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Research Topic: Factors affecting customer satisfaction for medical aid customers. The case study of Cimas Medical Aid Society.

By: Kenneth Komechi

B0420363

Research Supervisor: Mr. Chirimubwe

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Name of author: Kenneth Komechi

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Signed:

Permanent Address: 9298
53 Crescent
Glen View 3
Harare

Date:

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The undersigned certify that they have read this dissertation and have approved its submission for marking after confirming that it conforms to the department requirements.

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Student

.....

Date

.....

Supervisor

.....

Date

.....

Chairperson of department

.....

Date

DEDICATION

I dedicate this work to my lovely family and God.

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ABSTRACT

This study aimed to establish the factors that affect customer satisfaction for medical aid customers. It intended to figure out the relationship between independent variables (service quality, price, welcoming and handling customer complains, customer oriented culture, perceived value, customer expectations, brand image) and dependent variable (customer satisfaction) for medical aid customers in Glen view , Harare, Zimbabwe. The study was a survey of customers and as part of the methodology, both causal and descriptive research designs were adopted for the study. The researcher made use of both stratified and convenience sampling and the total population was divided into stratum using stratified sampling whereby respondents were classified according to location that is where they reside. Convenience sampling was then adopted to select respondents and the total sample comprised of 60 respondents. The questionnaire was used for data collection and the quantitative research method was utilized. The data was analysed using Microsoft excel and SPSS statistics version 21. After applying descriptive statistics a significant relationship was found among variables. The major findings based on the formulated hypotheses revealed that most important factors affecting customer satisfaction in the medical aid industry were service quality and customer expectations. Some recommendations were made and among the major recommendations were the need for Cimas to commit to any promise given by their representatives to a customer and the need to fulfil that promise to ensure that expectations are fulfilled and the need for Cimas to improve the quality of service delivery.

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List of Abbreviations and Acronyms

AHFoZ	-	Association of Healthcare Funders of Zimbabwe.
CIMAS	-	Commercial and Industrial Medical Aid Society.
MAS	-	Medical Aid Societies.
MoHCW	-	Ministry of Health and Child Welfare.
ZIMA	-	Zimbabwe Medical Association.

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Appendix 1: Questionnaire

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This section covers the background to the study, statement of the problem, aim of the study, research objectives, research questions, assumptions and significance of the study, delimitations and limitations, definition of key terms and structure of the research project.

1.1 Background to the Study

In recent years the medical aid sector in Zimbabwe has been experiencing many challenges whereby medical aid societies have been at war with both members and health service providers (Machemedze, 2014). This has seen some leading medical aid societies facing closure or the wrath of the law. According to Machemedze (2014), individual members of medical aid societies have in the past experienced numerous shortfalls, denials of payment of claims, limited access to the wide array of service providers and of late blatant discrimination versus their corporate members. At the same time the medical aid sector in Zimbabwe in the past has been comprised of a few players but at the present moment it has become more competitive as there have been quite a number of new entrants such as Fidelity, First Mutual and TN Medical Fund (Equinet, 2014). The increased number of players in the medical aid means that customer satisfaction is the key to avoid losing members and winning new ones.

According to Hodzi (2014) only 10% of approximately 13 100 000 people in Zimbabwe are on medical aid. Competing for market share in the medical aid sector is thus a daunting task considering the marginal number of people who are on medical aid. Customer attrition, that is a situation whereby members move to competitors has significantly affected many medical aid societies, hence the need to prioritize customer satisfaction (Karisambudzi, 2014). This researcher therefore seeks to determine the factors that affect customer satisfaction for medical aid customers and thus establish the relationship between these factors and customer satisfaction.

Customer satisfaction is defined as an evaluation of the perceived discrepancy between prior expectations of the customer and the actual performance of a product or service (Tse and Wilton, 1988 and Oliver, 1999). The performance of a medical aid society's products and services from the consumer's point of view is evaluated and a level of satisfaction determined.

There are more than 30 Medical Aid Societies (MAS) in the country, with about ten of those being in-house or restricted to the respective industries or employees and the rest being open societies (AFHoZ, 2008). A review of some works (Ranchod and Mcleod, 2001; Doherty &Mcleod, 2003 and CMS, 2006) have defined a medical aid society as an organization that helps members to pay for their health needs, such as nursing, surgery, dental work and hospital accommodation. Ranchod and Mcleod (2001) maintain that it is a type of insurance scheme and members benefit by making regular contributions to the scheme. A Medical scheme is essentially a non-profit organization and belongs to its members.

Cimas is one of the biggest players in the medical industry in Zimbabwe. Cimas was established in October 1945 and is registered in terms of the Medical Services Act [Chapter 15:13]. Cimas is one of the leading medical aid societies in Zimbabwe and its core business is the provision of medical aid schemes.

Cimas offers five principal medical aid packages that are offered according to lifestyle, and basic needs. The packages are medexec, private hospital, general, primary and basic are. Medexec is the premium package suitable for executives and those seeking to align their medical aid package with their status. It offers access to any private health institution that includes a private hospital ward. This prime package has unparalleled uniquely designed benefits that go with its status. Private hospital is the most popular package and provides access to any private health facility in the country. It is generally popular with high income groups, enterprising individuals, and both junior and senior management.

General package gives access to both private and public healthcare institutions. Popular with the middle income groups, access in public healthcare institutes is fully covered. Outpatients' private facilities arealso fully covered. Primary package is a no frills package that gives access to all

public health institutions including private general practitioners. It is popular with the lower income groups that may need access to General Practitioners from time to time. Basicare is the lowest package for the low income groups. It delivers access restricted to public healthcare institutes for all medical treatments. This remains the cheapest form of medical aid cover offered by the society.

Medical aid societies including Cimas face many challenges. Challenges faced by customers also affect medical aid societies to a greater extent since they result in customer dissatisfaction. Customer dissatisfaction leads to defection and long term losses (Lovelock 1984). In Zimbabwe most medical aid members sometimes face huge shortfalls and this becomes a nightmare for the average medical aid member especially in potential life threatening situations.

Advance payments are at times made by medical aid societies to hospitals and clinics yet members fail to access treatment which is a disappointment to clients hence resulting in customer dissatisfaction. Noncompliance is also a major challenge since some of the clients may fail to adhere to the consistent payment of their medical aid premiums yet expecting to access treatment when they fall sick. Eventually when such customers are denied treatment at Hospitals and Clinics it then results in customer dissatisfaction.

Medical fraud has become common in Zimbabwe and this has greatly affected operations of medical aid societies including Cimas. Fraud is a problem which undermines the stability and financial health of medical aid societies. Fraud is not a victimless crime, but one which undermines the quality of healthcare provision and denies medical aid members the quality services that members pay contributions to access. As medical aid societies including Cimas face these challenges the researcher sought to determine the factors that affect customer satisfaction for medical aid customers and thus establish the relationship between these factors and customer satisfaction.

1.2 Statement of the Problem.

Cimas medical aid society has raised the cost of its medical aid packages to such a level that members are switching and those who remain may find it extremely difficult to appreciate the services provided. This is an indication that medical aid societies are focusing on survival rather than meeting customers' needs. This has worried the researcher thus prompting him to conduct this study to try and establish the factors that affect customer satisfaction for medical aid customers and thus establish the relationship between these factors and customer satisfaction.

1.3 Aim of the Study

This study seeks to determine the factors that affect customer satisfaction for medical aid members and thus establish the relationship between these factors and customer satisfaction.

1.4 Research Objectives

1.4.1 Primary Objective

1) To determine the factors that affect customer satisfaction for medical aid members.

1.4.2 Secondary Objectives

1) To establish the impact of service quality on customer satisfaction.

2) To determine the impact that pricing has on customer satisfaction.

3) To establish the impact that customer oriented culture has on customer satisfaction.

4) To determine the impact that welcoming and handling customer complains has on customer satisfaction.

- 5) To establish the impact of perceived value on customer satisfaction.
- 6) To determine the impact that customer expectations has on customer satisfaction.

1.5 Research Questions

- 1) What are the factors that affect customer satisfaction for medical aid members?
- 2) How does service quality affect customer satisfaction?
- 3) What impact does price have on customer satisfaction?
- 4) How will customer satisfaction be affected by customer oriented culture?
- 5) What is the impact of welcoming and handling customer complains on customer satisfaction?
- 6) What impact does perceived value have on customer satisfaction?
- 7) What is the effect of customer expectations on customer satisfaction?

1.6 Assumptions

For the purposes of this research there are many factors that affect customer satisfaction and customer satisfaction is the only determinant of business success.

1.7 Significance of the Study

In times of severe competition and rising customer expectations, organizations are highly interested in keeping existing customers .As virtually all companies depend on repeat business, a strong interest in customer satisfaction should be the key. The research provides quality insight into the factors affecting customer satisfaction for medical aid customers. The study is thus of

great importance to a number of people, including the following, as it is going to aid them in making well informed decisions.

To the Medical Aid Society

The research findings will enable Cimas medical aid society's management to organize and develop a service tailored to meet customer needs and improve the service being rendered to customers, thus increasing their hold in the market share as well as increase on revenue. The research will assist Cimas in assessing the factors that affect customer satisfaction for medical aid members. The study will also highlight the drives of Cimas success and will seek to show what service attributes are important to members where Cimas is failing to meet members' requirements and finally recommend appropriate action. This will assist Cimas in luring more customers and retaining the existing ones and as such increased business can be envisaged.

To the Society

The community will benefit through more improved services from the organization aimed at satisfying their needs and wants.

To the Student

Apart from the partial pre-requisite to the completion of the Bachelor of Business Studies Honors degree in Marketing, the study will also strengthen the student's understanding of factors affecting customer satisfaction for medical aid customers.

1.8 Delimitations

This research only provided an in -depth analysis of the factors affecting customer satisfaction for medical aid customers and other aspects of marketing were not covered in this research. The area of research was focused only on Glen View, Harare Cimas medical aid society customers and the results of this study were only applicable to January to December 2015.

1.9 Limitations

The research was affected by limited time frame because the duration in which the project was undertaken was relatively short. The research was only limited to Cimas hence data gathering may not be conclusive. Limited timeframe resulted in the researcher not fully examining the subject to the desired extent and depth. The research was limited to Cimas only hence this reduced the quantity of the findings. However despite these limitations, the researcher made use of sampling to ensure the effective and efficient questionnaire administration. The researcher also put long hours to the project to counter the limited time frame.

1.10 Definition of Key Terms

Customer satisfaction -Customers' needs and goals when a service is providing a pleasurable level of fulfillment and emotional response (Oliver, 1997).

Medical aid society-An organization that administers medical insurance and where applicable, renders a relevant health service to its members, either by itself, or by any supplier or group of suppliers of a relevant health service or by any person, in association with or in terms of an agreement with a medical aid(Mcleod, 2001).

Open medical aid societies -These are medical aid schemes that are open to everyone that is, there are no restrictions as to the nature of people who can join (Frost, 2009).

In - house medical aid societies -These are medical aid schemes that are restricted to the respective industries or employees, that is, not everyone can join (Ramaphosa, 2011).

Health care providers-Organizations or individuals that offer health care products and services(AFHoz, 2008).

Premium-A monthly payment or contribution done individual members to a medical aid society(Machemedze 2014).

1.11 Acronyms

AHFoZ	-	Association of Healthcare Funders of Zimbabwe.
CIMAS	-	Commercial and Industrial Medical Aid Society.
MAS	-	Medical Aid Societies.
MoHCW	-	Ministry of Health and Child Welfare.
ZIMA	-	Zimbabwe Medical Association.

1.12 Structure of the Research Report

This study comprises of five chapters, that is, Chapter one, two, three, four and five. Chapter one covers the introduction, chapter two covers literature review, chapter three covers the research methodology, chapter four covers data analysis and presentation whilst chapter five examines the summary, conclusion and recommendations.

1.13 Chapter Summary

This chapter examined the background of the study, statement of the problem, the aim of the study, the research objectives and research questions, assumptions, significance of the study, delimitations, limitations, definition of key terms and structure of the research report. The next chapter is literature review.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter examines theoretical framework, empirical evidence and research hypothesis. Literature review involves an analysis of material written by other critics with regard to the research, thus providing a conceptual framework for understanding the research questions.

2.1 Theoretical Framework

The review of relevant literatures provided a framework for establishing the importance of the study, as well as a benchmark for comparing results of the current study with findings from previous related studies (Creswell, 2011). The review of literature has given the researcher insight into the different theoretical and methodological approaches to the research areas, allowed the researcher to learn from other researchers experiences that leads the researcher to consider the inclusion of variables that might not otherwise have been thought about, help with the interpretation of findings and give the researcher some pegs on which to have findings of the current research (White 2013, Bryman 2014)

2.1.1 Definition of Customer Satisfaction

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass consumer expectations (Fornell, 1992). It is defined as the number of consumers or percentage of total consumers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals (Chauhan and Limbad, 2013).

2.1.2 Satisfaction Levels

According to Valarie, Zeithamal, Leonard, Berry and Parasuraman (1993) customer satisfaction is in levels, that is, according to how strongly and to which direction the customers have reacted. Strongly disappointed customers usually complain right away, or break the customer relationship

and spread the negative word about the medical aid society. The customer relationship breakage and the negative word of mouth occur most likely if the medical aid society does not take action when the customer complains. The complaint situation should be seen as an opportunity to fix the negative disappointment and this way to keep the customer satisfied. Mildly disappointed customers do not react straight away and instead the next time they use the service they choose another one. These customers are also ready to recommend using the services of another medical aid society. With these customers it is very important that the medical aid society has a system for collecting customer feedback. If the medical aid society does not have a feedback system they might lose a lot of customers (Gronroos, 2008). Medical aid societies therefore need to be aware of these satisfaction levels if customer satisfaction is to be achieved.

There might be customers who are not satisfied. Dissatisfaction can be caused by several factors, but whatever the reason it is always equally important to solve the cause of dissatisfaction. If the cause is not solved properly, the medical aid society might be losing its members. There are some basic rules in marketing and according to Lahtinen Jukka, Isoviita Antti(2004) the first rule is the 3/11 rule which means that when a customer receives an excellent service he/she is going to tell about it to three of his/her friends. But if the customer becomes disappointed he/she will tell about this to eleven persons. The difference between these two figures is huge. The disappointed customer is really bad advertisement for the company and this is the reason why problem situations should be handled as soon as possible (Jones 2003).

According to Lahtinen Jukka and Isoviita Antti(2004) the 26/27 rule states that out of 27 dissatisfied customers 26 will not complain about the bad treatment they got, instead these customers consider changing the service provider next time. When dealing with this type of customers it is crucial that the medical aid society has a feedback system and this way the organization can get information from these members about what went wrong in the customer service situation. After getting the feedback the medical aid society can start fixing the problem and hopefully keep the members in the future as well.

The 1-10-27 rule states that if an organization once loses a customer, getting this customer to come back is very difficult(Lahtinen Jukka and Isoviita Antti, 2004). According to a Finnish

survey getting back a once lost customer is even 27 times more expensive than maintaining a regular customer relationship. Getting new customers is up to ten times more expensive than selling to a regular customer (Lahtinen Jukka, Isoviita Antti, 2004).

It is very important therefore for a medical aid society to keep the members happy. If the organization does not do this it might be very costly, or even fatal, for the organization (Lahtinen Jukka, Isoviita Antti, 2004, 2-3).

2.1.4 Importance of Customer Satisfaction in the Medical Aid Industry.

According to Barsky (1992) customer satisfaction is a significant element in service delivery because understanding and satisfying customers' needs and wants can engender increased market share from repeat purchases and referrals. Customer satisfaction is rated highly as a strategic end in and of itself, as it affects customer retention and revenue directly (Jones and Sasser, 1995; Reichheld, 1996). Customer satisfaction will affect future repeat purchase intentions and the customers will share their positive experiences with other consumers.

The significance of customer satisfaction to the medical aid industry is the concept that a satisfied customer will be a positive asset for the medical aid society through reuse and repurchase of the service or positive word of mouth, which should lead to increased business. The converse of this is that a dissatisfied customer will tell more people of their dissatisfaction, possibly complain to the medical aid society and if sufficiently disenfranchised, change to another society for their service, or totally withdraw from the market (Anderson and Sullivan, 1993; Fornell, Ittner and Larcker, 1995; Oliver and Bearden, 1995). Medical aid businesses should monitor customer satisfaction in order to determine how to increase their member base, customer loyalty, revenue, market share and survival.

Although greater revenue is the primary driver, exemplary medical aid businesses focus on the customer and his/her experience with the organization. They work to make their customers happy and see customer satisfaction as the key to survival and profit. Customer satisfaction in turn hinges on the quality and effects of their experiences and the goods or services they

receive. According to Rust and Subramanian (1995), customer satisfaction brings many benefits as satisfied customers are not very price sensitive, buy additional packages, are less influenced by competitors and stay loyal longer. Rust and Subramanian (1995) stated that customer satisfaction has been deemed directly to affect customer retention and medical aid society's market share (Rust & Subramanian, 1995).

According to Heskett(1994) satisfaction, loyalty, and revenue have a strong link. "Satisfaction creates increased revenues, reduced costs to acquire customers, lower customer-price sensitivity, and decreased costs to serve customers familiar with an organisation's service delivery system" (Hansemark&Albinsson, 2004, p.28). Many empirical studies have shown that customer satisfaction secures future revenues (Bolton, 1998; Fornell, 1992), reduces future transactions costs (Reichheld and Sasser, 1990), decreases price elasticity (Anderson, 1996), and minimizes the likelihood of customers defecting if quality falters (Anderson and Sullivan, 1993).

Customer satisfaction is regarded as a factor that ensures that customers can get more benefits than their cost (Liu and Yen, 2010). Overall customer satisfaction result in customer loyalty and re-purchase intention. However, satisfied customers are not necessarily loyal but loyal customers are definitely satisfied customers(Heskett, 1994). Therefore, customer satisfaction is the key determinant of the success of a medical aid society (Keiningham et al. 2014). Contemporary business community is fiercely driven by competition; hence establishing competitive advantage is indispensable in ensuring sustainability for medical aid societies.

Kheng et al. (2010) argued that providing high quality service and creating greater consumer value can result in attaining high customer satisfaction, strong loyalty and a superior corporate image which will in turn ultimately lead to customer retention. Consequently, there exists an interaction between the desired results and customer satisfaction, customer loyalty and customer retention.

Medical aid customers may go by other names such as clients, members, etc. Without the customer it is impossible for any medical aid business to sustain itself. Achieving the desired results is frequently a result of customer actions. Any business without a focus on customer

satisfaction is at the mercy of the market. Without customer satisfaction eventually a competitor will satisfy those desires and your customer retention rate will decrease. Satisfied clients usually don't leave even for an appealing offer elsewhere (Gronroos, 2008). At the very least they will give you the chance to meet or beat the other organisation with the same products or services. Maintaining satisfied customers is an integral part of any business since customer satisfaction is the engine that drives the business (Schultz and Bailey, 2000).

Conventionally customer retention is a result of customer satisfaction. Customer retention is defined as the number of customers doing business with an organisation at the end of a financial year, expressed as a percentage of those who were active customers at the beginning of the year (Gummesson, 2008). Gronroos (2008) further reiterates that customer retention is the ability to withstand competition through keeping customers for repeat business over a long period of time. Mostert (2009) outlines that organizations are aware of the benefits associated with customer retention, but they tend to ignore it during strategy development, where emphasis is often placed on acquiring the customer than retaining which leads to customer attrition, that is customers shifting to other organisations.

2.2 Customer Satisfaction Theories and Models

The marketing and consumer behavior literature has traditionally suggested that customer satisfaction is a relative concept, and is always judged in relation to a standard (Olander, 1977). Consequently, in the course of its development, a number of different competing theories based on various standards have been postulated for explaining customer satisfaction. These include the person-situation-fit concept, equity theory, attribution theory, performance theory, expectancy disconfirmation theory, dissonance theory, contrast theory and value-percept theory.

2.2.1 The Person-Situation-Fit Concept

Satisfaction in the medical aid sector can be explained by the Person-Situation Fit concept (Pearce and Moscardo, 1984). This concept argues that people deliberately seek situations, which

they feel match their personalities and orientations. The implication of this idea may become particularly appropriate to health care settings where individuals make a conscious choice to visit a specific health service provider (Reisinger and Turner, 1997). This principle states that the optimal fit between medical aid members and their environment occurs when the attributes of their environment are congruent with their beliefs and attitudes.

2.2.2 Equity Theory.

According to equity theory, satisfaction occurs when a given party feels that the ratio of their outcomes of a process is in some way in balance with their inputs such as cost, time and effort (Brooks, 1995). According to the Equity Theory, satisfaction exists when consumers perceive their output/input ratio as being fair (Swan & Oliver, 1989). Equity models are derived from the Equity Theory (Adams, 1963), and are based on the notion of input-output ratio, which plays a key role in satisfaction (Oliver and Swan, 1989). According to this theory, parties to an exchange will feel equitably treated (thus, satisfied), if in their minds, the ratio of their outcomes to inputs is fair (Oliver and DeSarbo, 1988). Whether a customer feels equitably treated or not may depend on various factors including the price paid, the benefits received, the time and effort expended during the transaction and the experience of previous transactions (Woodruff, 1983). The service that medical aid members get, for example when accessing treatment or buying medicines should match the cost of the medical aid packages or even surpass it otherwise members will not be satisfied.

2.2.3 Attribution Theory

Attribution theory has been mostly used in dissatisfaction or complaining behavior models than in satisfaction models per se. According to this model, customers are regarded as rational processors of information who seek out reasons to explain why a purchase outcome, for example dissatisfaction, has occurred (Folkes, 1984). In this theory the outcome of a purchase is thought of in terms of success or failure. This model argues that when the delivery of a service does not

match customers' prior expectations or other standards, customers engage in an attribution process in order to make sense of what has occurred (Bitner, 1990). The cause of the satisfaction is either attributed to factors that are internal such as the buyers' perceived buying abilities or external such as difficulty of the buying task, other people's efforts or luck (Brooks, 1995). When medical aid members face huge shortfalls and face difficulties in accessing treatment they engage in an attribution process in order to make sense of what has occurred since service delivery will not be matching members' prior expectations or standards.

2.2.4 Performance Theory

Customer satisfaction is directly related to the product or services' perceived performance characteristics (Brooks, 1995). Performance is defined as the customers' perceived level of product or service quality relative to the price they pay. That is satisfaction is equated with value, where value equals perceived quality divided by the price paid (Johnson, Anderson and Fornell, 1995). Members consider the value of their money when selecting medical aid societies and packages offered. Members pay subscriptions and monthly premiums to Cimas medical aid society because of the value that the packages offer. The lesser the value the greater the reluctance to pay substantial sums and the higher the value the greater the willingness to pay exorbitant sums of money. For customer satisfaction to be achieved the value of the packages offered by a medical aid society should match the price that members pay.

2.2.5 Expectancy Disconfirmation Theory

According to Brooks (1995) the Expectancy Disconfirmation Theory, is the most popular of all the social science theories. In this theory, customers form expectations of product or service performance characteristics prior to purchase. When the product is bought and used, the expectations are compared with actual performance using a better-than, worse-than judging. Positive disconfirmation results if the product is better than expected while worse than expected performance results in negative disconfirmation. Simple confirmation results when a product or

service performs as expected. Satisfaction is expected to increase as positive disconfirmation increases (Liljander and Strandvik, 1995).

According to (Zeithamal, 1996), five dimensions of service quality are found, that is: reliability (ability to deliver the promised service dependably and accurately); responsiveness (willingness to help customers and provide prompt service); assurance (ability to inspire trust and confidence); empathy (customers are individuals); and tangibles (elements that represent the service physically). The monthly premiums that Cimas medical aid customers pay determine the standard of service that members expect when they visit health service providers. If service quality is poor than expected members will be dissatisfied, if service quality matches expectations members will be satisfied and if service quality is higher than expected then members will be extremely satisfied.

2.2.6 The Dissonance Theory

According to Cardozo(1965), the dissonance theory states that when a person recognizes the disparity he or she experiences a cognitive dissonance. This occurs when a person expected a product or service of a high value but instead received a product or service of a low value. In other words, the disconfirmed expectations create a state of dissonance or a psychological discomfort (Yi, 1990). According to this theory, the existence of dissonance produces pressures for its reduction, which could be achieved by adjusting the perceived disparity.

This theory holds that "post exposure ratings are primarily a function of the expectation level because the task of recognizing disconfirmation is believed to be psychologically uncomfortable. Thus consumers are forced to perceptually distort expectation-discrepant performance so as to coincide with their prior expectation level (Oliver, 1977). For instance, if a disparity exists between product or service expectations and product or service performance, consumers may have a psychological tension and try to reduce it by changing their perception of the product or service (Yi, 1990).

Cardozzo(1965) argues that consumers may raise their evaluations of those products or services when the cost of that product or service to the individual is high. The Dissonance Theory fails as a complete explanation of consumer satisfaction; however, it contributes to the understanding of the fact that expectations are not static in that they may change during a consumption experience (Yi, 1990). According to Equinet (2014) 90% of the people in Zimbabwe are not on medical aid since it is a service that is considered to be superior and not afforded by the majority. Those on medical aid therefore expect to receive superior service when they access health services and instead when they receive a service of a low value they recognize the disparity and experience a cognitive dissonance.

2.2.7 The Contrast Theory

The Contrast theory suggests the opposite of the Dissonance Theory. According to this theory, when actual product or service performance falls short of consumer's expectations about the product or service, the contrast between the expectation and outcome will cause the consumer to exaggerate the disparity (Yi, 1990).

The Contrast theory maintains that a customer who receives a product or service less valuable than expected, will magnify the difference between the product or service received and the product or service expected (Cardozzo, 1965).

This theory predicts that product or service performance below expectations will be rated poorer than it is in reality (Oliver and DeSarbo, 1988). In other words, the Contrast Theory would assume that "outcomes deviating from expectations will cause the subject to favorably or unfavorably react to the disconfirmation experience in that a negative disconfirmation is believed to result in a poor product or service evaluation, whereas positive disconfirmation should cause the product or service to be highly appraised" (Oliver, 1977, p. 81).

2.2.8 Value Percept theory

States that satisfaction is an emotional response that is triggered by a cognitive evaluative process in which the perceptions of an offer are compared to one's values, needs, wants or desires (Westbrook and Reilly, 1983). Similar to the Expectancy/Disconfirmation paradigm, a growing disparity between one's perceptions and one's values (value-perception) indicates an increasing level of dissatisfaction

2.3 Factors Affecting Customer Satisfaction

The researcher focused on service quality, pricing, encouraging and welcoming customer complaints, customer oriented culture, perceived value and customer expectations as the factors affecting member satisfaction for medical aid members.

2.3.1 Service Quality

Gallant (2009) defines service as a concept that cannot be seen, felt or tasted as can be done with tangible products. Gallant (2009) views services as performances or actions rather than physical objects. According to Boulter and Bendell (2010), service characteristics can be difficult to understand due to the fact that any given service can only be observed through the eyes of the service recipient as customers view service in their own unique, emotional, irrational, distinctive and totally human terms. The intangible nature of service then applies so that at the end of the day it is the customer who will form a judgment about the overall quality of the service received. Thus, Boulter and Bendell (2010) remarked that it is imperative for organizations, despite the difficult nature of service quality, to develop the ability to understand customer needs and expectations and deliver a service that will meet and exceed these expectations.

Mathur (2011) defines service quality as a global judgment or attitude relating to a particular service; the customer's overall impression of the relative inferiority or superiority of the organization and its services. Peng and Wang (2006) depict service quality as a customer judgment about the overall superiority or excellence that a business offers. Ahmad (2010) on the

other hand also describe service quality as a form of attitude closely related to but not equivalent to satisfaction that results from the direct comparison of expectations with performance.

According to Tan and Shen(2000), no one is more important than the customer in terms of judging the quality of a product or service? Parasuraman and Berry (1988) pointed out that with the fast changing, fierce market conditions prevalent within the service trade, improvements in terms of competitiveness and yield rates rely on effective, active, and improved service quality. Siddiqui and Sharma (2010) maintain that superior service quality has a direct link with customer satisfaction and ultimately impacting on the development of long-term market share and profitability.

Business researchers Schneider andBowen (2009) assert that, service organizations must meet three key customer needs to deliver service excellence, that is, Security, esteem, and justice. According to Schneider and Bowen (2009),there is an array of service quality factors that are important for customers including: timeliness and convenience, personal attention, reliability and dependability, employee competence and professionalism, empathy, responsiveness, assurance, availability, and tangibles such as physical facilities and equipment and the appearance of the personnel.

These characteristics also apply to member satisfaction with Medical Aid society's service quality. Timely service is an especially strong determinant of quality across different types of Medical Aid schemes. Fairness and outcomes are additional factors important to Medical Aid customers.

Organizations should seek to improve the quality of service with the customer in mind since it is the customer who evaluates the service quality and who organizations seeks to satisfy. Quality improvements may fail to achieve the desired objectives if an organization does not consider customers opinions and requirements. Transparent, equitable and customer oriented services produces high levels of service quality resulting in customer satisfaction(Dr. Pillinger, 2011). She calls for rethinking quality initiatives to interlink quality improvement with user involvement and participation and with social equality and inclusion. The experiences of

successful businesses both support this perspective and offer experiences, tools and lessons for putting customers first.

Increased access to better and improved health services has also been proved to induce customer satisfaction for medical aid customers (Nicholas, 2012). DeNucci (2011) examined the factors affecting service quality but in a more general level. According to him, high quality customer service is about a balance between people, processes and technology. Complete training, management of employee turnover, measurement and reporting of relevant results that reflect quality and accessible, easy-to-use technology are four factors that can be used to create the balance.

According to Hilton (2009) satisfaction for medical aid customers is driven more by “technical quality” (the quality of the work performed) than by “functional quality” (how the service work was delivered). However, once satisfaction is achieved, loyalty is driven more by functional than by technical quality. Members of a medical aid society are usually in contact with health service providers who are not the medical aid society itself thus quality of service in this instance can be viewed in terms of recognition and acceptance of the medical aid package in accessing the desired health service and prompt processing of transactions. In the medical aid industry, service quality also implies that members should not pay cash when accessing health services and instead their medical aid should cover all expenses. Customer satisfaction is enhanced when users of medical aid are recognized and treated the same as those paying cash when accessing health services. Medical aid packages that members pay for should be reliable and members should feel safe when using them. As a result, customer satisfaction is enhanced thus service quality is a major determinant of customer satisfaction for members of a medical aid society.

Service quality has been identified as one of the most effective means of building a competitive position and improving organizational performance (Zeithamal, 2003). Service quality is a focused evaluation that reflects the customer’s perception of specific dimensions of service, reliability, responsiveness, assurance, empathy and tangibles. Satisfaction is influenced by perceptions of service quality as well as situational factors and personal factors. Service quality affects customer satisfaction by providing performance. Customers today apprehend a very high

general level of service in the medical aid industry. The accomplishment of competitors in these fields will thus be actuated by strategies concentrating on quality of services to add value, as argued to product or price differentiation (Kandampully, Mok and Sparks 2001). It is therefore clear that service quality strongly drives customer satisfaction

2.3.2 Pricing

Due to the intangible nature of services, pricing becomes a crucial quality indicator (Zeithamal, 1981). Price is considered as the most important measurement of repurchase intentions (Parasuraman, 1988). It is a major determinant of consumer choice and satisfaction (Kotler, 2009). That is, it's the cost incurred in making a purchase (Tse, 2001), which together with perceived service quality and perceived value influence spending behavior (Rust and Oliver, 1994).

Consumers will determine what price can be paid based upon their discretionary spending limits (Monroe, 1990). How much a customer is willing to pay depends on what they need, what they expect and their evaluation of the quality of a service at its given time and place (Heskett, 1997). Different medical aid packages offered by medical aid insurers must be well priced, that is, there must be fairness so that members can appreciate what comes with the package. Pricing in the medical aid sector has been found to be major determinant of customer satisfaction. High price products and services are believed to be high quality products and services and their prices are normally higher than lower quality equivalent products or services as price impacts perceived quality (Curry and Riez, 1988; Erickson and Johansson 1985, Lichtenstein, 1988).

It has been proven that customers normally think whether they received their value for money or not (Zeithamal, 1988). Therefore, customers usually buy products on the basis of price rather than other attributes (Peter and Donnelly, 2007). If consumers have no experience in obtaining a

service they therefore make a decision based upon their expectation, image, perception of quality and price (Dodds, 1991, Monroe, 1990, Zeithamal, 1990).

2.3.3 Encouraging and welcoming Customer complaints

According to Zeithamal(2003) organizations should encourage and welcome Complaints. Service failures occur in organizations that aim for 100% service quality or zero defeats. Welcoming and encouraging complaints is a critical component as far as customer satisfaction is concerned (Zeithamal 2003). Encouraging customers to highlight service failure and problems will reduce customer attrition (Jobber 2012).Customer attrition is losing customers to rivals. Zeithamal (2003) further reiterates that the customers who complain should be viewed as friends and the complaints should be tracked and acted upon. Zeithamal (2003) points out that complaints can be tracked and encouraged through the use of satisfaction surveys.

Complains enable medical aid societies to reconnect with members by locating a service failure. In such a way, complaints are gifts that members give to their medical aid society. Thus, members may complain about shortfalls being demanded by health service providers, discrimination and denials of payment of claims. It is common for customers to complain about some low-quality services and when these complaints are maintained adequately the customers will perceive the services of the business organization as qualitative (Barlow and Muller 2008). For customers to have taken their time to complain about some issues concerning their satisfaction, they commonly have the idea on how to deal with the problems. Thus, the business organization could ask customers on how they can solve the complaints. This will make them feel valued and rely on the medical aid society more.

In order to handle complaints effectively the medical aid societies should have well-trained workers and an effective recovery and amends program (Dru, 2000) Medical Aid societies will face many different complaints. So, it is up to them to manage them properly in order to improve customer satisfaction. Basically the business organization could manage customer complaints by simply saying, “thank you” and give the reasons, listen carefully, apologize, show empathy, offer something and prevent future mistakes.

The first important points for managing customer complaints is to say “thank you” and give the reasons. The business organization always should be aware that they are providing effective services to the customers or not. Instead if they are not performing well then the customers may become unsatisfied and complain to the organization. The organization should say thank you to the customers for the complaints. Although most people or organization do not thank the complainer, it is wise to do so in order to make the customers feel better and encouraged to lay complaints whenever deficiency in the business organization offerings is noticed. Be it orally or written. The business organization should always thank the customers for complaints with great gratitude written in emotions or expressions.

Further, the business organization should give the reason why they said “thank you”. When this is done the thanks expressed becomes more meaningful to the customers. For example: “Thank you for telling us this because it will make us improve the quality services which we intend to offer at all time (Barlow and Moller 2008). Secondly, it is important to listen carefully to what the customers are saying. Members of a medical aid society are the heart of the business. They must be listened to and not interrupted. Customers must be given the opportunity to tell their story clearly and shown that they have been heard which makes them easy and satisfied(Jobber, 2012). Similarly, to apologize is also another point for managing customer complaints to improve customer satisfaction. It is necessary to convey the manager’s apology to the customers in a good way. When the customers are complaining to the organization, then it is not time for giving reasons, justification or excuses; the manager must apologize. (Step case Limited 2005.) Not only this much.

According to Dru (2000) empathy is also one of the important steps for managing customer complaints to improve customer satisfaction. Just communicate to the customers that their complaints are understood clearly and they are doing great for telling the complaints which makes the company solve the problems and improve the service quality. Mentioning the points above like saying “thank you” and giving the reasons, listening carefully, apologizing, and showing empathy is not enough to manage the complaints to improve customer satisfaction. Offering something is also needed for managing complaints. It means that it is better for the business organizations to always try to offer something to a dissatisfied customer. Such as:

paying for shortfalls and refunds, a discount on different items, or replacing it and so on (Business Blogs Hubs 2012).

It is very crucial to prevent future mistakes. Organizations should not make the mistake of blaming employees for poor service but instead make it clear that it is due to the organization's strategies. Employees should not be blamed. It is not good to blame them. In case employees are blamed, the employees will not be motivated to work for the organization (Barlow and Moller 2008, 134).

There is need to initiate service recovery on the spot through sensitized employees who can see dissatisfaction signs when customers are experiencing a problem. Thus an organization that encourages complaints should be quick to respond and act on them promptly (Zeithamal 2003). This is possible only if systems and procedures for complaints handling are in place throughout the medical aid society. Efforts of service recovery should be flexible and employees should be empowered to develop solutions that satisfy customers through the use of their communications skills and judgment (Lovelock 2007). Zeithamal (2003) adds that employees should be empowered to solve problems as they occur for example service recovery training for service medical aid employees.

Jobber (2012) supported that trained and empowered employees respond to service complaints quickly. This is important because the successful resolution of a complaint makes customers to see the good image of the organization than before the service failure. Zeithamal (2003) alludes that the first response from organization to a complainant is to make an apology. This will ease the tension and lead to a spirit of cooperation rather than recrimination. The next step is to attempt to quickly solve the problem.

Building systems that allows customers to actually solve their own service needs and fix their own problems is another way that problems or complaints can be handled quickly through the use of technology (Pal, 2011). Attending to customer complaints results in customer satisfaction. Similarly, another benefit of customer complaints is rectifying problems. That means the medical aid society can see weaknesses in the service process that can be improved. Somehow this will

control complaints or any problems which may arise in the future resulting in customer satisfaction (Thriving Small Business, 2011).

2.3.4 Customer-Oriented Culture

Creating and instilling a “culture” of customer service in which employees are encouraged and expected to go to great lengths to satisfy customers is another hallmark of a successful Medical Aid organization (Walker 2013). High performing Medical Aid societies work to create an environment where employees focus on customer satisfaction in each encounter, every day. This requires a massive culture shift away from what is convenient for the Medical Aid society to what is needed by the service users. (Isum, 2011)

Many public and private organizations in the health sector fail by relying on a single customer satisfaction program or strategy, such as customer surveys, staff orientation sessions, or Performance-based compensation. Instead, success requires a multi-dimensional program, including management consulting, customer satisfaction measurements, employee feedback, motivation programs, training and ongoing reinforcement (Oliver 2010). Customer service and responsiveness must be embedded in practices and operations throughout the organization.

More than just the basics of customer service create a favorable experience for the customer; everything, conscious and unconscious, can affect it. Successful Medical Aid Societies attend to every detail to ensure that the customer’s physical, social and cultural needs are met.

2.3.5 Perceived value

It is defined as the result of the personal comparison between perceived overall benefits and the perceived costs paid by the customer (Zeithamal, 1988). In medical aid terms value is the results or benefits customers receive in relation to total costs (which include the price paid plus other costs associated with the membership). In simple terms, value is the difference between perceived benefits and costs. However, what constitutes value appears to be highly personal, and

may vary widely from one customer to another (Holbrook, 1994; Zeithamal, 1988). Only the customer rather than a service provider can give a product or service provided value and the concept of customer perceived value is perceived to be very subjective and personal (Parasuraman, Zeithamal & Berry, 1985).

According to Andreassen and Lindestad (1998), customer perceived value was positively associated with customer satisfaction in the service industries. Patterson and Spreng (1997) also confirmed that perceived value had a positive and direct relationship with customer satisfaction. While it is contended that value has a direct impact on how satisfied customers are with the service supplier (Anderson and Fornel, 1994) and that satisfaction depends on value (Ravald and Gronroos, 1996), little attention has been paid to customer value in evaluating services (Lemmink, Ruyter and Wetzels 1998). It has been proposed that behavioral intentions are determined in part of perceived value (Bolton and Drew, 1991). In decision making to return to the service provider, customers are likely to consider whether or not they received "value for money". Furthermore, it is possible that customer satisfaction may be based primarily on the service experience (i.e. service quality dimensions) and that perceived value is more critical with respect to future intentions. However, it is proposed that perceived value contributes directly to customer satisfaction which, in turn, leads to future intentions (Patterson and Spreng, 1997)

For medical aid societies value is created Value if a society has the ability to advance and come up with unique items for its customers. According to Hills and Jones (1998) value is something that fulfils and satisfies the customer's needs. The value that a customer perceives is the most important factor between an organization and a customer (Reicheld, 1996).

Reicheld (1996) further reiterates that losing focus on the value is the reason why many organizations and firms fail and start losing customers, they examine different measures and analysis instead of focusing on value creation and become purely profit-driven, when customers start leaving, they adopt short term solutions.

Value creation can be compared with competition that is if an organization offers services or products with more benefits than competitors they have a sustainable competitive advantage and offer greater value in the market (Errget and Ulaga, 2002). An organization that focuses on

creating real value will have long-term profitability and customer satisfaction. Sustainable competitive advantage is derived from creating value through meeting and exceeding customer expectations in which failure to do so will result in customer dissatisfaction and attrition (Errget andUlaga, 2002).

2.3.6 Customer expectations.

Customer satisfaction is a highly personal assessment that is greatly affected by customer expectations. Overall contentment felt by the customer results from the ability of the service to fulfill the customer's desires, expectations and needs in relation to the service. Depending on the customer's expectations level consequences are slightly different.

In high expectations case customer satisfaction is strengthened because the customer had very high expectations and the company could fulfill these high expectations. In average expectations situation, even though the company performs according to customer's expectations it does not necessarily improve or weaken customer satisfaction. In this situation it is possible for the competitor to make a better offer for the customer and this way "steal" the customer (Fornell, 2006).

Without the competitor's offer there is every chance to continue the customer relationship with these existing customers. In low expectations situation, when the expectations are fulfilled, you can't really describe the customer as satisfied; the customer just found out that the company answered his/her low expectations (Jones, 2011). Without any good alternatives the customer relationship can continue if the relationship is based on personal acquaintance. In case a better competitor occurs and is active the customer may start to use this competitor's services. According to Bernard (2009) expectations are major determinant of customer satisfaction in the health sector.

As far as customer satisfaction is concerned expectations cause customer to react in different ways. In the Medical Aid industry greatly positively surprised customers feel greatly surprised when they have a very low expectation level and the company performs in an exemplary way,

Contact situation is exceptional, some part of company's actions or the whole process worked in such a fine level that the customer is not used to (Bernard, 2009). Such strongly positively surprises do not happen that often, but when they do happen the customer will on his own thank the organization for the treatment he got. The customer is very likely to also spread positive word-of-mouth. (Timo and Jouni, 1994)

Mildly positively surprised customers do not usually give feedback on their positive experiences and one way to experience their satisfaction is that they stay customers and they are ready to recommend the company, product or service to their friends. This mildly positively surprised group is the most committed customer group. In this instance customer satisfaction is ensured if the medical aid society keeps surprising the customers in the future as well. The surprises do not have to be very big ones: just a small positive surprise is enough (Keaveney, 2013).

2.4 Empirical evidence on factors affecting customer satisfaction

A quantitative research by Parisa (2011) in Iran, comprehensively evaluated the factors affecting customer satisfaction. Based on a survey of 252 customers a framework of customer satisfaction was developed with seven determinants: responsiveness, reliability, quality of communication, service attitude, empathy, quality of information, ethics. Each of the seven independent variable constructs had a significant impact on the dependent variable customer satisfaction. Analysis concluded that Training of service providers in attitudinal, technical, and communication competencies based on these seven determinants has been recommended for improving customer satisfaction thereby benefiting firms.

In the research by Ayuba (2012) in Nigeria, the main objective was to investigate the key variables having a strong influence on customer satisfaction and the purchasing decisions of customers. The study was a survey of customers. As part of the methodology, both primary and secondary methods of data collection were adopted for the study. The data was analyzed using Descriptive Statistics (mean, standard deviation) and Regression Analysis to assess the satisfaction-rating in line with the objectives of the study. The major findings based on the formulated hypotheses revealed that most of the targeted consumers agreed that high pricing dimension of products result in low-level customer satisfaction. Some recommendations were

made; among the major recommendations was the need to establish a good relationship with customers through effective and efficient customer services as this would result in brand loyalty and deeper market penetration that would help companies establish long-term profitable relationships with their customers.

Okoro (2013), in Ghana established that pricing and service quality are major determinants of customer satisfaction. The major objective of this research was to establish the major determinants of customer satisfaction in the service industry. This researcher made use of questionnaires, where 100 respondents were selected. Data analysis was done using SPSS.

A study by Lin (2012) in Bangkok Thailand whose main objective was to determine the factors affecting customer satisfaction used a questionnaire as the data collection tool. The findings indicated that perceived value; some elements of service quality and marketing mix play the key role in customer satisfaction especially, tangible, reliability and assurance of service quality are significant to customer satisfaction. Regarding to the marketing mix, only product, process, and physical evidence were found to be significant to customer satisfactions.

A research by Kumbhar (2011) in India was conducted to evaluate the major factors affecting customers' satisfaction. This study also evaluated influence of service quality on brand perception, perceived value and satisfaction. Required data was collected through customers' survey. For conducting customers' survey Likert scale based questionnaire was developed after review of literature. Collected data was analyzed using principle component (PCA) using SPSS 19.0. Results of the study indicated that, Perceived Value, Brand Perception, Cost Effectiveness, Easy to Use, Convenience, Problem Handling, Security/Assurance and Responsiveness are important factors in customers satisfaction

Nazir, Rehman and Ali (2015) in Pakistan found that service quality is a core element of measuring, analyzing and achieving customer satisfaction. This has led to the emergence of different models. These models have helped in ensuring quality and effectiveness of strategies developed to attain, sustain and retain customers. The purpose of this research was to explore the factors affecting customer satisfaction with particular emphasis on service quality, brand

reputation and security for customer satisfaction, where 300 customers were selected. The data were collected through a questionnaire and has been subjective to quantitative and qualitative analysis. After applying descriptive statistics, T-test was applied. A significant relationship was found among variables. The results indicated that among said variables service quality had a major impact on customer satisfaction than brand reputation and security.

2.6 Chapter summary

This chapter examined literature review on factors affecting customer satisfaction for medical aid customers. Theoretical framework was considered first followed by empirical evidence, research hypothesis and model specification as well as expression. The next chapter will discuss the methodology and various methods used to collect data from respondents.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section covers the research design, target population, sampling techniques, sample size, research instruments, data collection procedures, methods of data presentation and analysis as well as the methods of testing the validity and reliability of the data and the model. Research Methodology is a plan fully outlining ways and techniques to be implemented to come up with relevant data for the research (Saunders, 2003).

3.1 Research Design.

The researcher made use of the causal and descriptive research designs. Causal research design was adopted because there is a relationship between the dependent variable (customer satisfaction) and independent variables (service quality, pricing, welcoming and handling customer complains, customer oriented culture, perceived value and customer expectations).

The descriptive survey method which is defined by Chalfont and Labeff (2011) as the wide distribution of either questionnaires or interviews designed to get certain data from people was chosen because it is able to describe and interpret what is there (Leedey, 2009). CDE Module EA3DC101 (2006) asserts that descriptive survey research is probably the best method available in collecting original data, for purposes of describing a large population.

The researcher chose this method because it was appropriate for the problem under study where the researcher wished to collect original data about the factors affecting customer satisfaction for Medical Aid customers. Descriptive research design was adopted because it allowed the researcher to use only a small sample from the targeted population instead of the entire population. It facilitated soliciting of qualitative and quantitative data during the data collection period.

According to Harris and Liba (2012), descriptive survey is not just a financially cheaper way of conducting a study, but it involves greater numbers of individuals who by the process themselves achieve new perspective and viewpoints. There was virtually no known limit to the information that could be gathered through descriptive survey and questions about matters of privacy could be asked. Furthermore descriptive surveys are highly standardised, since the bias of the researcher can be minimised. This study employed the quantitative research approach. Quantitative research is described as the systematic, scientific investigation of data and their relationship. The objective of this research design was to develop and employ mathematical models, theories and hypothesis pertaining to a particular situation. The study outlined research questions to which answers are sought. O'Leary (2004) and Creswell (2008) described quantitative research as producing quantitative data that can be represented through numbers and analysed using statistics.

3.2 Target Population

In this study the population consisted of Cimas members who are residents of Glen View 1, 2, 3, 4, 7 and 8 in Harare. There are a total of 120 members. Population consists of all the possible

observations of the random variable under study (Wegner, 2001). The accurate figure of the population was obtained from Cimas.

3.3 Sampling Techniques

The researcher made use of both stratified and convenience sampling. The total population was divided into stratum using stratified sampling whereby respondents were classified according to location that is where they reside. Convenience sampling was then adopted to select respondents from each stratum. The researcher divided the entire population into stratum of equal size. The target population comprised of 120 respondents drawn from Glen view suburb of Harare and was divided into six stratum, each comprising of 20 respondents. A sample size of 50% was adopted by the researcher to select respondents from each stratum, thus 10 respondents were selected from each stratum using convenience sampling. The total sample therefore comprised of 60 respondents.

3.4 Sample Size Determination

Sample size of the clients was determined by using the following calculation.

Table 3.1 Sample Size Determination

Sample Segmentation	Population	Sample size	Sample
Segmentation	Cimas Members	Percentage (%)	Cimas Members
Glen View 1 clients	20	50%	10
Glen View 2 clients	20	50%	10
Glen View 3 clients	20	50%	10
Glen View 4 clients	20	50%	10
Glen View 7 clients	20	50%	10
Glen View 8 clients	20	50%	10

Total	120	50%	60
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The sample required for this study was 50% of the target population. This was in line with the recommendations of Leedeey (2009) who suggested that a minimum sample size of 33% is acceptable for a research process and anything less than that is not sufficiently representative. The researcher used 120 respondents from Glen view suburb who are members of Cimas medical aid society to represent the target population for the study since the research was a cross sectional study. Population was stratified into six (6) units as shown in Table 3.1. Then convenience sampling was used to select the sufficient number from each stratum to determine the actual number of the sample. Proportionate size was applied to represent the clients from each unit. However due to the fact that this research was a cross sectional study the research had a maximum of 60 respondents in the entire sample.

3.5 Research Instruments (See Appendix 1).

A structured questionnaire (Appendix 1) was used by the researcher to collect data. Baker (2003; 1390) defines a questionnaire as, “an order set of questions to be answered which may be employed in a variety of research situations”.

The questionnaire allowed more flexibility and enabled the researcher to collect detailed data that could not have been provided by secondary data or observation .It gave an insight and provided information on the respondents’ feelings and satisfaction. The questionnaire was preferred among other means of data collection because questionnaires provide a high degree of objectivity and uniformity. Questionnaires were easy to analyze and allowed data entry and tabulation for the survey to be done easily. A questionnaire was a very practical tool of collecting data from a very large sample at a very short time and also allowed the researcher to guide participants along lines of thought with regard to the topic under study.

The choice of the questionnaire for the purpose of this study was done having taken into account the disadvantages which include that participants may fail to answer them , and if answered they

may find it difficult to interpret thus the respondents may not give full and accurate information. Some respondents put that their anonymity was not guaranteed hence give -biased responses. Its impersonal nature limits the responses of the respondent since more information is obtained from responding to a piece of paper than face to face correspondence. It does not have an element of probing which is critical for studies.

The researcher minimized the effects of the disadvantages by making sure that the questions were clear and unambiguous. The questionnaire also provided spaces for comments in order to partially overcome some of its disadvantages. Comments are among the most useful of all the information on the questionnaire and they provide insightful information that would have otherwise been lost. To counter the weaknesses the researcher also made use of the Likert scale. The Likert Scale gave the researcher the option of considering the responses to each statement separately or of combining responses to provide an overall conclusion.

The questionnaire comprised of two sections that is, section A representing demographics and section B representing variable measurement. Section B comprised of likert scale based questions and one open ended question. The likert scale ranged from 1 to 5 and respondents were asked to tick their responses in the provided boxes. A covering letter was attached to the questionnaire, to explain the purpose of the study. The questionnaire was pretested on five individuals from Glen View suburb in Harare who are Cimas medical aid society clients.

The researcher adopted and adapted a questionnaire by Lin, 2012 because of the measurement scales used. The researcher amended the questionnaire by replacing the questions asked to suite the current research.

As far as the measurement scales are concerned, the researcher made use of the likert scale to ensure validity and reliability of the findings. Scaling involves the construction of instruments for the purpose of measuring abstract concepts such as customer satisfaction (Wuensch, 2012). The measurement scales of the questionnaire were nominal scales on natural categories such as gender and ordinal scales for the variable measurement. The variables that were being measured were customer satisfaction and the factors that affect customer satisfaction. Ordinal scaling ranged from 1 to 5 that is, strongly disagree, disagree, neutral, agree and strongly agree. The data was tested for reliability and validity before regression using Cronbach's alpha.

3.6 Data Collection Procedure

The researcher distributed questionnaires to members of Cimas medical aid society who are residents of Glen View suburb in Harare. A convenient sample of 60 members was adopted for the study. The researcher visited the households of the respondents in person to administer the questionnaires and collected them. Each respondent was given time to respond to the questionnaires independently. Doing so ensured consistency, anonymity, reliability and validity of information. The questionnaires were worded in such a way that they could be understood by all respondents without help. The researcher assumed that most of the respondents would understand the questions.

3.7 Data Presentation, Analysis and Discussion.

Data was presented through the use of tables and analyzed using Microsoft excel and SPSS statistics version 21 followed by a discussion of the results. The data was tested for reliability and validity before regression using Cronbach's alpha and the findings will be presented in the next chapter.

3.10 Chapter Summary

The chapter covered the research design, target population, sampling techniques, sample size determination, research instruments and data collection procedures as well as the methods of testing of the validity and reliability of the data and the model. The following chapter will present the major findings of the research and their interpretations

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter covers data presentation, analysis and discussion of the research results based on the application of Microsoft Excel and SPSS version 21. The chapter starts with an analysis of the response rate followed by demographics, reliability and validity testing, descriptive statistics for the raw data, hypothesis testing and discussion of the results. The results in this chapter respond to the objectives of the research stipulated in the first chapter.

4.1 Questionnaire Response Rate

The researcher distributed 60 questionnaires to the respondents. The breakdown showing questionnaires issued against the questionnaires returned (response rate) is shown on the table 4.1 above and it is expressed in percentages.

Table 4.1: Breakdown of the Response Rate

Respondents	Questionnaires Distributed	Questionnaires Returned	Response rate
Glen view 1 Cimas members	10	9	90%
Glen view 2 Cimas members	10	10	100%
Glen view 3 Cimas members	10	10	100%
Glen view 4 Cimas members	10	10	100%
Glen view 7 Cimas members	10	8	80%
Glen view 8 Cimas members	10	9	90%
Total	60	56	93%

Source : Field data

Cimas medical aid members residing in Glen view suburb of Harare constituted the target population of this study. From the total sample of 60 respondents, the total response rate attained was 93 percent. The response rate was exceedingly pleasing. This is justified by the fact that the researcher personally delivered the questionnaires and collected them. The respondents proved to be cooperative thus out of the 60 questionnaires issued, 56 of them were returned and this shows a 93% response rate which is considered acceptable.

4.2 Demographic Information of Respondents

Table 4.2 below summarizes the demographic information of respondents.

Table 4.2: Demographic Information of Respondents

		Number	Percentage
Gender	Female	37	66%
	Male	19	34%
Age	16-25 years	8	14%
	26-35 years	16	29%
	36-45 years	28	50%

	Above 46 years	4	7%
Education level	High school	10	18%
	Diploma	21	37%
	Degree	15	27%
	Other	10	18%
Employment status	Formal employment	44	79%
	Informal employment	12	21%
Package used	Medexec	5	9%
	Private hospital	15	27%
	General	16	28%
	Primary	11	20%
	Basicare	9	16%
	Total	56	100%

Source: Field data

The first question was about gender of the respondents and all the 56 respondents answered that question. Out of a total of 56 respondents 37 which represent 66% were male and 19 which represent 34% were female. This shows that the majority of respondents were males.

It can be observed that most of the respondents are between 36 and 45 years. 28 out of 56 respondents belong to this group. This represents 50% of the sampled population. It can also be noted that 29% of the respondents are between 26 and 35 years. 14% are between 16 and 25 years while 7% are above 46 years. This age distribution indicates that Cimas medical aid members come from different age groups.

According to the results most of the respondents were educated to the tertiary level. The majority of respondents are diploma holders, that is, 37% represented by 21 respondents. 27% constitute of those educated up to degree level, that is, 15 respondents. 10 respondents representing 18% are high school certificate holders who have no tertiary education, whilst 10 respondents that is 18%, is comprised of respondents who have attained qualifications other than those stated on the questionnaire. These results therefore indicate that the majority of respondents are educated enough in order to comprehend the research questionnaire.

Information was collected on the employment status of the respondents and the results show that most of the respondents are into formal employment. 79% represented by 44 respondents are in

formal employment while 21% representing 12 respondents are into informal employment. The varied nature of the employment status of the respondents can be attributed to the fact that medical aid members are either direct beneficiaries or their relatives who benefit indirectly for example spouses and children.

Out of the 56 respondents 5 representing 9% are using the medexec package, 15 representing 27% are using private hospital package, 16 representing 28% are using the general package, 11 representing 20% are using the primary package and 9 representing 16% are using basicare.

4.3 Reliability testing

Reliability tests were conducted to evaluate the items of each variable. The values of Cronbach's Alpha for each item and the entire questionnaire are shown as below.

Table 4.3: Reliability testing

Item	Description	Cronbach's Alpha
1	Service quality	0.826
2	Pricing	0.743
3	Welcoming and handling customer complains	0.825
4	Customer oriented culture	0.881
5	Perceived value	0.742
6	Customer expectations	0.829
7	All paragraphs	0.937

Source: Field data

All the variables get the standardized definition higher than 0.7. Cronbach's Alpha ranges between 0.742 and 0.881 for each field, and this is considered high. The result ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.937 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire. Reliability of the questionnaire was therefore ensured.

4.4 Validity Testing

4.4.1 Discriminate validity

AVE= Average variance extracted

Table 4.4: Average variance extracted (AVE)

	Item	Standard loadings	Average variance extracted(AVE)
1	Service quality	0.924	0.987
2	Pricing	0.892	0.972
3	Handling complains	0.926	0.988
4	Customer orientation	0.950	0.994
5	Perceived value	0.892	0.972
6	Customer expectations	0.924	0.987

Source: Field data

All the variables get the standardized definition higher than 0.7. The average variance extracted ranges between 0.972 and 0.994 are considered high. Discriminate validity was therefore ensured for all the variables.

Table 4.5: Correlation test for Independent Variables and Customer Satisfaction

		Customer Satisfaction	Service Quality	Pricing	Complains Handling	Customer Orientation	Perceived Value	Customer Expectations
Customer Satisfaction	Pearson Correlation	1	.708**	.593**	.715**	.803**	.590**	.708**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	56	56	56	56	56	56	56
Service Quality	Pearson Correlation	.708**	1	.628**	.594**	.719**	.581**	.696**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	56	56	56	56	56	56	56
Pricing	Pearson Correlation	.593**	.628**	1	.727**	.580**	.832**	.746**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	56	56	56	56	56	56	56
Complains Handling	Pearson Correlation	.715**	.594**	.727**	1	.676**	.707**	.809**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	56	56	56	56	56	56	56

Customer Orientation	Pearson Correlation	.803**	.719**	.580**	.676**	1	.545**	.683**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	56	56	56	56	56	56	56
Perceived Value	Pearson Correlation	.590**	.581**	.832**	.707**	.545**	1	.794**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	56	56	56	56	56	56	56
Customer Expectations	Pearson Correlation	.708**	.696**	.746**	.809**	.683**	.794**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	56	56	56	56	56	56	56

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

Source: Field data

4.5 Summary Statistics

Table 4.6 below shows descriptive statistics of the factors affecting customer satisfaction for medical aid customers. The statistics includes mean, standard deviation, total number, minimum and maximum values.

Table 4.6 : Descriptive statistics of the factors affecting customer satisfaction for Cimas members

		N	Minimum	Maximum	Mean	Std. Deviation
1	Service Quality	56	1	5	3.13	0.810
2	Pricing	56	1	5	2.66	0.978
3	Complaints Handling	56	1	4	3.02	0.751
4	Customer Orientation	56	1	5	3.32	0.741
5	Perceived Value	56	1	5	2.68	0.936
6	Customer Expectations	56	1	5	3.34	0.859

Valid N (list wise)	56				
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From table 4.6, it is revealed that the most important factors that affect customer satisfaction for medical aid customers are customer expectations, with a mean of 3.34. The second one is customer orientation; with a mean of 3.32 followed by service quality with a mean of 3.13. The fourth one is complaints handling with a mean of 3.02 followed by perceived value with a mean of 2.68. The last variable is pricing which has a mean of 2.66.

Despite the variation in terms of effect on customer satisfaction, the research results indicate that all of the six factors are crucial determinants of customer satisfaction in the medical aid industry that is the real power about these six factors affecting customer satisfaction lies within the synergy between them. Through aligning the six factors medical aid societies can improve their abilities and capacities to better serve their members and achieve their satisfaction.

Table 4.7: Summary of responses on factors that affect customer satisfaction for medical aid customers.

Q1-Q7 Determinants of Customer satisfaction	Strongly dissatisfied		Dissatisfied		Somehow satisfied		Satisfied		Strongly satisfied		Total	
	1		2		3		4		5			
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Overall satisfaction	2	4%	5	9%	25	44%	19	34%	5	9%	56	100%
Service quality	1	2%	11	20%	25	44%	18	32%	1	2%	56	100%
Pricing	6	11%	20	35%	18	32%	11	20%	1	2%	56	100%
Handling queries	3	5%	8	14%	33	59%	12	22%	0	0%	56	100%
Customer orientation	3	5%	6	11%	34	61%	13	23%	0	0%	56	100%
Perceived value	5	9%	20	36%	20	36%	10	18%	1	1%	56	100%

Customer expectations	2	4%	4	7%	27	48%	19	34%	4	7%	56	100%
Medical aid uptake	2	4%	19	34%	23	41%	12	21%	0	0%	56	100%

Source: Field data

Table 4.7 above indicates that customer satisfaction is low for all the variables. The majority of the respondents are undecided or somehow satisfied with service quality, which counts 44% of the respondents. 34% were of the opinion that they are satisfied with the service quality offered by Cimas. 9% expressed that they are strongly satisfied with the quality of service. However, some are not satisfied with the service quality offered by Cimas. They count to 9% and 4%, that is, dissatisfied and strongly dissatisfied customers respectively.

Most of the respondents are dissatisfied with the pricing of Cimas packages. 35% of the respondents fall in this category. 32% of the respondents feel that they are neither satisfied nor dissatisfied with the prices charged so it seems the prices being charged are exorbitant. 11% are strongly dissatisfied. Even though most of the respondents are not happy about the pricing system at Cimas there are some who feel that the prices are fair and justifiable. This group is represented by 20% and 2% of the respondents who feel that they are satisfied and strongly satisfied respectively with the pricing system at Cimas. These results therefore clearly show that the majority of the respondents are not really satisfied with pricing which is an indication that Cimas charges are too high.

59% are undecided or somehow satisfied with the manner in which their requests and complains are handled. 22% are satisfied, 16% are dissatisfied whilst 5% are strongly dissatisfied. These results indicate that Cimas response to customer requests and complains is not that pleasing, thus members are not impressed. Failure by Cimas to attend to queries in time is not being appreciated by members.

Most respondents feel that Cimas is not customer oriented and does not pay individual attention to its customers. As can be seen in table 4.7, above only a few that is 23% agreed that there are satisfied with how Cimas caters for the needs of its individual customers. Quite a number of respondents were of the opinion that Cimas is not customer driven. 11% belong to this group. The

majority 61% were neutral that is, somehow satisfied with the attention given by Cimas to its members while 5% of the respondents are strongly dissatisfied since they feel that Cimas does not seek to establish the requirements of its customers and is only concerned with its survival.

It can also be observed that the majority of respondents are undecided or somehow satisfied with the value of the service offered by Cimas. Members evaluate service delivery against price paid, thus the service they get must be equivalent to the price paid or even surpass it otherwise the result will be dissatisfaction. The results indicate that not all members of Cimas consider the service delivered as value for money even though some feel that service delivery is commensurate with the price paid. 36% of the respondents are somehow satisfied, 18% agree that service delivery is commensurate with the price they pay while only 1% talk of being strongly satisfied. Those who are dissatisfied count to 36% whilst those who strongly disagree count to 9% of the respondents. The above results therefore show that the value of the service offered by Cimas is thus not as high as members perceives it to be.

Before using Cimas medical aid or before visiting health service providers members develop expectations in their minds and the actual service delivered to them must match or surpass those expectations, otherwise members will be dissatisfied. The findings of this research indicate that members' expectations were not fulfilled as shown by the low satisfaction levels. The majority of the respondents were neutral or somehow satisfied and they count to 48%. 34% were satisfied whilst 7% had their expectations not fulfilled, 4% were strongly dissatisfied whilst only 7 percent strongly agree that their expectations were fulfilled.

As members of a medical aid society visit a health service provider they expect their medical aid to be acceptable and when they are denied access to health services it results in customer dissatisfaction. From the above results not all members were satisfied thus Cimas is not fulfilling its promise of member satisfaction.

4.5.1 Summary of responses on open ended questions

The results of this research indicate that satisfaction levels are very low because only a few respondents expressed their satisfaction with the service offered by Cimas. Most responses were about pricing, service quality and customer expectations. Most respondents suggested that they had been denied access to treatment on many occasions and were asked to top up cash since they had shortfalls. This is very disappointing considering the fact that these members will be paying their monthly premiums expecting to receive treatment when they fall sick. Some even pointed out that they were denied treatment in emergency situations. The dissatisfied members suggested that, they made expectations before getting a service and when the actual encounter occurred, they were disappointed because their expectations could not be fulfilled. On the other hand, there are a few satisfied members who suggested that their expectations were fulfilled

Most members were also of the opinion that Cimas is robbing them of their money since the charges are too high. They suggested that Cimas must revise its pricing system and reduce them to affordable levels. According to the responses most members are willing to increase the number of secondary beneficiaries that is their relatives but cannot do so due to the exorbitant prices at Cimas. Some said they wanted to include their parents as secondary beneficiaries but could not due to high prices. The majority of members were complaining that Cimas has hiked prices instead of reducing them. Some members expressed their disappointments saying Cimas hiked prices for its own benefit, for example increasing staff salaries and buying luxury cars for management at the expense of the members who are experiencing shortfalls again and again.

Most respondents indicated that their suggestions and complains should be taken seriously. The respondents suggested that they experienced many challenges when they visited health service providers and presented them to Cimas but nothing was done to resolve them. They say that problems take time for them to be resolved by Cimas. Many respondents feel that Cimas does not prioritize their needs, as it does not make efforts to try and establish what members want.

The results indicate that even though some of the members are satisfied with service delivery of Cimas most of them have expressed their dissatisfaction with the service delivery by Cimas. Respondents indicated that the prices of packages must be reduced and be affordable to everyone and medical aid must be acceptable without members being requested to top up cash whenever

they visit health service providers. They also suggested that service delivery should be improved for it to be commensurate with the price they pay. The overall research results therefore indicate that, the satisfaction levels, for Cimas medical aid members, is low.

Summary of responses on open ended questions was done using a thematic analysis because it is simple to use and allowed for flexibility in the researchers' choice of theoretical framework. Through this flexibility, thematic analysis allowed for rich, detailed and complex description of the data.

4.6 Hypothesis testing

The results below shows the relationship between customer satisfaction and (price, customer expectations, customer oriented culture. service quality, complains handling and perceived value).

4.6.1 Hypothesis 1: Relationship between service quality and customer satisfaction

The results below indicate that there exists a relationship between service quality and customer satisfaction.

H1: Service quality affects customer satisfaction

Table 4.8: Co-efficients ^a

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.892	.346		2.581	.013

	Service Quality	.789	.107	.708	7.367	.000
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a. Dependent Variable: Customer Satisfaction

The regression analysis, presented in table 4.8 above, indicates that there is a weak positive relationship between service quality and customer satisfaction (Sig .013), represented by p-value of 0.000. Specifically, the results indicate that service quality ($\beta = 0.708$, $p > 0.1$) is positively related to customer satisfaction.

Table 4.9 below reports the model summary, with the calculated value of $R^2 = 0.501$ confirming service quality reaching a significant level explains 50.1 percent of the variation in the level of customer satisfaction of the sample.

Table 4.9: Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.708 ^a	.501	.492	.644

a. Predictors: (Constant), Service Quality

b. Dependent Variable: customer satisfaction
Significant level = 0.05

The value for Adjusted $R^2 = 0.492$ is the value of the coefficient of determination adjusted for degrees of freedom. It ensured that when adjusted for degrees of freedom service quality; explain

50.1 percent of the variation in the level of customer satisfaction of the sample. $R = 0.708$ indicate that service quality is positively related to customer satisfaction.

4.6.2 Hypothesis 2: Relationship between pricing and customer satisfaction

The results below indicate that there exists a relationship between pricing and customer satisfaction.

H2 : Pricing affects customer satisfaction

As illustrated in Table 4.10 below, the regression analysis show that pricing influences customer satisfaction, and with a positive direction. Pricing ($t=5.410$) contributes to the customers' satisfactions. The relationship found is positive, implying that the more positive the pricing the greater customer satisfaction in the medical aid industry. Pricing affects customer satisfaction at a statistically significant level. Therefore pricing is related to customer satisfaction.

Table 4.10: Co-efficients^a

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.900	.287		6.627	.000
	Pricing	.548	.101	.593	5.410	.000

a. Dependent Variable: Customer Satisfaction

The regression analysis in table 4.11 below, explains the relationship between pricing and customer satisfaction with an R Square of 0.351, which means that 35.1% of customer satisfaction is being explained by pricing while the difference is being explained by other factors.

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.593 ^a	.351	.339	.734	54.399	.000 ^b

a. Predictors: (Constant), Pricing

b. Dependent Variable: customer satisfaction

Significant level = 0.05

Considered with Adjusted R Square value, it shows the value at 0.339. According to the F-test which was 54.399 and also considering the result of significant level which is 0.000 and below level of significant or the alpha level ($\alpha = 0.05$) for the hypothesis test. It means that pricing has influence on customer satisfaction.

4.6.3 Hypothesis 3: Relationship between complains handling and customer satisfaction

The results below indicate that there exists a relationship between complains handling and customer satisfaction

H3 : Complains handling affects customer satisfaction

Table 4.12: Co- efficient^a

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.762	.356		2.140	.037
	Complains Handling	.860	.115	.715	7.508	.000

a. Dependent Variable: Customer Satisfaction

As illustrated in Table 4.12 above, regression analysis indicates that complains handling affects customer satisfaction, and with a positive direction. ($t=7.508, p<0.01$). The relationship found is positive, implying that the greater the welcoming and handling of customer complains, the more customers are satisfied in the medical aid service. However welcoming and handling customer complains do not affect the customer satisfaction at a statistically significant level at 95% as shown in the regression analysis (0.037) represented by p-value 0.000. Therefore, H3 has a weak positive relationship with customer satisfaction.

The regression analysis from table 4.13 below, indicate that the relationship between welcoming and handling customer complaints and customer satisfaction considered with R Square is 0.511.

Table 4.13: Model summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	F	Sig.
1	.715 ^a	.511	.502	.637	56.376	.000 ^b

a. Predictors: (Constant), Complaints Handling

b. Dependent Variable: customer satisfaction

Significant level = 0.05

Considered with Adjusted R Square value, it shows the value at 0.502 and this means that 50.2% of customer satisfaction is being explained by welcoming and handling customer complaints. According to the F-test which was 56.376 and considering that, the result of significant level is 0.000 which is below level of significant or the alpha level ($\alpha=0.05$) for the hypothesis test, it means that welcoming and handling customer complaints has influence on customer satisfaction.

4.6.4 Hypothesis 4: Relationship between customer oriented culture and customer satisfaction

The results below indicate that there exists a relationship between customer oriented culture and customer satisfaction

H4 : Customer oriented culture affects customer satisfaction

Table 4.14: Coefficients^a

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.106	.336		.317	.753
	Customer Orientation	.979	.099	.803	9.910	.000

a. Dependent Variable: Customer Satisfaction

The regression analysis in Table 4.14 above indicates that customer oriented culture affects customer satisfaction, and with a positive direction. ($t=9.910, p<0.01$). The relationship found is positive, implying that the greater the customer oriented culture, the more customers are satisfied with the medical aid scheme. At 95% significant level as shown in the regression analysis (0.753) represented by p-value 0.000, customer oriented culture (H4) has a moderate positive relationship with customer satisfaction.

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.803 ^a	.645	.639	.543	98.202	.000 ^b

a. Predictors: (Constant), Customer orientation

b. Dependent Variable: customer satisfaction

Significant level = 0.05

The regression analysis in table 4.15 above, indicate that the relationship between customer oriented culture and customer satisfaction considered with R Square is 0.645. Considered with Adjusted R Square value, it shows the value at 0.639 and this means that 64.5% of customer satisfaction is being explained by customer oriented culture. According to the F-test which was 98.202 and considering that, the result of significant level is 0.000 which is below level of significant or the alpha level ($\alpha=0.05$) for the hypothesis test, it means that customer oriented culture has an influence on customer satisfaction.

4.6.5 Hypothesis 5: The relationship between perceived value and customer satisfaction

The results below indicate that there exists a relationship between perceived value and customer satisfaction

H5: Perceived value affects customer satisfaction

According to the results in Table 4.16 below, regression analysis shows that perceived value affects customer satisfaction, and with a positive direction. ($t=5.367, p<0.01$). The relationship found is positive, which means that the greater the customer oriented culture, the more customers are satisfied in the medical aid service. However customer oriented culture do not affect the customer satisfaction at a statistically significant level at 95% as shown in the regression analysis (0.000) represented by p-value 0.000. Therefore, customer oriented culture (H3) has a weak positive relationship with customer satisfaction.

Table 4.16: Coefficients^a

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	1.833	.300		6.101	.000
	Perceived Value	.569	.106	.590	5.367	.000

a. Dependent Variable: Customer Satisfaction

The regression analysis from below table 4.17 below shows that the relationship between customer oriented culture and customer satisfaction considered with R Square is 0.348. Considered with Adjusted R Square value, it shows the value at 0.336 and this means that 34.8% of customer satisfaction is being explained by customer oriented culture.

Table 4.17: Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	F	Sig.
1	.590 ^a	.348	.336	.736	28.804	.000 ^b

a. Predictors: (Constant), Perceived Value

b. Dependent Variable: customer satisfaction

Significant level = 0.05

According to the F-test which was 28.804 and considering that, the result of significant level is 0.000 which is below level of significant or the alpha level ($\alpha = 0.05$) for the hypothesis test, it means that welcoming and handling customer complaints has an influence on customer satisfaction.

4.6.6 Hypothesis 6: The relationship between customer expectations and customer satisfaction.

The results below indicate that there exists a relationship between customer expectations and customer satisfaction

H6: Customer expectations affect customer satisfaction.

The regression analysis in Table 4.18 below indicates that customer expectations affect customer satisfaction, and with a positive direction. ($t=7.376$, $p<0.01$). The relationship found is positive, which means that the greater the customer expectations, the more customers are satisfied in the medical aid service.

Table 4.18: Coefficients^a

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.869	.348		2.497	.016
	Customer Expectations	.745	.101	.708	7.376	.000

a. Dependent Variable: Customer Satisfaction

However customer expectations do not affect the customer satisfaction at a statistically significant level at 95% as shown in the regression analysis (0.016) represented by p-value 0.000. Therefore, customer expectations (H6), has a weak positive relationship with customer satisfaction.

Table 4.19: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.708 ^a	.502	.493	.643	54.399	.000 ^b

a. Predictors: (Constant), Customer Expectations

a. Predictors: (Constant), Complaints Handling

b. Dependent Variable: customer satisfaction

Significant level = 0.05

According to the results of the regression analysis in table 4.19 above, the relationship between customer expectations and customer satisfaction considered with R Square is 0.502. Considered with Adjusted R Square value, it shows the value at 0.493 and this means that 50.2% of customer satisfaction is being explained by customer expectations. According to the F-test which was 54.399 and considering that, the result of significant level is 0.000 which is below level of significant or the alpha level ($\alpha = 0.05$) for the hypothesis test, it means that, customer expectations have an influence on customer satisfaction.

4.6.7 Hypothesis 7: The relationship between customer satisfaction and medical aid uptake.

The results below show customer satisfaction influences the uptake of medical aid cover.

H4: Customer satisfaction affects medical aid uptake.

Table 4.20: Regression of Customer Satisfaction towards medical aid uptake.

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.761	.403	4.375	.000	
	Customer Satisfaction	.311	.116	.343	2.680	.010

a. Dependent Variable: Medical Aid Uptake

The results of regression analysis in table 4.20 above identified customer satisfaction ($t=2.680$, $p<0.01$) influencing medical aid uptake, and with a positive direction. It implies that the more positive customer satisfaction, the greater the medical aid uptake. Therefore, H7 is supported, in that customer satisfaction is related to medical aid uptake.

Table 4.21: Summary of Model Regression of Customer Satisfaction towards Medical Aid Uptake

The regression analysis from table 4.21 below shows the relationship between customer satisfaction and medical aid uptake. R Square is 0.117 while the Adjusted R Square value is 0.101.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.343 ^a	.117	.101	.776	7.183	.010 ^b

a. Predictors: (Constant), Customer Satisfaction

b. Dependent Variable: medical aid uptake

Significant level = 0.05

The F-test is 7.183 and considering the result of significant level which is 0.010 and below level of significant or the alpha level ($\alpha = 0.05$) for the hypothesis test. It means therefore, that customer satisfaction has an influence on medical aid uptake.

4.7 Summary of Hypothesis Testing

The results of hypothesis testing is analyzed on service quality, pricing, handling customer complaints, customer oriented culture, perceived value and customer expectations, customer satisfaction and medical aid uptake).

Table 4.17 Summary for All Hypotheses

Item	Description	Result
1	H1 Service quality affects customer satisfaction.	Accepted
2	H2: Pricing affects customer satisfaction.	Accepted
3	H3: Handling customer complains affects customer satisfaction.	Accepted
4	H4: Customer oriented culture affects customer satisfaction.	Accepted
5	H5: Perceived value affects customer satisfaction.	Accepted
6	H6: Customer expectations affect customer satisfaction.	Accepted
7	H7: Customer satisfaction affects medical aid uptake	Accepted

It is therefore apparent from the above hypothesis that all the factors have an impact on customer satisfaction but service quality and customer expectations have the greatest impact as shown by the results above.

4.8 Discussion

The results of this study concur with the findings of other researchers who sought to establish the factors affecting customer satisfaction. Johnson (2012) used a similar five point-Likert scale to gauge service quality of health service providers, and reported mean values ranging from 2.4 to 3.9. He indicated that like the present study where customers perceive service quality of Cimas to be low, customers perceived health service as offering low quality service (see Johnson, 2012, p. 45).

The findings of this research on price fairness echo with the findings of Nimako and colleagues who reported that overall satisfaction ranged from 2.04 to 2.69 (see Nimako et al., 2010, p. 43), which apparently mirror the present study's results mean value for pricing which was 2.66. Based on the formulated hypotheses, Ayuba (2012) in Nigeria revealed that most of the targeted consumers agreed that high pricing dimension of products result in low-level customer satisfaction. This concurs with the current study.

Responses on the service recovery items are not always consistent. A similar research by Adjetey (2012) concluded that "although measures are taken to rectify or recover from service failures, these measures are nonetheless below customers' expectations" (p. 43). Likewise, it seems from the present study's findings on service recovery that recovery efforts to rectify service failures, that is welcoming and handling customer complaints associated with Cimas are barely satisfactory, at least from customers' perspective.

As established by Parisa (2011), customer oriented culture has a major effect on customer satisfaction. This researcher also established that care and individualized attention to customers is a driving force in inducing customer satisfaction. Parisa (2011) established that training of

service providers in attitudinal, technical and communication competencies results in customer satisfaction. This concurs with the present researcher who established that service quality is a major determinant of customer satisfaction. It is therefore true that a customer is a king because if not given the necessary attention it results in dissatisfaction.

According to the present research perceived value affects customer satisfaction. This concurs with the findings of Lin (2012) in Bangkok Thailand who indicated that perceived value play a key role in customer satisfaction. Nazir, Rehman and Ali (2015) in Pakistan established that among the variables customer expectations had a major impact on customer satisfaction. This echoes with the present results which indicate that there exists a positive relationship between customer expectations and customer satisfaction.

The results of this research concurs with those of past researchers such as Kumbhar who established that perceived value, brand perception, cost effectiveness, easy to use, convenience and problem handling are important factors in customer satisfaction.

Despite differences in geographical locations and time of conducting the study, the results of this research concurs with those of past researchers that many factors notably service quality, pricing, handling customer complains, customer oriented culture, perceived value and customer expectations affect customer satisfaction and that there is a statistically significant positive correlation.

4.9 Chapter Summary

This chapter presented and analyzed the research findings. Data was presented using tables and analyzed using Microsoft excel and SPSS version 21. The next chapter covers the summary, conclusions and recommendations for the study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter examines the summary, conclusions and recommendations of the research in line with the research objectives which were presented in the first chapter. The recommendations were proposed based on the conclusions

5.1 Summary

The idea behind this study was to establish the factors that affect customer satisfaction for medical aid customers. This study intended to figure out the relationship between independent variables (service quality, price, welcoming and handling customer complains, customer oriented culture, perceived value, customer expectations, brand image) and dependent variable (customer satisfaction) for medical aid customers in Glen view , Harare, Zimbabwe. The study was a

survey of customers and as part of the methodology, both causal and descriptive research designs were adopted for the study.

The researcher made use of both stratified and convenience sampling and the total population was divided into strata using stratified sampling whereby respondents were classified according to location that is where they reside. Convenience sampling was then adopted to select respondents and the total sample comprised of 60 respondents. The questionnaire was used for data collection and the quantitative research method was utilized. The data was analyzed using Microsoft excel and SPSS statistics version 21. The major findings based on the formulated hypotheses revealed that most important factors affecting customer satisfaction in the medical aid industry were service quality and customer expectations. Some recommendations were made and among the major recommendations were the need for Cimas to commit to any promise given by their representatives to a customer and the need to fulfill that promise to ensure that expectations are fulfilled and the need for Cimas to improve the quality of service delivery.

5.2 Conclusions.

It has been established that there is a significant relationship between six independent variables (service quality, price, welcoming and handling customer complaints, customer oriented culture, perceived value, customer expectations) and the dependent variable (customer satisfaction). The relationship has been found to be in the positive direction.

Based on the empirical results, this study concludes that service quality and customer expectations are the most important factors affecting customer satisfaction for medical aid members in Zimbabwe. In other words, the lower the service quality, the lower the level of customer satisfaction, the greater the perception of unfulfilled customer expectations, the greater the level of dissatisfaction among members

Based on the survey results Cimas has failed to impress its members as it is lagging behind in terms of the provision of high quality service delivery thus there is need for Cimas to up their

game and improve their service quality in terms ensuring acceptability of its medical aid by health service providers as well as dealing with the issue of shortfalls.

The results also clearly indicate that the prices of Cimas medical aid packages are not fair and members are not satisfied thus the unnecessary high prices need some adjustment to ensure fairness to the members of the medical aid society.

According to the research findings, Cimas has also failed to fulfill member's expectations. This is a worrisome situation as it negatively impacts on their reputation. There is thus need for ascertaining members expectations if dissatisfaction is to be avoided.

The research has revealed that member's queries and requests are not being given the necessary attention and this implies that the concept of customer orientation is being compromised. This shows that Cimas is taking a back step and forgetting that a business does not operate in isolation due to competitors. If complaints persist without the necessary attention members will simply shift to competitors

The research results also reveal that members feel that the price they pay for the medical aid packages is not commensurate with the quality of service delivered. This means that Cimas is concerned with revenue generation and survival at the expense of the member. It also shows that there is misappropriation of funds at Cimas that is funds that were meant for medical aid cover which is their core business might be used for the wrong purposes. Cimas has diversified its operations but that does not give it the right to exploit members.

Based on the study it can be said that the majority of customers are currently not satisfied with the service provided by Cimas medical aid society even though they have managed to impress a few of the members. Cimas therefore need to take action and improve their service delivery otherwise there won't be uptake of medical aid by new members and existing members may simply shift to competitors.

5.3 Recommendations

Too many organizations are like buckets leaking customers through a hole in the bottom. Worse still, they tend to allocate more resources to pouring new customers into the top of the bucket than to plugging the leak in the bottom (Levine 2008). In light of the findings discussed above and the conclusions reached by the researcher the following recommendations may be utilized in order for medical aid societies to improve their performance and losing any leaks they have.

Ensure the Delivery of Excellent Service Quality

This researcher recommends that members of Cimas must be put first if excellent and satisfactory service quality is to be achieved. The results of the crucial relationship between service quality and customer satisfaction reinforce the need for Cimas to emphasize the delivery of high quality service. Cimas should seek to improve the quality of service with the customer in mind since it is the customer who evaluates the service quality and who it seeks to satisfy. Quality improvements may fail to achieve the desired objectives if Cimas do not consider the opinions and requirements of its members. It is up to the members to decide what they consider as excellent service quality. Cimas must also stick to their core business which is that of providing medical insurance as diversification compromises service quality because of conflict of resources.

Develop a Fair Pricing System

The result of the direct significant relationship between price fairness and satisfaction judgments indicates that price is an important element in membership continuation and uptake of medical aid; therefore, it has a large influence on members' satisfaction judgments. This result implies that Cimas should not only avoid exploiting their customers but should also anticipate members' potential feelings of being exploited. Being sensitive to the buyers' psychological state and assuring buyers of fair treatment will enhance perceptions of price fairness without changing the price offer.

It is recommended on the basis of the empirical evidence that to understand customer satisfaction better, managers must survey customers about both perceived service quality and perceptions of price fairness. The research indicates that when customers have negative perceptions about prices fairness and service quality, notwithstanding high investments into corporate reputation building and even high level of customer orientation of service employees and any effort made to recover from service failures, customers will be dissatisfied with a medical aid society.

Welcome and Handle Customer Requests and Complains

The researcher urges Cimas not to say one thing and do another. Instead open dialogue must be encouraged with customers and not stifle or ignore customer feedback. Employees should understand what they are supposed to do and how this will be evaluated, appraised and rewarded.

Develop a Customer Oriented Culture

Any organization that wants to flourish must first and foremost be customer -centric. This means Cimas must cast off the legacy baggage of utility era and build a management team that thinks and acts like a real competitor at every level and across departments. More than simply improving the customer service help desk, Cimas must consider the member in every aspect of product development and delivery of services. Business competition has become more global and more intense; hence Cimas should realize that it cannot compete only on price rather it has to focus more on the valued member. Successful service organizations constantly strive for higher levels of service, thus Cimas must recognize that the needs of 'internal' as well as the 'external' customers are considered in order to provide excellent service, which is exceeding customer expectation.

Prioritizing Perceived Value

The researcher recommends that Cimas must ensure value creation with emphasis not only on the competitor but also on its members. It must establish the member's requirements first and then develop a service that is tailor made to meet the demands of its members. If Cimas is to succeed in satisfying its members it must meet and exceed customer expectations by creating real value by way of ensuring that members can access treatment and other health needs whenever they wish to do so without experiencing any denial or shortfalls. In other words a medical aid has to be reliable and acceptable without members having to be asked to top up cash.

Fulfilling Customer Expectations

The researcher recommends that Cimas have to commit to any promise given by their representatives to a customer and they need to fulfill that promise to ensure that expectations are fulfilled. Cimas should conduct periodic surveys to identify the needs and expectations of its members. This can assist in preventing the need to meet their expectations and the same information may assist in building relationships with the customer hence this will contribute to customer satisfaction as Cimas will be aware of member's expectations making it easier to fulfill them.

5.4 Directions for Future Research

This study only focused on Cimas members in Glen view, Harare and does not include members in other provinces. Therefore, the next research may be conducted for another medical aid society or in the other provinces. This study only focused on seven of the variables affecting customer satisfaction. There might be other variables affecting customer satisfaction, hence future research may seek to establish more on other variables affecting customer satisfaction for medical aid customers.

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Appendix 1

Customer Survey Questionnaire

Dear Sir or madam

First of all, I would like to wish you congratulations because you have been chosen as a respondent in this study. I am conducting a study about “**Factors affecting membersatisfaction for medical aid customers: The case study of Cimas medical aid society**”. This research is being conducted as a partial fulfillment to the Bachelor of Business Studies Honors Degree in Marketing.

This questionnaire consist of two sections, section A and B. Section A consists of your demographic profile, section B is about customer satisfaction. All responses will be kept unanimous. All information is treated as PRIVATE and CONFIDENTIAL and only used for the academic research purpose. Furthermore, your honesty and great sincerity are highly required in answering the questionnaire.

Your cooperation in this degree project is greatly appreciated. Thank you for your valuable time.

Sincerely

Kenneth Komechi(**B0420363**)

Bindura University of Science Education.

INSTRUCTIONS

- (i) Please tick only the appropriate answer you agree with per question.
- (ii) Should you wish to change your answer, circle the initial answer and tick the new preferred answer?
- (iii) You are free to insert additional comments below each question if you so desire.

Section A - Personal Background

Please tick your answer in the blank given. Chose only one and your original response is very much appreciated

1. Gender

- 1. • Male
- 2. • Female

2. Age level

- 1. • 16 -25 years
- 2. • 26 - 35years
- 3. • 36 - 45 years
- 4. • Above 46 years

3. Education level

- 1. • High school
- 2. • Diploma
- 3. • Degree
- 4. • Other

4. Employment Status

- 1. • Unemployed
- 2. • Formal employment
- 3. • Informal employment

5. Which Cimas Medical Aid Package are you using?

- 1. • Medexec
- 2. • Private hospital
- 3. • General
- 4. • Primary
- 5. • Basicare

Section B - Variable Measurement

Please read description given. Then rate the frequency by ticking in the boxes provided. Use the following scale:

1 = Strongly Dissatisfied (Strongly Disagree)

2 = Dissatisfied (Disagree)

3 = Somehow Satisfied (Neutral)

4 = Satisfied (Agree)
5 = Strongly Satisfied (Strongly Agree)

Customer satisfaction

1. Overall I am satisfied with Cimas Medical Aid society's service delivery.
• [1] • [2] • [3] • [4] • [5]

2. To me Cimas Medical Aid society provides the best service quality.
• [1] • [2] • [3] • [4] • [5]

3. Cimas Medical Aid society offers flexible pricing for various services that meets my needs.
• [1] • [2] • [3] • [4] • [5]

4. Cimas attends to member's queries and requests as promised and in time
• [1] • [2] • [3] • [4] • [5]

5. Cimas provides care and individualized attention to the customers.
• [1] • [2] • [3] • [4] • [5]

6. The price I pay is commensurate with the quality of service I receive.
• [1] • [2] • [3] • [4] • [5]

7. Cimas Medical Aid society has the ability to fulfill member's expectations.
• [1] • [2] • [3] • [4] • [5]

8. I will continue with Cimas, recommend it to others and will not switch into using medical aid offered by any other organization.

8. How can Cimas be able to keep you satisfied as a member of the society?
.....
.....

.....
.....

“Thank You for your support. God bless you.”

