**

The main purpose of ethical consideration is that the researcher ensures that the research is conducted in an ethical, accurate and honest manner and also consider the participants' desire for the confidentiality and privacy of the information they share. By doing so, the researcher gains respect and credibility for the work (Wilson, 2014). In this study, the researcher ensured

that data collection was conducted in such a manner that no harm was done to the respondents who participated in the study. It was also ascertained that all the relevant measures were taken to ensure that the respondents were fully aware of what they were engaging in prior to their decision to part take in the study. Most universities, if not all, require students who are conducting research to have ethical approval before the research is conducted. This is the case at the University of KwaZulu-Natal (see Appendix One). The ethical approval is mandatory primarily to protect the participants' rights and welfare, to reduce the risk of mental and physical discomfort, danger and harm from the research procedures and to reduce any claims related to negligence that could be made against the researcher, the university and any other collaborating organisation or individual and for funding purposes (Hart, Irvine and Williams, 1992 cited by Wilson, 2014).

4.12 **Conclusion**

The chapter discussed the research methodology and the different techniques that were adopted and used for this study. Important issues such as the research design, data collection methods, sampling, questionnaire designs, hypotheses testing and issues related to the data analysis and the ethical consideration were addressed. Data were collected through in-depth unstructured personal interviews and the questions were formulated on the basis of the objectives of the study. Data were also collected through a self-administered structured questionnaire, which was distributed to consumers of long-term insurance companies to explore, describe and draw inferences about the constructs. The survey questionnaire was based on a 5-point Likert scale and the highest score reflected higher levels of agreement and the lower score reflected lower levels of agreement. The different constructs of consumer protection, consumer awareness, service quality, customer satisaction and customer loyalty were addressed by particular questions in the framed questionnaire. Inferential and descriptive analysis were appropriate for the study, because the objectives and testing of hypotheses required description. Chapter Five presents the findings and analysis of the study.

CHAPTER 5

RESEARCH FINDINGS

5.1 Introduction

This chapter presents the research findings and is divided into six sections. Within the first section, a descriptive analysis of the main study constructs is provided. These are consumer protection, awareness, service quality, customer satisfaction and loyalty. Section two reports on the statistical significance of the relationships through the use of SEM, by using SmartPLS software and the Bootstrapping resampling method to test the statistical significance of the relationships. Section three reports on the structural model that was evaluated by determining p-values and standard regression weights. Section four presents the t-statistics for the hypothesized relationships. Section five reports on the relationships among the latent variables that were examined by path analysis. Finally, the qualitative data analysis results are reported in the sixth section. The number of respondents for the quantitative data were 407 and the number of respondents for the qualitative data were 24 in total.

5.2 Demographic Profiles of Respondents

Table 5.1 reflects the age, gender and the long-term insurance company which the consumer respondents patronized. The table shows that more than half (59.6%) of the participants were females and the remaining were males (40.5%). The largest age group was those between the ages of 31 and 35, representing 25% of the total participants, followed by those between the ages of 36 and 40. The majority (46.9%) of the participants patronized Metropolitan Life, followed by Old Mutual Insurance (31.2%) and, lastly, 21.9% had policies with Sanlam Namibia Insurance.

Table 5.1: Demographics of respondents

Gender	Age	Insurance Policy Name		Gender	Age
Male	21 – 25 years	Old Mutual		4	4
		Metropolitan Life		11	11
		Sanlam Namibia		2	2
	26 – 30 years	Old Mutual		7	7
		Metropolitan Life		23	23
		Sanlam Namibia		8	8
	31 – 35 years	Old Mutual		15	15
		Metropolitan Life		19	19
		Sanlam Namibia		6	6
	36 – 40 years	Old Mutual		10	10
		Metropolitan Life		18	18
		Sanlam Namibia		7	7
	41 – 45 years	Old Mutual		3	3
		Metropolitan Life		6	6
		Sanlam Namibia		6	6
	46 – 50 years	Old Mutual		4	4
		Metropolitan Life		5	5
		Sanlam Namibia		2	2
	51 – 55 years	Old Mutual		4	4
		Metropolitan Life		1	1
		Sanlam Namibia		1	1
	56 – 60 years	Old Mutual		2	2
		Sanlam Namibia		1	1
Female	21 – 25 years	Old Mutual		3	3
		Metropolitan Life		12	12
		Sanlam Namibia		2	2
	26 – 30 years	Old Mutual		15	15
		Metropolitan Life		25	25
		Sanlam Namibia		9	9
	31 – 35 years	Old Mutual		19	19
		Metropolitan Life		34	34
		Sanlam Namibia		10	10
	36 – 40 years	Old Mutual		27	27
		Metropolitan Life		19	19
		Sanlam Namibia		12	12
	41 – 45 years	Old Mutual		8	8
		Metropolitan Life		7	7
		Sanlam Namibia		11	11
	46 – 50 years	Old Mutual		3	3
		Metropolitan Life		6	6
		Sanlam Namibia		7	7
	51 – 55 years	Old Mutual		1	1
		Metropolitan Life		2	2
		Sanlam Namibia		4	4
	56 – 60 years	Old Mutual		2	2
		Metropolitan Life		3	3
		Sanlam Namibia		1	1

Source: Developed by the researcher

Summary of Consumer Participant Responses

The sections that follow provide diagrammatic representations of how participants responded to the individual questions pertaining to Consumer Awareness (Table 5.2), Consumer Protection (Table 5.3), Service Quality (Table 5.4), Customer Satisfaction (Table 5.5) and Customer Loyalty (Table 5.6).

Table 5.2: Consumer awareness

Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CA1	15.5%	18.7%	30%	23.6%	12.3%
CA2	15.7%	28.7%	32.7%	17%	5.9%
CA3	6.6%	11.8%	26%	40.3%	15.2%
CA4	16.5%	22.1%	27.8%	23.1%	10.6%
CA5	3.9%	9.3%	25.3%	34.4%	27%
CA6	2.2%	2.2%	16.7%	28.5%	50.9%
CA7	2.2%	5.7%	19.7%	32.9%	40%
CA8	1.7%	5.9%	17.7%	41.3%	33.4%
CA9	2.2%	3.7%	22.6%	35.9%	35.6%

Source: Developed by the researcher

CA: CONSUMER AWARENESS

CA1: Promotional strategies affect my buying decision.

CA2: I always follow up on television adverts.

CA3: I received enough information about the insurance product before making a purchasing decision.

CA4: Social media advertising influences my purchase decision.

CA5: I need constant communication from my insurer on the products.

CA6: Consumer education is important.

CA7: When I am aware of the products and its benefits, then my level of customer satisfaction increases.

CA8: My loyalty is positively influenced by my level of product and benefits awareness.

CA9: My level of product and benefits awareness positively influences my perception of service quality.

The results in Table 5.2 reveal that 16.5% of the respondents strongly disagreed with the statements on consumer awareness, whereas the highest number of those who strongly agreed that customer education is important (CA6) represents 50% of the total sample.

Table 5.3 below reveals that with respect to items from CP7 to CP12 pertaining to consumer protection, the response rate of the participants who were neutral ranges from between 19.2% to 31% respectively. With respect to CP1, the highest reponse rate is (13.3%) of participants who strongly disagreed with the statement that they know relevant authorities to lodge complaints regarding matters related to long-term insurance policies. The results further relects that 31.2% of the participants remained neutral on most of the statements regarding consumer protection.

Table 5.3: Consumer protection

Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CP1	13.3%	19.4%	31.2%	25.1%	11.1%
CP2	3.7%	22.4%	36.1%	28.7%	9.1%
CP3	4.4%	14.3%	43.7%	28.5%	9.1%
CP4	9.3%	23.3%	22.6%	33.9%	10.8%
CP5	8.1%	23.3%	33.2%	27%	8.4%
CP6	4.7%	24.6%	31.9%	27.3%	11.3%
CP7	2.7%	8.6%	19.2%	39.1%	30.5%
CP8	3.7%	14.3%	31%	35.4%	15.7%
CP9	5.2%	13%	29.5%	36.4%	16%
CP10	2.9%	8.1%	19.9%	39.6%	29.5%
CP11	2%	7.1%	22.4%	39.4%	29.2%
CP12	3.2%	5.4%	22.9%	35.6%	32.9%

Source: Developed by the researcher

CP: CONSUMER PROTECTION

CP1: I know the relevant authorities to lodge complaints regarding matters related to long-term insurance policies.

CP2: I feel I am adequately protected as a consumer.

CP3: Long-term insurance companies in Namibia adhere to consumer protection guidelines.

CP4: I was educated by the sales consultant of the long-term insurance company on consumer protection.

CP5: The long-term insurance companies create awareness on consumer rights.

CP6: I experience difficulties when I do transactions with long-term insurance providers.

CP7: I will feel more satisfied as a customer when I am protected against unfair practices by my insurer.

CP8: I understand the role of the regulators in the financial sector in protecting the interests of consumers.

CP9: I am aware of my rights as a consumer.

CP10: When I feel protected against unfair business practices, my level of satisfaction increases

CP11: When I feel protected against unfair business practices, my level of loyalty is positively influenced.

CP12: When I feel protected against unfair business practices, I feel that the company provides a quality service.

Service quality was measured, using tangibles, reliability, assurance, responsiveness and empathy. Based on the results reflected in Table 5.4, it may be concluded that 44% (SQ4) of the consumer respondents agreed with the statements that measuring service quality. It is also noticeable that few participants (14.3%) strongly disagreed with the statement on service quality.

Table 5.4: Service quality

Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
SQ1	11.1%	10.3%	33.4%	28%	17.2%
SQ2	1.5%	15%	27.3%	36.9%	19.4%
SQ3	5.9%	8.1%	30.5%	37.3%	18.2%
SQ4	2.7%	6.4%	19.4%	44%	27.5%
SQ5	10.3%	15.2%	22.6%	36.9%	15%
SQ6	5.2%	16.7%	26.8%	35.9%	15.5%
SQ7	7.1%	13.5%	26.8%	37.1%	15.5%
SQ8	6.1%	15%	31%	32.7%	15.2%

SQ9	3.7%	11.8%	28.3%	38.6%	17.7%
SQ10	14.3%	18.2%	30.7%	28.3%	8.6%
SQ11	3.7%	18.2%	28.7%	37.6%	11.7%
SQ12	8.1%	9.6%	30.7%	37.8%	13.8%
SQ13	5.7%	18.2%	29.2%	32.4%	14.5%
SQ14	7.6%	10.3%	28.5%	35.6%	17.9%
SQ15	4.7%	11.3%	31.2%	37.8%	15%
SQ16	5.9%	8.4%	29.7%	38.3%	17.7%
SQ17	4.2%	11.3%	28.3%	39.8%	16.5%
SQ18	6.4%	10.6%	29.7%	36.6%	16.7%
SQ19	3.4%	17.2%	24.3%	39.3%	15.7%
SQ20	2.5%	11.8%	29.7%	40%	16%
SQ21	2.9%	12.3%	34.2%	34.9%	15.7%
SQ22	4.2%	10.3%	34.4%	33.7%	17.4%

Source: Developed by the researcher

SQ: SERVICE QUALITY

TANGIBLES

SQ1: The insurance company has modern equipment.

SQ2: The physical facilities (customer service counters, computers, lights) are visually appealing.

SQ3: The employees are well dressed and appear neat.

SQ4: The physical environment is clean.

RELIABILITY

SQ5: When the service provider promises to do something by a certain time, they do so.

SQ6: When I have a problem, the service provider shows a sincere interest in solving it.

SQ7: The service provider performs the service right the first time.

SQ8: The service provider provides the services at the time they promise to do so.

SQ9: The records of the service provider are accurate.

RESPONSIVENESS

SQ10: Employees tell me exactly when services will be performed.

SQ11: Employees give me prompt service.

SQ12: Employees are always willing to help me.

SQ13: Employees are never too busy to respond to my requests.

ASSURANCE

SQ14: The behaviour of employees instil confidence in me.

SQ15: I feel safe during transactions with employees.

SQ16: Employees are usually polite.

SQ17: Employees have the knowledge to answer my questions.

EMPATHY

SQ18: Employees give me individual attention.

SQ19: The operating hours are convenient to all customers.

SQ20: Employees give customers personal service.

SQ21: The company has my best interests at heart.

SQ22: The employees understand my specific needs.

With respect to customer satisfaction, it is evident from Table 5.5 that 41.8%, and 42.5% of the participants agreed to the statements (CS4 and CS5). It can be observed that on CS4, only 1% strongly disagreed with the statement that they are satisfied with the friendliness of staff.

Table 5.5: Customer satisfaction

Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CS1	9.8%	9.6%	34.9%	33.7%	12%
CS2	2.5%	12.3%	34.2%	42%	9.1%
CS3	4.4%	14%	31.7%	38.1%	11.8%
CS4	1%	12.5%	30.7%	41.8%	14%
CS5	2.9%	8.8%	30%	42.5%	15.7%
CS6	1%	3.7%	14%	39.3%	42%
CS7	2.9%	4.2%	23.8%	39.8%	29.2%
CS8	2.2%	7.6%	30.7%	39.6%	19.9%

Source: Developed by the researcher

CS: CUSTOMER SATISFACTION

CS1: I was satisfied with the sales consultant's service.

CS2: My insurer meets my needs.

CS3: I am satisfied with the prices.

CS4: I am satisfied with the friendliness of staff.

CS5: Overall, I am satisfied with the services.

CS6: Customer satisfaction is important to me.

CS7: I will remain with my insurer when I am satisfied with the services they provide.

CS8: I feel satisfied after each insurance transaction with my insurance company.

With respect to customer loyalty, it may be deduced form Table 5.6 below, which 41.3%, and 39.3% of the respondents agreed with the statements (CL4 and CL5). It can also be noted that 41.3% agreed that the company's service quality influences loyalty.

Table 5.6: Customer loyalty

Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CL1	7.6%	13%	35.1%	30.5%	13.5%
CL2	4.4%	9.1%	30%	37.6%	18.9%
CL3	15.2%	26.3%	25.3%	21.1%	12%
CL4	2.2%	4.9%	24.6%	41.3%	27%
CL5	2.7%	3.4%	15.7%	39.3%	38.8%

Source: Developed by the researcher

CL: CUSTOMER LOYALTY

CL1: I will purchase another product with my current insurer in the future.

CL2: I will recommend my current insurer to a friend.

CL3: I have considered switching to another service provider.

CL4: The company's service quality influences my loyalty.

CL5: When I am satisfied with the insurer's service, my loyalty is positively influenced.

5.3 **Measurement Model Assessment**

Table 5.7 below, reflects the reliability and validity of the measurements. Cronbach's Alpha technique was used to test reliability and the coefficients for all the measurement instruments were above the coefficient value of 0.7 except for customer loyalty below at 0.69, as indicated in Table 5.7, thus indicating the high internal consistency of the measuring scales used in this study. A convergent validity measurement was also done to measure the degree to which the measurement outcomes representing a construct were consistent with other indicators of the same construct and a total test score was used as a criterion for evaluating the degree of validity of each individual item, as indicated in Table 5.7. Since there was no measurement that was extremely low, the data was reliable and thus the constructs were adequately measured, with the lowest at 0.524.

Table 5.7: Scale accuracy

Research constructs		Scale item		Cronbach's test	CR	AVE	Factor loadings
		Mean	SD	α value			
SQ	SQ1	3.300	1.193	0.940	0.946	0.446	0.608
	SQ2	3.577	1.010				0.646
	SQ3	3.538	1.062				0.641
	SQ4	3.872	0.976				0.596
	SQ5	3.310	1.199				0.720
	SQ6	3.398	1.092				0.726
	SQ7	3.403	1.117				0.730
	SQ8	3.359	1.097				0.728
	SQ9	3.548	1.029				0.576
	SQ10	2.988	1.174				0.688
	SQ11	3.455	2.301				0.743
	SQ12	3.396	1.092				0.760
	SQ13	3.319	1.100				0.697
	SQ14	3.459	1.127				0.705
	SQ15	3.472	1.027				0.753
	SQ16	3.536	1.060				0.679
	SQ17	3.531	1.027				0.625
	SQ18	3.467	1.085				0.689
	SQ19	3.467	1.055				0.539
	SQ20	3.553	0.975				0.660
	SQ21	3.482	0.993				0.581
	SQ22	3.499	1.028				0.524
CA	CA3	3.457	1.089	0.738	0.808	0.460	0.665
	CA6	2.892	1.233				0.676
	CA7	3.713	1.081				0.778
	CA8	4.236	0.950				0.699
	CA9	4.029	1.008				0.556
CP	CP1	3.012	1.191	0.798	0.855	0.498	0.713
	CP2	3.172	0.996				0.808
	CP3	3.236	0.955				0.717
	CP4	3.135	1.166				0.727
	CP5	3.042	1.077				0.643

	CP9	3.233	1.820				0.608
CS	**CS1**	3.285	1.107	0.869	0.900	0.563	0.808
	CS2	3.430	0.906				0.835
	CS3	3.388	1.009				0.710
	CS4	3.553	0.915				0.765
	CS5	3.592	0.954				0.766
	CS7	4.177	0.875				0.645
	CS8	3.882	0.974				0.709
CL	**CL1**	3.297	1.096	0.691	0.808	0.521	0.817
	CL2	3.575	1.034				0.855
	CL4	2.885	1.246				0.620
	CL5	3.860	0.944				0.548

Source: Developed by the researcher

Note: SQ = Service Quality; CS = Customer Satisfaction; CP = Customer Protection; CA = Customer Awareness; CL = Customer Loyalty

"SD = Standard Deviation; CR = Composite Reliability; AVE = Average Variance Extracted

* Scores: 1 – Strongly Disagree; 3 – Moderately Agree; 5 – Strongly Agree"

5.4 **Structural Model**

Some of the instruments measured did not meet the 0.5 accepted threshold as indicated in the original model (Figure 5.1). This means that these measurement instruments cannot measure at least 50% of what they are supposed to measure and are therefore not valid measures – they lack convergent validity. For instance, the consumer protection variable has CP7 (0.055), CP8 (0.428) and CP12 (0.447) measures that did not meet the acceptable threshold of 0.5. Variable CL (0.269) has one instrument that is less than 0.5. Variable customer loyalty has CL3 (0.269). Variable customer satisfaction has CS6 (0.454). Variable customer awareness has CA2 (0.391), CA4 (0.355) and CA5 (0.389).
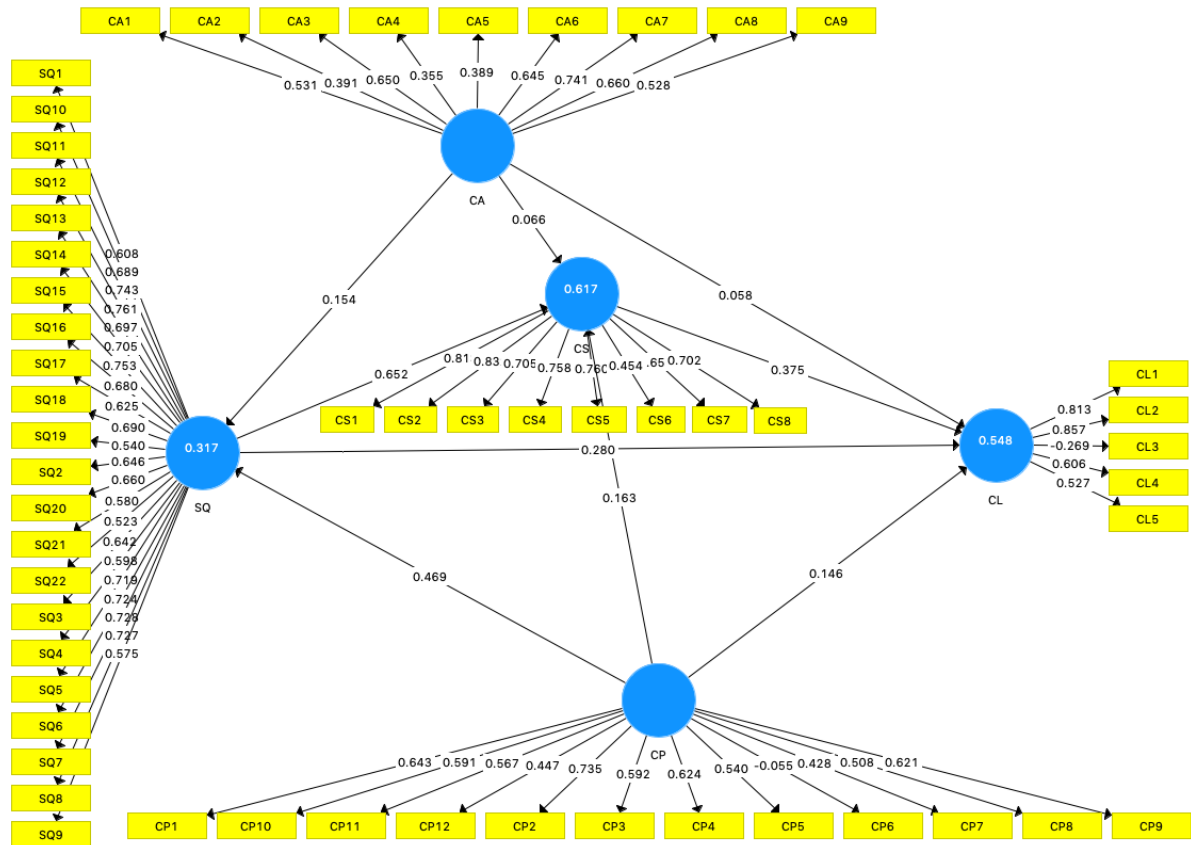
Figure 5.1: Original structural model

Source: Developed by the researcher

Note: CA = Customer Awareness; CS = Customer Satisfaction; CP = Customer Protection; CL = Customer Loyalty; SQ = "Service Quality"

All the measures that did not meet the threshold of 0.5 were deleted and the re-specified model was statistically tested Figure 5.2 below provides the re-specified model and the final results.
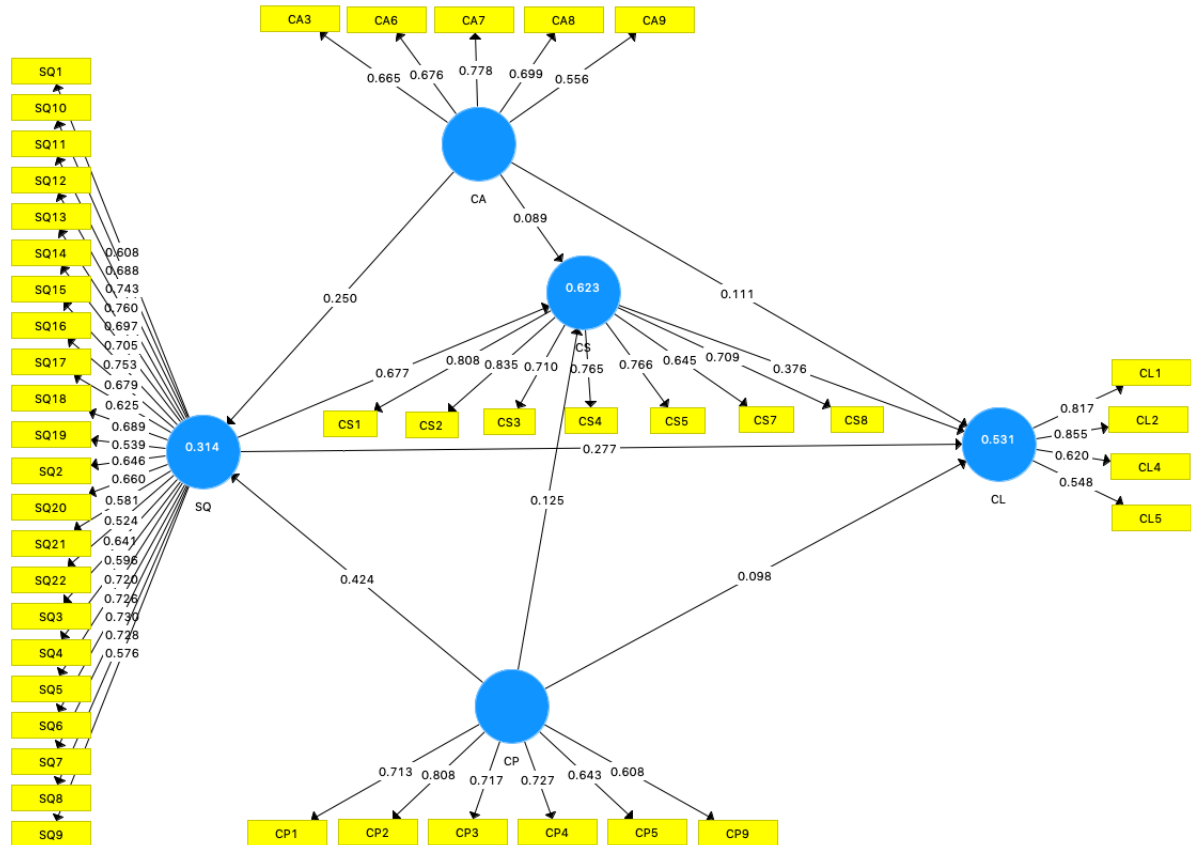
Figure 5.2: Final structural mode

Source: Developed by the researcher

Note: CA = Consumer Awareness; CS = Customer Satisfaction; CP = Consumer Protection; CL = Customer Loyalty; SQ = Service Quality

5.5 **Model Fit Assessment**

Table 5.8 below, provides the t-statistics for the hypothesised relationships. Overall, the R² for consumer awareness, consumer protection, service quality, customer satisfaction and customer loyalty indicates that the model explains more than 60% of the variance within the endogenous variable (customer loyalty). The subsequent formulae provided by Tenenhaus, Vinzi, Chatelin and Lauro (2005), the global goodness-of-fit (GoF) statistic for the research model was calculated using the equation:

$$GoF = \sqrt{\overline{AVE} * \overline{R^2}}$$

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The calculated global goodness-of-fit (GoF) is 0.744, which exceeds the threshold of GoF>0.36 proposed by Wetzels, Odekerken-Schröder and Van Oppen (2009). Thus, it may be concluded that the research model has a good overall fit, indicating that there are strong relationships between the latent variables (Chinomona, Lin, Wang & Cheng, 2010).

Table 5.8: Hypothesis test results

Hypothesised Relationship	Hypothesis	Path Coefficients	T-Statistics	P-Values	Rejected/ Supported
CA-CL	H1	0.111	2.604	0.009	Supported and significant
CA-CS	H2	0.089	2.288	0.023	Supported and significant
CA-SQ	H3	0.250	5.933	0.000	Supported and significant
CP-CL	H4	0.098	2.113	0.035	Supported and significant
CP-CS	H5	0.125	3.282	0.001	Supported and significant
CP-SQ	H6	0.424	10.418	0.000	Supported and significant
CS-CL	H7	0.376	6.333	0.000	Supported and significant
SQ-CL	H8	0.277	5.287	0.000	Supported and significant
SQ-CS	H9	0.677	17.982	0.000	Supported and significant

Source: Developed by the researcher

Note: CA = Consumer Awareness; CS = Customer Satisfaction; CP = Consumer Protection; CL = Customer Loyalty; SQ = "Service Quality"

The results obtained confirm that there is an association between consumer awareness and customer loyalty, since a path coefficient value of 0.111 was realized after testing H1. This means that consumer awareness has a strong influence on customer loyalty. The results further indicate that there is a positive relationship between the variables and that the relationship is significant (t=2.604; p=0.009). Therefore, the proposed hypothesis (H1) is supported.

With respect to H2, the results confirm that there is a positive, yet weak relationship between consumer awareness and customer satisfaction (β =0.089). The results indicate that the relationship between consumer awareness and customer satisfaction (H2) is supported and significant (t=2.288; p=0.023).

The results confirm that there is a positive relationship between consumer awareness and service quality (β=0.250) and the relationship is found to be significant at t=5.933 and p=0.000). Thus, the posited hypothesis (H3) is supported.

The results obtained reveal that there is a positive relationship between consumer protection and customer loyalty (0.098); although the relationship between consumer protection and customer loyalty is positive, it is weak. However, it is significant (t=2.113; p= 0.005), thus the postulated hypothesis (H4) is supported.

Following the testing of H5, the results confirm that there is a positive relationship between consumer protection and customer satisfaction, since the path coefficient is 0.125. This means that there is a relatively strong relationship between consumer protection and customer satisfaction. Moreover, the results show that this relationship is significant (t=3.282; p=0.001). Thus, H5 is also supported.

The results obtained following the test of H6 confirm that there is a positive relationship between consumer protection and service quality (β = 0.424). This shows that there is a strong relationship between consumer protection and service quality. Furthermore, the results indicate

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that the relationship between these variables is supported and significant (t=10.418; p= 0.000). Thus, H6 is supported.

The results obtained confirm that there is a positive relationship between customer satisfaction and customer loyalty (β=0.376), which shows that there is a strong relationship between customer satisfaction and customer loyalty. Furthermore, the results indicate that the relationship between customer satisfaction and customer loyalty is supported and significant (t=6.333; p= 0.000), confirming H7.

The results confirm that there is a relationship between service quality and customer loyalty. A path coefficient of 0.277 was realized after testing H8, which means that service quality has a relatively strong influence on customer loyalty. The results further indicate that this relationship is positive in a significant way (t=5.287; p= 0.000). Hence, the hypothesis H8 is supported.

After testing H9, the results obtained confirm that there is a positive relationship between service quality and customer satisfaction (β= 0.677). Moreover, this relationship is positive in a significant way (t=17.982; p=0.000), which means that H9 is supported.

Summary

Individual path coefficients of H1, H2, H3, H4, H5, H6, H7, H8 and H9 were 0.111(t=2.604; p=0.009); 0.89(t=2.233;p=0.023); 0.250(t=5.933;p=0.000); 0.098(t=2.113; p=0.035); 0.125(t=3.285;p=0.001); 0.424(t=10.418;p=0.000); 0.376(t=6.333;p=0.000); 0.277(t=5.287;p=0.000) and 0.677(t=17.982;p=0.000) respectively exhibit positive relationship. In summary, the results indicate that all the variables have a positive influence on customer loyalty.

5.6 Qualitative Data Analysis

5.6.1 *Insurance Companies*

SECTION A

All questions were coded after reading the transcripts on a line-by-line basis and these results are illustrated in Figure 5.3. The coding was done for each transcript, using the questions to give the analysis more focus. For instance, respondent R1 to question 1 SB had the most coding, with 17.8%. The differences in the coding percentages is a result of the relative and meaningful text used by the respondents that was likely to be representative of the views shared by other respondents. The coded text is thus used for further analysis in this section.
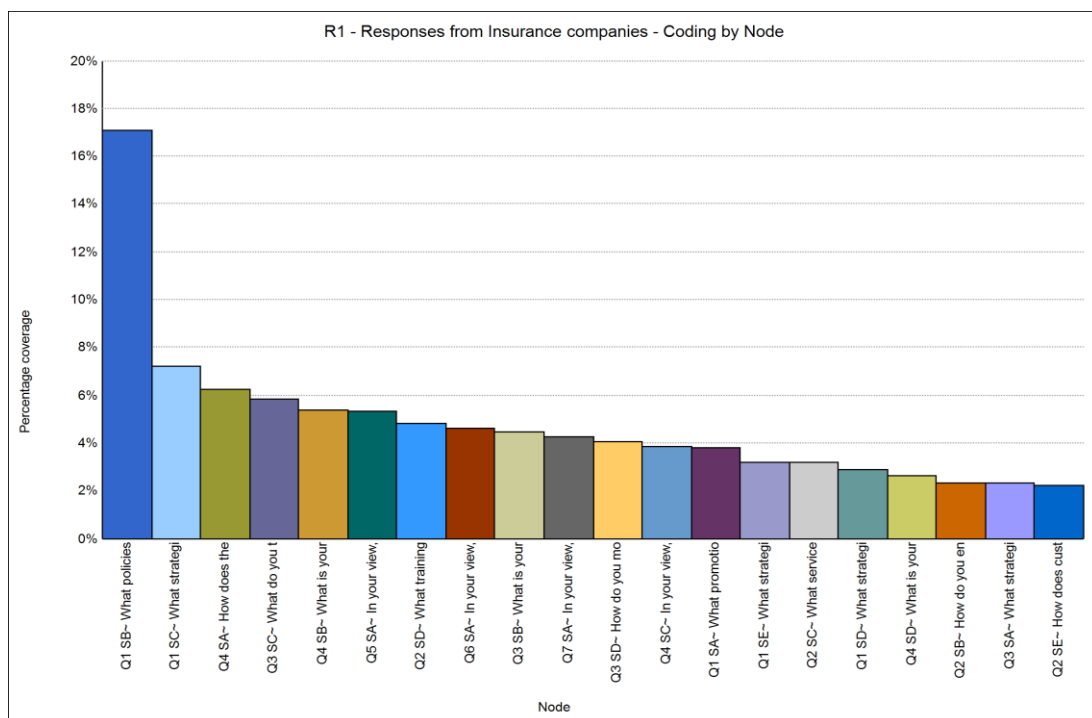
Figure 5.3: Results of coding from insurance company Respondent 1

Source: Developed by the researcher
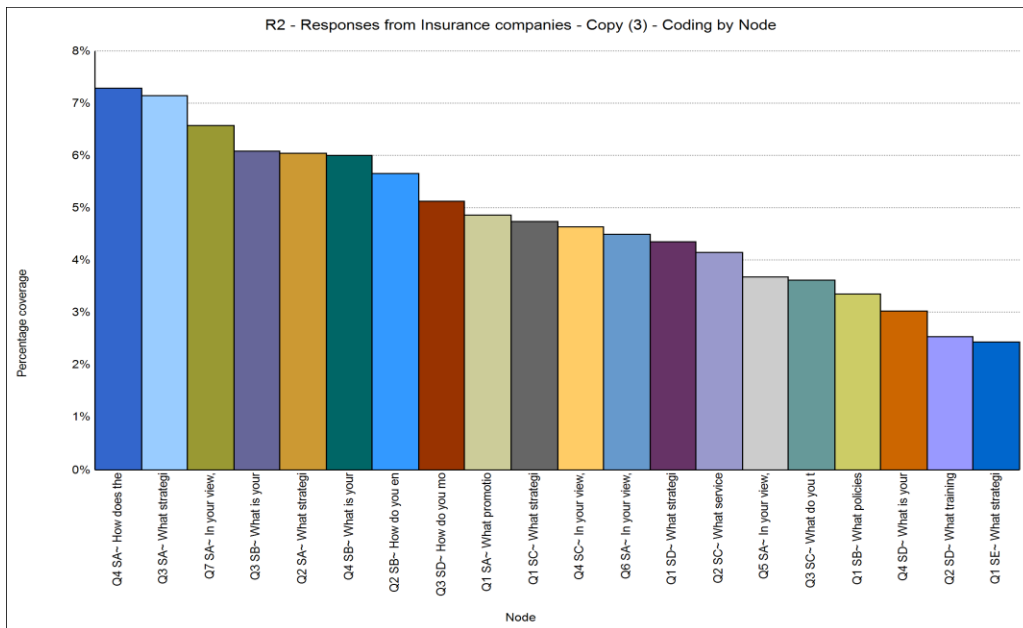
Figure 5.4: Results of coding from insurance company Respondent 2

Source: Developed by the researcher

The most coded question for respondent R2 is question 4 SA, with 7.4% of meaningfully coded relative text. The least coded is question 1 SE, with 2.5% of meaningfully coded relative text. This is illustrated by Figure 5.4.
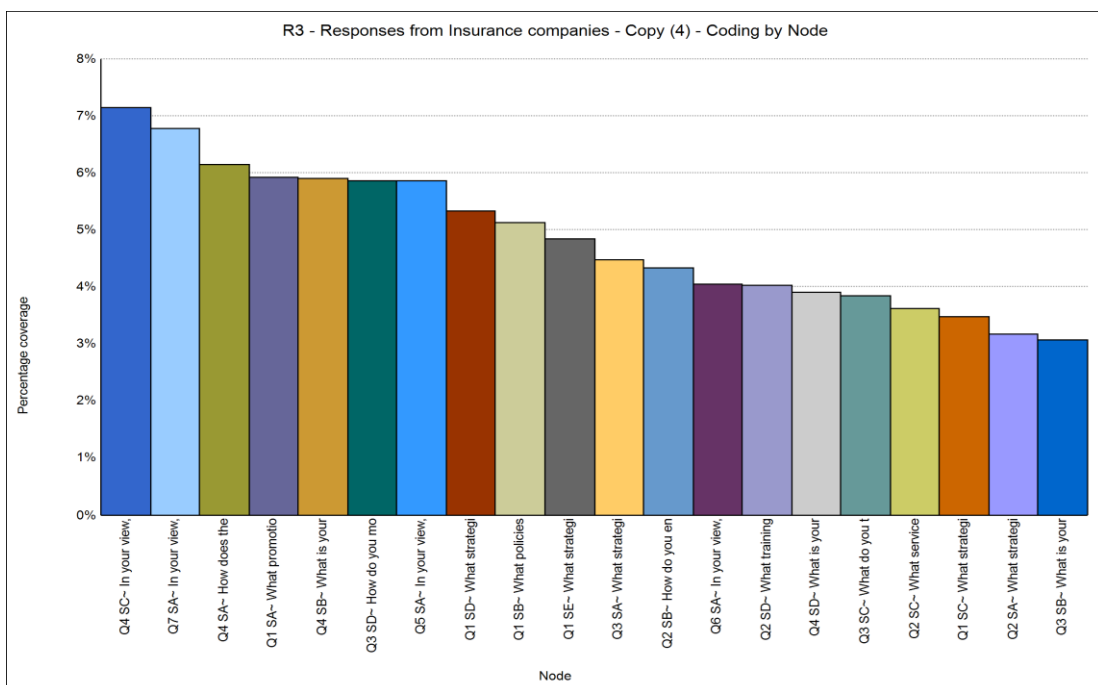
Figure 5.5: Results of coding from insurance company Respondent 3

Source: Developed by the researcher

The most coded question for respondent R3 is question 4 SC, with 7.2% of meaningfully coded relative text. The least coded is question Q3SB, with 3.2% of meaningfully coded relative text. This is illustrated by Figure 5.5.
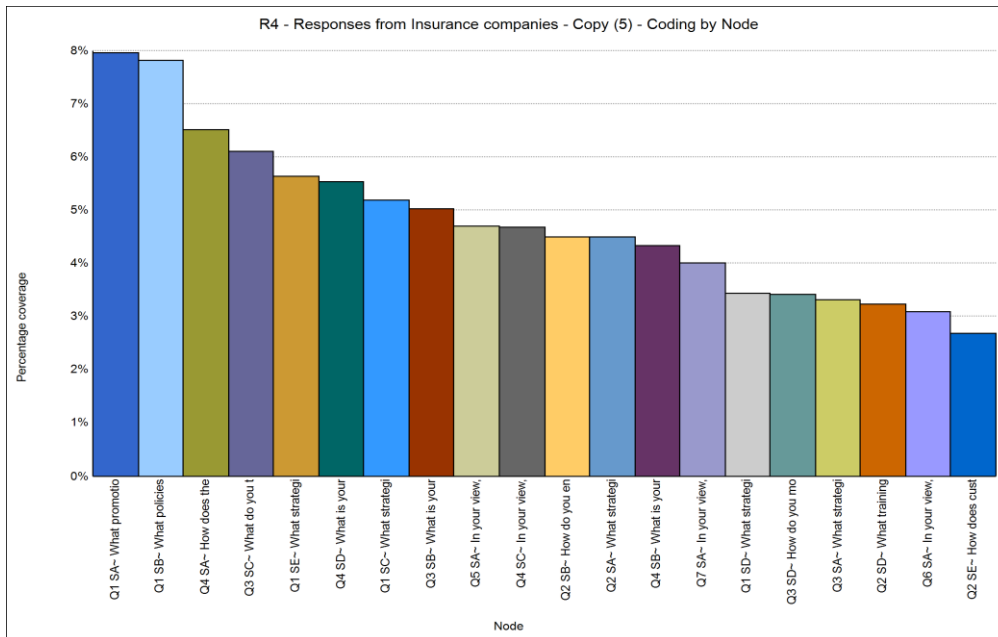
Figure 5.6: Results of coding from insurance company Respondent 4

Source: Developed by the researcher

The most coded question for respondent R4 is question 1 SA, with 8% of meaningfully coded relative text. The least coded is question 2 SE, with 2.8% of meaningfully coded relative text. This is illustrated by Figure 5.6.
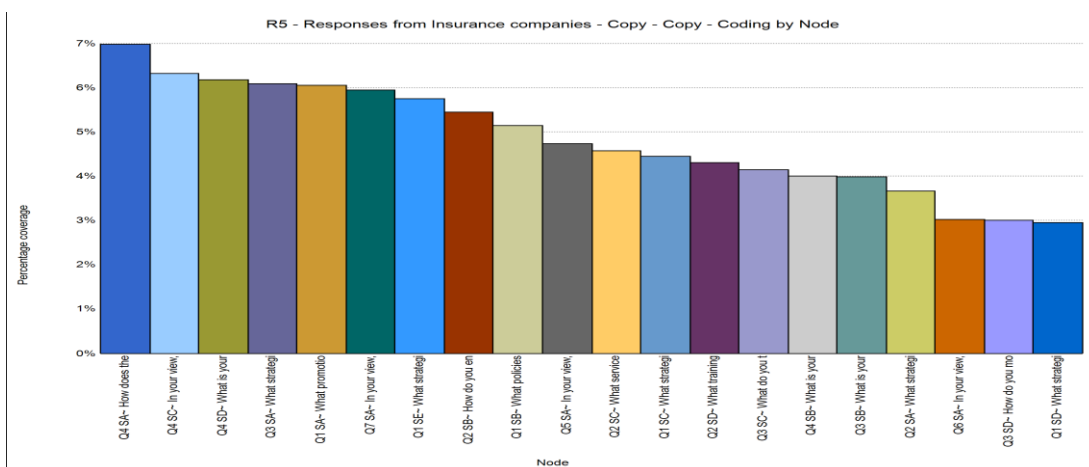
Figure 5.7: Results of coding from insurance company Respondent 5

Source: Developed by the researcher

The most coded question for respondent R5 is question 4 SA, with 7% of meaningfully coded relative text. The least coded is question 1 SD, with 3% of meaningfully coded relative text. This is illustrated by Figure 5.7
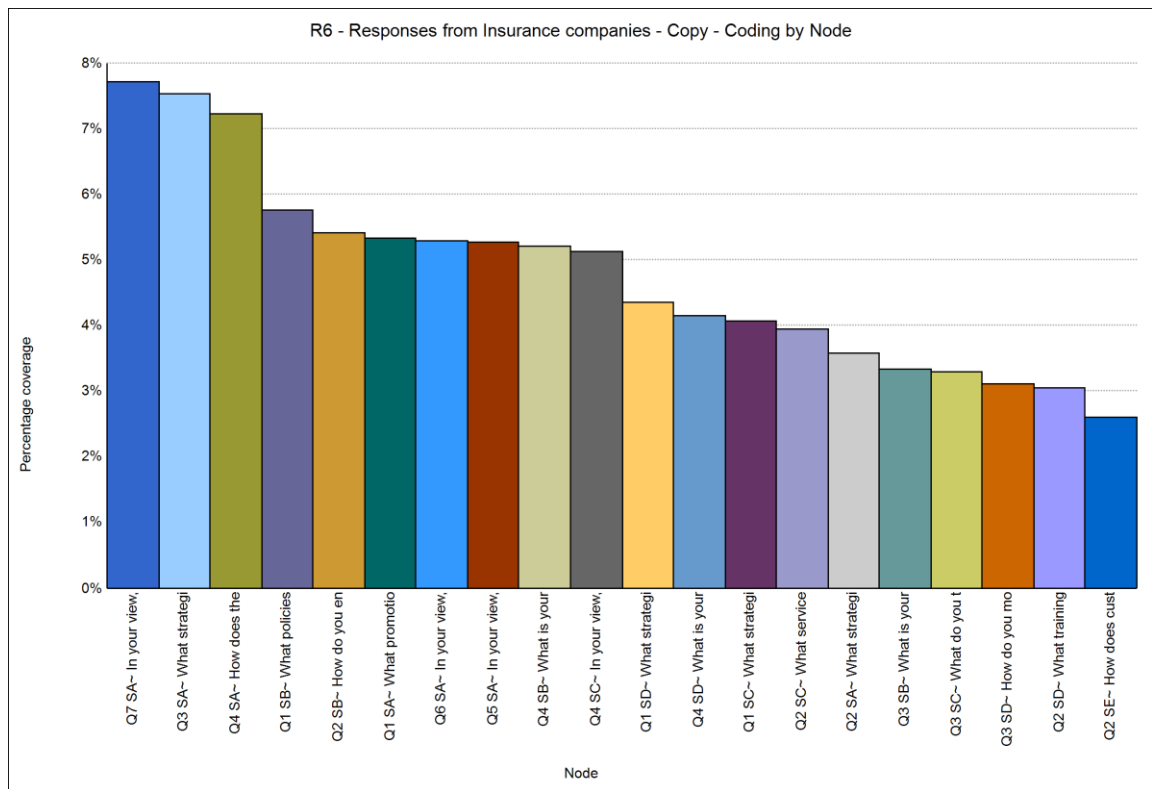
Figure 5.8: Results of coding from insurance company Respondent 6

Source: Developed by the researcher

The most coded question for respondent R6 is question 7 SA, with 7.8% of meaningfully coded relative text. The least coded is question 2 SE with, 2.8% of meaningfully coded relative text. This is illustrated by Figure 5.8.

From the coding, respondents provided different responses, as evidenced by the text variations for each question. It must be pointed out that insights in the sections that follow are drawn from all six respondents (R1, R2, R3, R4, R5, and R6). The coded responses are analysed thematically here, in turn.

Promotional strategies in place to make consumers aware of your product

Respondents were asked about promotional strategies that they have in place to make consumers aware of their products. A word cloud was generated, and meaningful words used included, "Twitter", "newspaper", "billboards", "Facebook", "advertisements", "comments", "radio", and "competitions", among others. This is illustrated in Figure 5.9.

Figure 5.9: Promotional strategy

Source: Developed by the researcher

The contextualised understanding of some of these words is illustrated by respondent R5:

      "Both above the line and below the line strategies. Above the line include the billboards, print advertising and social media. The company basically talks to the masses. The below the line strategies are more on one-on-one, which is usually done by the sales consultants." (Respondent R5)

This is reinforced by respondent R2, who stated:

"Sales agencies, insurance advertisements, identifying schools and go to presentations there for teachers regarding existing policies. Distribute gifts to customers, run competitions." (Respondent R2)

Thus, both social media channels and traditional media channels are used to make consumers aware of the insurance products.

Policies in place to protect consumers

Respondents were also asked about the policies in place to protect "consumers in the long-term insurance industry" in Namibia. A word cloud was generated, and meaningful prominent words used included, *"educate", "inspection", "regulator", "complaints", "measure", "blacklisted", "audited", "onsite",* and *"action",* among others.

Figure 5.10: Policies to protect consumers

Source: Developed by the researcher

The contextual understandings of some of these words are illustrated by respondent R1:

"From the insurance companies' perspective, we are not only there to make money but to sell correct products at the right price, with correct information. The companies don't want to experience complaints because their integrity is at stake. When we train our people, we also

remind them of the ethics such as being trustworthy. There are disciplinary measures when the sales consultant misrepresents the company. These are measure such as terminating their licence; they can be blacklisted and not be accorded the licence for five years." (Respondent, R1)

Respondent R5 stated that:

"There are policies and laws to comply with on market conduct the Financial Services Educators Bill. There is also the FIM Bill. Furthermore, the consumers are also educated on how complaints should be handled." (Respondent R5)

Thus, there are several *"measures"* in place to protect "consumers in the long-term insurance industry" in Namibia.

Strategies in place to ensure service quality

This research explored the strategies that the service providers implemented to ensure that quality service is provided. The process of analysis was triggered by a word cloud that generated the following meaningful words: *"client", "feedback", "training", "scorecard", "complaints", "interaction", "rewarded",* and *"employees",* among others.

Figure 5.11: Service quality strategies

Source: Developed by the researcher

Respondent R1 gave a detailed understanding of the contextualised use of some of the words, as illustrated by the extract below:

"There is a client service department that is fully fledged now. If the customers have queries they refer them to the client service department. There are highly trained client service employees. We have different branches were customers can also lodge their complaints. They also have a call centre. Clients don't need to hold the line for long, they are immediately assisted online. The human intervention is very important; hence they make sure that whoever is in contact with the customers he/she experience good interaction." (Respondent R1)

The existence of "*a client service department that is fully fledged*" signifies the importance of "service quality". Furthermore, the organisations invest in training of "*client service employees*". The *"online",* platform is also utilised for timeous client assistance.

Respondent R2 draws attention to reward systems in place to encourage employees to handle clients with care, as illustrated below:

"[the] customer service charter helps in ensuring service quality. Induction training including product and skills training. Best employees are usually selected and rewarded [with the use of a] performance scorecard." (Respondent R2)

Strategies in place to increase the level of customer satisfaction

Figure 5.12: Customer satisfaction strategies

Source: Developed by the researcher

This research investigated the strategies in place to enhance the level of customer satisfaction. The process of analysis was triggered by a word cloud that generated the following meaningful

words: *"complaints", "training", "interaction", "feedback", "interaction",* and *"support",* among others.

Respondent R5 gave a detailed understanding of the contextualised use of some of the words, as illustrated by the extract below:

"Feedback mechanism… Advisors feedback system… Complain management…" (Respondent R5)

This is further explained by respondent R3's statement:
"We have service quality strategies in place such as training the consultants and also giving the consultants the necessary support. The consumers can also submit complaints in the complaint box at the various branches." (Respondent R3)

Thus, amongst the strategies in place, there is an emphasis on *"training"* of the service providers, as well as giving them all the *"necessary support"* with the intention of helping them to be more effective in increasing customer satisfaction.

Strategies in place to ensure customers remain loyal

The researcher also sought to understand more about the strategies in place to ensure that consumers remain loyal. The process of analysis was triggered by a word cloud that generated the following meaningful words: *"protection", "products", "delivery", "regulates", "informed",* and *"employees",* among others.

Figure 5.13: Customer loyalty strategies

Source: Developed by the researcher

This is also reinforced by respondent R1, who stated:

"We ensure satisfaction by providing good quality service which then lead to the customers being loyal for years. As much as there are products that matures, the customers still buy…" (Respondent R1)

On the other hand, respond R4 suggested that:

"[The] aim is to put customers and employees first. Once the employees are well treated they are more likely to treat customers well." (Respondent R4)

Thus, part of the strategy is to treat the 'internal' customers well, that is the "*employees*", to encourage them to "*treat customers well*".

SECTION B

Strategies in place to educate consumers

This study explored strategies in place to educate consumers. The process of analysis was triggered by a word cloud that generated the following meaningful words: *"financial products", "posters", "websites", "billboards", "media",* and *"sms",* among others.

Figure 5.14: Customer education strategies

Source: Developed by the researcher

In this regard, respondent R2 stated that:

"Customer service officers educate the consumers. We also educate the consumers through their websites. The sales agents also educate the consumers. We have in-house screens at the branches, which screens the policies and the benefits. NAMFISA also educate the consumers on their rights." (Respondent R2)

Respondent R6 stated:

"We do it through the platforms such as print media and social media." (Respondent R6)

It is interesting to note that *"social media"* has also become an important avenue to educate consumers. Thus, multiple methods are used to educate consumers, as illustrated by both respondent R2 and respondent R6.

Protecting consumers against unfair practices by employees

The researcher also sought to understand how consumers are protected against any unfair practices by employees. The process of analysis was triggered by a word cloud that generated the following meaningful words: *"training", "investigate", "random", "feedback", "incentives",* and *"grievance",* among others.

Figure 5.15: Consumer protection

Source: Developed by the researcher

In this regard, respondent R5 stated:

"When we track the nature of the complaints, we pick up the trend which could relate to the employees' behaviour towards the consumers. We can then determine whether the employee needs training in soft skills or product knowledge." (Respondent R5)

In addition to observing the "*trends"* of the complaints, they *"investigate"* the complaints to ensure that corrective action is taken.

Service recovery strategies in place

Figure 5.16: Service recovery strategies

Source: Developed by the researcher

The researcher also investigated the service recovery strategies that are in place. The analytical process was triggered by a word cloud that generated the following meaningful words: *"retention", "offer apologies", "register", "loyalty", "incentives",* and *"department",* among others.

This is illustrated by respondent R3 who stated:

"We have a retention department who deals with the clients who want to cancel their policies. We also follow up with previous policyholders." (Respondent R3)

The idea of a "*retention department*" indicates that there is a serious recovery strategy in place. This department conducts "*follow up with previous policyholders*", with the intention of ensuring customer recovery. This is also reinforced by respondent R1, who states:

"We have a deal team who are usually the managers and they pay courtesy calls where they apologise to the customers and establish what have transpired and see how they can solve the problem." (Respondent R1)

Training of employees to ensure customer satisfaction

Figure 5.17: Training of employees to ensure customer satisfaction

Source: Developed by the researcher

The researcher wanted to learn more about the training provided to employees for them to ensure customer satisfaction. The analytical process was triggered by a word cloud that generated the following meaningful words: "*complaints", "random", "knowledge", "motivation", "incentives*", and "*feedback*", among others.

This is illustrated by respondent R5, who stated that:

"Product training is key. Customer service training… [the] complaints academy is in place [it takes staff from the complaints department for refresher training] …" (Respondent R5)

The emphasis on training is illustrated by respondent R5, as is demonstrated by many other respondents' comments.

How customer loyalty benefits the organisation

This study assesses how customer loyalty benefits the organisation. The analytical process started with a word cloud that generated the following meaningful words: "*profits*", "*survival*", "*retention*", "*loyalty*", and "*benefit*", among others.

Figure 5.18: Benefits of customer loyalty

Source: Developed by the researcher

This is also illustrated by respondent R2, who stated:

"Increased profits… lead to the survival of the organisation…" (Respondent R2)

Similarly, respondent R3 pointed out that:

"Loyalty increase[s] profits." (Respondent R3)

There is a consensus amongst the respondents that when customer loyalty increases the profitability and survival of the organisation is positively effected.

SECTION C

Strategies in place to ensure consumers are aware of their rights

The researcher sought to learn more about the strategies in place to ensure that consumers are aware of their rights. The analytical process started with a word cloud that generated the

following meaningful words: *"loyalty", "relationship", "consultants", "contracts",* and "*educate*", among others.

Figure 5.19: Consumer rights awareness strategies

Source: Developed by the researcher

This is illustrated by respondent R6, who stated:

"Consumers usually receive contracts indicating their rights. The consumers don't read most of the times their contracts; hence the agents are usually motivated to explain the contracts to the customers." (Respondent R6)

In a similar vein, respondent R2 suggested that:

"The insurance companies are usually NAMFISA reliant when it comes to consumers being educated on their rights. The agents have the responsibility as well to educate the consumers. Contracts given to the consumers include the conditions so the consumers are more likely to know what to claim for and when to claim." (Respondent R2)

There are several strategies in place to ensure that consumers are aware of their rights. The insurance companies "*are usually NAMFISA reliant*", meaning that they must uphold specific standards. Thus, *"agents have the responsibility to educate consumers*".

"The relationship between consumer protection and customer satisfaction"

The researcher also sought to learn more about the respondents' views on "the relationship between consumer protection and customer satisfaction". The analytical process started with a word cloud that generated the following meaningful words: "*expectation*", "*protection*", "*feedback*", "*regulators*", and "*satisfied*", among others.

Figure 5.20: Relationship between consumer protection and customer satisfaction

Source: Developed by the researcher

[This] Respondent R1 stated:

"The regulators are responsible as well, especially when it comes to over insurance and under insurance. The consumers will be able to approach the service providers knowing they will not be misled, since they are protected, which will then lead to customer satisfaction." (Respondent R1)

This is reinforced by respondent R5, who stated:

"There is a strong relationship. The company have various touchpoints and also the net promoters' score, which is a satisfaction feedback…" (Respondent R5)

There is an overall perception of a *"strong relationship"* between customer protection and customer satisfaction.

Consumer perceptions of a company's service quality

The researcher also sought to learn more about the respondents' perceptions of their company's "service quality". The analytical process started with a word cloud that generated the following meaningful words: *"quality", "training", "complaints", "regulators",* and *"employees"*, among others.

Figure 5.21: Consumers perceptions of service quality

Source: Developed by the researcher

Perceptions of service quality was contextualised by respondent R1, who stated:

"It is exceptional. We have a toll-free number where customers can also submit their grievance, but of late, they didn't really get a lot of complaints. Furthermore, we also have SMS blog in the newspaper and not much complaints have been shared on that platform. We also have new business, which means if we receive new interaction it is a reflection that the customers are happy and there is trust" (Respondent R1)

Similarly, respondent R3 stated:

"The clients have a good positive perception about our company, this is proved by the fact that we won an award for best service quality." (Respondent R3)

Motivating employees to provide excellent customer service

The researcher sought to learn more about how employees are motivated to provide excellent customer service. The analytical process started with a word cloud that generated the following meaningful words: "*feedback", "awards", "incentives", "bonuses",* and "*payments*", among others.

Figure 5.22: Motivating employees

Source: Developed by the researcher

Employee motivation is contextualised by respondent R3, who stated:

"…performance incentives, overtime payments, point of system… which is an appreciator system we have at the office, the employees receive points, which are converted into money. Pictures of the star of the month employee are circulated on the TV screen in the offices and branches." (Respondent R3)

Similarly, respondent R5 stated:

"Various units have various strategies, awards, incentives, awards for employees, weekend getaway…" (Respondent R5)

Various financial and non-financial strategies are used to motivate employees.

The researcher also sought to know more about how the company ensures that the sales consultants share enough and relevant information when selling insurance policies. The

analytical process started with a word cloud that generated the following meaningful words: *"training", "complaints, "brochures", "blog", and "induction"*, among others.

Figure 5.23: Sales consultant information sharing

Source: Developed by the researcher

This is contextualised by respondent R1, who stated:

"The sales consultants and brokers are required to have a licence before they start selling the product. Extensive training is usually given to the consultants on product knowledge and selling skills. Training is on a quarterly basis. The sales manager is usually asked to submit names of employees that needs training, then they receive training during the course of the year on an individual basis." (Respondent R1)

In a similar vein, respondent R5 had this to say:

"Sales consultants are trained when there is a new product. There are frequent trainings taking place on product features and the importance of sharing truthful information. There are quarterly engagements with the sales team. Tool kits such as brochures are provided to the sales consultants." (Respondent R5)

Relationship between consumer protection and service quality

The researcher sought to know more about "the relationship between consumer protection and service quality". The analytical process started with a word cloud that generated the following meaningful words: *"guidelines"*, *"strategies"*, *"adhere"*, *"responsibilities"*, and *"satisfaction"*, among others.

Figure 5.24: Relationship between consumer protection and service quality

Source: Developed by the researcher

Respondent R5 stated:

"When there is a question of compliance, the insurance companies will comply because they might lose their licence." (Respondent R5)

This comment indicates that there is a need to punish those who fail to comply in terms of consumer protection. Such punishment should include withdrawing "*their licence*". Thus,

"compliance" is a key issue within "the relationship between consumer protection and service quality". In other words, there is a need to *"adhere"* to the stipulated *"guidelines"*.

Similarly, respondent R3 suggested that:

"The attitude of the employees is the determinant of service quality and not necessary when they feel protected. The employees' problem-solving skills and their timeous attendance to queries are great determinants of service quality." (Respondent R3)

Thus, *"employees"* are seen a key factor in "the relationship between consumer protection and service quality". Of interest is the *"attitude of the employees"* in the provision of the service, as well as their willingness to comply or *"adhere"* to the stipulated consumer protection *"guidelines"*.

The relationship between service quality and customer satisfaction

The researcher sought to know more about "the relationship between service quality and customer satisfaction". The analytical process started with a word cloud that generated the following meaningful words: *"trusting", "strong", "brand", "differentiate", and "satisfaction",* among others.

Figure 5.25: Relationship between service quality and customer satisfaction

Source: Developed by the researcher

This relationship is contextualised by respondent R3's statement:

"If the company provides fast service, it is more likely that the customers will be satisfied. The company should also have the right processes in place. The satisfaction level increases when the "service quality" is good, the consumers start trusting your brand, if the company provides good service quality." (Respondent R3)

This view is reinforced by respondent R5, who stated:

"Customers become satisfied when you address their need the product and service. We have strategies in terms of pre and post of customers taking out the insurance policies. There is a strong link between service quality and customer satisfaction." (Respondent R5)

The relationship between customer satisfaction and customer loyalty

The researcher sought to know more about "the relationship between customer satisfaction and customer loyalty". The analytical process started with a word cloud that generated the following meaningful words, *"constant", "engagement", "training", "share", "motivate", "employees", "information", "service", "loyalty"*, and *"great",* among others.

Figure 5.26: Relationship between customer satisfaction and customer loyalty

Source: Developed by the researcher

Respondent R3 states that:

"There is a significant relationship, because once the customers are satisfied they are to remain loyal." (Respondent R3)

This opinion is reinforced by respondent R6, who states that:

"[There is a] high correlation between the two…"

Similarly, respondent R5 states:

"Consumers stick to an insurer because they trust the insurer. The consumers also remain loyal because of their good experience with the company. Loyalty is also motivated when the products talk to their needs and when companies keep their promise." (Respondent R5)

Thus, respondents view is that there is a correlation between "customer satisfaction and customer loyalty". In this relationship, it is important for *"companies to keep their promise"*. This will help customers to *"trust the insurer"*. Consequently*, "once the customers are satisfied they are likely to remain loyal"*.

The relationship between consumer awareness and customer satisfaction

The researcher sought to know more about "the relationship between consumer awareness and customer satisfaction". The analytical process started with a word cloud that generated the following meaningful words, *"informed", "decisions", "questions", "staff", "satisfied", "able", "degree", "correlation", "product"*, and *"benefit",* among others.

Figure 5.27: Relationship between consumer awareness and customer satisfaction

Source: Developed by the researcher

This relationship is contextualised by respondent R1's statement:

"There is a cycle, 'cause when awareness is there, they know what the benefit is for them, therefore they make informed decision on the product they have to buy, which means they will be able to ask the right questions. The field staff plays a huge role in the awareness process. The high degree of awareness influences the high degree of satisfaction." (Respondent R1)

The idea of making an *"informed decision"* is key in the insurance industry. Therefore, the field *"staff"* have a responsibility to ensure that the consumers are aware of the products. a *"high degree of awareness influences the high degree of satisfaction".* This suggests that the respondents believe that there is a *"correlation"* between customer awareness and customer satisfaction.

This belief is reinforced by respondent R6, who stated:

"There is a large correlation. If customers are aware they will make informed decisions and be more satisfied." (Respondent R6)

The relationship between consumer awareness and customer loyalty

The researcher sought to know more about "the relationship between consumer awareness and customer loyalty". The analytical process started with a word cloud that generated the

following meaningful words: "*significant*", "*expectation*", "*products*", "*sustain*", "*loyalty*", "*positive*", "*satisfaction*", "*good*", "*longer*", and "*decision*", among others.

Figure 5.28: The Relationship between consumer awareness and customer loyalty

Source: Developed by the researcher

The contextual meanings of some of the words are illustrated by respondent R6's statement:

"Yes. There is a belief that top of mind, top of wallet coupled with good products and service gives greater loyalty." (Respondent R6)

Respondent R1 added:

"Yes, it's a cycle with three tiers: awareness, satisfaction and you have your loyalty. You get repetitive buying, the customers influence their colleagues and friends, positive word-of-mouth and clients further enquire about new products and they sustain their policies for longer periods." (Respondent R1)

Here, the emphasis is on *"repetitive buying"*. Because of the *"satisfaction"* derived, "*the customers influence their colleagues and friends, [by] positive word-of-mouth*". In this sense, respondents believe that there is a "*positive*" and *"significant"* "relationship between consumer awareness and customer loyalty".

The relationship between consumer awareness and service quality

The researcher sought to understand more about "the relationship between consumer awareness and service quality". The analytical process started with a word cloud that generated the following meaningful words: *"guidelines", "inspection", "insurance", "namfisa", "protection", "adhere", "influence", "likely", "place",* and *"complaints",* among others.

Figure 5.29: The relationship between consumer awareness and service quality

Source: Developed by the researcher

The contextual meanings of some of the words are illustrated by respondent R6, who stated:

"The service quality is determined more on the fulfilment of the promise. Awareness is driven by a lot of channels, but there is not a big correlation between awareness and service quality." (Respondent R6)

On the contrary, respondent R4 suggested that there is "*no relationship"*. However, respondent R2 agreed with respondent R6, stating:

"There is a direct influence. If consumers are not aware they are more likely to be exploited. The offerings in the different insurance companies are more or less the same, hence service quality is important to differentiate yourself from the other insurers." (Respondent R2)

Considering these views, there were mixed reactions, with some respondents suggesting that there is no relation between "consumer awareness" and "service quality", and others suggesting the contrary. However, the general feeling is that *"if consumers are not aware, they are more likely to be exploited"*.

5.6.2 *NAMFISA*

All questions were coded after reading the transcripts on a line-by-line basis and the results of coding are illustrated in Figure 5.30 below. The coding was done using the questions to focus the analysis and this was done for each of the transcripts. For instance, respondent NFR1 to question 1 had the most coding, with 20.8%. The differences in the coding percentage is a result of the relative and meaningful text used by the respondents and is likely to be representative of the views shared by other respondents. The coded text is thus used for further analysis in this section.
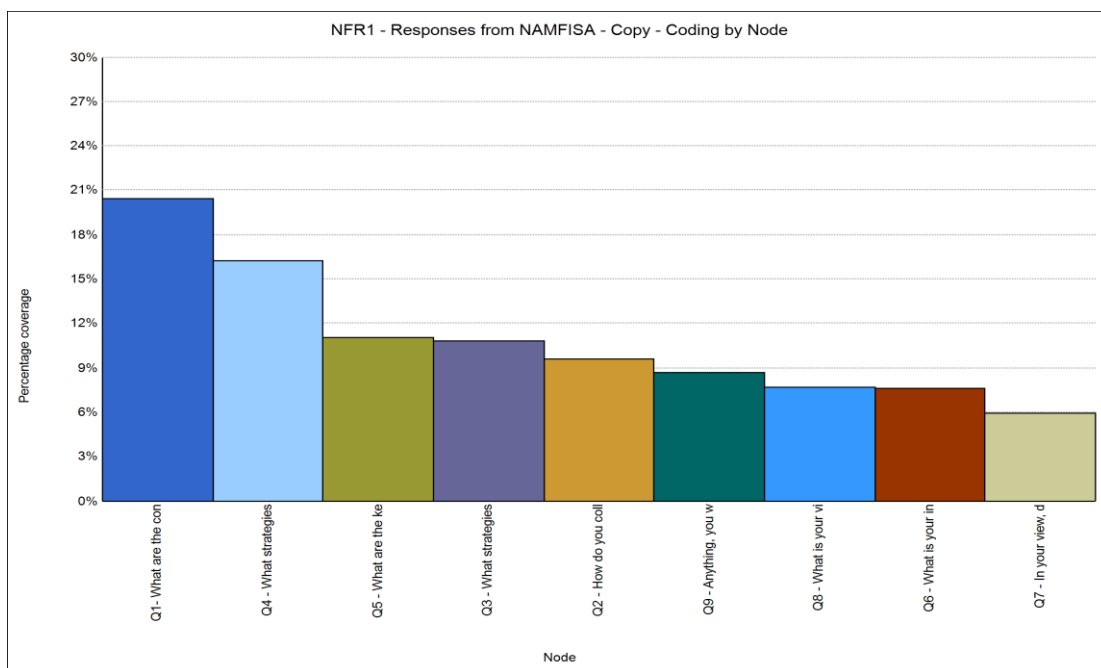
Figure 5.30: NFR1 Responses

Source: Developed by the researcher

As reflected in Figure 5.30, the most coded question for respondent NFR1 is question 1, with 20.8% of meaningfully coded relative text. The least coded is question 7, with 6% of meaningfully coded relative text.
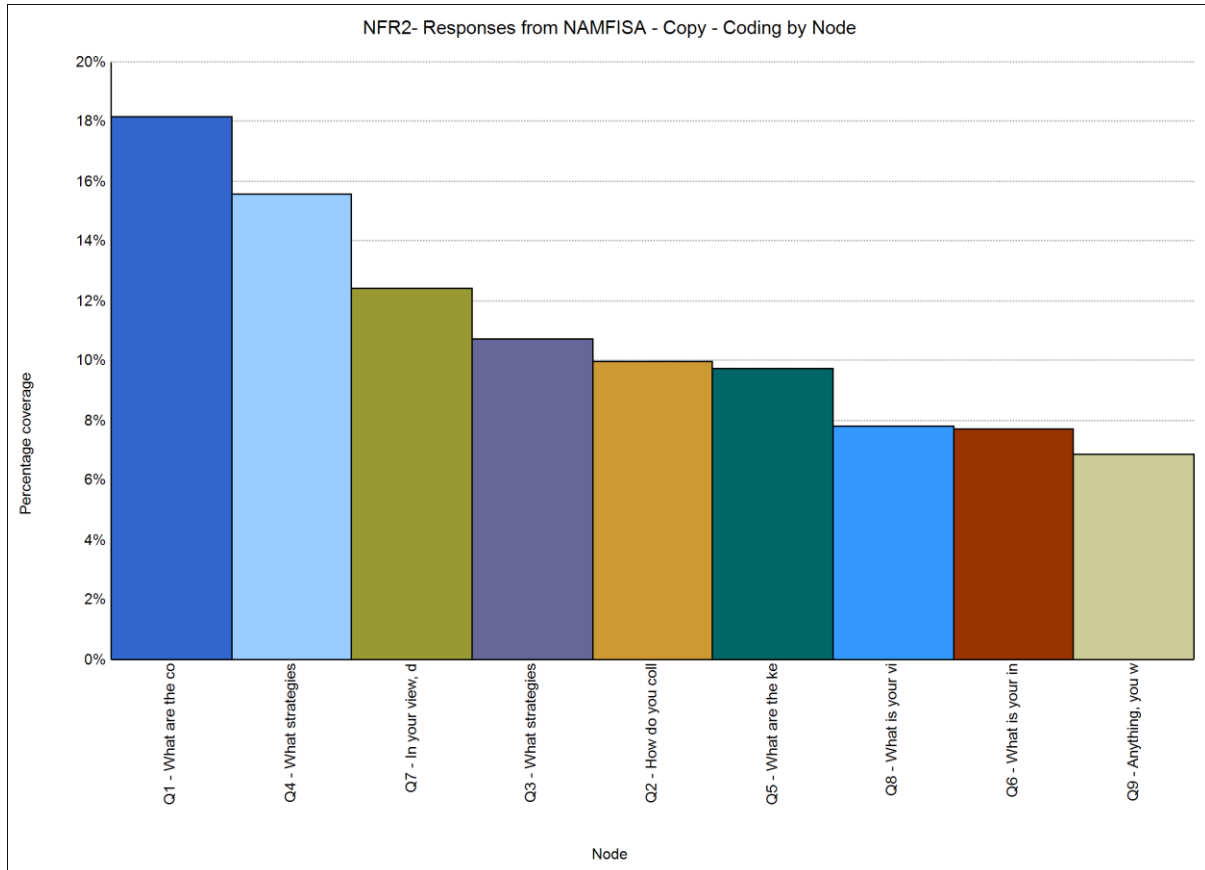
Figure 5.31: NFR2 Responses

Source: Developed by the researcher

According to Figure 5.31, it is evident that the most coded question for respondent NFR2 is question 1, with 18% of meaningfully coded relative text. The least coded is question 9, with 7% of meaningfully coded relative text. This is illustrated by Figure 5.31.
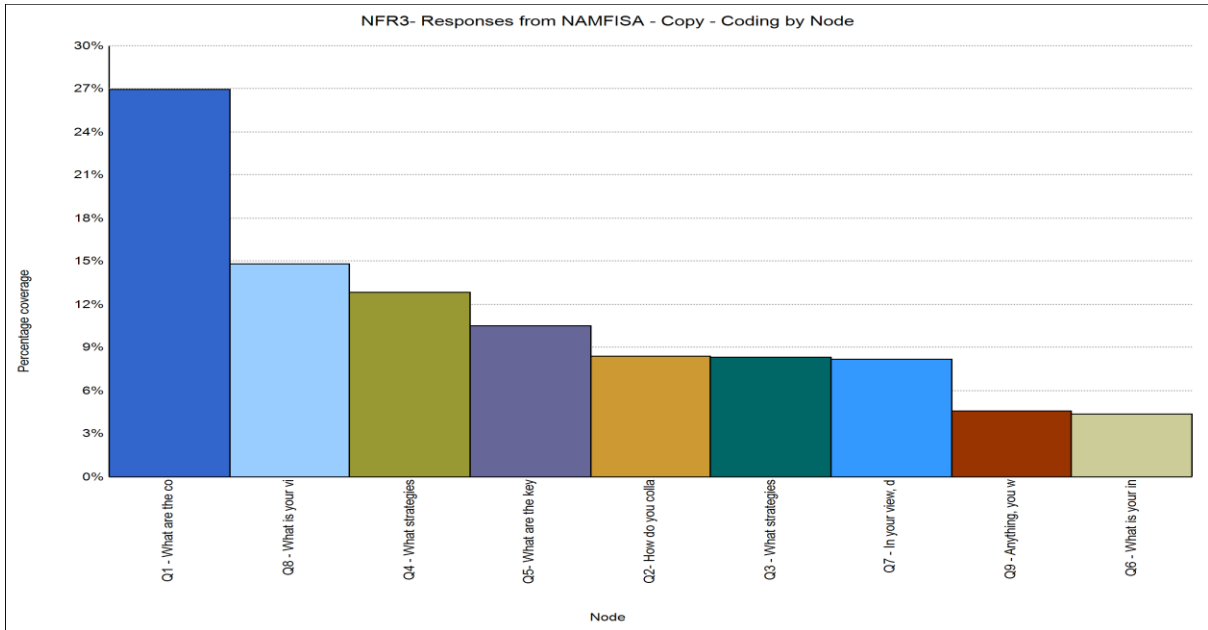
Figure 5.32: NFR3 Responses

Source: Developed by the researcher

Figure 5.32 shows that the most coded question for respondent NFR3 is question 1 with 27% of meaningfully coded relative text and the least coded is question 6, with 5% of meaningfully coded relative text.
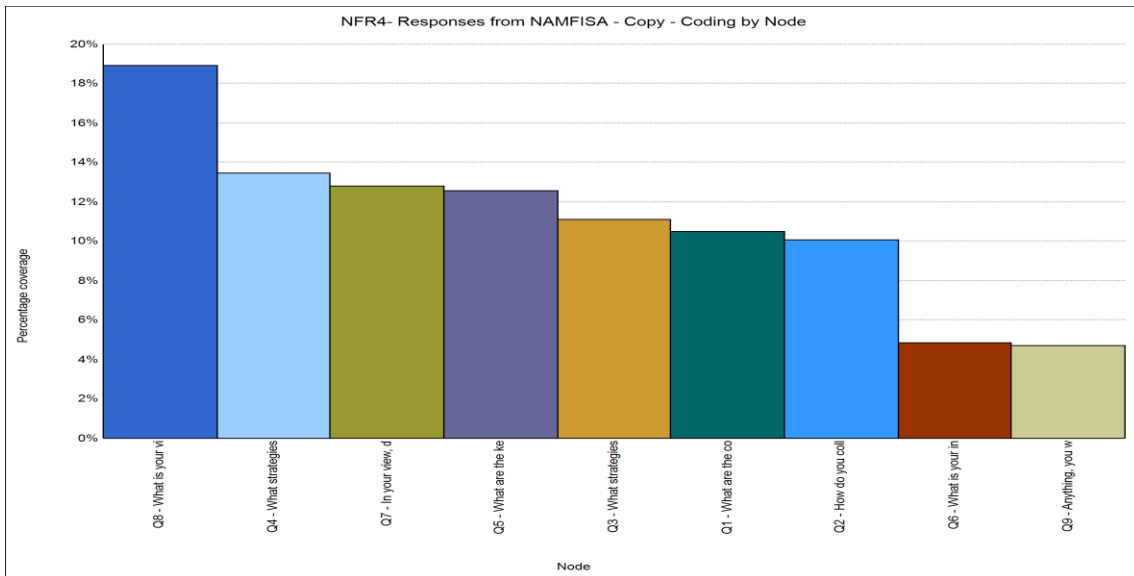
Figure 5.33: NFR4 Responses

Source: Developed by the researcher

As illustrated in Figure 5.33, the most coded question for respondent NFR4 is question 8, with 19% of meaningfully coded relative text. The least coded is question 9, with 4.8% of meaningfully coded relative text.
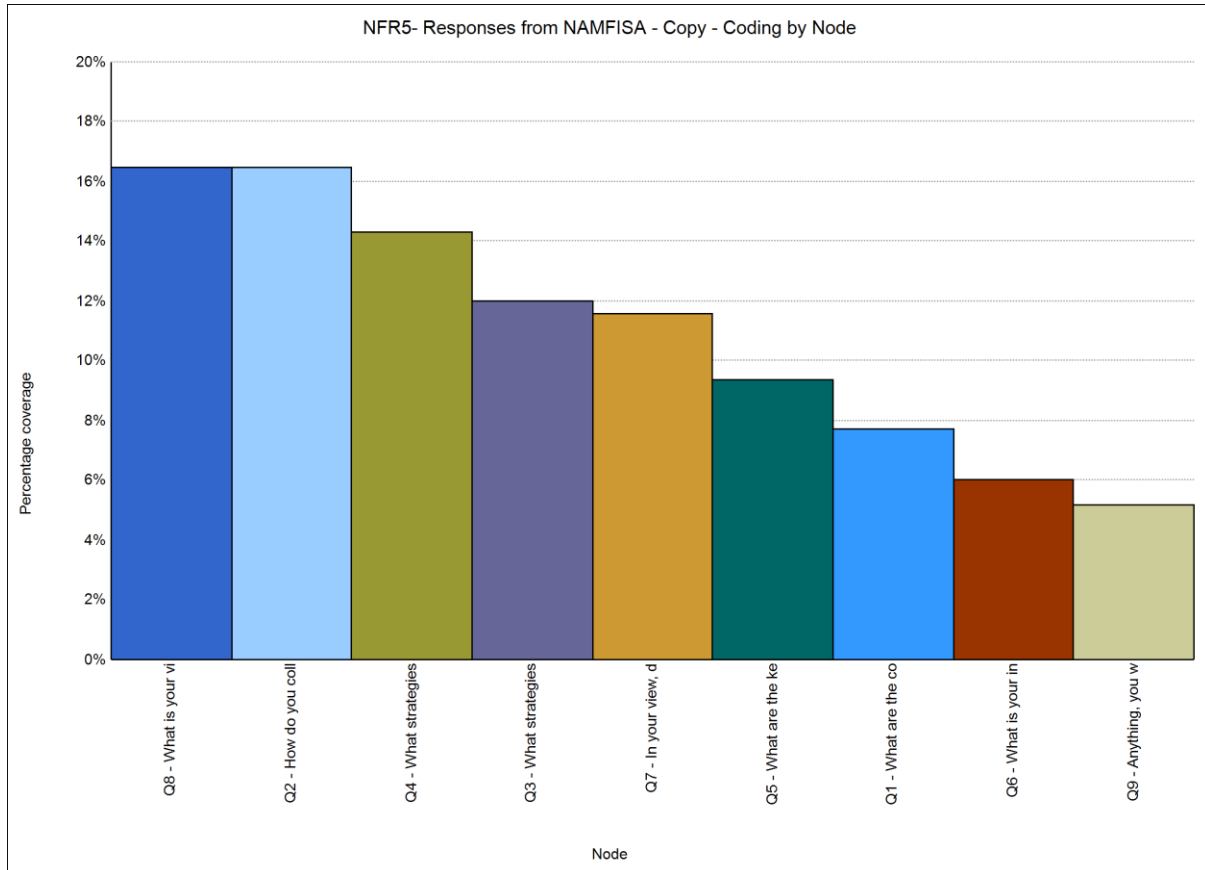
Figure 5.34: NFR5 Responses

Source: Developed by the researcher

It is evident from Figure 5.34 that the most coded question for respondent NFR5 is question 8, with 16.5% of meaningfully coded relative text and the least coded is question 9, with 5% of meaningfully coded relative text.
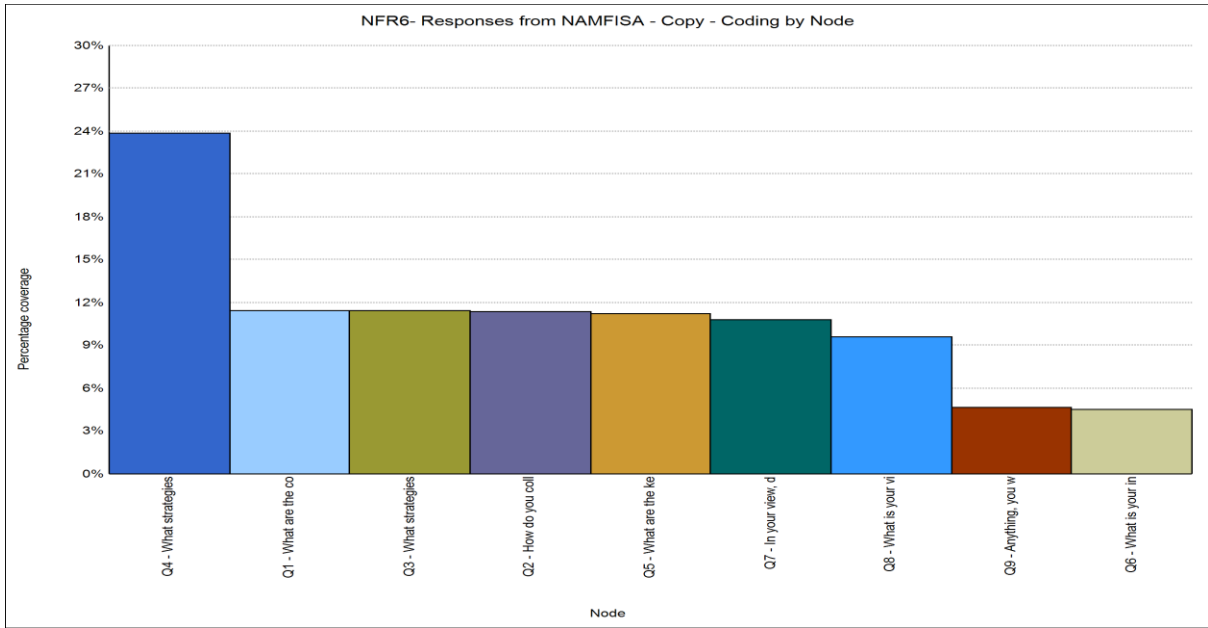
Figure 5.35: NFR6 Responses

Source: Developed by the researcher

Figure 5.35 shows that the most coded question for respondent NFR6 is question 4 , with 24% of meaningfully coded relative text and the least coded is question 6, with 5% of meaningfully coded relative text.
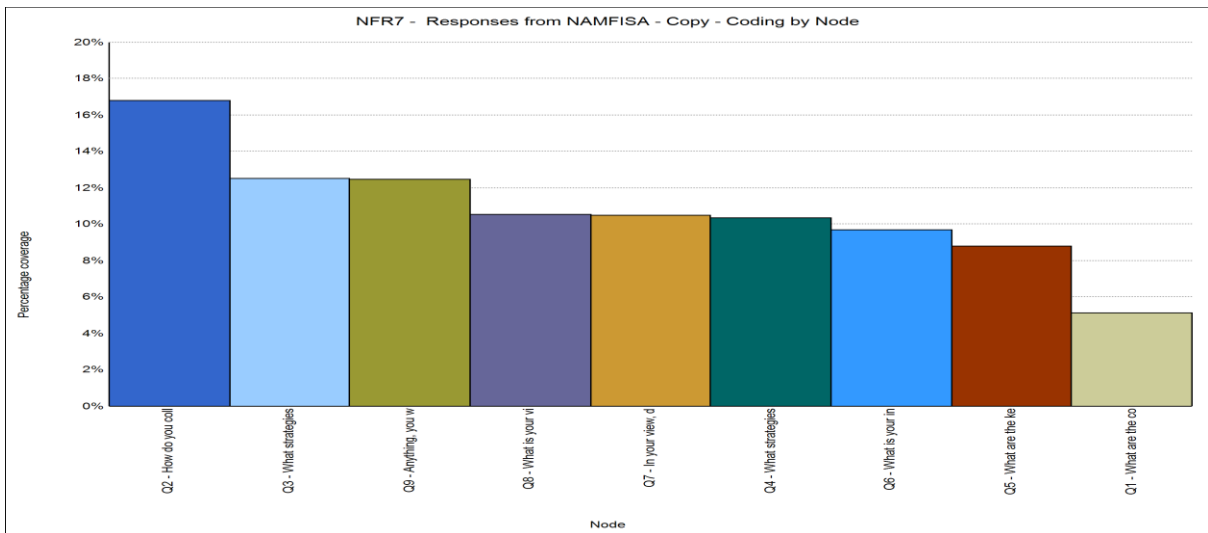
Figure 5.36: NFR7 Responses

Source: Developed by the researcher

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From Figure 5.36, it is clear that the most coded question for respondent NFR7 is question 2, with 17% of meaningfully coded relative text and the least coded is question 1, with 5% of meaningfully coded relative text.
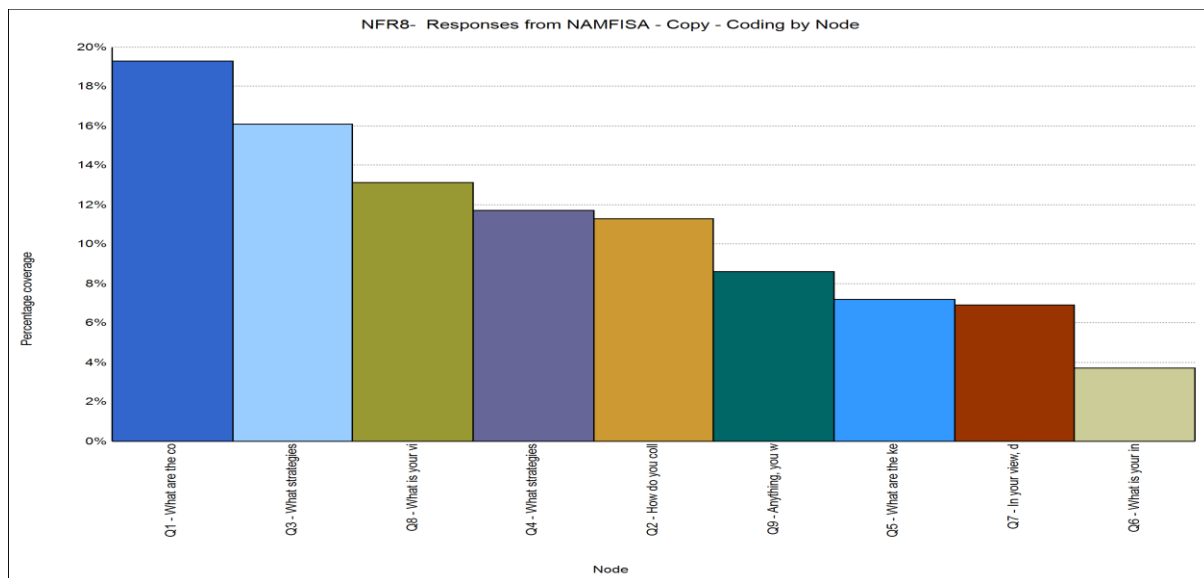
Figure 5.37: NFR8 Responses

Source: Developed by the researcher

As depicted in Figure 5.37, the most coded question for respondent NFR8 is question 1, with 19.5% of meaningfully coded relative text and the least coded is question 6, with 3.8% of meaningfully coded relative text.
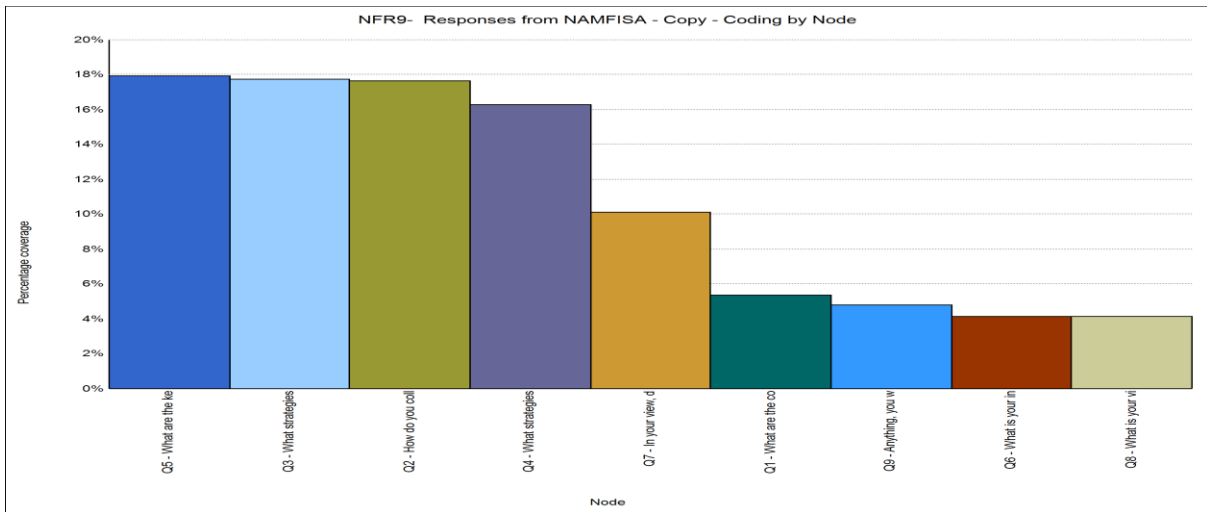
Figure 5.38: NFR9 Responses

Source: Developed by the researcher

Figure 5.38 shows that the most coded question for respondent NRF9 is question 5, with 18% of meaningfully coded relative text and the least coded is question 8, with 4% of meaningfully coded relative text.
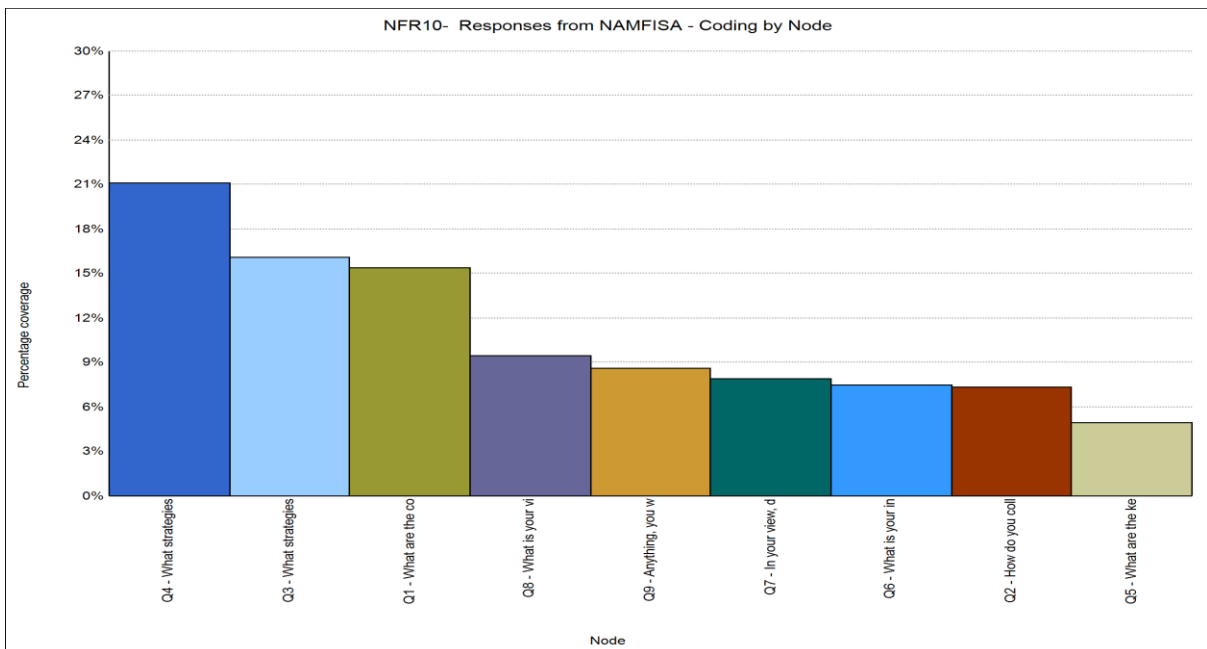
Figure 5.39: NFR10 Responses

Source: Developed by the researcher

As revealed in Figure 5.39, the most coded question for respondent NFR10 is question 4, with 21% of meaningfully coded relative text and the least coded is question 5, with 5% of meaningfully coded relative text.

From the coding, respondents provided different responses, as evidenced by the text variations for each question. It must be pointed out that insights in the sections that follow are drawn from all six respondents (NFR1, NFR2, NFR3, NFR4, NFR5, NFR6, NFR7, NFR8, NFR9, and NFR10). The coded responses are here, in turn, analysed thematically.

Consumer protection guidelines

Figure 5.40 illustrates the word cloud generated from the word frequency of the interview transcript, when respondents were asked about the consumer protection guidelines that the long-term insurance companies" must follow. The size of each word is defined by its frequency in the transcript, in relation to the question asked. The most prominent and meaningful words used by the respondents included "*products", "protection", "financial", "need", "contracts", "procedures"*, and *"claims",* among others. This suggests guidelines offered in the areas indicated by the respective word cloud. The same can be visualised in the word frequency query below:

Figure 5.40: Consumer protection guidelines

Source: Developed by the researcher

The abovementioned is also reinforced in the extract stated by respondent NFR2:

"The insurers need to make sure that the prospective consumers don't sign blank contracts. The insurers need to communicate the prices to the consumers before signing contracts. The insurers also need to avoid deceptive advertising, treat customers fairly and make sure that the customers are well informed and purchase what they need." (Respondent NFR2)

The issue of contracts, effective communication, and a focus on customer need is of importance. Similarly, respondent NFR3 had this to say:

"Treat customers fairly. When they enter into an agreement, they must make sure that the clients understand the products they will be buying. Sometimes the clients have no idea about what product they purchase, only to realize later that the products they purchased are not what they needed. NAMFISA always advise clients to not sign blank contracts. The insurers have to explain the products properly." (Respondent NFR3)

There is an emphasis on treating customers fairly, ensuring that the client has a clear understanding of what "*they will be buying*". Thus, informed consent is of paramount importance, because clients do not have to "*sign blank contracts*". Here, the term "*blank contracts*" is used to emphasise the need for clients to sign what they are aware of, and not something that they are not fully informed about.

Collaboration with other institutions

Respondents were also asked about how they collaborate with other institutions to ensure that "consumers of long-term insurance products" are protected. A word cloud was generated to assess the intensity of the words used, and the concentration areas of the responses. The word cloud is illustrated by Figure 5.41.

Figure 5.41: Collaboration with other Institutions

Source: Developed by the researcher

The most prominent and meaningful words used by the respondents included "*register*", "*advice*", "*financial*", "*need*", "*contracts*", "*educate*", "*feedback*", "*advice*", "*signed*", and "*financial*". This suggests collaborations in the areas indicated by the respective word cloud. This is also illustrated in the extract below:

"We have industry sessions with different organisations such as the insurance companies, labour research organisations. We also collaborate with Bank of Namibia regarding financial literacy and share ideas on how to better the financial industry." (Respondent NFR5)

The "*sessions*" are meant to share information and establish clarity. Furthermore, the word "*financial*" from the word could mean "*financial literacy*". These initiatives help to ensure that "consumers of long-term insurance products" are protected. In a similar vein, respondent NFR7 had this to say:

"[The] Ministry of Industrialization, Trade and SME Development makes sure companies are registered with them. [The] Namibia Competition Commission make sure that the insurance companies don't collide. When you start the insurance company you first need to reserve the

company name with NAMFISA then you go to the ministry to register the company."
(Respondent NFR7)

Here, the word *"registered"* signifies some form of protection. This registration must be done with an authentic institution such as the "*Ministry of Industrialization, Trade and SME Development*". In fact, this ministry *"makes sure companies are registered with them*". This suggests that registration is a legal requirement with the intention of protecting "consumers of long-term insurance products" from unfair and unethical practices.

Strategies to ensure adherence to guidelines

Respondents were also asked about the strategies that they have in place to ensure that "long-term insurance companies" adhere to the guidelines. A word cloud was generated to obtain a general view of the respondents, and the most prominent and meaningful words used included, *"NAMFISA", "inspection", "broker", "audited", "complaints", "investigations", "proactive",* and *"reviews".* This is illustrated by Figure 5.42.

Figure 5.42: Strategies to adhere to guidelines

Source: Developed by the researcher

With regard to adherence to guidelines, respondent NFR10 had this to say:

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"We do on-site inspections. The insurance companies are required to submit quarterly reports to NAMFISA. They also need to submit their financial statements so that NAMFISA can determine if it is safe for the consumers to invest in the insurer or is that insurer more likely to collapse and the consumers are more likely to lose their investments." (Respondent NFR10)

The idea of *"onsite inspections"* is to check on standards and ensure compliance. Companies have *"to submit their financial statements so that NAMFISA can determine if it is safe for the consumers to invest in the insurer or is that insurer more likely to collapse and the consumers are more likely to lose their investments".* This act alone is a protection mechanism. Here, "NAMFISA" takes *"proactive"* steps to ensure that the risk for the consumers is minimised.

Respondent NFR3 had this to say:
"We don't really know if the insurers adhere unless complaints come through." (Respondent NFR3)
Here, the trigger for action is "*complaints*". This suggests that there are several measures that are in place to ensure that "long-term insurance companies" adhere to guidelines.

Strategies in place to ensure that customers of long-term insurance products know their rights

Respondents were also asked about the strategies in place to ensure that "customers of long-term insurance products" know their rights. A word cloud was generated, and the most prominent words used were, *"educate", "complaints", "platforms", "presentations", "bulletin", "newspaper", "roadshows", "television", "radio"*, and *"interviews"*,. These are illustrated in Figure 5.43.

Figure 5.43: Strategies to ensure consumers know their rights

Source: Developed by the researcher

Following from this, respondent NFR1 had this to say:

"The consumer education unit is responsible for that. We have workplace forums. We also go to trade fairs. We educate the consumers of their rights and complaints process through television. We do road trips. We have a consumer bulletin, where we have certain articles educating consumers, which is distributed in each quarter of the year and distribution points are doctors' practices, municipality and at our various branches. We also have adverts in the newspapers and invite the public to call our toll free number." (Respondent NFR1)

In this case, there is *"the consumer education unit"*. This demonstrates the seriousness and commitment to inform consumers of their rights. That indicates that the word *"educate"* meant consumer education. In fact, the company undertakes to *"educate consumers of their rights"*, and this is done through different media channels such as *"television"*, *"newspapers"*, *"doctors' practices"*, *"trade fairs"*, and so forth. That means there is a serious, planned effort to ensure that consumers are aware of their rights. Respondent NFR10 made similar comments: "We have consumer education sessions on platforms such as the roadshows in the different regions. We educate consumers through newspapers as well and most commonly in *The Namibian*, *New Era*, regional newspapers sometimes, as well as the *Republikein* on few occasions. The national radio is also a platform we use. We usually educate the consumers on their rights and where they need to go to when claims are declined or when they are generally just unhappy with the services of the service provider." (Respondent NFR10)

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Key responsibilities of the organisation regarding consumer protection

The researcher also asked respondents about the key responsibilities regarding consumer protection. A word cloud was generated, and the propensity of the words used is illustrated in Figure 5.45. Words used included, *"inspections", "educate", "harmony", "financial", "survival", "literacy"*, and *"ministry",* among others.

Figure 5.44: Key responsibilities of organisations regarding consumer protection

Source: Developed by the researcher

The key responsibilities regarding consumer protection are illustrated by respondent NFR1, who said:

"We have a consumer education strategy, which includes what we are trying to achieve, and who we are targeting, etc. We educate the consumers and come up with consumer education strategies. We also educate SME's. The Financial Literacy Initiative, which falls under the Ministry of Finance, also assist with educating consumers." (Respondent NFR1)

Thus, respondents' organisations "*have a consumer education strategy*". This indicates that consumers are active participants in this strategy, as they are encouraged to "*come up with consumer education strategies*". Furthermore, there is the involvement of "*the Ministry of*

Finance" in the process of *"educating consumers"*. This gives the whole strategy a base of authority and possible legal consequences for non-compliance.

In a similar vein, NFR6 stated:

"We deal with complaints from consumers…Do inspections on the insurers, just to make sure that they adhere to the guidelines that are in place." (Respondent NFR6)

"Inspections" is a key responsibility in ensuring consumer protection. It is through these inspections that non-compliance can be dealt with, reviews made, and organisations be encouraged to continue improving their business practices.

Involvement in the formulation of the Consumer Protection Act

Respondents were also asked about their involvement in the formulation of the Consumer Protection Act. The results of a word cloud are illustrated in Figure 5.45.

Figure 5.45: Consumer Protection Act involvement

Source: Developed by the researcher

Respondent NFR7 had this to say concerning the Consumer Protection Act:

"[The] research department are usually contacted regarding any act that needs to be formulated or amended. The consultants also engage with the various departments within NAMFISA for input." (Respondent NFR7)

We learn that "*the consultants engage with the various departments within NAMFISA for input*". However, many respondents, like NFR3, are simply "*not sure*" of their involvement. Hence, there is a need to engage more departments of the organisations in this process rather than just the "*research department*".

Does consumer protection affect customer satisfaction?

Respondents were also asked about whether consumer protection affects customer satisfaction. There was a high propensity for using words such as, "*treat*", *adhere*", "*inspections*", "*regulates*", "*deceptive*", "*yes*", "*agent*", and "*communicate*", among others.

Figure 5.46: Consumer protection affecting customer satisfaction

Source: Developed by the researcher

The researcher then sought to understand these words within the context of consumer protection and "customer satisfaction"in which they were used. For instance, respondent NFR9 had this to say:

"Insurers and the employees are compelled to adhere to the policies. Customer satisfaction is more likely to improve if the act dictates that they need to have policies in place." (Respondent NFR9)

In a similar vein, respondent NFR1 had this to say:

"Yes, well informed customers will make informed decisions. It also allows the consumers to ensure that the products they take up are affordable." (Respondent NFR1)

This was reinforced by respondent NFR5, who said:

"There is relationship between the protection and customer satisfaction. When NAMFISA regulates the companies are more likely to act responsibly, hence ensure customer satisfaction." (Respondent NFR5)

There is a general view that consumer protection affects customer satisfaction. In fact, respondents state that, *there is relationship between the protection and customer satisfaction".*

Relationship between consumer protection and service quality

The researcher also asked the respondents about their views regarding "the relationship between consumer protection and service quality". The word cloud had a prominence of meaningful words such as *"follow", "contractual", "improve", "service", "quality", "namfisa", "treat", "regulations", "friends", "companies"*, and *"products"*, among others.

Figure 5.47: Consumer protection and service quality

Source: Developed by the researcher

Within the context of consumer protection and service quality, the use of some of these words are as illustrated by respondent NFR10, who had this to say:

"Companies should not just sell the product to make profits and if the companies take consumer protection as a priority, it is more likely that they will provide service quality. There is a huge link…" (Respondent NFR10)

Similar views are also shared by respondent NFR3, who stated:

"Yes, the insurance companies improve because they know people will submit complaints with NAMFISA. The insurance companies also get a report on the number of complaints and the specific complaints that were submitted and improve their service accordingly." (Respondent NFR3)

In summation, respondents opined that there is a "relationship between consumer protection and service quality". In fact, there is an understanding that *"companies should not just sell the product to make profits"*, rather, they should "*take consumer protection as a priority*". This can be used as a resource to *"provide service quality"*.

Respondents were also encouraged to share further insights on the research topic in general. For those who responded, a work cloud was generated and meaningful words that emerged included, *"educate", "consumer", "insurer", "protection", "contracts", "guidelines",* and *"products",* among others.

Figure 5.48: Sharing of relevant information regarding the study

Source: Developed by the researcher

The comments, in this general context of the study, in which some of these words were used are illustrated by respondent NFR7, who stated:

"There is a thin line between having a Consumer Protection Act and monitoring whether the insurers are complying with this act and how they treat the consumers. The provision of the laws should make sure that it is in alliance with how the insurance companies operate." (Respondent NFR7)

Respondent NFR2 suggested that:

"The companies should also educate their customers on a regular base [basis]." (Respondent NFR2)

However, there were also respondents, such as NFR4, and many others, who had *"nothing to add"*.

5.6.3 *Ministry of Justice*

What are the consumer protection guidelines the "Long-term insurance companies" have to follow?

A word cloud was generated to explore the consumer protection guidelines that "long-term insurance companies" must follow. There was a prominence around the use of the words drafting, bill, lawful, consumer, sure, term, provisions, rights, protecting, and so forth, as illustrated in the Figure 5.49.

Figure 5.49: Consumer protection guidelines to be followed

Source: Developed by the researcher

Respondent MOJ1 draws a comparison with the consumer protection guidelines in South Africa, as illustrated in the comment below:

"The guidelines are similar to the South African laws… it starts with the line minister, then it goes to the cabinet committee, then to the legislative department…" (Respondent MOJ1)

Respondent MOJ3 commented:

"The Consumer Protection Bill will look at unfair practices, transparency, and awareness of consumer rights…" (Respondent MOJ3)

The consumer protection guidelines are there to guard against "*unfair practices*" as illustrated by respondent MOJ3. They are also there to ensure an "*awareness of consumer rights*". The intention is to ensure that consumers make informed decisions and choices.

How do you collaborate with other institutions to ensure that consumers of long-term insurance products are protected?

A word cloud was generated to explore how respondents collaborated with other institutions to ensure that "consumers of long-term insurance products" are protected. There was prominence of the use of the words comment, term, deal, long, replace, oversee, bill and so forth, as illustrated in Figure 5.50 below.

Figure 5.50: Collaboration of institutions on consumer protectionFigure

Source: Developed by the researcher

It emerged that the word "*comment*" was associated with the word "*no*". Hence, it can be deduced that this meant "*no comment*" for respondents MOJ1, MOJ3, MOJ4 and MOJ5. In other words, not much was extracted from these respondents in connection with this question.

However, respondent MOJ2 had this to say:

"The FIM Bill will deal with non-banking sectors, which will replace "the long-term insurance" act. All will fall away. NAMFISA will oversee all…" (Respondent MOJ2)

Thus, there is further collaboration planned with NAMFISA to *"oversee"* the "*FIM Bill",* thereby ensuring that "consumers of long-term insurance products" are protected.

What strategies do you have in place to ensure that "Long-term insurance companies" adhere to the guidelines?

It emerged that the word *"comment"* was frequently used by the respondents, and this was associated with the word "*no*". Hence, this meant "*no comment"* for respondent MOJ1; MOJ2; MOJ3; MOJ4; and MOJ5. In other words, not much was extracted from all respondents in connection with this question. None of the five (5) respondents would comment about this. Perhaps it had to do with the information that they are legally allowed to share, and they could not share any information regarding the strategies that they have in place to ensure that long-term insurance companies adhere to the guidelines.

What strategies do you have in place to ensure that customers of long-term insurance products know their rights?

As with question 3, it emerged that the word *"comment"* was frequently used by the respondents, and this was associated with the word "*no*". Hence, this meant "*no comment"* for respondent MOJ1; MOJ2; MOJ3; MOJ4; and MOJ5. In other words, not much was extracted from all respondents in connection with this question. Perhaps it had to do with the information that they are legally allowed to share, and they could not share any information regarding the strategies that they have in place to ensure that "long-term insurance companies" adhere to the guidelines. None of the five (5) respondents would comment about this.

What are the key responsibilities of your organisation regarding consumer protection?

A word cloud was generated to understand the key responsibilities of respondents' organisations regarding consumer protection. There was a prominent use of the words minister, draft, check, implementation, legislative, policies, invitation, committee, gazette, and so forth, as illustrated in Figure 5.51.
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Figure 5.51: Key responsibilities regarding consumer protection

Source: Developed by the researcher

Asked about the key responsibilities regarding consumer protection, respondent MOJ3 had this to say:

"Work with clients, usually the line ministries, agencies such as NAMFISA and organisations. Clients usually identify their policies and draft their policies and bills then we receive once it is ready for parliament and public then they do comments on the bills…" (Respondent MOJ3) Here, there is involvement of clients and a co-production of the required outputs, as illustrated in the extract above. The public are also involved in the process as *"they do comments on the bills"*.

For respondent MOJ5, the key responsibilities the organisation regarding consumer protection is embedded in the whole process, as illustrated in the extract below:

"The process of the implementation of an act… First someone initiates the law and it is usually the line ministry. The implementations will be discussed with the minister. Then an invitation is sent out to the consultants. Then it goes to the office of the attorney-general, it is checked if the law is constitutional and is not in contradiction with the constitution. They then check if there is a need for that particular law, then it goes to the cabinet for approval then it goes to the cabinet committee on legislations. Then instructions are given to the legislative drafter to draft the particular law. Then it is forwarded to the line minister to check if they are happy. Then it is sent to the attorney-general to certify. Then it is sent to the table office at the national

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assembly. Then they decide on the date and send to the president for signature. Once the president has signed then it's gazetted, then it is no longer a bill but an act of parliament. Then it is sent to the printers for the act number which is then approved by the Minister of Justice." (Respondent MOJ5)

Thus, the responsibilities are embedded at each of the stages, as outlined by respondent MOJ5.

What is your involvement in the formulation of the Consumer Protection Act?

Similar to questions 3 and 4, it emerged that the word "*comment*" was frequently used by the respondents, and this was associated with the word "*no*". Hence, this meant "*no comment*" for respondent MOJ1; MOJ2; MOJ3; MOJ4; and MOJ5. In other words, not much was extracted from all respondents in connection with this question. Perhaps it had to do with the information that they are legally allowed to share, and they could not share any information regarding the strategies that they have in place to ensure that "long-term insurance companies" adhere to the guidelines. None of the five (5) respondents would comment about this.

A word cloud was generated to understand the respondents' views on how consumer protection affects customer satisfaction. There was prominent use of the words comment, contracts, parties, protect, consumers, benefit, and so forth, as illustrated in the Figure 5.52.

Figure 5.52: Involvement in the formulation of the Consumer Protection Act

Source: Developed by the researcher

Whilst all the other respondents provided "*no comment*", respondent MOJ4 had this to say:

"Yes, the act will protect the consumers. The contracts will also be redrafted once the act is in place, this is to ensure that both parties benefit, and contracts are not one sided. The insurance companies will also be forced to make the consumers understand the contracts properly before they sign." (Respondent MOJ4)

Here, respondent MOJ4 raised an issue of informed consent because, "*insurance companies will also be forced to make the consumers understand the contracts properly before they sign*". This is interpreted as a practice that affects customer satisfaction.

What is your view on "the relationship between consumer protection and service quality"?

A word cloud was generated to understand respondents' views on "the relationship between consumer protection and service quality". There was prominent use of the words comment, penalties, service, quality, motivate, adhere, consequences, offenses, and so forth, as illustrated in the Figure 5.53.

Figure 5.53: Consumer protection and service quality

Source: Developed by the researcher

Whilst all other respondents provided "*no comment*," respondent MOJ3 had this to say:

"Yes, they are more likely to improve. Consumers will be able to demand for quality service." (Respondent MOJ3)

Similarly, respondent MOJ5 had this to say:

"Yes, there will be consequences and penalties on criminal offenses, administration penalties, suspension of their licence when they don't adhere, hence the act will motivate them to provide quality service." (Respondent MOJ5)

Is there anything you would like to share that you feel will be relevant to this study?

A word cloud was generated to explore further information that the respondents were willing to share. There was prominent use of the words insurance, consumers, misleading, nothing, comment, reliable, unfair, curbing, and so forth, as illustrated in the Figure 5.54.

Figure 5.54: Consumer protection and service quality

Source: Developed by the researcher

Whilst other respondents provided "*no comment*", respondent MOJ3 had this to say:

"Prices are a bit unfair in the insurance industry, they need to have a general curbing…"

Similarly, respondent MOJ4 had this to say:

"The act will hold the companies reliable. It will also ensure disclosure. The cooling off period of the insurance policies will also have to be revised. The insurers will stop misleading consumers. Insurance companies will also be forced to notify the consumers regarding monthly premium increments." (Respondent MOJ4)

Following from this, the researcher then sought to understand the coding patterns on the transcripts from the five (5) respondents. This gave an indication of the amount of information shared by each of the respondents in relation to the respective questions.

Figure 5.55: MOJ1 Responses

Source: Developed by the researcher

For respondent MOJ1, it emerged that there was more coding, as indicated by a 14% coding coverage. However, for the other questions, the coding coverage was less than 1%, indicating that the respondent gave less information to the other questions than for question 1.
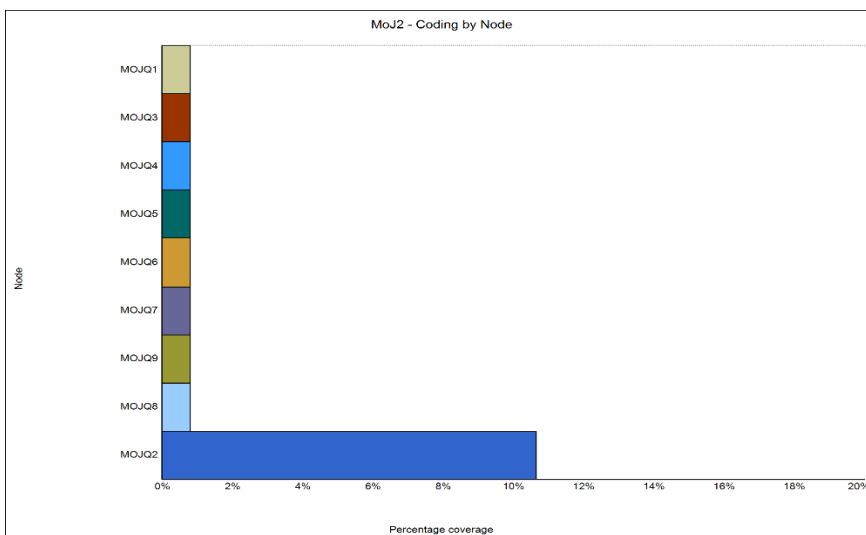
Figure 5.56: MOJ2 Responses

Source: Developed by the researcher

However, respondent MOJ2 shared more information for question 2, as indicated by a coding coverage of 10.5%. Yet, for the other questions, the coding coverage is less than 1%, indicating that the researcher extracted more on question 2 from MOJ2 than the other questions.
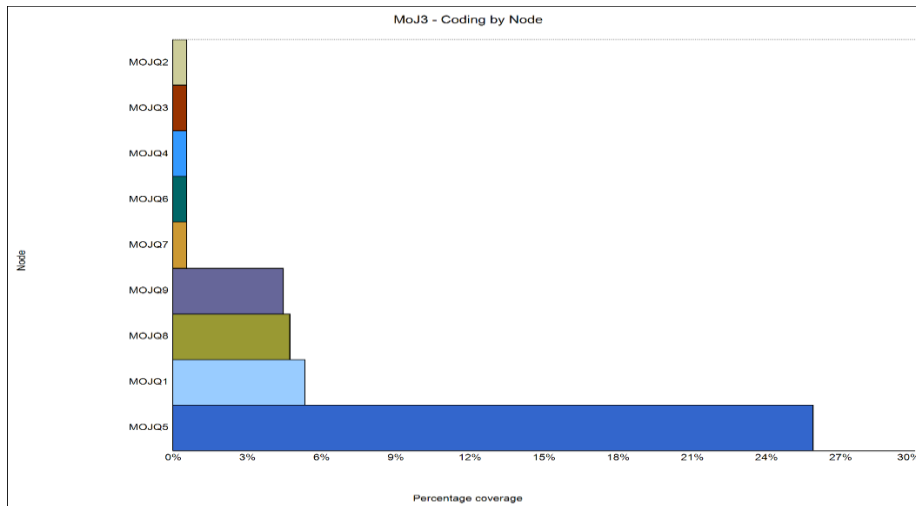
Figure 5.57: MOJ3 Responses

Source: Developed by the researcher

The coding coverage for respondent MOJ3 is 26% for question 5. This is followed by 5.8% for question 1; 5.3% for question 8; and 5% for question 9. For the other questions, the coding coverage was less than 1%. This indicates that more information was extracted from respondent 3 compared to respondents 1 and 2.
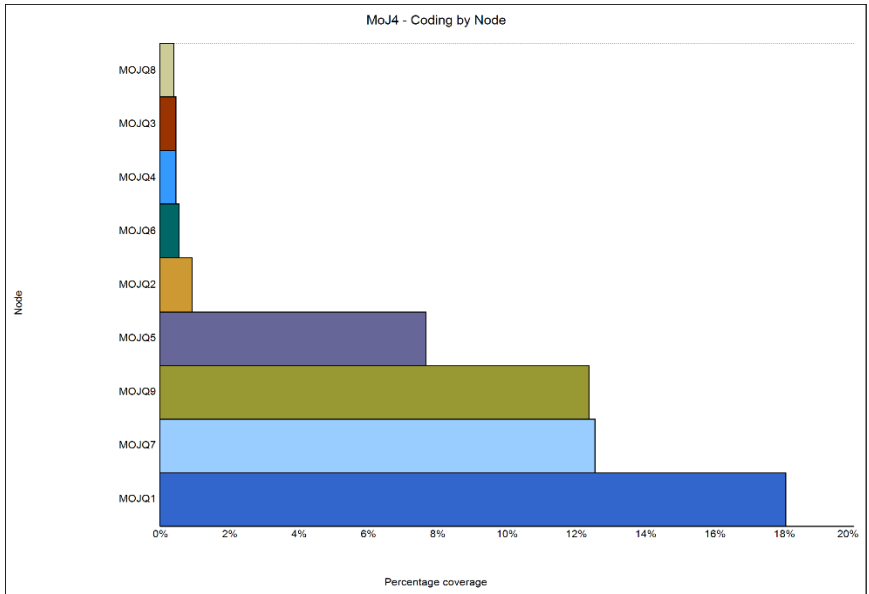
Figure 5.58: MOJ4 Responses

Source: Developed by the researcher

The coding coverage for respondent MOJ4 is 18.1% for question 1. This is followed by 12.3% for question 7; 12.2% for question 9; and 8% for question 5. For the other questions, the coding coverage was less than 1%, indicating that more information was extracted from respondent 3 compared to respondents 1 and 2.
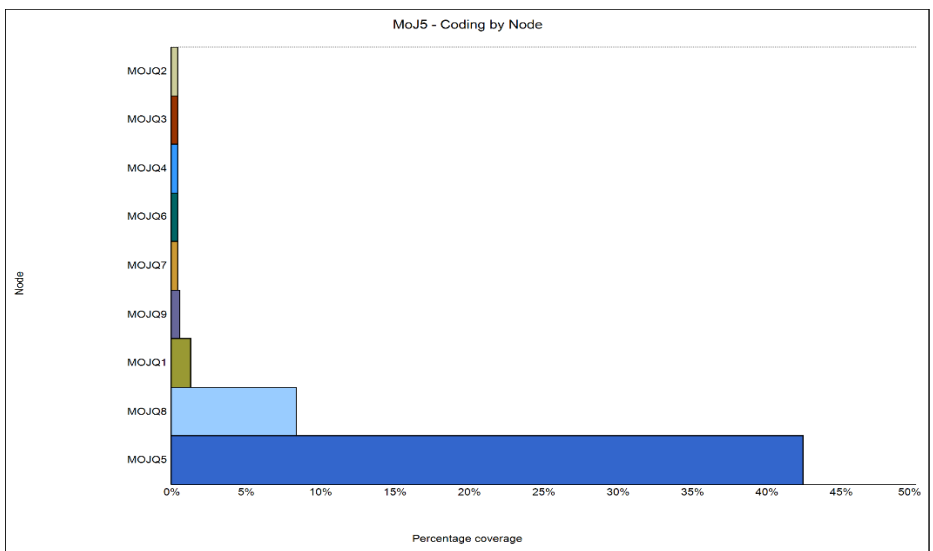
Figure 5.59: MOIT Respondent 1's responses

Source: Developed by the researcher

The coding coverage for respondent MOJ5 is 43.2% for question 5. This is followed by 8% for question 8. For the other questions, the coding coverage was less than 1%. This indicates that more information was extracted from respondent MOJ5 for questions 5 and 8.

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The results of coding are illustrated in Figure 5.60. All questions were coded after reading the transcripts on a line-by-line basis and the coding was done using the questions asked to focus the analysis. This was done for each of the transcripts. For instance, respondent 1 had the most coding for question 5 (12.5%), followed by question 6 (9.8%), question 1 (8%), and so forth, as illustrated in Figure 5.60 below. The difference in the coding percentages is a result of the relative and meaningful text used by the respondents, and its likelihood of being representative of the views shared by other respondents. The coded text is thus used for further analysis in this section.
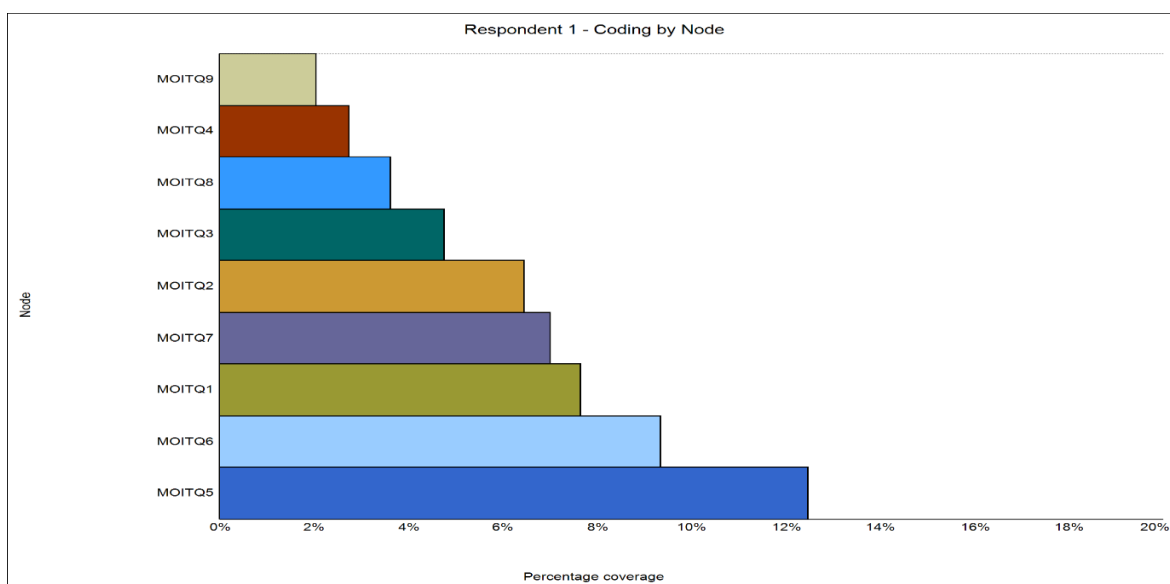
Figure 5.60: MOIT Respondent 1's responses

Source: Developed by the researcher

The most coded question for respondent 2 was question 3 (19%), followed by question 2 (12%), question 8 (9%), and so forth. This is illustrated by Figure 5.61.
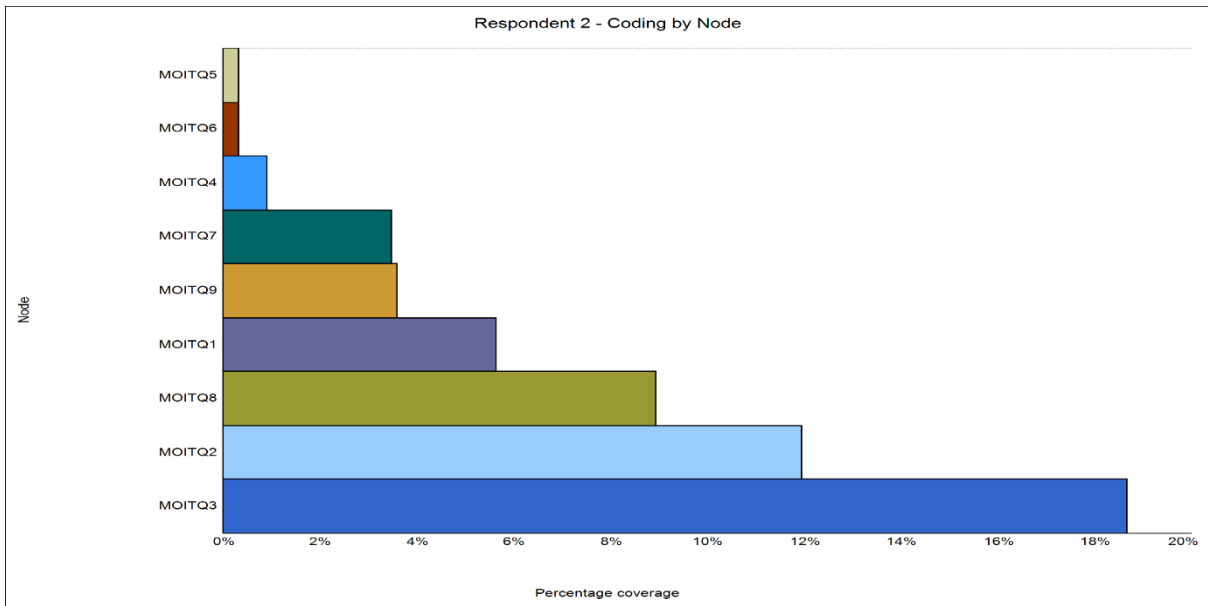
Figure 5.61: MOIT2 Responses

Source: Developed by the researcher

Figure 5.62 illustrates that the most coded question for respondent 3 is question 2 (22%), followed by question 1 (14%), question 9 (11%), and so forth.
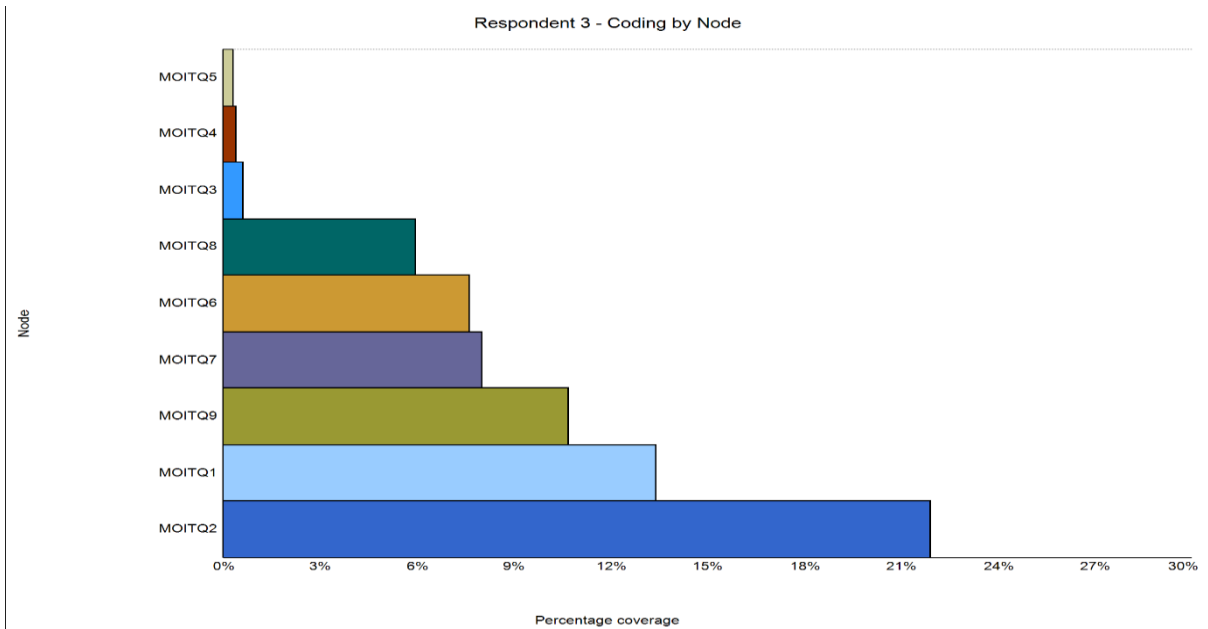
Figure 5.62: MOIT Respondent 3's Responses

Source: Developed by the researcher

The coding results indicate that different amounts of text were extracted from each of the respondents, and that they provided varying responses to the questions. Moreover, the amount of information provided varies across questions and across respondents. The coded responses are analysed thematically here, in turn.

What are the consumer protection guidelines that Long-term insurance companies" have to follow?

Figure 5.63 illustrates the word cloud generated from the word frequency of the interview transcript when respondents were asked about the "consumer protection guidelines that the long-term insurance companies" must follow. The size of each word is defined by its frequency in the transcript, and in relation to the question asked. The most prominent and meaningful words used by the respondents included "*consumers*", "*protect*", "*bill*", "*policies*", "*education*", "*sub-standard*", and "*process*". This suggests guidelines for the areas indicated by the respective word cloud. The same can be visualised in the word frequency query below:

Figure 5.63: Consumer protection guidelines in place

Source: Developed by the researcher

This is also reinforced in the extract below:

"There are policies in place to protect the consumers. Consumers have the right to safety, information, to air their grievance. The consumers also have the right to consumer education." (Respondent 1)

There is an understanding that "*consumers have the right to safety, information, to air their grievance*". Considering the importance of this, there is an emphasis on "*consumer education*". Similarly, respondent 3 had this to say:

"The bill that is in process is for ordinary consumers and it is not for a specific industry. It is still just a policy that is under discussion. The bill has a redress mechanism. If you have exhausted all the avenues that you can contact the office…Completely new bill, it is not going to make reference to any other new bill, it is more on general consumers regarding goods and services. If you bought a substandard product or you didn't receive what you wanted…" (Respondent 3)

There is an emphasis on the "*process*" of getting approval for "*the bill*". The extract suggests that this process is a two-way process, where "*discussions*" take place. The intention is to protect consumers.

How do you collaborate with other institutions to ensure that consumers of long-term insurance products are protected?

Respondents were also asked about how they collaborate with other institutions to ensure that "consumers of long-term insurance products" are protected. A word cloud was generated to assess the intensity of the words used and the concentration areas of the responses. This is illustrated by Figure 5.64.

Figure 5.64: Collaboration with other institutions

Source: Developed by the researcher

The most prominent and meaningful words used by the respondents included "*consultants*", "*policy*", "*approved*", "*institution*", "*discuss*", "*consumer*", "*lobby*", "*draft*", "*bank*", and "*protection*". This analysis suggests collaborations in the areas indicated by the respective word cloud.

This is also illustrated in the extract below:

"Stakeholders who are participating in the process of formulating the consumer protection policies is Bank of Namibia, NAMFISA, the consumer lobby group, the Namibian Standards Institutions…" (Respondent 3)

It was found that stakeholders participate "*in the process of formulating the consumer protection policies*". Moreover, there is a "*consumer lobby group*". This indicates that there is collaboration with different institutions to protect consumer insurance products. These initiatives help to ensure that "consumers of long-term insurance products" are protected.

What strategies do you have in place to ensure that "Long-term insurance companies" adhere to the guidelines?

Respondents were also asked about the strategies that they have in place to ensure that "long-term insurance companies" adhere to the guidelines. A word cloud was generated to obtain the general views of the respondents, and the most prominent and meaningful words used included, "*complaints*", "*facilitate*", "*formulate*", "*policies*", "*quality*", "*involved*", "*protection*", and "*consumer*". This is illustrated by Figure 5.65.

Figure 5.65: Strategies to ensure consumer protection guideline adherence

Source: Developed by the researcher

With respect to guideline adherence, respondent 1 had this to say:

"We are stakeholders in the formulation of the Consumer Protection Bill. We take up complaints from the consumers…" (Respondent 1)

The idea of *"taking up complaints from the consumers"* is interpreted as a mechanism in place to ensure that insurance companies adhere to the stipulated guidance, and any deviation from expected practice is reported through the complaint mechanism. Furthermore, the "*Consumer Protection Bill*" is interpreted as an instrument to ensure that "long-term insurance companies" adhere to the guidelines. In fact, respondent 2 stated:

"We had to come up with an act that regulates consumer rights. The act covers unfair treatment of consumers and deceptive advertising, just to mention a few…" (Respondent 2).

This emphasises the importance of having legal instruments in place to protect "consumers and ensure that long-term insurance companies" adhere to the guidelines.

Respondents were also asked about the strategies in place to ensure that "customers of long-term insurance products" know their rights. A word cloud was generated, and the most prominent words used were: *"education", "involved", "consumer",* and *"policies"*. These are illustrated in Figure 5.66.

Figure 5.66: Strategies to ensure customers know their rights

Source: Developed by the researcher

Though the three (3) respondents did not share much information in this area, respondent 1 used these expressions:

"Consumer education platforms…National Consumer Protection policies…" (Respondent 1)

Here, *"consumer education"* is of importance. In addition, *"national consumer protection policies"* are instruments that are used to ensure that "customers of long-term insurance products" know their rights.

What are the key responsibilities of your organisation regarding consumer protection?

The researcher also asked respondents about the key responsibilities regarding consumer protection. A word cloud was generated, and the propensity for certain words is shown in Figure 5.67. Words used included, *"information", "providers", "education", "protect", "share", "consumers"* and *"update",* among others.

Figure 5.67: Key responsibilities on consumer protection

Source: Developed by the researcher

Responsibilities regarding consumer protection was commented on by respondent 1 in the extract below:

"Protect consumers against unfair business practises... Disseminate relevant information or update to the consumers… Ensure consumers receive education from service providers. We also share information with the service providers so that the service providers know how to approach customer related issues."

Thus, the respondents' organisations have a duty to "*protect consumers against unfair business practices*". In addition, they "*disseminate relevant information*", with the intention of updating consumers. It is through these actions that consumers are protected.

What is your involvement in the formulation of the Consumer Protection Act?

Respondents were also asked about their involvement in the formulation of the Consumer Protection Act. The results of a word cloud are illustrated in Figure 5.68.

Figure 5.68: Involvement in formulation of the Consumer Protection Act

Source: Developed by the researcher

Respondent 3 had this to say regarding the Consumer Protection Act:

"We had to appoint a consultant and provided the consultant with terms of reference. The consultant had to do both the policies and the guidelines that will speak to the bill. Policy was discussed in parliament. The drafting of the bill can only start next year…"

The respondent's organisation appoints the consulting team and sets the terms of reference. The idea of appointing a consultant is interpreted as an intention of establishing independence, and fairness in the process. Furthermore, a cross-pollination of ideas takes place through discussions with the intention of incorporating the views of different stakeholders.

In your view, does consumer protection affect customer satisfaction?

Respondents were also asked whether consumer protection affects customer satisfaction. There was a high propensity for using words such as *"aware", "yes", "rights", "consumers", "redress", "responsibilities"*, and so forth.

Figure 5.69: Consumer protection and customer satisfaction

Source: Developed by the researcher

The researcher then sought to understand these words in the context of the proposed question. For instance, respondent 2 had this to say:

"Yes, because they can now stand up for their rights when there is an act in place."

(Respondent 2)

Similarly, respondent 1 answered in this way:

"Yes, it has an influence, because if consumers know their rights it will compel the insurance companies to provide good customer service, hence customers will be satisfied." (Respondent 1)

Thus, there is a general view that consumer protection affects customer satisfaction.

What is your view on the relationship between consumer protection and service quality?

The researcher asked the respondents about their views regarding "the relationship between consumer protection and service quality". The word cloud had a prominence of meaningful words such as "*quality", "service", "yes", "improve", "motivate"*, and so forth

Figure 5.70: Consumer protection and service quality

Source: Developed by the researcher

The use of some of these words are illustrated by respondent 3 who had this to say:
"Yes, most companies take chances with the consumers and when there is no law, there will be lawlessness. When there is an act in place, service providers will definitely change the way they treat customers." (Respondent 3)

Similar views were also shared by respondent 2, who stated:

"Yes, the service providers will improve their service quality because if they lack in anything relating to treating consumers fairly or deceive them in any way, they know they are more likely to be taken to court." (Respondent 2)

In summation, respondents are of the view that there is a "relationship between consumer protection and service quality". In fact, there is an understanding that companies should not simply sell the product to make profits, but they should make consumer protection a priority. In fact, this can be used a resource to provide better service.

Is there anything you would like to add that you feel will be relevant to this study?

Respondents were also encouraged to share further insights on the topic. For those who responded, a work cloud was generated and meaningful words that emerged included, *"act", "approved", "authorised", "communication", "information"*, and so forth.

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Figure 5.71: Additional information shared relevant to the study

Source: Developed by the researcher

The context in which some of these words were used are illustrated by respondent 3, who stated:

"We will have MOUs with the service providers so that communication will be efficient and make the act easier to deal with. Currently it is just a policy, then it becomes a draft if approved by cabinet then, only if it is approved and signed by the president will it become an act. It's only when it is an act that it is authorised to fight for a certain provision in the act." (Respondent 3)

The issue of approval is very important. Therefore, stakeholders must work hard to ensure that they develop guidelines that can be approved, with the intention of protecting consumers, but at the same time, without adverse effects on other stakeholders.

5.7 **Triangulation of the qualitative and quantitative findings**

There were 407 respondents of the survey for the quantitative research in total: 191 consumers from Metropolitan Life Namibia, 127 consumers from Old Mutual Namibia and 89 consumers from Sanlam Namibia. The respondents for the qualitative research had a total number of 24, and there were various organisations' representatives who were interviewed: three from the Ministry of Industrialization, Trade and SME Development, five from the Ministry of Justice,

ten from NAMFISA, and six, who responded to a separate questionnaire, were all from the three main insurance companies in Namibia.

The results obtained confirmed that there is an association between consumer awareness and customer loyalty and that consumer awareness has a strong influence on customer loyalty. Based on the results of the survey, most of the respondents strongly agreed that consumer education is important, and the professionals in the qualitative research also agreed with the importance of consumer education and stated that social media, in particular, has become an important platform to educate consumers. NAMFISA has various platforms such as media channels, television, newspapers, doctor's practices and trade fairs, in addition to roadshows in the different regions.

The results confirmed that there is a positive, yet weak, relationship between consumer awareness and customer satisfaction. The results further indicated that customer satisfaction" was important to the customers and 40% of the respondents strongly agreed that when they are aware of the products and benefits, their level of customer satisfaction increases. The qualitative findings support the quantitative finding, since the respondents of the qualitative study also believe that there is a correlation between consumer awareness and customer satisfaction. The findings revealed that if the consumers are aware they will be able to make informed decisions and, hence, be more satisfied.

This research also confirmed that there is a positive relationship between consumer awareness and service quality, and the relationship is found to be significant. Of the respondents, 35.6% strongly agreed that their level of product and benefits awareness positively influenced their perception of service quality. The qualitative findings were slightly different from the quantitative, since there were contradictory reactions from the respondents. Some believed there is no relation between consumer awareness and service quality, while others stated that there was. However, the respondents had a common feeling that when consumers were not aware of the products and benefits, they were more likely to be exploited by the service providers.

The results obtained revealed that there is a positive relationship between consumer protection and customer loyalty, although this relationship is weak. Of the respondents, 29.2% stated that when they feel protected against unfair business practices, their level of loyalty is positively

influenced. However, the study revealed that only 16% of the respondents were aware of their rights as consumers and only 11% know where to lodge complaints regarding matters related to long-term insurance policies. The respondents of the qualitative data were of the opinion that NAMFISA has several measures in place to protect consumers. These are measures such as termination of licence and blacklisting of insurance companies who do not adhere to the policies. Consumers were also encouraged to lodge complaints with NAMFISA, which would then allow them to track the number of complaints and take corrective action against unethical insurance companies.

The results also confirmed that there is a positive relationship between consumer protection and customer satisfaction and this relationship is relatively strong. Of the respondents, 30.5% strongly agreed that they feel more satisfied when they are protected against unfair practices from insurers. The qualitative findings revealed that consumer protection has a positive influence on consumer awareness, since when consumers know their rights the insurers are more likely to provide good customer service, which would result in customer satisfaction.

Furthermore, the results obtained confirmed that there is a positive and strong relationship between consumer protection and service quality. Of the respondents, 32.9% strongly agreed that when they feel protected against unfair business practices, it means that the company provides quality services. Similarly, qualitative research confirmed that there is a relationship between consumer protection and service quality and the respondents believed that companies should not only be in business with the aim to sell, but also to make consumer protection a priority, which will translate into service quality.

The results obtained also confirmed that there is a positive and strong relationship between customer satisfaction and customer loyalty. Of the respondents, 29.2% strongly agreed that when they are satisfied with the insurer services, they will remain loyal to the insurer. This finding agrees with the finding of the qualitative research, that there is a correlation between customer satisfaction and customer loyalty. The finding further revealed that companies should keep their promises, which is likely to result in trust. Once the trust is established with a service provider, customers are highly likely to remain loyal.

The quantitative results confirmed that there is an association between service quality and customer loyalty and this relationship is relatively strong. The professionals of the qualitative

study posited that customer loyalty has a positive effect on the profitability and the survival of the organisation and the key is to treat the internal customers (employees) well, thus encouraging them to treat the external customers well.

The results also confirmed that there is a positive and significant relationship between service quality and customer satisfaction. Service quality was measured using tangibles, reliability, assurance, responsiveness and empathy, and most of the respondents agreed that the physical environment of the insurance companies were clean. The highest number of respondents were 'neutral' in how they perceived the reliability of the insurance companies and fewer participants 'strongly disagreed' with the statement that the employees tell them exactly when the services will be performed. The findings in the qualitative research also revealed a strong link between service quality and customer satisfaction. They also show that when the service quality is good, the satisfaction level increases. Consumers start trusting the brand if they receive good service from the service providers; moreover, if companies provide fast service, the right processes are in place and their needs are addressed they are more likely to remain satisfied.

5.8 **Conclusion**

This chapter presented the significant findings of this study based on descriptive analysis, Confirmatory Factor Analysis and confirmation of proposed hypotheses, using a Structural Equation Modelling. The descriptive analysis of the main constructs was provided based on the mean, frequency distribution and other descriptive analytical approaches. Statistical significance of the relationships through the use of the Structural Equation Modelling was also presented. Furthermore, the structural model was also evaluated by using the p-value and standard regression weights. The t-statistics were further used to test the hypotheses relationship and the latent variables were examined by the path analysis. Finally, the qualitative analysis was also presented in which the questions were coded after reading the transcripts on a line-by-line basis. Chapter Six discusses the significant findings of the study and reports on the specific findings based on the research objectives and hypotheses.

CHAPTER 6

DISCUSSION OF FINDINGS

6.1 Introduction

In the previous chapter, the research findings were reported and in this chapter they are discussed with reference to the literature, conceptual framework, hypotheses and research objectives.

6.2 Decisions on the Research Hypotheses

The decisions regarding the hypotheses which were formulated from the research objectives are presented in the table below.

Table 6.1: Hypotheses Decisions

Objective 1: To assess whether consumer awareness influences customer loyalty in the long-term insurance industry.

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
H1: Long-term insurance consumer awareness positively influences customer loyalty	0.009	ACCEPT HYPOTHESIS

Objective 2: To establish whether consumer awareness influences the levels of customer satisfaction in the long-term insurance industry.

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
H2: Long-term insurance consumer awareness positively influences customer levels of satisfaction	0.023	ACCEPT HYPOTHESIS

Objective 3: To evaluate whether consumer awareness influences service quality in the long-term insurance industry.

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
H3: Long-term insurance consumer awareness positively influences customer service quality perceptions.	0.000	ACCEPT HYPOTHESIS

Objective 4: To establish whether consumer protection influences customer loyalty in the long-term insurance industry.

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
		ACCEPT HYPOTHESIS

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
H4: Long-term insurance industry consumer protection positively influences customer loyalty	0.035	

Objective 5: To assess whether consumer protection influences customer satisfaction in the long-term insurance industry.

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
H5: Long-term insurance industry consumer protection positively influences customer satisfaction	0.035	ACCEPT HYPOTHESIS

Objective 6: To establish whether consumer protection influences service quality in the long-term insurance industry.

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
H6: Long-term insurance industry consumer protection positively influences service quality	0.000	ACCEPT HYPOTHESIS

Objective 7: To assess whether customer satisfaction influences customer loyalty in the long-term insurance industry.

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
H7: Long-term insurance customer satisfaction positively influences customer loyalty	0.000	ACCEPT HYPOTHESIS

Objective 8: To evaluate whether service quality influences customer loyalty in the long-term insurance industry.

HYPOTHESIS	SIGNIFICANCE LEVEL	DECISION
H8: Long-term insurance industry service quality positively influences customer loyalty	0.000	ACCEPT HYPOTHESIS

Objective 9: To assess whether service quality influences customer satisfaction in the long-term insurance industry.		
HYPOTHESIS	**SIGNIFICANCE LEVEL**	**DECISION**
H9: Long-term insurance industry service quality positively influences customer satisfaction	0.000	ACCEPT HYPOTHESIS

Source: Developed by the researcher

6.3 **Research Objectives in Relation to the Findings**

Each of the nine research objectives are addressed in relation to the significant findings of this study.

6.3.1 *Research Objective 1: To assess whether consumer awareness influences customer loyalty in the long-term insurance industry*

It was ascertained that hypothesis H1, which postulates that consumer awareness positively influences loyalty, is supported through the findings. In fact, it was reported that consumer awareness has a significant and strong positive influence on customer loyalty. This was also confirmed through analysis of the qualitative data, which revealed that when customers are aware of the products and benefits, they are more likely to remain loyal and not switch to other service providers. The finding is in line with Odunlami's (2015) suggestion that organisations should adopt marketing concepts that will make them more effective than their competitors in creating, delivering and communicating customer value to their customers. Moreover, companies should continuously conduct research to understand customer needs and how these can be satisfied. The finding is also in line with the study by Ioncica et al. (2012), which stated that education can change the behaviour of the consumer and purchase decision-making can be influenced by the level of consumer education they receive from the service providers.

Another study by Heryanto (2011) reported that marketing efforts can change the consumer's purchase behaviour; the more awareness that is created, the more consumers are aware of the product offerings. This study found that customer service officers educate consumers through websites and they also have in-house television screens at branches screening the policies and benefits. Social media platforms are also deemed to be good.

Agents are also usually motivated to explain contracts to the customers, which generally indicate what and when they can claim. The sales consultants and brokers are therefore required to have a licence before they can sell the products and are given extensive training on product knowledge as well as selling skills. They are also provided with tool kits such as brochures. It is further found that there is a three tier; if consumers are aware they will be satisfied therefore remain loyal. Based on my objective, the finding is in support that consumer awareness does influence customer loyalty.

Similarly, to this study, Suki (2013) found that customer satisfaction is strengthened when sales personnel have good communication skills and customers are served in a good atmosphere and there are good physical facilities in place. Customers are less likely to switch to another service provider if they are given individual attention and the service staff understand their needs. Du Plessis and Roberts-Lombard (2013) reiterate that the sales personnel should receive training on the core CRM process such as customer acquisitions, customer retention and customer development, all of which are very important components in encouraging sales personnel to engage with the customers in such a way they would want to remain loyal.

6.3.2 *Research Objective 2: To establish whether consumer awareness influences the levels of customer satisfaction in the long-term insurance industry*

The testing of the hypotheses H2 revealed that it is supported, thus implying that when customers are aware of the products and benefits and are well educated, and they are more likely to be satisfied. In a previous study, Vazifehdust and Farokhian (2013) revealed that certain factors influence customer satisfaction such as insurance companies adhering to their obligations, companies assigning the right sales person to the customers and selling the product to them as per their needs, and sales personnel displaying the right behaviour, such as patience and friendliness, and not limiting information.

The study findings also support the findings by Nicholas (2014), that promotion affects customer satisfaction levels, especially through advertisements such as radio and television. Furthermore, the findings also confirm Poranki's (2015) findings, that brand awareness directly influences the level of customer satisfaction, because when customers know about the product, they are more likely to buy it. Although the respondents were satisfied with the services the insurance companies were providing, it became evident that many of the respondents were not completely satisfied with the friendliness of the staff. Most were satisfied with the overall service. The findings concur with Shawon (2012), who concluded that companies usually allocate a huge portion of the company's resources to ensure that customers remain satisfied. This entails having effective marketing strategies in place, which are usually developed to identify what the consumers' expectations are, using dimensions such as product, price, place, promotion as well as an organisation's distinct competence.

However, insurance companies have several strategies in place to increase the level of satisfaction, which include feedback mechanisms, advisor feedback systems, complaints management, training of service providers and supporting service advisors to become more effective. Hence, customer satisfaction is increased. If customers are satisfied they are more likely to influence their colleagues and friends through positive word-of-mouth to purchase from the insurer.

The qualitative research findings further revealed that a high degree of awareness influences the degree of satisfaction, and when consumers are aware of the benefits, they will make informed purchasing decisions. The field staff therefore play a huge role in the awareness process since they have to ensure that consumers are well informed. Apuke (2016), recommends that companies should also focus on increasing their CRM strategies to ensure that their customers are well served and their demands are met in innovative and proactive ways to ensure sustainable business capabilities, customer loyalty and retention of customers.

6.3.3 *Research Objective 3: To evaluate whether consumer awareness influences service quality in long-term insurance industry*

Hypothesis H3, stating that long-term insurance consumer awareness positively influences customer service quality perceptions, was tested and the results confirm that there is a positive

relationship between these concepts. The path coefficient is 0.250 and this relationship is found to be significant with a t-statistics of 5.933 and a p-value of 0.000. Thus, the hypothesis is supported. This indicates that if consumers are aware of the products and benefits, the physical environment is neat and the employees notify the constomers of when the service will be performed, their perceptions of service quality are positively affected. The finding concurs with the findings by Chadya et al. (2014), that reliability, responsiveness, assurance, empathy and tangibles are the five dimensions that are associated with service quality, and that the total excellence of the service that is provided and the expected performance determines the customers' judgment of the service quality.

The research results further revealed that service quality is determined when the promised has been fulfilled and as much as awareness is driven by many channels, there is not a big correlation between awareness and service quality. Although consumers are more likely to be exploited if there is no awareness.

The finding is in agreement with the findings of Ishak and Zabil (2012), that unawareness usually leads to consumers being ignorant and having a decreased capacity to protect and uphold their rights. They also become vulnerable to sales fraud. When consumers are aware of their rights, it serves as a soft-control mechanism in the aim to produce a more accountable business society.

6.3.4 *Research Objective 4: To establish whether consumer protection influenes customer loyalty in the long-term insurance industry*

Hypothesis H4, stating that consumer protection positively influences customer loyalty, was tested and the result confirmed a positive relationship between consumer protection and customer loyalty. The path coefficient is 0.098, but the relationship between customer protection and loyalty is weak, with the significant t-statistic of 2.113, whereas the p-value was 0.005.

This indicates that if consumers are protected and insurance companies are adhering to the consumer protection guidelines, and also providing service quality, consumers are likely to remain loyal. The Consumer Protection Bill which is currently in process, will determine unfair practices and ensure transparency of insurance companies' transactions and awareness of consumer rights. Furthermore, the act will protect consumers and the contracts which they sign

with insurance companies, which will be redrafted once the act is in place. This is principally to ensure two things: that the contracts are not one-sided, but benefit both parties, and that the insurance companies are forced to ensure that consumers understand the contract before signing. Companies will also be forced to notify consumers of any increment in the monthly premium and all important information will have to be disclosed to consumers. The act, in sum, will hold insurance companies liable for any undesirable transactions with consumers. Consumers will thus be more open to approach service providers, knowing they are protected, which should then lead to customer satisfaction. The findings reveal that there is a strong relationship between consumer protection and customer satisfaction.

There is a noticeable dearth of literature to support the findings on the relationship between consumer protection and customer loyalty, and although there is a link between the two variables, the relationship is enormously weak.

6.3.5 *Research Objective 5: To assess whether consumer protection influences customer satisfaction in the long-term insurance industry*

Hypothesis H5 concerning the relationship between consumer protection and customer satisfaction, was tested and the positive relationship between the concepts confirmed. The path coefficient is 0.125, also confirming that the relationship is relatively strong. Furthermore, the relationship is also significant, with t-statistics of 3.282 and a p-value of 0.001. It can thus be concluded that consumers are more likely to be satisfied with service providers if consumer protection guidelines are adhered to and they are protected against unfair practices. This finding concurs with that of Nwaizugbo and Ogbunankwor (2013), who conclude that there is a positive correlation between customer satisfaction and consumer protection. Therefore, agencies that engage in consumer protection should address complaints promptly and limit all forms of unfair trade practices towards the customers.

Currently, there are NAMFISA guidelines that the insurance companies are following. These entail ensuring that prospective consumers do not sign blank contracts and communicating the prices before consumers sign contracts. Furthermore, the insurance companies are required to treat customers fairly and make sure they are well informed before making a purchase. Insurers also need to avoid any sort of deceptive advertising. NAMFISA conducts online inspections, and a key responsibility is to ensure consumers are protected. These inspections allow NAMFISA to deal with non-compliance and also encourage organisations to continuously

improve their business practice. Insurance companies are required to submit quarterly reports to NAMFISA and to submit their financial statements so that NAMFISA can determine whether it is safe to invest in these companies. NAMFISA takes a proactive role to ensure that the risk for consumers is minimised. The Consumer Protection Bill, still in process to be enacted, will further assist in ensuring that the risk to consumers is minimised. The findings reveal that if there are policies in place, customer satisfaction is more likely to improve. Therefore, the conclusion can be drawn that there is a relationship between consumer protection and customer satisfaction.

This finding concurs with that of Reddy and Rampersad (2012), who report that companies have to act in a responsible manner by following trade practices that are ethical, reasonable and fair. Furthermore, companies have a legal duty to ensure that the terms and conditions in contracts are easy to understand and should also ensure that their marketing and advertising practices are fair and honest.

6.3.6 *Research Objective 6: To establish whether consumer protection influences service quality in the long-term insurance industry*

On the 5-point Likert scale, the highest rating was 43.7% at neutral which indicates that long-term insurance companies in Namibia adhere to consumer protection guidelines and 2% of customers strongly disagree that when they feel protected against unfair business practices their level of loyalty is positively influenced. Looking at the service quality construct with the five dimensions, tangibles, responsiveness, reliability, assurance and empathy, with a total of 22 items, 44% respondents agreed that tangibles specifically the physical environment of the organisation is usually clean. Only 1.5% respondents strongly disagree that the physical facilities (customer service counters, computers, lights) of the organisations are visually appealing. These results indicate that customers of the insurance providers are satisfied with the company's physical environment. Companies are also required to concentrate on making consumer protection a priority and not only concentrate on selling their products. They are more likely to improve their services when the Consumer Protection Bill Act is enacted, because there will be consequences and penalties on criminal offenses, administration penalties or even suspension of licences if they do not adhere to the act. The act is for ordinary consumers and not for a specific industry. It has a redress mechanism and will not make reference to any other current Namibian bill, since it is completely new. The Ministry of Industrialisation, Trade

and SME Development had to provide an act that regulates consumer rights and which will cover unfair treatment of consumers and deceptive advertising. The ministry will also have a memorandum of understanding with service providers so that communication will be efficient and make the act easier to deal with.

According to Reddy and Rampersad (2012), consumers have the right to fair value, good quality and safety. In past years consumers have sometimes received goods or services with questionable value or quality, hence the importance of Consumer Protection Act. It will provide consumer protection and allow consumers to receive timely performance, completion of service, timely notice of unavoidable delays and quality products.

Regarding hypothesis H6, the results confirmed that there is a positive relationship between consumer protection and service quality, with a path coefficient of o.424. The relationship is also strong, supported and significant, with a t-statistic value of 10.418 and p-value 0.000. Thus, the conclusion is that consumer protection and service quality is not highly affected by the physical environment factor, but rather due to other factors within service quality.

These findings support the findings that consumer protection organisations seeks to support and protect consumer interests with the aim of promoting response from industry to motivate them; to consider consumer needs, to ensure confidence of consumers in service quality, to ensure wide availability of services and affordability of services which is realized through the development and administration of consumer codes and standards and the resolution of consumer disputes (Malaysian Communication and Multimedia Commission, n.d).

6.3.7 *Research Objective 7: To assess whether customer satisfaction influences customer loyalty in the long-term insurance industry*

The H7 hypothesis was tested and the results confirmed that there is a positive relationship between customer satisfaction and customer loyalty. The path coefficient of 0.376 shows that there is a strong relationship between customer satisfaction and customer loyalty. The results also indicate that the relationship between these two variables is supported and significant with a t-statistic of 6.333 and a p-value of 0.000.

This finding indicates that when customers are satisfied by receiving quality services, they are more likely to remain loyal. The study also revealed that increased customer loyalty has a positive effect on the profitability and survival of the organisation. This finding is in agreement with the findings by Nguyen et al. (2018) that the most important facet of customer satisfaction is not only to lead to customer loyalty and profitability, but also to increase repurchase intentions of the customers and to retain them, thus leading to the sustainable development of the company.

Heryanto (2011) is of the opinion that although the main factor that affects customer loyalty is customer satisfaction, customer loyalty is also affected by other factors such as customer characteristics, switching barriers, market competition and value. However, the satisfaction is determined by the expectation and product performance; if performance exceeds expectation, the customers will be satisfied; if performance is less than what was expected the customers will be dissatisfied. When they are satisfied then they will remain loyal, but when not satisfied they will consider other service providers. The study of Al-Msallam (2015) also had similar findings that a satisfied customer usually repeats the purchase and also recommends the service provider to others. Therefore, service providers should study the customers' expectations in advance.

In a previous study done by Chetty and Karodia (2015), it was concluded that customer satisfaction is the main determinant of customer loyalty, because it will determine how regularly customers will purchase form service providers after their first purchase. In the finding by Ogbechi et al. (2018), it was concluded that employees should be trained to deal with customers courteously, because this will develop customer trust and therefore loyalty.

Another study by Eid (2013) found that customer satisfaction directly affects customer loyalty, which, in turn, is a key determinant of customer retention.

According to the findings, there is a significant relationship between customer satisfaction and loyalty, which concurs with the findings by Ansari and Riasi (2016) that customer satisfaction has a strong impact on customer loyalty; hence, when customer satisfaction and perceived value increase, the level of customer loyalty increases.

Nguyen et al. (2018) posit that a life-insurance service provider should concentrate on

enhancing both service quality and their corporate image to achieve customer satisfaction, and therefore, customer loyalty. Faullant, Matzler and Fuller (2008) are of the opinion that although customer satisfaction is an important driver of loyalty, it is not very reliable and is also not the only determinant of loyalty. With their analysis they found that the image of the company, in addition to overall satisfaction, executes a strong impact on loyalty intentions.

6.3.8 *Research Objective 8: To evaluate whether service quality influences customer loyalty in the long-term insurance industry*

Hypothesis H8 was tested and this confirmed that there is an association between service quality and customer loyalty, with a path coefficient value of 0.277. It indicates that service quality has a relatively strong influence on customer loyalty. The results also indicate that the relationship is supported and positive in a significant way, with a t-statistic of 5.287 and a p-value of 0.000. This can therefore be interpreted that service quality has a positive influence on customer loyalty.

This finding is in contrast with the findings by Kumar (2017) that not all servie quality dimensions affect customer satisfaction but only reliability and empathy and loyalty is only affected by assurance responsiveness, empathy and tangibility. With intense competition in the market, companies are fighting for their market share and realize that the key to success is to retain existing customers. Therefore, they consider the need to understand customers as a very important aspect, even though their customers find it difficult to evaluate intangible services. Companies also need to look for profitable ways to differentiate their services (Kumar, 2017).

However, Thaichon et al. (2014), in their study, stated that when service quality is improved, then the loyalty of customers is influenced, and they are encouraged to repurchase. Companies should therefore create appropriate marketing strategies which focus on service quality.

The finding concurs with Zafar et al. (2012), who found that there is a relationship between service quality and customer loyalty, but only three dimensions have a significant and positive effect. These are reliability, tangibles and empathy. Abaidoo (2015) believes that service providers should increase their empathy towards customers, as well as build trust with them. However, Leninkumar (2016) found that, out of the three dimensions of service quality, it is only reliability which has a significant association with customer loyalty, most specifically the

problem solving and personal interaction components of reliability. Thus, it is important that organisations put more effort into training their employees for the purpose of enhancing service quality (Nguyen et al. 2016)

Insurance companies have client service departments with well-trained client service employees, who attend to customer queries, signifying the importance of service quality. They also have different branches where customers can lodge their grievances. In addition, some insurance companies have call centres where consumers can dial directly for their queries. Training of employees is very important to ensure service quality and the best employees are rewarded as a motivation to provide service quality. Other incentives awarded to employees for motivation purpose are overtime payment, performance incentives, pictures of the star of the month circulated on TV screens in offices and the various branches and the point appreciator system which allows employees to receive points which are converted into money. If employees are well treated, they are more likely to provide service quality. There are also service recovery strategies in place, as well as a retention department that deals with consumers who want to cancel policies or who canceled their policies. Furthermore, toll-free numbers have also been implemented and insurance companies also use sms contact and news paper blogs. When companies ensure customer satisfaction through service quality, consumers are thought to remain loyal. Auka et al. (2013) state that providing customers with care and individualized attention is more vital than providing a favourable business environment for them.

6.3.9 *Research Objective 9: To assess whether service quality influences customer satisfaction in the long-term insurance industry*

Hypothesis H9 was tested and it is confirmed that there is a positive relationship between service quality and customer satisfaction. The path coefficient of 0.677 indicates that the relationship is positive and significant and the proposed hypothesis is also supported with a t-statistic of 17.982 and a path value of 0.000. This significant relationship between service quality and customer satisfaction exists only if employees are giving good and friendly services to customers and the physical environment is appealing.

This finding supports the findings of Khan and Fasih (2014:344), "that service quality and all its dimensions such as tangibles, reliability, assurance and empathy have a significant and

positive association with satisfaction and loyalty of customers towards their particular financial service providers". However, they postulate that financial services customers are not loyal to the same service providers, but are constantly shifting loyalty, based on the quality of the products and services. Hence, it is important for financial institutions to develop strategies to appeal to customers' changing needs. Agbor (2011) agrees that the relationship between customer satisfaction and service quality depends on the service quality dimensions and further suggests that if organisations want to provide service quality to satisfy their customers, they have to improve on these dimensions. Zafar et al. (2012) emphasize that there is a positive relationship between service quality and customer satisfaction and a change in service quality will affect customer satisfaction.

Shamsuzzaman's (2013) study emphasizes that the physical facilities, the tangible component of the five service quality dimensions of the organisation, should be improved to ensure service quality. Qadeer (2013) agrees that the physical environment should be considered at all times and that, additionally, other factors such as the brand, price, customer experience and human interaction should also be considered in ensuring service quality.

This current study revealed that when consumers start trusting the brand, the satisfaction level increases. It also revealed that if the service is fast, and needs are timeously addressed, customers are more likely to be satisfied. Companies also have pre and post strategies, when customers take out policies. They consider service quality highly important because of the strong link between service quality and customer satisfaction revealed in this study.

6.4 **Revised Conceptual Model**

Based on the findings, the conceptual model had to be retained as it was initially proposed. Figure 6.1 depicts the relationships between the constructs: consumer protection, consumer awareness, service quality, customer satisfaction and customer loyalty. The hypotheses have been retained, and therefore the final model is the same as the proposed model.
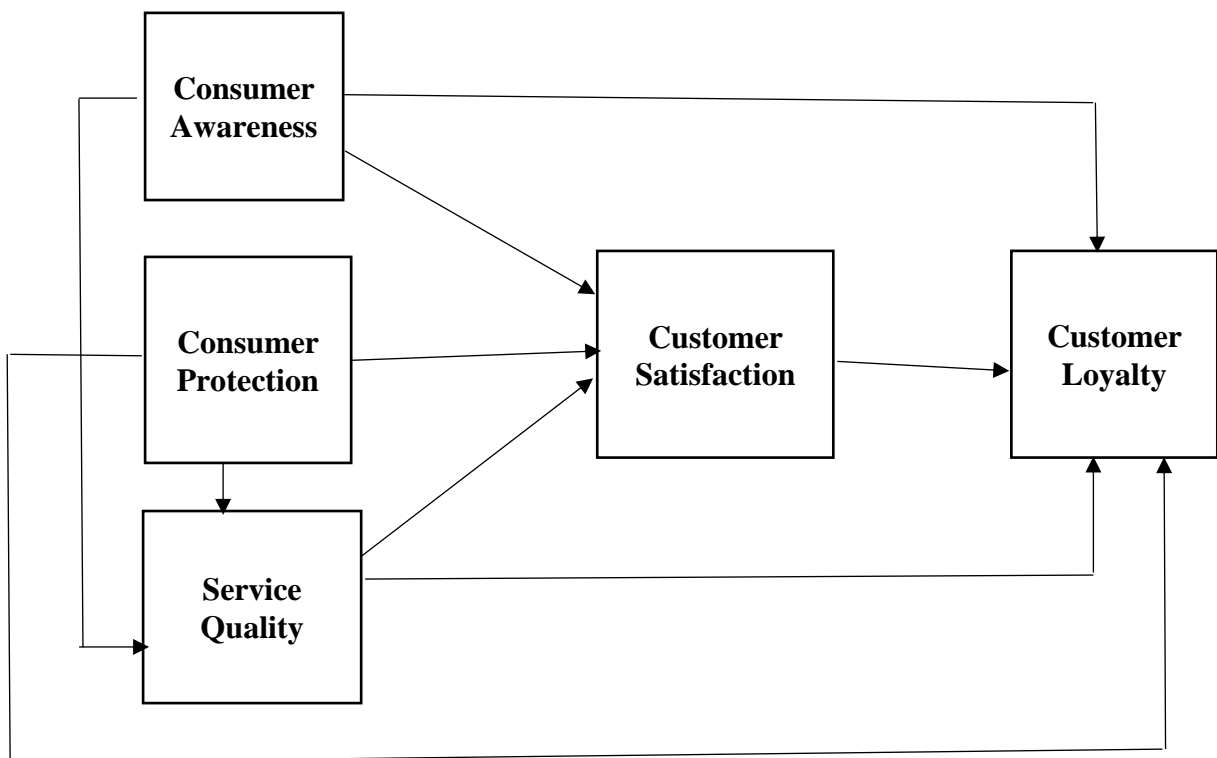
Figure 6.1: Final model on the relationship between the main constructs of consumer protection, consumer awareness, service quality, customer satisfaction and customer loyalty

Source: Developed by the researcher

6.5 **Summary**

In this chapter, the research results were discussed in relation to the research objectives and hypotheses. The relevant literature was also referred to, comparing the study findings to previous studies.

From the findings presented in this chapter important issues were raised in relation to developing strategies and the model for the long-term insurance industry. From the discussions, it became evident that if customers are aware of the products and benefits, they are more likely to remain loyal and not switch to other service providers. The high degree of awareness influences the degree of satisfaction, meaning that if the consumers are aware of the benefits of the products before they purchase they are more likely to make informed decisions. Furthermore, employee efficiency plays a huge role in service quality, so the importance of companies implementing various strategies to ensure employees are well trained and motivated will have an impact on customer satisfaction. The findings further revealed that when consumers are protected, and insurance companies are adhering to the consumer protection guidelines and providing them with quality service, they are likely to remain satisfied, and thus, loyal. Based on these discussions, the following chapter presents the conclusions, recommendations and limitations of the study and the directions for future research.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

In the previous chapter, the research findings were discussed. This chapter presents the conclusions, recommendations and limitations of the study and the direction of future research. The purpose of this chapter is to reflect on the objectives of this study as well as focus on the primary research questions.

7.2 Key Findings

There is a significant, positive relationship between consumer awareness and customer loyalty. The customers who participated rated consumer education as very important, because receiving relevant information about products and their consumer rights will enable informed purchasing decisions and result in customer satisfaction and loyalty.

The relationship between consumer awareness and customer satisfaction is positive, relatively weak, but significant. Overall, customers were satisfied with the services provided by the insurance companies, but it was found that, in general, their staff are not very friendly.

The association between customer awareness and service quality was found to be positive and significant. Consumer education is considered important, but consumers did not consider television advertisement as the best tool for creating awareness, since they rarely follow up on information received from televised adverts. Furthermore, consumers considered the physical environment of the insurance companies to be clean, but they believed that employees of the insurance companies fail to tell them exactly when a service is going to be performed.

The relationship between consumer protection and customer loyalty is positive and significant, but weak. When consumers feel protected against unfair business practices, their level of loyalty is positively influenced. However, consumers felt that companies do not adhere to consumer protection guidelines.

There was a positive and significant relationship between consumer protection and customer satisfaction. Although consumers were satisfied with the services of the service providers,

better adherence to consumer protection guidelines would result in the consumers being more satisfied.

Regarding relationship between consumer protection and service quality, there was a significant and positive relationship between the two constructs. Consumers were satisfied with the physical environment of the insurance companies, because the service counters, computers and lights were visually appealing. However, consumers required insurance companies to be more committed to consumer protection guidelines and policies that are in place and not only concentrate on selling their products and ensuring the physical environment is appealing.

The relationship between customer satisfaction and customer loyalty is significant and there was a strong positive relationship between the two variables. The customers believed that when companies ensured customer satisfaction through the employees and the insurers satisfied their needs, they were more likely to remain loyal.

Service quality was found to have a relatively strong and significant relationship with customer loyalty. However, consumers felt that employees did not give them feedback about exact timeframes for services. Feedback to consumers was therefore a critical matter that needed to be regularly addressed.

The relationship between service quality and customer satisfaction is also positive and significant. The customers were satisfied overall with the services and the physical environment of the insurance companies, and when their needs were met and services were timeously provided, their satisfaction levels increased.

7.3 **Recommendations**

Based on the research findings and the discussion in the previous chapter, the following recommendations are made to consumers in the long-term insurance industry, long-term insurance companies and government policy-makers.

7.3.1 *Recommendations on Consumer Awareness*

Consumers in the long-term insurance industry consider consumer education important and their awareness positively influences their loyalty. It is therefore recommended that consumers should be educated about the product offerings and their consumer rights. Management in the companies should consider various platforms to educate consumers such as websites, social media and face-to-face education on a regular basis. This should not only be offered to newly signed up customers, but also to the existing customers. Education should also be on a continuous basis so that they not only create awareness, but also remind consumers of the various products they have purchased, inform them about the new products in the market and remind consumers of their rights. A further recommendation is that management creates a Facebook page for education and a discussion forum where consumers can raise their concerns.

Another recommendation is that NAMFISA management should ensure that monthly television talk show to which the long-term insurance companies are invited to educate consumers about both their products and their consumer rights are hosted. Even though NAMFISA had various platforms to educate consumers, it would become easier and more convenient for consumers to approach not only NAMFISA for complaints, but also the insurers they purchased insurance products from. A further recommendation to NAMFISA management is sending bulk text messages to consumers on a monthly basis to educate them on their rights.

Furthermore, for consumers to make informed decisions, they need to be made aware of the products they purchase and their benefits. Thus, they will be more likely to make the right decisions and their level of satisfaction would increase. It is therefore recommended that management in the companies ensures that the sales personnel are well trained in product knowledge, professionalism, and ethical conduct and also educate them on consumer rights. Training of this nature should be provided at least twice yearly as a refresher course. Management in the companies should ensure that there are constant reminders to sales personnel via email about new product benefits and the rights of consumers. Discussion forums can also be created on the WhatsApp social platform where sales personnel discuss new products and any new consumer guidelines that have been implemented. Furthermore, it is recommended that upon consumers signing their insurance contract management should ensure that a memory stick (USB) with a presentation on the various products and their benefits as

well as consumer rights should be provided. Not only will they know about their purchases, but they will also receive guidance on future purchases and their rights. The implementation of the various strategies will assist NAMFISA management in ensuring that their objectives are met in terms of educating the consumers and creating awareness thus reducing complaints from the customers and also ensuring fair treatment of the consumers. The development of the various training for the insurance company employees will ensure that the personnel provide comprehensive information regarding the product and benefits and that they treat customers well which will thus result in them becoming the preferred insurance company. When consumers feel they know their rights they are likely to trust the service providers thus influence their level of satisfaction.

7.3.2 *Recommendations on Consumer Protection*

Consumers were neutral on the statement that insurance companies adhere to consumer protection guidelines. Consumers are likely to remain loyal if they feel protected. It is therefore recommended that insurance companies have strict rules concerning sales personnel adhering to guidelines and policies that are in place to ensure consumer protection. Management in the companies should ensure that employees' encounters with consumers are honest and the management in the companies constantly reminds their sales personnel of the consequences of any dishonest practices by having them sign an agreement on a quarterly basis regarding their commitment to honest dealing. A further recommendation is that management in the insurance companies organize interactive events for sales personnel, which could include quizzes on consumer protection guidelines and prizes could be awarded to the most knowledgeable employee. Furthermore, NAMFISA management should ensure that insurance companies adhere to the consumer protection guidelines by monthly monitoring the complaints, with strict punishment effected on non-compliant companies to guidelines and policies. Regular educational sessions should also be held with insurance companies. It is also recommended that, as a regulatory body, NAMFISA management should hosts stakeholders engagement sessions twice yearly to discuss consumer protection guidelines and to keep insurance companies informed regarding any newly implemented policies or rules.

When consumers are protected against unfair practices and insurance companies adhere to the consumer protection guidelines that are in place, consumers are more likely to feel protected, and their level of satisfaction would increase. It is therefore recommended that management in

the insurance companies ensure that customers do not sign blank contracts and that they always read them before signing. Confirmation and feedback calls should also be made once the contract has been signed. Well followed and usage of the consumer protection guidelines that are in place will result in insurance companies avoiding the penalties that might be given by NAMFISA to the insurance companies, it will minimize closure of the insurance companies and will also minimizing the purchase of uneccessary insurance products.

7.3.3 *Recommendations on Customer Satisfaction*

Considering that customer satisfaction is so important to customers' remaining loyal, insurance companies should provide quality services, so the customers can remain satisfied and remain loyal to the insurer. Customers usually remain with insurers they trust and because of good experience such as when insurers satisfying their product needs and when they keep the promises they make. It is recommended that employees build trust with consumers through honest engagements, building relationships and keeping commitments such as giving prompt feedback. In this regard, it is further recommended that insurance companies have customer relationship management (CRM) systems in place, as these systems are always relevant for relationship building. By implementing these various CRM strategies, companies will be able to maintain their relationships with the customers for a longer period and customers will also spread positive word of mouth to others and having a more open relationship with the companies and the personnel within these organisations and that ususally helps in the customers being able to have open discussions with the sales personnel regarding their concerns and needs, which makes it easier for the insurance companies to satisfy the customers.

Customers are more likely to remain loyal if the physical environment is in good condition and the service quality is good. It is therefore recommended that insurance companies have client service departments with well-trained client service employees who can attend to customer queries. Companies should have different branches where customers can lodge their grievances and should provide call centres with well-trained employees where customers can direct queries instead of having to go to physical premises.

It was found that when customers receive quality services from service providers, most specifically, if employees give satisfying services, they are courteous and the physical environment is in good condition, they are more likely to be satisfied. Furthermore, when

consumers start trusting the brand, the satisfaction levels increase, and when the service is rapid and needs are timeously addressed, they are likely to be satisfied. It is therefore recommended that customer service providers keep their commitments and are constantly reminded of the importance of delivering prompt services to the consumers. Platforms such as blogs in the companies' newsletters can also be utilised alongside face-to-face training sessions, email announcement platforms and Intranet facilities. Another recommendation is that management in the companies ensures that suggestion boxes are availed to the customers, serving as a tool assisting insurance companies to improve and render a better service. This would also make the customers feel valued because their concerns are heard. Furthermore, insurance company's management should encourage their employees to follow the company's policies and procedures. Companies should have strong public relations strategies to ensure that their company creates a positive image in the minds of consumers. If an insurance company is selected by NAMFISA as the one with the least complaints, it is recommended that that company publicize the achievement so that more trust will be built among consumers. Managers of client services departments and sales departments should also receive training and be encouraged to develop positive relationships with their subordinates, as this has a ripple effect; if the managers treat their subordinates professionally, the subordinates will be positive towards consumers.

Furthermore, it is recommended that management in the insurance companies ensures that employees be responsive to the consumers by timeously responding to their queries and giving them feedback. A further recommendation is that employees share truthful information and treat consumers fairly. Insurance companies should have a feedback system to assist in feedback provision to customers within 24 hours. Insurance company should create a culture of employees' willingness to assist consumers at all times. This could be achieved through team building leisure sessions with short discussions on the importance of efficient assistance. However, consumers should themselves be vigilant and be aware when signing insurance policies and should do research on where they can lodge complaints when they are not be satisfied with the insurer's services or practices.

There are other service quality dimensions which need to be given more attention than the physical environment, which is not a major concern to consumers. These are the dimensions of responsiveness, reliability, assurance and empathy. To enhance service quality, it is recommended that insurance companies have reliable employees, achieved through induction

training on the products and soft skills such as professionalism and good communication skills. Management in the insurance companies should ensure that training is held on a quarterly basis as refresher courses on previously trained areas. Further recommendations are that the employees should also be motivated to be responsive to customers' queries, give timeous feedback and be reminded of the importance of having empathy towards them. Responsiveness to queries and concerns improves the perception of service quality, it is reaffirmed in this study that service quality has an influence on customer satisfaction. In order to motivate the employees to provide good services to the customers, it is further recommended that Management in the insurance companies ensures that employees are motivated through financial and non-financial benefits such as road trips for the best employees and salary increments for the best performers. A review system could be created on the company Facebook page. It is also recommended that NAMFISA management ensures that the list of companies with the least complaints from consumers is published, which may result in companies ensuring that their services are of such quality that fewer complaints are tendered.

7.4 **Limitations of the Study**

7.4.1 *Sample*

Only 407 consumers of the three main long-term insurance companies in Windhoek took part in the study. This could qualify as a limitation, because it may not be possible to generalize for all the long-term insurance companies in the entire country.

7.4.2 *Time and Cost Constraints*

The study was limited in time and budget aspects and therefore only the Windhoek consumers of the three main insurance companies in Namibia were included in the survey.

7.5 **Direction of Future Research**

The researcher recommended that similar studies be conducted within the long-term insurance industry with a larger representative sample to determine if the results of this study would be similar to those of future studies. There is a dearth of literature regarding consumer awareness, consumer protection, service quality, customer satisfaction and loyalty in the long-term insurance industry in Namibian. Consumer protection is a relevant construct within the

Namibian context, since the government is in the process of enacting the Consumer Protection Bill. Therefore, research should be conducted with similar studies to further investigate and also propose how the act can enhance the quality of services and increase the satisfaction of customers within this industry. Furthermore, researchers could also assess how the SERVQUAL model can be implemented by Namibian companies, especially in long-term insurance.

7.6 **Conclusion**

In the final chapter the researcher presented a summary of the key findings as well as recommendations to the long-term insurance companies, the government regulators and the consumers of these companies. The limitations were given and suggestions for further research were also made.

The entire study aimed at providing solutions to long-term insurance companies, the government regulators and the consumers of long-term insurance companies for ensuring that the industry remain stable. The hypotheses formulated were retained therefore the proposed conceptual model is retained.

The findings revealed that if customers are made aware of the products that are offered by the insurance companies and are also made aware of the benefits and all the necessary information relevant to make informed decisions they are more likely to remain loyal to the service provider. The more aware they are of the product, the benefits and their rights as customers and they feel well protected, the higher the satisfaction. Employees efficiency concerning disseminating relevant information to the customers is deemed important and beneficial to ensure service quality, companies are therefore required to provide relevant training to employees and to give benefits to their employees will therefore motivate the employees to provide quality service to the customers thus increase satisfaction and result in customer loyalty.

By implementing the specific strategies proposed from the findings based on the objectives of the study and the various constructs such as consumer awareness, consumer protection, service quality, customer satisfaction and loyalty, problems within the industry may be alleviated.

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APPENDICES

Appendix 1: Ethical Clearance Certificate

UNIVERSITY OF ™
KWAZULU-NATAL

INYUVESI
YAKWAZULU-NATALI

03 August 2018

Ms Magreth Bianca Tareekouje Tjizumaue (217080590)
School of Management, IT & Governance
Pietermaritzburg Campus

Dear Ms Tjizumaue,

Protocol reference number: HSS/0880/018D
Project Title: The relationship between Consumer Awareness, Consumer Protection, Satisfaction and Loyalty among Long-term Insurance Consumers in Namibia

Approval Notification – Expedited Application

In response to your application received 09 July 2018, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted FULL APPROVAL.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

....
Professor Shenuka Singh (Chair)

/ms

Cc Supervisor: Professor Krishna Govender
Cc Academic Leader Research: Professor Isabel Martins
Cc School Administrator: Ms Debbie Cunynghame

Humanities & Social Sciences Research Ethics Committee
Professor Shenuka Singh (Chair)
Westville Campus, Govan Mbeki Building
Postal Address: Private Bag X54001, Durban 4000
Telephone: +27 (0) 31 260 3587/8350/4557 Facsimile: +27 (0) 31 260 4609 Email: ximbap@ukzn.ac.za / snymanm@ukzn.ac.za / mohunp@ukzn.ac.za
Website: www.ukzn.ac.za

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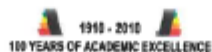
Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville

Appendix 2: Language Editors Confirmation Letter

KZN LANGUAGE INSTITUTE

Editing Confirmation

33 Alan Paton Avenue
Scottsville
Pietermaritzburg
3201
Tel: 033 345 6844
Email: admin@kznlanguageinstitute.com
Website: www.kznlanguageinstitute.com

Registration number: 131 804 NPO

27/06/2019

Author: Magreth Bianca Tareekouje Tjizumaue

Document title: The Relationship between Consumer Awareness, Consumer Protection, Satisfaction and Loyalty among Long-term Insurance Customers in Namibia

This serves to confirm that the above document was edited substantively by members of the KZN Language Institute's professional English language editing team. The document was returned to the author with tracked changes and comments intended to correct errors, and to clarify meaning. It was the author's responsibility to accept or reject changes and to attend to issues raised in the comments. Assistance was provided with generating the automatic Table of Contents, List of Tables and List of Figures.

Please note that the final, corrected version of the document <u>was not proofread</u> by an editor from the KZN Language Institute.

Ms G. Coertze *MSocSc (Culture, Communication and Media Studies)*
Communications Manager

Ms J. Kerchhoff *BEd (Hons), MA (Applied Language Studies), CELTA*
Executive Director

KWAZULU-NATAL LANGUAGE INSTITUTE
(REG. NO: 131-804 NPO)
23 CORONATION ROAD, SCOTTSVILLE
PIETERMARITZBURG 3201
KWAZULU-NATAL, SOUTH AFRICA
TEL: +27 (0) 33 345 6844

KZN Language Institute – Transforming Words

Appendix 3: Data Analysis Confirmation Letter

RESEARCH EXCELLENCE CONSULTING

1 Centex Close, Cnr Katherine Street, Eastgate Ext 4, Sandton, 2090, Johannesburg, South Africa.
Tel: 0027 (11) 608 2280, Fax: 011 900 8790, E-mail: rec@research-excellence.com
www.research-excellence.com

Date: 28/12/2018

STATISTICAL ANALYSIS CONFIRMATION LETTER

To whom it may concern:

This letter is to confirm that I, the undersigned, have done the statistical analysis for the PhD's thesis done by Magreth Bianca Tareekouje Tjizumaue. The interpretation of the statistical results rests with the author of the dissertation.

Kind regards,
Richard Chinomona
Managing Director
Research Excellence Consulting
Email: rec@research-excellence.com

1 Centex Close, Cnr Katherine Street, Eastgate Ext 4, Sandton, 2090, Johannesburg, South Africa. Tel: 0027 (11) 608 2280, Fax: 011 900 8790, E-mail: rec@research-excellence.com
www.research-excellence.com

Appendix 4: Questionnaire: Quantitative data

Questionnaire for consumers of long-term insurance consumers in Namibia

QUESTIONNAIRE

Dear respondent, I Bianca Tjizumaue am conducting a study titled: "**The Relationship Between Consumer Awareness, Consumer Protection, Service Quality, Customer Satisfaction and Loyalty Among Long-term Insurance Consumers in Namibia**" as part of my PhD research at the University of KwaZulu-Natal.

The questionnaire is to be completed by consumers of long-term insurance policies only. The information provided will only be used for academic purposes and be treated with utmost confidentiality. You may withdraw from participating at any time, should you wish to do so. It will take you not more than 20 minutes to complete the questionnaire.

<u>**SECTION A**</u>

Demographics:

a) **Gender:**

Male ☐ 1 Female ☐ 2

b) **Age:**

1. 21 - 25 ☐
2. 26 – 30 ☐
3. 31 – 35 ☐
4. 36 – 40 ☐
5. 41 – 45 ☐
6. 46 – 50 ☐
7. 51 – 55 ☐
8. 56 – 60 ☐

c) **What is your current occupation?**

_____

d) **Which long-term insurance company/ies do you have insurance policies with?
Tick where necessary.**

1. Old Mutual ☐
2. Metropolitan Life ☐
3. Sanlam Namibia ☐

SECTION B: CONSUMER AWARENESS

Please evaluate each of the statements below by placing a X in the column with the number that best suits your response. EXAMPLE: If you Strongly agree with the statement, place an X on 5, if you Strongly Disagree with the statement, place an X on 1.

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

		Strongly Disagree	Disagree	Neutral	Agree	Strongly
		1	2	3	4	5
1	Promotional Strategies affect my buying decision.					
2	I always follow up on television adverts.					
3	I received enough information about the insurance product before making a purchasing decision.					
4	Social Media advertising influences my purchase decision.					

5	I need constant communication from my insurer on the products.					
6	Consumer education is important.					
7	When I am aware of the products and its benefits then my level of customer satisfaction increases.					
8	My loyalty is positively influenced by my level of product and benefits awareness.					
9	My level of product and benefits awareness positively influence my perception of service quality.					

SECTION C: CONSUMER PROTECTION

Please evaluate each of the statements below by placing a X in the column with the number that best suits your response. EXAMPLE: If you Strongly agree with the statement, place an X on 5, if you Strongly Disagree with the statement, place an X on 1.

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

		Strongly	Disagree	Neutral	Agree	Strongly
		1	2	3	4	5
1	I know the relevant authorities to lodge complaints regarding matters related to long-term insurance policies.					
	I feel I am adequately protected as a consumer.					
2	Long term insurance companies in Namibia adhere to consumer protection guidelines.					

3	I was educated by the Sales consultants of the long term insurance companies on consumer protection.					
4	The long term insurance companies create awareness on consumer rights.					
5	I experience difficulties when I do transactions with long-term insurance providers.					
6	I will feel more satisfied as a customer when I am protected against unfair practices from my insurer.					
7	I understand the role of the regulators in the financial sector in protecting the interests of consumers.					
8	I am aware of my rights as a consumer.					
9	When I feel protected against unfair business practices my level of satisfaction increases.					
10	When I feel protected against unfair business practices my level of loyalty is positively influenced.					
11	When I feel protected against unfair business practices, I feel that the company provides a quality service.					

SECTION D: SERVICE QUALITY

Please evaluate each of the statements below by placing a X in the column with the number that best suits your response. EXAMPLE: If you Strongly agree with the statement, place an X on 5, if you Strongly Disagree with the statement, place an X on 1.

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

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
	TANGIBLES					
1	The Insurance company has modern equipment.					
2	Their physical facilities (customer service counters, computers, lights) are visually appealing.					
3	Their employees are well dressed and appear neat.					
4	The physical environment is clean.					
	RELIALIBILTY					
5	When the service provider promises to do something by a certain time, they do so.					
6	When I have a problem, the service provider shows a sincere interest in solving it.					
7	The service provider performs the service right the first time.					
8	The service provider provides the services at the time they promise to do so.					

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
9	The records of the service provider are accurate.					
	RESPONSIVENESS					
10	Employees tell me exactly when services will be performed.					
11	Employees give me prompt service.					
12	Employees are always willing to help me.					
13	Employees are never too busy to respond to my' requests.					
	ASSURANCE					
14	The behavior of employees instil confidence in me.					
15	I feel safe during transactions with employees.					
16	Employees are usually polite.					
17	Employees have the knowledge to answer my questions.					
	EMPATHY					
18	Employees give me individual attention.					
19	Their operating hours are convenient to all customers.					
20	Employees give customers personal service.					
21	The company has my best interest at heart.					
22	The employees understand my specific needs.					

SECTION E: CUSTOMER SATIFACTION

Please evaluate each of the statements below by placing an X in the column with the number that best suits your response. EXAMPLE: If you Strongly agree with the statement, place an X on 5, if you Strongly Disagree with the statement, place an X on 1.

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

		Strongly Disagree	Neutral	Agree Strongly		
		1	2	3	4	5
1	I was satisfied with the sales consultant's service.					
2	My insurer meets my needs.					
3	I am satisfied with their prices.					
4	I am satisfied with the friendliness of staff.					
5	Overall, I am satisfied with their services.					
6	Customer satisfaction is important to me.					
7	I will remain with my insurer when I am satisfied with the services they provide.					
8	I feel satisfied after each insurance transaction with my insurance company.					

SECTION F: CUSTOMER LOYALTY

Please evaluate each of the statements below by placing a X in the column with the number that best suits your response. EXAMPLE: If you Strongly agree with the statement, place an X on 5, if you Strongly Disagree with the statement, place an X on 1.

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

		Strongly Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	I will purchase another product with my current insurer in the future.					
2	I will recommend my current insurer to a friend.					
3	I have considered switching to another service provider.					
4	The company's service quality influences my loyalty.					
5	When I am satisfied with the insurer's service my loyalty is positively influenced.					

Thank you for your time and cooperation!

Appendix 5a: Questionnaire: Qualitative data

Questionnaire for the three long-term insurance companies

Interview Questions

TOPIC: "**The Relationship Between Consumer Awareness, Consumer Protection, Service quality, Customer Satisfaction and Loyalty Among Long-term Insurance Consumers in Namibia**"

Position: _____

Organisation: _____

Place:_____

Time: _____

Date: _____

QUESTIONS	RESPONSE
SECTION A: Consumer Awareness	
1. What promotional strategies do you have in place to make consumers aware of your products?	
2. What strategies do you have in place to educate the consumers?	
3. What strategies do you have in place to ensure consumers are aware of their rights as consumers?	

4. How does the company ensure the Sales Consultant share enough and relevant information when selling	
5. In your view, what is the relationship between consumer awareness and customer satisfaction?	
6. In your view, what is the relationship between consumer awareness and customer loyalty?	
7. In your view, what is the relationship between consumer awareness and service quality?	
SECTION B: Consumer Protection	
1. What policies are in place to protect consumers in the long term insurance industry in Namibia?	
2. How do you ensure your consumers are protected against any unfair practices by employees?	
3. What is your view on the relationship between consumer protection and customer satisfaction?	

4. What is your view on the relationship between consumer protection and Service quality?	
SECTION C: Service Quality	
1. What strategies does your company have in place to ensure service quality?	
2. What service recovery strategies does your company have in place?	
3. What do you think are the perceptions of consumers on your company's service quality?	
4. In your view, what is the relationship between service quality and customer satisfaction?	
SECTION D: Customer Satisfaction	
1. What strategies does your company have in place to increase the level of customer satisfaction?	
2. What training do you give your employees for them to provide great customer satisfaction?	

3. How do you motivate your employees to provide great customer service?	
4. What is your view on the relationship between customer satisfaction and customer loyalty?	
SECTION E: Customer loyalty	
1. What strategies do you have in place to ensure your consumers remain loyal?	
2. How does customer loyalty benefit your organisation?	

Appendix 5b: Questionnaire: Qualitative data

Questionnaire for the Ministry of Justice, Ministry of Industrialisation, Trade and SME Development and Namibia Financial Institutions Supervisory Authority

Interview Questions

TOPIC: "**The Relationship Between Consumer Awareness, Consumer Protection, Service quality, Customer Satisfaction and Loyalty Among Long-term Insurance Consumers in Namibia**"

Position: _____

Organisation: _____

Place:_____

Time: _____

Date: _____

QUESTIONS	RESPONSE
1. What are the consumer guidelines the Long-term Insurance companies have to follow?	
2. How do you collaborate with other Institutions to ensure that consumers of long-term insurance products are protected?	
3. What strategies do you have in place to ensure that Long-term insurance companies adhere to the guidelines?	

4. What strategies do you have in place to ensure that customers of long term insurance products know their rights?	
5. What are the key responsibilities of your organisation regarding consumer protection?	
6. What is your involvement in the formulation of the Consumer Protection Act?	
7. In your view, does consumer protection affects customer satisfaction?	
8. What is your view on the relationship between consumer protection and service quality?	
9. Anything you would like to share that you feel will be relevant to this study?	

Appendix 6: Permission letters from qualitative data respondents

MMI HOLDINGS NAMIBIA

21 November 2017

Ms. Bianca Tjizumaue
P.O. Box 1285
Walvisbay
Namibia
btjizumaue@nust.na

LETTER OF AUTHORIZATION TO CONDUCT RESEARCH AT MMI HOLDINGS

Dear Ms Bianca Tjizumaue,

I would like to acknowledge receipt of mail dated 01st November 2017, requesting permission to conduct your research on the following title *"The Impact of Consumer awareness and protection on Customer satisfaction: A Case study of the long-term Insurance Industry in Namibia.*

MMI Holdings grants you the permission to conduct your research and request that all findings will be shared through our Marketing department and Human Resource Department upon completion. We further would like to advise that information obtained from MMI Holdings Namibia will not be shared with any other corporate for purposes of Business Intelligence.

We wish you the best of luck and look forward to recommendations that can be incorporated into our existing strategies.

Trusting the above is in order.

Ingah Ekandjo
GM: Group Services

MMI Holdings Namibia Ltd MMI House, Co. Reg No 89/327
1st Floor, Cnr Dr Frans Indongo & Werner List Streets, P.O Box 3785, Windhoek, Namibia
T: (+264) 61 297 3000; F: (+264) 61 24 8191

Directors: RM Mbetjiha [Chairman], J Nandago [Group Chief Executive Officer], DJ Botes*,Adv. RV Rukoro, I Murangi, SH Nghikembua, RN Jacobs, JI Kasheeta, GD Marais, I Dutiro*, I Reytell*[*South Africa], M Gebhardt (Company Secretary)

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Sanlam

6 November 2017

Ms Bianca Tjizumaue
Namibia University of Science
And Technology (NUST)
btjizumaue@nust.na

Dear Ms. Tjizumaue

Permission to conduct research: Sanlam

Your letter dated 30 October 2017 bears reference, I have the pleasure in informing you that your request to conduct research on our organisation has been considered favourably and is thus approved. For further assistance in this regard please speak to Mr Evans Simataa GM: Public and Corporate Support and Ms Hilaria Graig the Marketing and Communications Manager. You can reach Ms Graig via email at hilaria.graig@sanlam.com.na or via telephone on 294 7607.

I trust the above meets your good understanding.

Kind regards

Evans Simataa
GM: Public and Corporate Support

Insurance | Financial Planning | Retirement | Investments | Wealth

Sanlam Centre, 145 Independence Avenue
PO Box 317, Windhoek, Namibia

T +264 (0)61 294 7111
F +264 (0)61 294 7352
E namibia.client@sanlam.com.na

Sanlam Namibia Limited Reg. No. 95/301. Directors: G.M. Hassam** (Chairman),
O.N. Shikongo, T.J.R. Stears (Chief Executive), D.G. Claassen*, J.N. Nghifindaka, G.L. Downard*,
M.J. Prinsloo*, K. Ndilula, G.A. Uirab, H.P. Schulz
Company Secretary: K. Coetzee. *RSA **Malawi

www.sanlam.com.na

06 November 2017

Ms. Bianca Tjizumaue
P.O. Box 1285
Walvisbay
Namibia
btjizumaue@nust.na

LETTER OF AUTHORIZATION TO CONDUCT RESEARCH AT OLD MUTUAL

Dear Ms Bianca Tjizumaue,

I would like to acknowledge receipt of mail on 01st November, requesting permission to conduct your research on the following title "*The Impact of Consumer awareness and protection on Consumer satisfaction: A Case study of the long-term Insurance Industry in Namibia.*

Old Mutual grants you the permission to conduct your research and request that all findings will be shared through Mr. Ndangi Katoma, Marketing, Transformation and Customer Strategy Executive upon completion.

We wish you the best of luck and look forward to recommendations that can be incorporated through our existing transformation programmes at Old Mutual.

Yours sincerely

Aletha Nangula **Haufiku**
Executive Human Resources
Tel:+264 61 2993533
ahaufiku@oldmutula.com

REPUBLIC OF NAMIBIA

MINISTRY OF JUSTICE

Tel.: (061) 280 5111

Fax.: (061) 250 868/234 774

Private Bag 13302

WINDHOEK

13 December 2017

Ms Bianca Tjizumaue
Cell 0811700444
WINDHOEK

Dear Ms Tjizumaue

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH AT YOUR MINISTRY: THE IMPACT OF CONSUMER AWARENESS AND PROTECTION ON CUSTOMER SATISFACTION: A CASE STUDY OF THE LONG —TERM INSURANCE INDUSTRY IN NAMIBIA

1. I hereby acknowledge receipt of your letter dated 30 October 2017, requesting for permission to conduct research at our ministry.

2. I am pleased to inform you that permission is granted for you to conduct your research provided that you communicate the dates and times of the interviews one month before commencement.

3. Please do not hesitate to contact Ms. S Simon: Human Resource Practitioner for further information and arrangements on 061 280 5243.

Yours Sincerely

....

MRS GDS PICKERING
ACTING PERMANENT SECRETARY

All official correspondence must be addressed to the Permanent Secretary.

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MINISTRY OF INDUSTRIALISATION, TRADE AND SME DEVELOPMENT

Tel: (09 264 61) 283 7111
Fax: (09 264 61) 220 227
Tel: 808

Enquiries   M. Pogisho

Office of the Permanent Secretary
C/O Dr. Kenneth D. Kaunda & Goethe Street
Private bag 13340
WINDHOEK

Our Ref: .... Your Ref: ....

7 November 2017
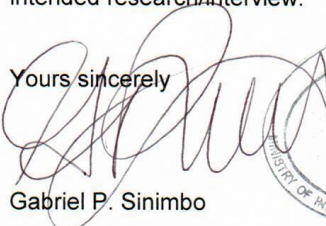
Bianca Tjizumaue
Private Bag 13388
Windhoek

Dear Ms Tjizumaue

SUBJECT: REQUEST FOR PERMISSION TO CONDUCT RESEARCH: THE IMPACT OF CONSUMER AWARENESS AND PROTECTION ON CUSTOMER SATISFACTION: A CASE STUDY OF THE LONG-TERM INSURANCE INDUSTRY IN NAMIBIA

Your letter dated 1 November 2017 has reference.

You are herewith informed that your request to conduct the research on the above stated matter at the Ministry of Industrialisation, Trade and SME Development is approved and we are waiting to hear from you about the proposed dates for the intended research/interview.

Yours sincerely

Gabriel P. Sinimbo
Permanent Secretary
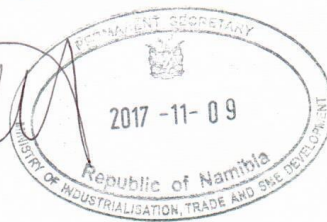
"Growth at home"

All official correspondence must be addressed to the Permanent Secretary

06 November 2017

Ms Bianca Tjizumaue
WINDHOEK

Dear Ms Tjizumaue,

REQUEST TO CONDUCT ACADEMIC RESEARCH AT NAMFISA

Your request to conduct academic research on the impact of consumer awareness and protection on customer satisfaction at NAMFISA is hereby approved.

Kindly note that you are required to observe research ethics, preservation of secrecy and ensuring the welfare and rights of your research objects as you conduct your research.

I wish you success in your studies.

Kenneth S. Matomola
CHIEF EXECUTIVE OFFICER

Tel: +264 61 290 5000, Fax: +264 61 290 5157, PO Box 21250, Windhoek, Namibia, 154 Independence Ave, Sanlam Centre, www.namfisa.com.na

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