

---

## **THE IMPACT OF FUNCTIONAL QUALITY SERVICE DELIVERY ON CUSTOMER SATISFACTION IN NIGERIAN INSURANCE INDUSTRY: A CASE STUDY OF INSURANCE INDUSTRY IN OSUN STATE**

**<sup>1</sup>Olaoye, T.B, & <sup>2</sup>Ekundayo, O.A**

---

**<sup>1</sup>Department of Banking & Finance, Osun State College of Technology, Esa – Oke, Osun State**

**<sup>2</sup>Department of Actuarial Science & Insurance, Joseph Ayo Babalola University, Ikeji- Arakeji, Osun State**

**Email: [olaoyebolaji30@gmail.com](mailto:olaoyebolaji30@gmail.com), [oaekundayo@jabu.edu.ng](mailto:oaekundayo@jabu.edu.ng)**

### **ABSTRACT**

This paper focuses on the impact of functional quality service delivery on customer satisfaction in Nigerian insurance industry. It aims at examining the reasons for negative perception and low patronage of customers toward the services that are provided by the insurance companies in Osun State of Nigeria. To achieve this, three hundred copies of questionnaire were administered to ten selected insurance company customers who were chosen randomly by convenient sampling technique out of the population. Data obtained were analyzed, by using, Analysis of variance (ANOVA), Multiple Regression and Correlation Analyses to ascertain the pattern of relationship between functional quality service delivery and customer satisfaction. The result showed that all the dimensions of functional quality services which are; responsiveness, assurance, reliability, tangibility, and empathy have positive and significant influence on customer satisfaction in the insurance industry. It can be concluded that, functional quality service have direct impact on customer satisfaction, Therefore, the study recommends that the management of insurance companies must place emphasis on the underlying dimension of functional quality service, in order to maintain customer satisfaction.

**The Impact of Functional Quality Service Delivery on  
Customer Satisfaction in Nigerian Insurance Industry:  
A Case Study of Insurance Industry in Osun State**

Olaoye, T.B, & Ekundayo, O.A

**Keywords:** Customer Satisfaction, Functional Quality Services, Nigerian Insurance Industry

## **INTRODUCTION**

Customer satisfaction will depend on the quality of services provided, therefore, customer satisfaction and service quality have long been recognized as playing critical roles for success and survival in today's competitive market. The quality and satisfaction concept affect customers' behavioral intention like purchase and loyalty intentions, willingness to spread positive word of mouth, referral and complaint intention, and these have been studied by many researchers. Therefore, building customer relationship is a backbone for all organizations in general and companies in service industries which improves organization's performance and translates into more profit. Quality service on the other hand, has become a major area of attention during the past few decades for managers, researchers, practitioners because of its huge impact on business performance of firms. According to Caruana (2002) and Parasuraman & Grewal (2000), customers prefer and value companies that provide high quality service. Thus, the attainment of quality in products and services has become a driving concern of the 1980s. Customers judge service quality relative to what they want by comparing their perceptions of service experiences with their expectations of what the service performance should be. Marketers described and measured only quality with tangible goods, whereas quality in services was largely undefined and un-researched (Parasuraman & Grewal 2000).

Quality in a service business has become a measure of the extent to which the service provided meets the customer's expectations. Companies have found that in order to increase profits and market share, they should pay much attention to service quality. Service quality has become a key strategic factor for companies to differentiate their products and services from other competitors by using service quality as a process that customers evaluate. How these services are provided is the most important phenomenon, Ziethaml, Bitner & Grembler.

(2010) presented a model indicating various dimensions of service quality. The model was named SERQUAL that elaborates service quality indicating its various constructs, namely; Tangibles, Reliability, Responsiveness, Empathy and Assurance.

### **STATEMENT OF PROBLEM**

In developed countries, like the United States of America, insurance companies contribute greatly to the financial sector of the economy as a result of the fact that they are reliable because they pay claims promptly and they have other various ways of reminding their clients when their policies are about to expire. Such good attitude towards the policy holders motivates the customers, hence, the will to continue with the policy. This shows that when the quality of services improves, the clients are likely to keep the policy for long. In Nigeria, only about 1.5% of the population has one form of insurance or the other (Odeyemi & Nixon, 2013). There is low awareness of insurance benefits among the people, and insurance policyholders have the highest level of dissatisfaction. This was as a result of poor quality service delivery that are provided by the insurance companies. Negative perceptions of Nigerians towards the quality service delivery in insurance have generally inhibited the growth of the sector. For instance, many people are of the opinion that insurance companies are more concerned with collecting premiums, than settling claims. Also, most insurance premiums are too expensive for the average Nigerians to afford. This reduces the number of people willing and able to purchase the policies. All these affect customers' perception and confidence in the insurance companies (Odeyemi, 2014).

Therefore, this paper wants to find out how the customers feel about the service quality in the insurance industry, and also know the extent of their satisfaction to the services that are provided by the insurance companies in Nigeria. A lot has been done on these in other financial sectors, but there is dearth of researches on customer satisfaction in insurance companies in Nigeria. So, this study looks into customer satisfaction in Osun State as it is the backbone of any organization and this could

**The Impact of Functional Quality Service Delivery on  
Customer Satisfaction in Nigerian Insurance Industry:  
A Case Study of Insurance Industry in Osun State**

**Olaoye, T.B, & Ekundayo, O.A**

be done by providing quality services to the customers which may be in form of functional quality services. (Grönroos, 2007).

## **LITERATURE REVIEW**

### **Customer Satisfaction**

Customer satisfaction (CS) is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market (Anderson, Fornell, & Lehmann, 1994; Grönroos, 1984; Lovelock & Wirtz, 2007).

The concept has been variously defined by many authors as follows;

- Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's performance (outcome) in relation to his or her expectation (Kotler & Keller, 2006).
- Satisfaction is a psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service (Peng, 2013).
- Customer satisfaction is an attitude-like judgment, following a purchase act or a series of consumer product interactions (Lovelock & Wirtz, 2007).
- Customer satisfaction is a consumer's post-purchase evaluation and affective response to the overall product or service experience (Tang, Chan & Tai, 2002).
- Satisfaction is merely the result of things not going wrong; satisfying the needs and desires of Consumers (Lepkova, 2012).
- Customer satisfaction is an experience-based assessment made by the customer of how far his or her own expectations about the individual characteristics or the

overall functionality of the services obtained from the provider have been fulfilled (Bruhn, 2003).

- Satisfaction is the process of customer overall subjective evaluation of the product/service quality against his/her expectation or desires over a time period (Gyasi & Azumah, 2009)

Satisfaction is more complex to define accurately to fit every context and measure, from marketing perspective customer satisfaction has multi-dimensionality. The object of customer satisfaction may be varied and can be related to different dimensions of multiple experiences with product and service provider (Surenshchandar, Rajendran & Anatharaman 2002; Satari 2007).

### **Quality service**

Service quality presents the consumer's overall impression of the relative inferiority / superiority of the organization and its services. Service quality has been referred to as customer perceived quality (CPQ), which is defined as the confirmation (or disconfirmation) of a consumer's expectations of service compared with the customer's perception of the service actually received (Gronroos, 2005).

Asubonteng, McCleary, Swan (1996) defined service quality as the extent to which a service meets customers' needs or expectations. This view of service quality has been supported by Parasuraman, Zeithaml & Berry (1990) by defining the concept of service quality as a form of attitude, related, but not equivalent to satisfaction, that results from a comparison of expectations with perceptions of performance. Expectations are viewed as desires or wants of customers, i.e. what they feel a service provider *should* offer rather than *would* offer (Parasuraman, *et al.*, 1990).

Therefore, service quality is a key of survival to all servicing companies. Service quality is viewed as a form of attitude representing a long-run overall evaluation. Maintaining service quality at certain level and improving service quality must be

**The Impact of Functional Quality Service Delivery on  
Customer Satisfaction in Nigerian Insurance Industry:  
A Case Study of Insurance Industry in Osun State**

**Olaoye, T.B, & Ekundayo, O.A**

life-time efforts to those companies who desire life-time prosperity in customers' heart (Jamal & Naser, 2002; Parasuraman & Grewal 2000). Grönroos (2007) in this line of propositions defined service quality as a difference between customer expectations of what they want and their perceptions of what they get. Several authors have argued about the importance of quality to service firms, and have demonstrated its relationship with profits, increased markets share, return on investment, customer satisfaction, and future purchasing intention. Thus, service quality has become a significant differentiator and the most powerful competitive weapon that organizations want to possess (Porter, 2008).

According to Zeithaml, et al, (2010), Service Quality is described as SERVQUAL by five dimension constructs, namely; reliability, responsiveness, assurance, empathy and tangibles. Basically, these dimensions represent the consumer's criteria of judging service quality.

### **Reliability**

The reliability construct in the SERVQUAL model represents the service provider's ability to perform the promised service dependably and accurately. This is achieved through keeping promises to do something, providing right service, consistency of performance and dependability, service is performed right at the first time .The company keeps its promises, accuracy in billing and keeping records, available merchandise and error-free sales transaction and records (Zeithaml, Parasuraman & Malhotra 2002).

Reliability also consists of accurate order fulfillment and billing, accurate record and quotes accurate calculation of commission as well as keeping service promises. Reliability is the most important factor in service industry (Yang, Peterson & Cai 2003). The higher, the customer's appreciation on reliability, the higher the overall evaluation of service quality is (Ndubisi, 2007).

## **Tangibility**

Tangibility relates to the physical aspects or evidence of service. Physical aspects of retailer include appearance of equipment and fixtures, physical facilities, materials associated with the service, appearance of personnel and communication materials, and convenience of physical facilities and facility layouts. In addition, it also takes into account the convenience offered the customers by the overall layout of physical facilities (Ananth, Ramesh & Prabakaran, 2011). The higher the customers' appreciation of the physical aspects of a facility, the higher the overall quality evaluation of retail service (Bellini, Lunardi & Henrique 2005).

Angur, Madhukar, Natarajan, Rajan & Jahera (1999) found that business premises should have a high standard of decoration and a nice environment to positively influence service quality which will consequently lead to customer loyalty. The physical service setting is a very important tangible factor that influences service quality perceptions. For instance, Bitner (1995) focused on the elements under the control of businesses at the point of interaction between customers and the firm, arguing that these controllable elements can affect perceptions of service quality and encourage repeat patronage.

## **Assurance**

The assurance construct consists of competence (possession of the required skills and knowledge to perform the service), courtesy (consideration for the customer's property, clean and neat appearance of public contact personnel), credibility and security of the employees and to inspire trust and confidence.

According to Sadek, Zainal, Taher & Yahya (2010), in British insurance companies and banks, assurance means the polite and friendly staff, provision of financial advice, interior comfort, ease of access to account information and knowledgeable and experienced management team. This includes employees having knowledge to answer questions, inspiring confidence, providing prompt service, willing to respond to customer's requests, giving customers individual attention, showing

**The Impact of Functional Quality Service Delivery on Customer Satisfaction in Nigerian Insurance Industry: A Case Study of Insurance Industry in Osun State**

**Olaoye, T.B, & Ekundayo, O.A**

consistent courtesy with customers and even treat customers properly on the phone.

Several studies suggest that the exchange of information is an important part of both traditional selling and relationship marketing which may lead to a shared understanding (Ndubisi, 2006; Lymperopoulos & Chaniotakis 2008). The higher the customers appreciate personal interaction, the higher the overall evaluation of retail service quality is. This dimension concerns how knowledgeable and courteous employees are to inspire confidence and trust from their customers. The assurance attributes are all very much about the extent to which a consumer trusts a provider and whether or not they have the confidence in an organization to provide a service securely and competently.

There must be a substantial level of trust in the insurance industry and its abilities were necessary to make the consumer comfortable enough to establish a relationship. Parasuraman, et al (1991) included actions by employees such as always courteous, behavior instills confidence, and knowledge as prime elements of assurance. On the aspect of the feeling of safety when transacting with the insurance companies, customers are concerned or interested in security issues regarding on-line and internet transactions.

### **Responsiveness**

Responsiveness is the determinant that defines the willingness to help customers and to provide prompt services. It involves features such as the opening hours of the service provider, the politeness of the employees and the time the customer has to wait in order to get the service. In other words, it describes how quickly and affective the response to the customer is .Willingness to help customers is likely to have an important and positive effect on customer perceived service quality and customer satisfaction in insurance companies.

Mengi (2009) also found that responsiveness is positively related to service quality and customer satisfaction. It involves



understanding needs and wants of the customers, convenient operating hours, and individual attention given by the staff, attention to problems and customers safety in their transaction (Kumar et al., 2010).

Mohammed and Shirley (2009) found that services such as prompt communication to the customer are vital. Customers are concerned whether their company will provide the right information to the right customers promptly. This creates public confidence, and helps customers to make right decisions at the right time. Responsiveness has an important and positive effect on customer satisfaction (Glaveli, Petridou, Liasside & Spathis, 2006). The higher, the customers appreciate problem solving, the higher their overall evaluation of service quality.

### **Empathy**

The last dimension of the SERVQUAL model is empathy. Empathy is the caring and personalized attention the organization provides its customers. It is reflected in the service provider's provision of access, communication and understanding the customer. Individual attention, convenient operating hours, understanding of the staff when a problem occurs and the knowledge the employees have of the customers' needs were the primary elements included in the evaluation of empathy. This dimension captures aspects of service quality that are directly influenced by service provider's policy such as good customer service, convenience of parking and operating hours (Butcher, Sparks & Callaghan 2001; Ndubisi, 2006; Ehigie, 2006).

### **Research Hypotheses**

For the purpose of this paper, the following hypotheses were tested

- i.  $H_0$  There is no significant relationship between empathy and customer satisfaction.
- ii.  $H_0$  There is no significant relationship between quality assurance and customer satisfaction.
- iii.  $H_0$  There is no significant relationship between reliability and customer satisfaction.

**The Impact of Functional Quality Service Delivery on  
Customer Satisfaction in Nigerian Insurance Industry:  
A Case Study of Insurance Industry in Osun State**

**Olaoye, T.B, & Ekundayo, O.A**

iv.H<sub>0</sub>There is no significant relationship between tangible service delivery and customer satisfaction

V. Ho There is no significant relationship between responsiveness and customer satisfaction.

**METHODOLOGY**

This study is a quantitative research, therefore, a modified standardized questionnaire was used to collect data on the impact of functional quality service delivery on customer satisfaction in some selected Nigerian insurance companies which was adapted from the works of Parasuramam et al.(1994) and Oliver& Swan (1989). The target population for the study comprised of policyholders of ten selected life and non-life insurance companies in Osogbo, Osun State which was used to represent the whole population because it was not possible to survey all insurance policyholders in Osun State. The sample size used for this study was three hundred copies of questionnaire which was arrived at by using Krejcie & Morgan (1970)Formula. The questionnaire consists of two Sections, A and B. Section A is mainly biography data (such as age, sex, marital status, occupation, education etc). Section B consists of standardized test instruments measuring functional quality service delivery with questions on reliability, responsiveness, assurance, empathy, and tangibles .The questionnaire used five point scale; Strongly disagree, Disagree, Undecided, Agree and Strongly agree.

The five SERVQUAL dimensions were modified and used to measure functional quality service i.e. reliability, responsiveness, assurance, tangible and empathy. Modification of the questionnaire for different service settings is supported by the developers of the instrument (Parasuraman et al., 1994). Following the suggestions made by Parasuraman et al. (1994), only the perception and not the expectations of functional quality were measured, since the measures were used to assess the influence of functional quality service delivery on other constructs.

The data collected were analyzed by using Pearson Product Moment Correlation Analysis of Variance and Regression Analysis with the help of Statistical Package for Social Sciences (SPSS).

## RESULTS

There is no significant relationship between reliability, responsiveness, assurance, empathy and tangibles and customer satisfaction.

**Table 1: Model Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.855 <sup>a</sup>	.731	.019		1.08996

The Model Summary above showed that the Pearson correlation coefficient (R) is 0.855, which indicated a strong positive relationship between the functional quality services variables (i.e. empathy, responsiveness, assurance, tangibility, reliability) and customers' satisfaction. This was also supported by the coefficient of determination ( $R^2$ ) of 731, which indicated that functional quality service variables accounted for 73.1% of customers' satisfaction and the remaining 26.9% is accounted for by other factors outside the model. This established that there is a strong relationship between customer satisfaction and functional quality service variables considered in this hypothesis.

**Table 2: ANOVA<sup>b</sup> Test**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.612	1	2.556	2.142	.001 <sup>a</sup>
	Residual	143.228	298	1.197		
	Total	155.84	299			

The Analysis of variance variable (ANOVA) Statistics also showed a significant at  $p < 0.001$ , which was lower than the

**The Impact of Functional Quality Service Delivery on Customer Satisfaction in Nigerian Insurance Industry: A Case Study of Insurance Industry in Osun State**

**Olaoye, T.B, & Ekundayo, O.A**

benchmark value for this study ( $p < 0.05$ ). This implied that there was a significant relationship between customer satisfaction and functional quality service variables. The five functional quality service variables have a combine effect on customers' satisfaction, thus, any company that improves on these variables would see a corresponding improvement in its customer satisfaction. It also means that insurance companies should always develop innovative means of improving their functional service variables, since they have strong relationship with customer satisfaction.

**Table 3: Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.118	.522		4.239	.000
Empathy	.112	.110	.067	3.949	.001
Assurance	.124	.112	.128	5.807	.002
Reliability	.186	.131	.151	1.977	.003
Tangible	0.46	.098	.124	2.358	.004
Responsiveness	.162	.095	.132	1.707	.003

The regression analysis showed that all functional service variables, empathy, assurance, reliability, tangibility, and responsiveness, are significant. This is because the P-value obtained for these variables (i.e. 0.001, 0.002, 0.003, 0.004, 0.003) were lower than the benchmark value of 5% specified in SPSS for these analyses. This also implies, that the combined effects of functional quality service variables have significant relationship with customers satisfaction, which also means the insurance companies must ensure their services are in support of the proxy of these functional service variables. Also, this analysis establishes that any positive changes in any of the proxy of this functional variable would have a notable increase on level of customer satisfaction, but, if there is a negative change in any of these variables, it would affect customer satisfaction adversely. Thus, it can be concluded that there is strong relationship between customer satisfaction and functional service variable. Hence, based on the result of ANOVA and regression analyses above the null hypothesis was therefore rejected and alternate hypothesis accepted.

## **DISCUSSION**

The findings of this study indicated that the functional quality service variables (Empathy, Reliability, Responsiveness, Tangibility, and Assurance) showed strong influence on customer satisfaction. The findings agree with similar studies carried out when investigating service quality and customer satisfaction in service industry, because their P-value obtained (0.001, 0.002, 0.003, 0.004, 0.003) were lower than the benchmark of 5% specified in SPSS for this analysis. According to Yang, et al (2003) and Ndubisi (2006) researches, reliability is an important factor that affects customers' satisfaction in service industry. Ananth et al, (2011); Bellini et al, (2005) and Bonn & Mathew (2007) confirmed that layout of physical facilities is paramount to customers' satisfaction. Kumar, et al (2010) and Lai (2004) found out that confidence is an important factor in assurance which helps in forming impression about a firm. Mengi (2009) also agreed that

**The Impact of Functional Quality Service Delivery on Customer Satisfaction in Nigerian Insurance Industry: A Case Study of Insurance Industry in Osun State**

**Olaoye, T.B, & Ekundayo, O.A**

responsiveness is positively related to service quality and customer satisfaction which includes; understanding the needs and want of the customers, convenient operating hours and individual attention. Empathy is also important to customer satisfaction. This was in agreement with the works of Butcher, et al (2001); Ndubisi (2007) and Ehigie, (2006).

## **CONCLUSION**

Based on the Literature reviewed and the result of analysis of this study, it can be concluded that;

- Responsiveness has significant relationship on customer satisfaction in Nigeria insurance industry
- Reliability also has positive relationship on customer satisfaction
- Customer satisfaction is directly influenced by the assurance quality service as shown by the significant relationship obtained from both ANOVA and regression analyses
- Tangibility quality which related to physical appearance of the company is a major factor that affects customer's satisfaction. This is because the P-value obtained (i.e. 0.004) using regression coefficient analysis showed a value lower than the alpha level of 0.05 specified in SPSS for the analysis.
- Empathy also has positive and significant relationship with customer satisfaction.

## **RECOMMENDATIONS**

In the light of the above findings, it is recommended that:

1. Insurance companies should give more preference to customer's satisfaction when developing insurance policies. They should ensure that the adequate strategies are put in place to ensure that the quality of the insurance policies are not compromised as a result of any unpleasant situation in the organisation.
2. The management of insurance company should develop innovative means of improving their functional service variables, since it has positive significance on customers.

3. Management of insurance companies should seek to ensure rapid improvement in functional quality variables (empathy, reliability, responsiveness, tangibility, assurance) since all of them determine customer satisfaction.
4. The insurance companies should operate within convenient hours for their customers and give them personal attention on any issue in order to increase customer satisfaction.
5. Insurance companies should provide service as promised to their customers since this contributes to increased customer satisfaction.

## REFERENCES

- Adeyemi, M. (2005). An overview of the Insurance Act 2003 issues in merger and acquisition for the Insurance Industry. *Insurance Journal*, 61-78.
- Ananth, A., Ramesh, R. & Prabakaran, B. (2010). Service quality GAP analysis in private sector banks -a customer perspective. *Indian Journal of Commerce and Management Studies* 2 (1), 245-252.
- Anderson, E.W., Fornell, C. & Lehmann, D.R. (1994). Customer satisfaction, market share, and profitability: Findings from Sweden, *Journal of Marketing*, 58 (2), 53-66.
- Angur, M. G., Nataraajan, R. & Jahera, J. S., (1999). Service quality in the banking industry: an assessment in a developing economy. *International Journal of Bank Marketing*, 17 (3), 116-123.
- Asubonteng, P., McCleary, K. J., & Swan, J. (1996). SERVQUAL revisited: a critical review of service quality, *Journal of Service Marketing*, 10(6), 62-81.
- Bellini, C.G., Lunardi, G.L. & Henrique, J.L. (2005). Service quality in banks: Insights from the Brazilian experience. *Journal of Internet Banking and Commerce*, 10(3), 120-125

**The Impact of Functional Quality Service Delivery on  
Customer Satisfaction in Nigerian Insurance Industry:  
A Case Study of Insurance Industry in Osun State**

**Olaoye, T.B, & Ekundayo, O.A**

- Bitner, M.O. (1995). Building service relationships: it's all about promises. *Journal of the Academy of Marketing Science*, 23, 246-251.
- Bonn, M.A., & Joseph-Mathews, S.M. (2007). Heritage/cultural attraction atmospherics: creating the right environment for the heritage/cultural visitor. *Journal of Travel Research*, 45(3), 345-354.
- Bruhu F. (2003). SERQUAL: review critique, research agenda. *European Journal of Marketing* 30(1), 8-32.
- Butcher, K., Sparks, B. & O'Callaghan, F. (2001). Evaluative and relational influences on service loyalty. *International Journal of Service Industry Management*, 12(3/4), 310-327.
- Ehigie, B. O. (2006). Correlates of customer loyalty to their banks: a case study in Nigeria. *International Journal of Bank Marketing*, 24 (7), 494-508.
- Gronroos, C.N. (2007). Service management and marketing: customer management in service competition. John Wiley & Sons, Ltd, Chichester.
- Gronroos, C. (1984). A service quality model and its marketing implications. *European Journal of Marketing*, 18 (4), 36-44.
- Gyasi, S. N. & Azumah, K.A. (2009). An assessment and analysis of customer satisfaction with service delivery of mobile telecommunication networks in Ghana. *Unpublished MBA thesis*, Lulea University of Technology, Sweden.
- Jamal, A. & Naser, K. (2002). Customer satisfaction and retail banking: an assessment of some of the key antecedents of customer satisfaction in retail banking. *International Journal of Bank Marketing*, 20 (4), 146 - 160.
- Kotler, P. & Keller, K. (2006). *Marketing management*. 12th Edition, Pearson Education Inc, New Jersey.
- Kumar, S. A., Mani, B. T., Mahalingam, S. & Vanjikovan, M. (2010). Influence of service quality on attitudinal loyalty in



- private retail banking: an empirical study. *IUP Journal of Management Research*, 9(4), 21-38.
- Krejcić, R.V & Morgan, D.W.( 1970) Determining Sample size for Research activities, Education and Psychological Measurement 30, 607-610
- Lai, T. L. (2004).Service quality and perceived value's impact on satisfaction, intention and usage of short message service (SMS). *Information Systems Frontiers*, 6(4), 353-368.
- Lepkova, N. (2012). Study on customer satisfaction with facilities management services in Lithuania, Slovak. *Journal of Civil Engineering*, 20 (4), 1-16.
- Lovelock, C. & Wirtz, J. (2007). *Services marketing: people, technology, strategy*. 6<sup>th</sup>Ed. Prentice Hall, New Jersey
- Lovelock, C. (2000). *Services marketing: people, technology, strategy*. 1<sup>st</sup> Ed., Prentice Hall, New Jersey.
- Lymperopoulos, C. & Chaniotakis, I. E. (2008).Price satisfaction and personnel efficiency as antecedents of overall satisfaction from consumer credit products and positive word of mouth. *Journal of Financial Services Marketing*, 13, 63-71.
- Mengi, P. (2009). Customer satisfaction with service quality: an empirical study of public and private sector banks.*IUP Journal of Management Research*, 8(9), 7-17.
- Ndubisi, N. O. (2007). Relationship between marketing and customer loyalty. *Marketing Intelligence*, 25(1), 98-106.
- Odeyemi, I.A. & Nixon, J (2013). Assessing equity in health care through the national health insurance schemes of Nigeria and Ghana: a review-based comparative analysis. *International Journal for Equity in Health*, 12, 9, 1-18. doi: 10.1186/1475-9276-12-9.
- Odeyemi, I.A. (2014). Community-based health insurance programs and the National Health Insurance Scheme of Nigeria: challenges to uptake and integration.

**The Impact of Functional Quality Service Delivery on  
Customer Satisfaction in Nigerian Insurance Industry:  
A Case Study of Insurance Industry in Osun State**

**Olaoye, T.B, & Ekundayo, O.A**

*International Journal for Equity in Health*, 13, 20, 1-13.  
doi: 10.1186/1475-9276-13-20

Oliver, R. (1999). *Value as excellence in the consumption experience*. In M. Holbrook (Ed.), *Consumer value: a framework for analysis and research*, 43-62, New York: Routledge.

Parasuraman, A. & Grewal, D.(2000). The impact of technology on the quality-value-loyalty chain: a research agenda. *Journal of the Academy of Marketing Science*, 28

Parasuraman, A., Zeithaml, V. A. & Berry, L. L. (1990). *Delivering quality service: balancing customer perceptions and expectations*. New York, NY, Free Press.

Peng, Y. (2013). Customer satisfaction of mainland Chinese tourists in Cairns, Australia. *International Journal of Business Tourism and Applied Sciences*, 1(2), 42-50

Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard Business Review*, 76-93. Retrieved from <http://elibrary.kiu.ac.ug:8080/jspui/handle/1/510>

Sadek, D., Zainal, N., Taher, M. and Yahya, A. (2010).Service quality perceptions between cooperative and Islamic banks of Britain. *American Journal of Economics and Business Administration*, 2 (1), 1-5.

Sattari, S. (2007). Application of disconfirmation theory on customer satisfaction determination model – case of prepaid mobiles in Iran. *Master’s Thesis*, LTU, Sweden.

Sureshchander, G.S., Rajendran, C. & Anatharaman, R.N. (2002). The relationship between service quality and customer satisfaction: a factor specific approach. *Journal of Services Marketing*, 16 (4), 363-379.

Tang, E.P.Y., Chan, R.Y. & Tai, S.H. (2002). Asian dimensions of services marketing. *Journal of International Consumer Marketing*, 14 (1), 1-15.

- Yang, Z., Peterson, R.T. & Cai, S. (2003). Services quality dimension of internet retailing: an exploratory analysis. *Journal of Services Marketing*, 17 (6), 685-700.
- Zeithaml, V. A., Bitner, M. J. & Gremler, D. D. (2010). Services marketing strategy. *Wiley International Encyclopedia of Marketing*, 1, 1-13.
- Zeithaml, V. A., Parasuraman, A. & Malhotra, A. (2002). Service quality delivery through web sites: a critical review of extant knowledge. *Journal of the Academy of Marketing Science*, 30(4), 362-375

---

**Reference** to this paper should be made as follows: Olaoye, T.B, Ekundayo, O.A (2017), The Impact of Functional Quality Service Delivery on Customer Satisfaction in Nigerian Insurance Industry: A Case Study of Insurance Industry in Osun State. *J. of Business and Organizational Development Vol. 9, No.2, Pp 1-19*

---