

**YANGON UNIVERSITY OF ECONOMICS  
DEPARTMENT OF COMMERCE  
EMBF PROGRAMME**

**CUSTOMER ATTITUDE TOWARDS INSURANCE  
SERVICES OF IKBZ INSURANCE COMPANY LIMITED**

**NAN MYA HTWE  
ROLL No. 35  
EMBF 5<sup>th</sup> Batch**

**DECEMBER, 2019**

**Customer Attitude towards Insurance Services of IKBZ Insurance  
Company Limited**

Thesis submitted in partial fulfillment of the requirement of Executive  
Master of Banking and Finance (EMBF)

Supervised by

Daw Yee Yee Thane

Associate Professor

Department of Commerce

Yangon University of Economics

Submitted by

Nan Mya Htwe

Roll no. 35

MBF 5<sup>th</sup> Batch

2017-2019

**December, 2019**

## **ABSTRACT**

The main objectives of this study are to identify the current insurance services of IKBZ and to analyze the customer attitude towards insurance services of IKBZ. Descriptive survey design was used to collect the data. A simple random sampling method was used to select 105 customers from the life and non-life customer at head office. Questionnaire was the main instrument for collecting primary data. The data was then analyzed by using both descriptive statistical method such as mean and standard deviation. The secondary data was collected from published reports and the industry data from the Myanmar Insurance Association. It is found high level of positive attitudes on all 3 components of attitude: affective, cognitive and behavioral. Referring to the analysis data, IKBZ customers gave much emphasis on the claims compensation process which means that they wanted to get claims compensation on time and clear awareness about terms and conditions of insurance policies. The study recommends IKBZ to speed up claims process by reducing some of document or forms requirement and arrange more insurance awareness training for insurance knowledge improvements of staffs.

## ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to Prof. Dr. Tin Win, Rector of the Yangon University of Economics and Prof. Dr. Nilar Myint Htoo, Pro Rector as well for their concern and encouragement to the participants of the Master of Banking and Finance (MBF) Programme.

My deepest gratefulness goes to Prof. Dr. Soe Thu, Program Director of the Master of Banking and Finance (MBF) Programme, Department of Commerce, Yangon University of Economics, for her guidance throughout the course of the study.

My earnest thanks go to my supervisor Daw Yee Yee Thane, Associate Professor, Department of Commerce, Yangon University of Economics, for her valuable advice, guidance, assistance and support during the preparation and writing of this thesis.

I also wish to thank my respected professors and lecturers who imparted their time and valuable knowledge during the course of my study at the Yangon University of Economics, and my friends and all persons who contributed in various ways to my thesis. I would like to thank my colleagues, friends, and classmates for their encouragement, support and willingness in providing the useful data for this study.

Last but not the least; I would also like to thank my family for their continuous support and patience throughout the course of my study and my life. I thank each and every one who contributed to this study.

# TABLE OF CONTENTS

|   | Page       |
|---|------------|
| <b>ABSTRACT</b>                                     | <b>i</b>   |
| <b>ACNOWLEDGEMENTS</b>                              | <b>ii</b>  |
| <b>TABLE OF CONTENTS</b>                            | <b>iii</b> |
| <b>LIST OF TABLES</b>                               | <b>v</b>   |
| <b>LIST OF FIGURES</b>                              | <b>vi</b>  |
| <b>LIST OF ABBREVIATION</b>                         | <b>vii</b> |
| <br>  |            |
| <b>CHAPTER 1 INTRODUCTION</b>                       |            |
| 1.1 Rationale of the Study                          | 2          |
| 1.2 Objectives of the Study                         | 4          |
| 1.3 Method and Scope of the Study                   | 4          |
| 1.4 Organization of the Study                       | 5          |
| <br>  |            |
| <b>CHAPTER 2 Literature Review</b>                  |            |
| 2.1 Definition of Service                           | 5          |
| 2.2 Insurance                                       | 6          |
| 2.3 Concept of Attitude and Behavior                | 7          |
| 2.4 Theoretical Frame Work                          | 8          |
| 2.4.1 The Consistency Frame Work                    | 8          |
| 2.4.2 Theory of Reasoned Action                     | 9          |
| 2.4.3 Theory of Planned Behavior                    | 9          |
| 2.4.4 The Functional Theory of Attitude             | 9          |
| 2.4.5 Tri-Component Model                           | 10         |
| 2.5 Previous study on customer attitudes            | 11         |
| 2.6 Conceptual framework of customer attitudes      | 12         |
| <br>  |            |
| <b>CHAPTER 3 Background Study on IKBZ Insurance</b> |            |
| 3.1 An Overview of Insurance Industry in Myanmar    | 14         |
| 3.2 Background of IKBZ Insurance                    | 15         |
| 3.2.1 Vision, Mission, Core Values and Commitments  | 16         |
| 3.2.2 Corporate Social Responsibility               | 16         |

|                  |  |    |
|------------------|--|----|
| 3.3              | Organization Structure of IKBZ   | 17 |
| 3.4              | Insurance Products and Services of IKBZ  | 18 |
| 3.4.1            | Life Insurance   | 18 |
| 3.4.2            | General Insurance  | 20 |
| <b>CHAPTER 4</b> | <b>ANALYSIS ON CUSTOMER ATTITUDE TOWARD IKBZ SERVICES</b>                                  |    |
| 4.1              | Research Design  | 26 |
| 4.2              | Demographic Profile of Customer  | 26 |
| 4.3              | Customers' purchasing Insurance practices from IKBZ  | 30 |
| 4.4              | Analysis on Customer Attitudes by Tri-Component Model                                      | 32 |
| 4.4.1            | Customer Attitudes of Affective Component  | 32 |
| 4.4.2            | Customer Attitudes of Behavior Component   | 33 |
| 4.4.3            | Customer Attitudes of Cognitive Component  | 34 |
| 4.4.4            | Overall Customer Attitudes towards IKBZ insurance Services                                 | 36 |
| 4.5              | Correlation Analysis among Affective Component, Behavior Component and Cognitive Component | 37 |
| <b>CHAPTER 5</b> | <b>CONCLUSION</b>  |    |
| 5.1              | Findings   | 39 |
| 5.2              | Suggestion   | 40 |
| 5.3              | Needs for future Research  | 41 |

## **REFERENCES**

## **APPENDIX**

## LIST OF TABLES

| <b>Table No.</b> | <b>Particular</b>   | <b>Page</b> |
|------------------|---|-------------|
| 4.1              | Gender of the Respondents   | 26          |
| 4.2              | Age Group of the Respondents  | 27          |
| 4.3              | Number of Respondents by Education  | 28          |
| 4.4              | Occupation of Respondents   | 28          |
| 4.5              | Monthly Income  | 29          |
| 4.6              | Marital Status of Respondents   | 29          |
| 4.7              | Customer Perception on IKBZ Services  | 30          |
| 4.8              | Customer Attitude on Affective Component  | 31          |
| 4.9              | Customer Behavior on Affective Component  | 31          |
| 4.10             | Customer Cognitive on Affective Component   | 33          |
| 4.11             | Overall Customer Attitude towards IKBZ Services   | 34          |
| 4.12             | Correlation Analysis among Customer Perception, Affect<br>Component, Behavior Component and Cognitive Component | 35          |

## **LIST OF FIGURES**

| <b>Figure No.</b> | <b>Particular</b>                    | <b>Page</b> |
|-------------------|--------------------------------------|-------------|
| 2.4               | ABC or Tri-Component Model Structure | 10          |
| 2.6               | Conceptual Frame Work of the Study   | 13          |



# **CHAPTER (1)**

## **INTRODUCTION**

Nowadays, competition increases around the world and it has become imperative for business owners to understand their target customers. There has been increased globalization for over the years. Successful business owners and managers quickly realize that keeping customers costs cheaper than finding new ones. Angry customers can spread unfair criticism and untrue statements to harm a firm's reputation. One negative comment posted on a social media site could be seen by thousands of potential customers (Bhattacharya, 2019). Knowing what the customer wants is a necessity of business. Obtaining that information is required to fully understand where a business should focus its energy. If certain practices drive customers away, a business can waste time and money on advertising and other efforts to recruit more. Customer service is essential to both developing and maintaining relationships with customers. (Larrys Magid, 2017)

A financial institution is an establishment that conducts financial transactions such as investments, loans and deposits (Jordan.B, 2017). Almost everyone deals with financial institutions on a regular basis. Everything from depositing money to taking out loans and exchanging currencies must be carried out through financial institutions. An insurance company is one of the non-depository institutions as well as non-bank financial intermediaries. The primary objective of financial intermediaries is to channel savings into investments. They perform efficient allocation of capital resources, which in turn improve productivity and economic efficiency which result in reduced capital output ratio. The insurance companies facilitate extremely essential function in economy as financial intermediaries. Insurance companies generate significant impact on the economy by mobilizing domestic savings. Insurance sector provides capital into productive investments. Insurance companies enable to mitigate loss, financial stability and promote trade and commerce activities those results into economic growth and development (Niavand, 2018).

Insurance has been sold in Myanmar since the middle of the 19th century, but for the first 100 years the sector was controlled by foreign companies (Foerch, Thein & Waldschmidt, 2013). At one point, estimated 80-100 insurers were active in the market. With independence in 1948, the role of foreign firms started to decline

quickly. In 1950 the Burma National Insurance Company was nationalized under the Union Insurance Board Act and eventually became Myanma Insurance. From there, foreign and private firms were gradually but steadily ceased. Under the 1959 Life Prohibition Act, life insurers were not allowed from taking new business. In 1961 the Compulsory Reinsurance Act needed a 30% cession of non-life business to the Union Insurance Board. Finally, in 1963 foreign insurers were nationalized – some 78 firms were active in the country at the time. The 1989 State-Owned Economic Enterprises Law caused insurance officially a state monopoly. (The Report Myanmar, 2016)

The Myanmar government originated its first acceptance of applications for establishment of private insurance companies in June, 2012. International Kanbawza Insurance Co., Ltd (IKBZ) was granted to start operation in September, 2012. IKBZ became the first private insurance company to exist in Myanmar on the 12th September, 2012. The paid-up capital is (46) billion Kyats which is equal to (55) million USD. The insurance license (001) was issued on 5th June, 2013 and it was nearly six years old. The IKBZ was established under the umbrella of the KBZ Group of Companies. Next to the KBZ bank, IKBZ is the second biggest business conglomerate within the KBZ group, catering to a wider customer focus. Moreover, being correlation with the KBZ Bank, IKBZ have the privilege of expanding our insurance business using the bank as one of the major marketing channels for selling a compulsory fire insurance product which must be bought for any landed property loan offered to its customers in Myanmar. IKBZ is always trying to stand in leading position in the Myanmar Insurance Market and pay much attention to customers to be in line with the vision and strategy of the organization.

## **1.1 Rationale of the Study**

The insurance industry in Myanmar, like any other service organization, has the quest to deliver quality service to satisfy its customer in the midst of competition for market share with its numerous local competitors. The quality service became of basic necessities because it represents the desires of the beneficiaries of those services, and there is a difficulty in measuring the quality of services if we do not explore the views of the beneficiaries about what they expect from the service and about what they got, because the quality of the service is intangible and cannot be measured easily; and thus there is a difficulty in satisfying the customers about the provided service, whose desires and needs differ from one person to another and from

time to time. The process of evaluating the service that the clients receive supply new information for the communication management about the suitability of various public services provide to customers, and thus this information can be utilized as a basis for making appropriate decisions on the provision of services, make companies able to ongoing and mature, as well as compete in the light of economic and administrative changes that occupy the world at present, which demand the organizations to make endeavor to resist before competitive organizations.

The customer's satisfaction is one of the service quality elements and as the service institutions operate under strong competition, they should concern about the desires and requirements of customers in order to gain their loyalty, as well as have new customers by providing quality services better than the services offered by other competitive institutions. The quality of service affects the intention of existing customers to buy back the service, and it effects on potential customers because the unhappy customer about the service will inform other customers about his bad inception towards the organization he share out, so the bad service or low quality will conduct to reduce the current and potential customers, as well as the process of attracting a new customer will be priced at the institution many times as much of custody a current customer.

Myanmar Ministry of Planning and Finance (MOPF) circulated announcement on 2<sup>nd</sup> January 2019, No.1/2019, paving the way for foreign insurers be admitted to the country's largely untouched insurance market as part of an ongoing process to liberalize the sector. At present, foreign insurers are restricted to establishing a representative office in Myanmar and have been largely barred from conducting any insurance businesses within the country, with limited exceptions in a special economic zone. The Announcement seeks to strengthen the insurance sector by encouraging the participation of foreign insurance companies and strong competition among the local market.

During these days, competition in the industry is more challenge because the foreign insurance companies are entering in Myanmar. IKBZ is one of the top five private insurance companies in Myanmar and they are providing both general and life insurance products. Since IKBZ have twenty one branches and it is one of the well-known for its varieties of insurance services. Base on the result of this study, IKBZ can review and evaluate their insurance services are efficient and effective for their customer and are performing the high level services quality among the other

insurances companies. These are the major reasons to study the insurance services of IKBZ.

## **1.2 Objectives of the study**

The major objectives of the study are as follows:

- 1) To identify the current insurance services of IKBZ.
- 2) To analyze the customer attitude towards insurance services of IKBZ

## **1.3 Method and Scope of the study**

The scope of the study covered IKBZ insurance company head office. The total number of population of the study is 10,000 customers who are insured at IKBZ. The sample size of the study is made up of 105 respondents from target population which covered 1.05% of total population through a simple random sampling method. The respondents were chosen from different types of insurance products who purchase insurance policy from life and non-life insurance. Data are collected from survey questionnaire developed on Google form, sending E-mail, posting on two different Facebook pages and messenger groups. The primary data was collected by using structured questionnaires and the secondary data was collected form documents and websites such as Myanmar Insurance Association, public report, text book, and lecture notes, customer attitudes research paper of international universities , reference books, periodical journals and websites of local and international insurance companies and etc.

## **1.4 Organization of the Study**

This study is organized into five chapters. Chapter one is included the introduction, rationale of the study, objective of the study, scope and method of the study and organization of the study. Chapter two presented nature and characteristics of insurance, theoretical background of customer attitudes and linking. Chapter three is the profile of International Kanbawza Insurance Company (IKBZ) and its practices. Chapter four is the analysis on the customer attitudes towards IKBZ insurance company limited. Chapter five describes conclusions, findings, suggestions and the need for further study.

## **CHAPTER (2)**

### **THEORETICAL BACKGROUND**

In this chapter, there includes six sections. Section 2.1 is described definition of services, 2.2 is mentioned insurance, 2.3 is described concept of attitude and behavior, 2.4 discuss theoretical frame work, 2.5 discuss previous study on customer attitude and 2.6 describe conceptual frame work of customer attitudes.

#### **2.1 Definitions of Services**

Hill (1977) proposes service definition, which has been taken as a reference point by many service economists a service may be defined as a change in the condition of a person, or of a good belonging to some economic unit, which is brought about as the result of the action of some other economic unit, with the initial agreement of the former person or economic unit. Kotler (1987) defined that “A service is any act or performance that one party can offer to another that is essentially intangible and does not result in ownership of anything. Production of it may or may not be tied to a physical product”.

Zarifian (2001) explained that "Service is a transformation of existence mode and/or dispositions of the person himself, of his body and his mind. While goods are modified as the existence “a service is an act (or a succession of acts) of duration and localization and services are modify as the existence modes, where goods are only supports." (Grönroos., 1983) referred to services as: “An activity or series of activities of more or less intangibles nature that normally, but not definitely, highest level of customer service and convenience without exposing their customers to the bank’s internal system and integration problems always take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of service provider. Boesch et al. (1987) stated that “service is a package of explicit and implicit benefits performed with a supporting facility and using facilitation goods”. Services are also defined as “any primary or complementary activity that does not directly but produce a physical product that is, the non-goods part of transaction between customer and provider” (Pyne, 1993).

## 2.2 Insurance

Kenton (2019) states that insurance is a contract between two parties whereby one party agrees to undertake the risk of another in exchange for consideration known as the premium and promises to pay affixed sum of money to the other party on occurring of some uncertain future event (death) or after the end of a certain period in the case of life insurance or to indemnify the other party on occurring of some uncertain event in the case of general insurance. Insurance has also been explained as the promise of compensation for specific potential future losses in exchange for a periodic payment. Insurance is formulated to protect the financial well-being of an individual, company or other entity in the case of unexpected loss. Some forms of insurance are needed by law, while others are optional. Agreeing to the terms and conditions of an insurance policy creates a contract between the insured and the insurer. (Yeasmeen, 2015)

Insurance is the pooling of fortuitous losses by transfer of such risk to insurer, who agree to indemnify insured for such loss, to provide other pecuniary benefits on their occurrence, or to render services connected with the risk. (McNamara, 2017). Pooling mean that the losses of the few are spread over the group, and average loss is substituted for actual loss. Unanticipated losses are unforeseen and unpredicted, and they occur as a result of chance. Rejda (2017) said that risk transfer involves the transfer of a pure risk to an insurer. Indemnification means that the victim of a loss is reinstated in whole or in part by payment, repair, or replacement by the insurer.

Insurance is not the same as gambling. McNamara (2017) states that gambling creates a new speculative risk, whereas insurance deals with an existing pure risk. Also, gambling may be socially unproductive, because the winner's gain comes at the expense of the loser. Insurance is socially productive because both the insured and insurer advantage if the loss does not occur. Insurance is not the same as hedging. Insurance includes the transfer of a pure risk, whereas hedging he transfer of a speculative risk. Also, moral hazard and adverse selection problems tend to be more severe for insurance contracts than for futures contracts (McNamara, 2017). There are seven basic principles that create an insurance contract between the insured and the insurers are utmost good faith, insurable interest, proximate cause, indemnity, subrogation, contribution and loss minimization. (McMinn, 2018)

Rejda (2017) described that the major benefits of insurance to society are loss of indemnification, reduction of worry and fear, source of investment funds, loss

prevention and enhancement of credit. Individuals and families to be restored their former financial position after a loss occurs because of having insurance indemnification. Worry and fear are made less after a loss occurs, because the insured be aware of that they have insurance that will pay for the loss. Source of investment fund because premiums are collected in advance of the loss and funds not needed to pay immediate losses and expenses can be loaned to business firms. Insurance companies are actively involved in numerous loss prevention programs and also employ a wide variety of loss prevention personnel including safety engineers and specialists in fire prevention, occupational safety and health. Final benefit of insurance in enhancement of credit because insurance makes a borrower a better credit risk because it guarantees the value of the borrower's collateral or gives greater assurance that the loan will be repaid. (E.Rejda, 2008)

### **2.3 Concept of Attitudes and Behavior**

According to (Solomon, 2017), an attitude is “a lasting, general evaluation of people, objects, advertisements or issues”. And anything towards which one has an attitude is known as an attitude object. An attitude consists of three parts; they are affect, behavior and cognition. Affect refers to the way a consumer's mood about an attitude object. Behavior means the person's desire to do something related to an attitude object. Solomon (2010) identified that cognition defines a consumer's belief of belongings towards an attitude object.

According to Robertson (1973), attitude is the relationship between a consumer and an object. However, it is hard to define the object, as scientists Solomon, Bamossy and Askegaard (2002) judged everything that can impact the attitude towards something as the object of attitude. Attitude can be expressed as evaluation of an object, which has an effect on emotions, knowledge or behavior with regard to the object. Consumer's evaluation of advertisements influence their reactions to a product and brand attitudes. The attitude towards the advertisement is defined as a positive or negative evaluation of a particular advertising stimulus during a particular exposure occasion (Solomon et al., 2010).

Orgskinner, b. f. (1938) said that the actions and mannerrism made by individuals, organisms, systems or artificial entities in conjunction with themselves or their environment, which includes the other systems or organisms around as well as the physical environment is defined as behavior. The term 'behavior' can be

expressed as the way of conducting oneself. Behavior defines the manner of acting or controlling oneself towards other people. (Solomon, 2007) states that it is the wide range of actions, responses, and habits by an individual, system or organization in associated with themselves or their environment, in any circumstances. A person's mental tendency, which is control over for the way he thinks or feels for someone or something. Behavior implicits the actions, moves, conduct or functions or an individual or group towards other persons is defined as attitudes.

**Factors affecting attitudes:** Attitudes can be affected by social factors, direct instruction, family, prejudices, personal experience, media, educational and religious institutions and physical factors. (Kangal, 2017). All or some of these facts can form and effect upon consumer behavior. Attitudes are forecasted to change as a function of experience. Consumers have attitudes toward a broad range of attitude objects from very product specific behaviors (e.g. based on the product brands) to more general consumption related behavior (e.g. habitual or need of customers). People determine or chose different services based on their attitudes towards that service.

## **2.4 Theoretical Framework**

There are numerous theories has been developed to improve the knowledge in the field of consumers attitude towards various product, service and brand (see Eagly & Chaiken, 1993). Among various social psychology theory of consumers attitude Functional theory of attitude (Daniel Katz, 1937), Consistency Principal (Sheth & Mittal, 2004), Theory of reasoned action Belleau et al. (2007, p. 246), Theory of Planned behavior (Ajzen, 2012, p. 17), the hierarchy of effects (Rath, et al., 2008) and Tri-component model (Solomon & Rabolt, 2008) are commonly used theory to study customer attitude and their behavioral intention.

### **2.4.1. The Consistency Principle**

Sheth and Mittal (2004, p. 206) recognized that a consumer “tries to make the three components consistent and to maintain consistency among them”. This theory express that intensity of the elements of attitude are consistent. Which denotes positive feeling is connected with favourable effects and negative feelings is with unfavorable affect (Sheth & Mittal, 2004). Consumers are able to shift in various elements in order to reduce the dissonance which exist in between their belief, felling and behavior (Solomon & Rabolt, 2008). Thus, consumer's positive attitude is



maintained if they are positive on certain object, product and service or brand while they consumed it.

#### **2.4.2. Theory of Reasoned Action**

Düffelmeyer (2012) mentioned that theory of reasoned action explain attitude as a distinctive and indispensable aspect (Allport, 1968, p. 65). Later on, Ajzen and Fishbein (1980) redefined the theory attempting to identify the differences on the behavior and attitude but resulted as a perceived behavioral control. Consumers' action is under definite level of control so that intention of consumers' behavior is an influencer of certain action.

#### **2.4.3. Theory of Planned Behavior**

Theory of reasoned action is revised to include the control level on the behavior to invented theory of planned behavior and as a determinant of peoples' intention and behavior, perceived behavioral control has been performed (Ajzen, 2012, p. 17). Consumer attitudes are examined based on the performance of the behavior, and are measure in detail at the same level used in the evaluation of behavior (Armitage & Conner, 2001). At the same time, subjective norms are connected with person's belief that others think person should intended to behave or not (Kim et al., 2013).

#### **2.4.4. The Functional Theory of Attitude**

Psychologist Danial Katz identified the four functions in "The functional theory of attitude" which includes utilitarian function, value-expressive function, ego-defensive function and knowledge function. Rath et al. (2008) further describe customer attitude response differently depending on different function of attitude. In detail, utilitarian function deals on benefit and the value provided by product to the consumer, value-expressive function deals with customers social identity and identification associated with product, whereas ego-defensive function target on self-image and knowledge function associated with various stimuli such as product information, product feature, etc.

### 2.4.5. Tri-Component Model

Tri-component: Several studies have been conducted to study and research upon the dynamics underlying attitudes, their formation and change as well as their relationship with acts of behavior. The focus of the study has basically been considered to understand the formation of attitudes, so as to be able to predict acts of behavior, and influence them. Researchers have proposed a number of models that identify the underlying dimensions of an attitude and explain or forecast behavior. Among the various models, the more researched upon and commonly used ones are the tri-component attitude model, the multi-attribute attitude model, the trying-to-consume model, and the attitude-toward-the-ad model.

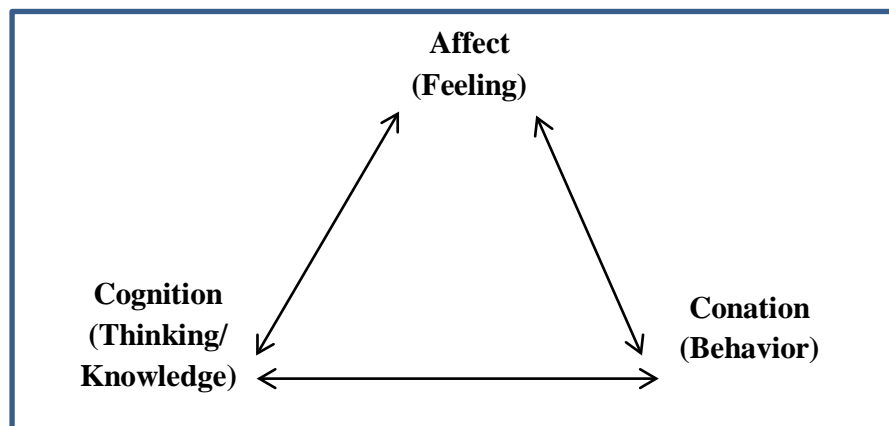
The tri-component attitude model (ABC Model) states that attitudes are composed of three components: feeling and emotional (affect) component, the action or behavior (conative) component and knowledge (cognitive) component.

**Affective Component:** The affective component indicates to the feelings or emotions a person has when faced with an attitude object. (Example: I like high heels)

**Behavior (Conative) Component:** Behavior component of an attitude consists of a person's tendencies to behave 'in a particular way toward an object. It refers to that part of attitude which reflects the intention of a person in the short-run or long run. (Example: I will buy high heels if I go to the Mall)

**Cognitive Component:** The cognitive component of attitude refers to the beliefs, knowledge, and thoughts that we have about an attitude object. (Example: I believe high heels make me gorgeous)

Figure (2.4) ABC or Tri-Component Model Structure



Source: Solomon (2013)

According to the purposed of this Model, it explains that components of attitudes are affective, behavior and cognitive. The components of attitudes were test by using primary data collected from customers with structured questionnaires. The study purpose that if positive outcomes will be good quality service of IKBZ which need to maintain it and negative outcome will be the area where IKBZ need to make more emphasize and improvements on it.

The knowledge or the cognitive component constitutes the cognitive processes that lead to the formation of attitudes. In terms of marketing, the knowledge or cognitive component of the tri-component model comprises consumers' knowledge about the products/service offering and the marketing mix. These exercised by beliefs and opinions, where the consumer begins to perceive that the attitude object (person, situation or thing) possesses certain attributes and acts of behavior would generate outcomes. The beliefs and opinions get repeatedly strengthened, and finally give rise to attitudes. This knowledge component leads to the emotional component.

The emotional component of attitudes are comprised the feeling or the affect component. Actually, this is understood to be the attitude itself, as it depicts emotional shows that are positive, neutral or negative. In marketing terms, it indicates a consumer's feelings about a product/service offering and the marketing mix. Such reactions and resultant states also gathered in our memory. Their retrieval, recall and recollection also consequences future decision making.

The behavioral or the conative component of attitudes represents the outcome of an attitude. As attitudes are formed out of psychographic components, they cannot be seen. The first two components, knowledge and feeling are not reveal or explaining of attitudes. It is only this third component through which attitudes can be concluded. The conative component is indicative of an individual's tendency to behave, act or not to act (to buy or not to buy) in a particular manner with respect to the attitude object (product/service offering, brand etc.). As per the model, the knowledge and the feeling component are unseen, they can only be inferred, it is only the behavioral component which can be discovered.

## **2.5 Previous Studies on Customer Attitude**

The researcher from Nord University, (Khanal, 2018), studied influence of affective, cognitive and behavioral intention on customer attitude towards coffee shops in Norway: comparative study of local and international branded coffee shop.

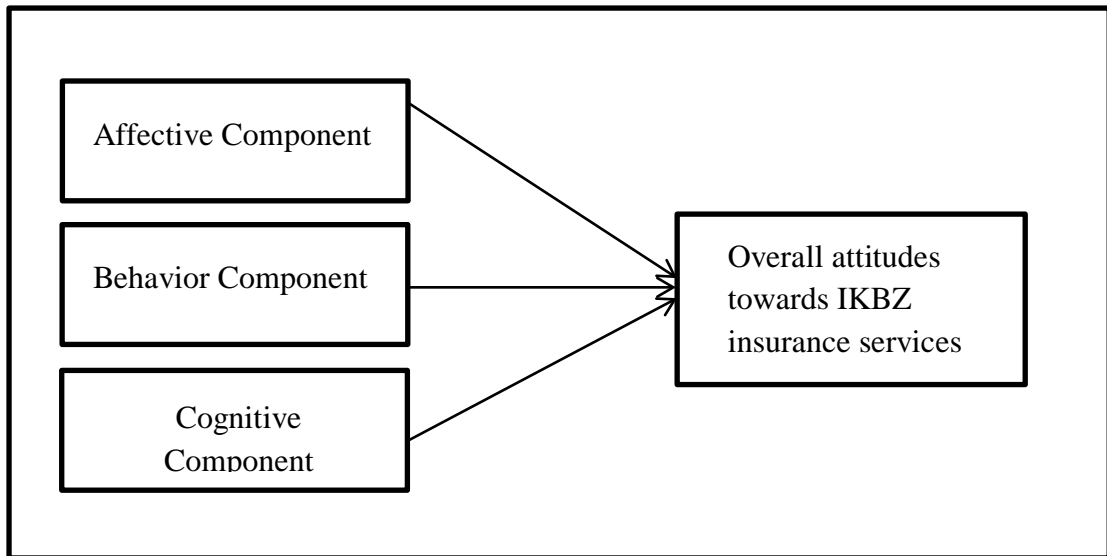
The Tri-component Attitude model was used as the basis for the study. In the research, data has been gathered using self-administrated survey questionnaire which was distributed to 159 sample population (of which: 155 valid respondents) of two different city Oslo and Bodo in Norway via mail and messenger. The research identified that Norwegian customer holds positive attitude towards local coffee shops as compared to international coffee shop. Nevertheless, Norwegian liked to visit international coffee shops.

Tajudeen Olalekan Yusuf & Dallah Hamadu, lectures in the department of Actuarial Science and Insurance, University of Lagos, Nigeria and Ayantunji Gbadamosi, Senior Lecturer, University of East London, (Yusuf, Gbadamosi, & Hamadu, 2009) conducted empirical survey among 392 members of the public insuring and non-insuring to gauge their awareness level and general attitudes towards insurance companies and their operations using exploratory research design method. The result of the study was shown that negative attitudes of Nigerians towards insurance services. The attitudes, most often negative, are reflected by low support of insurance services. The study suggest such social-cultural factors that account for these attitudes and what role marketing strategies can play to change such negative tide.

## **2.6 Conceptual Framework of Customer Attitude**

Conceptual framework is the ideas that generated from the previous literature have been implemented in order to construct a better understanding of above mentioned research question. The conceptual framework was based on tri-component model (Solomon, 2013) of attitude which identifies the customer's feelings, belief and behavioral intention towards insurance services of IKBZ. Those three components were tested and used to measure the overall consumer attitude towards insurance services of IKBZ.

**Figure (2.6) Conceptual Framework of the Study**



Source: Adaption of Tri component attitude model

According to figure (2) the purposed model was used to identify the relationship between the concepts that have been applied in this research. Customer's overall attitude on insurance services is determined by evaluating the above-mentioned individual components of customer attitude.

## **CHAPTER (3)**

### **BACKGROUND STUDY ON IKBZ INSURANCE**

This chapter presents the overview of insurance industry in Myanmar, background of IKBZ insurance, organization structure of IKBZ, insurance products and services of IKBZ.

#### **3.1 An Overview of Insurance Industry in Myanmar**

The development of the economy relies on the soundness of its financial system. The financial sector of Myanmar is made up of state-owned banks, private banks, finance companies, insurance companies and representative offices of foreign banks. Insurance sector is one of the leading players in financial system. Insurance is always required because of the losses occurring all the time. Insurance is available to provide financial protection against a wide variety of losses such as house fire, auto body damage from car accident, medical payment to occupants injured in a car accident and many more.

The report of Financial Sector Overview and Regional Perspective stated that as part of the financial sector reform, Myanmar government has approved the registration for 12 private insurance companies in 2013 by deposit 60% of their capital at a state-owned bank and can withdraw this money after one year. Furthermore, 10% must be deposited into an interest bearing Myanmar Economic Bank (MEB) account as a provision for emergency compensation, and the remaining 30% should be used to purchase treasury bonds. The companies have to pay Kyats 3 million license fee and a Kyats 1 million annual fee. Insurance business supervisory Board supervises all private insurance companies. Operations must start within one year after licensing. At the initial stage, all private insurance companies are essential to use the same policy premium rates to refrain from unhealthy competition resulting in price competition and unprofitability. They will have to rival for the clients' attention through the services they provide.

According to the IOSR Journal of Business and Management, the services provided by the insurance companies in Myanmar are almost similar in nature and type and thus the customers are expected to diversified choices. This means that there are unlimited switching choices and customers will choose the alternative that gives

him maximum satisfaction in reference to different factors that differentiate insurance benefit from each other. The competition and saturation in the insurance company requires insurance companies to be more customer focused as the customers today are much concerned about the value for money.

According to the industry data of Myanmar Insurance Association, at the present, there are 12 local insurance companies with licenses to operate in Myanmar. Foreign insurers and brokers from 14 countries have established some 33 representative offices in Myanmar, in anticipation of the government allowing foreign investment in life and non-life insurance sector. Myanmar insurance market is highly regarded as one of the most existing investment opportunity for international insurance companies as penetration rate in Myanmar remain the lowest in the region and the market is hugely untapped , with insurance penetration standing at 0.07 percent of GDP. Thus, Government of Myanmar has decided to liberalize insurance sector for allowing foreign insurer and brokers in the local market by offering 100 percent fully ownership for life insurers and Joint Venture partnership with local companies for non-life insurers. (List of local insurance companies, insurance product available in Myanmar, foreign insurance companies and international brokers are illustrated in Appendix B, C, D and E).

### **3.2 Background of IKBZ Insurance**

The KBZ Group of Companies has an extensive experience of business establishment since 1995. It all begun with rubies, jade and precious metal mining under the name of Shan Yoma, Nilar Yoma and Jain-Phaw-Aung rubies, jade and precious metal mining companies. Most of the precious metal is located in Mineshu, Mogoke, Phakhant and Khamti Township in the eastern and northern reaches of the country. The legally earned monetary asset was then provided capital for what is now publicly known as Kanbawza Bank.

The official name of the company is nominated as IKBZ Insurance Company. It is a sister company of the Kanbawza Group of Companies catering solely for their insurance business. The IKBZ Insurance Company is established under the umbrella of the KBZ of Companies.

IKBZ insurance Co., Ltd's website linked-in describes that the wide nature of economic reforms in Myanmar since 2011, the insurance sector has opened its arms to the private sector for effective participation and involvement. The Myanmar

government commenced its first acceptance of application for establishment of private local insurance companies in June, 2012. The IKBZ Insurance Co was permitted to start operating in September, 2012 along with the formal application. IKBZ Insurance Co. being to be the most firstly private insurance company to exist in Myanmar on the 12<sup>th</sup> September, 2012. The subscription of paid up capital is (46) Billion Kyats which is identical to (55) million USD. The insurance license (001) was got on 5<sup>th</sup> June, 2013. The opening ceremony of IKBZ was held on the 12<sup>th</sup> June, 2013. (IKBZ Website)

### **3.2.1 Vision, Mission, Core Values and Commitments**

IKBZ vision is to improve the quality of life in Myanmar through insurance.

IKBZ mission is devoted to providing insurance products that provide quality process with value pricing. We intended to establish a successful partnership with our clients, our staff members, and companies in industries that respect the interests and goals of each party.

“IKBZ core values guided by a belief and a culture that runs throughout the entire organization: being good to people and doing the right thing. That is why we are driven by our three values – Metta, Thet Ti, Virya – loving kindness, perseverance and courage” states in KBZMZ.Com.

IKBZ fundamental commitments is to provide sustainable excellence in our business performance lies in providing quality services that satisfy the needs of our clients, constantly striving for operational distinction in claim-handling, managing accurate policies and endorsements on time, maintaining the integrity of our corporate reputation through honesty. (IKBZ Website)

### **3.2.2 Corporate Social Responsibility**

Charitable contributions to social welfare, religious, education, health , sports and other sectors including many auxiliary donations to individuals in need, especially to victims in disastrous events such as floods, earthquakes, fires , cyclones and social crises that have occurred throughout the country are the well-known factors of KBZ Group. Continuous and never ending contribution from IKBZ Insurance have been flowing to promote social and economic development of the society as a whole in Myanmar are official sponsor for 27<sup>th</sup> Sea games held in



Myanmar, Human Capacity Development, Refugee Relief operation in Malaysia, Education disciplinary measures on traffic to local and Merit- deed activity.

### **3.3 Organization Structure of IKBZ**

The IKBZ Insurance Company is systematically established according to international levels with transparent management practices. The IKBZ desires to transform into a Public Company in the future. The company strives to have the prime objective of reputation as a Public Insurance Company. The IKBZ Insurance Company is established under the umbrella of the KBZ Group of companies based on the shares form seven pioneers.

The IKBZ is supported by four main divisions. They are operation division, commercial division, finance division and corporate service division. Under operation division, there are five departments to support its function. Likewise, commercial divisions have five departments and there are three departments in finance division and five departments in corporate service division.

Under operation division, there are five departments. They are operation-admin department, underwriting department, claims department, risk management department and re-insurance department. Under commercial division, there are five departments and they are commercial admin department, sales department, marketing department, customer service department and business development department. Under finance division, there are three departments which are general accounting department, operation accounting department for non-life and operation accounting department for life. Under corporate service division, there are five departments and they are admin department, human department, IT department and legal and compliance department and Internal Audit department.

Currently, IKBZ Insurance launched of IKBZ Life, a new insurance company fully dedicated to life insurance products, in compliance with regulations by the Insurance Business Regulatory Board (IBRB). The Joint Venture (JV) will offer general insurance products while IKBZ Life will focus on products linked to life insurance including group health insurance, long term whole life insurance as well as an education savings plan. The restructuring will give both companies greater room for specialization and innovation, allowing each to target specific customers with the right products.

### **3.4 Insurance Products and Services of IKBZ**

IKBZ Insurance Co., Ltd. is dedicated to providing clients and partners benefit from extensive knowledge and experience that enables to develop creative, tailored solution to meet their needs. Life insurance products of IKBZ are Public Life Assurance, Group Life Assurance, Sport Men Life Assurance, Snake Bite Life Assurance, Farmer Life Insurance, Short Saver Life Assurance and IKBZ Edu Saver. General Insurance products are Fire and Allied Perils Insurance, Comprehensive Motor Insurance, Cash Insurance (Cash In Safe Insurance, Cash In Transit Insurance and Fidelity Insurance), Personal Accident Insurance, Cargo Insurance, Travel Insurance, Health Insurance.

#### **3.4.1 Life Assurance**

##### **(a) Public Life Assurance**

Public Life Assurance is to protection the interests of his or her (insured person) love ones in the events of death of himself or herself. Necessary of Public Life Assurance are Age between 10 - 55 years, Period of insurance is 5 years / 10 years / 15 years, must keep at least 5 years, Sum Insured is at least 50,000 Kyats, Sum Insured amount is Kyats 50,000 to Kyats 30,000,000, 5 - 12 years is short term life assurance, 13 years and above is long term life assurance, accept this insurance with medical check-up from our approve clinic, Calculate the premium using rating table, can pay the premium once for 3 months, 6 months and 1 year.

Beneficial of life Insurance are Loan, Surrender Value, Period Ending and Death. Loan can be available when you pay the premium for 2 years continuously for short term life insurance than you can get a loan with an interest of 6.25%. Surrender value can be available when the premium continuously for 2 years for short term life insurance and you don't want to keep going the policy or you don't have no more situation to keep paying the premium. Then the policy will proceed to an end and we will give back some amount of the premium you put in with the calculation using our rating table. Period Ending defines when policy is end, i.e. the insured period is over, and will give back the whole sum insured amount as saving. Insured person is dead, and then the beneficiary will receive the insured amount.

##### **(b) Group Life Assurance**

Group life insurance which can keep from the owners, bosses, employers or managers of the companies or the business for the workers or employees of his or her

and also can preserve by the willingness of workers to recover the damage or the accidents or the death. Necessaries of Group Life Assurance are age between 18 - 60 years, must have at least 5 workers, 18 to 45 years - accept with free medical approval, over 45 years or sum insured is more than 1 million, accept with medical check-up, sum insured can be at least 10,000 kyats to at most 5,000,000 kyats for one labor and premium is 100 kyats for 10,000 kyats.

**(c) Sport Men Life Assurance**

Sport men life assurance is kept by sport men to recover the injuries or accidents while training, practicing or within competition. Necessaries of Sport Men life assurance are age between 10 – 60 years, kept by students and sport men, Insurance period is 1 years, sum insured is 1 million (1 unit) to 5 million (5 units), premium is 5,000 ks for 1 million (1,000,000 ks), accept with the exception of medical check-up.

**(d) Snake Bite Life Assurance**

Snake bite life assurance is to recover the injuries or deaths caused by snake biting. Necessaries of Snake Bite Life Assurance are no limitation of insured ages, sum insured is 500,000 ks (1 unit) to 5,000,000 ks (10 units), premium is 500 ks for 500,000 ks and period of insurance is 1 year.

**(e) IKBZ Arrawjan**

IKBZ Arrawjan is to cover hospitalization due to illness, hospitalization due to accident, death due to accident, death due to illness, permanent disability, surgery, miscarriage. Basic insurance cover and optional insurance cover (1) and (2) are available in combination. Optional insurance cover is not available separately. The number of available optional insurance is up to the number of basic insurance units bought.

**(f) Farmer Life Insurance**

Provision of financial assist to a certain extent for the farmers life assurance policyholders for any unexpected loss he/she faces. Insurable persons are farmer and their families and relatives, co-farm workers and others. Age limit for the insured are from a 16 year old to a 60 year old and persons whose age is between 16 and 18 years can insure only through their parents or guardians. Insured value is minimum Ks 100,000 and maximum K 5 million and Insurance period is one year beginning from the date of premium payment, and the policy is renewable annually. Benefits are in case the policyholder dies the beneficiary shall receive the whole insurance amount in

lump sum in case of the policyholder becomes permanently disabled he/she shall receive the whole insurance amount in total amount, as for the accidental injury the amount of compensation shall depend on the physician's recommendation, if the policyholder is admitted to a government recognized hospital or clinic for any accidental injury he/she shall enjoy who two percent of the insured value per day for a maximum of five days for one time up to 3 during the insurance period as the health care cost.

**(g) Short Saver Life Assurance**

In Short Saver Life Assurance's Policy, the insured can select one or more person who he or she willing to pay of beneficiary. It has a lot of benefits. They can get maturity benefit, death benefit, and total permanent disability benefit. Moreover, Paid-up Policy, Surrender Value, and Policy Loan are comprised in it.

Short Saver Life Assurance is the best Life Assurance Service for a person because the insured can reclaim maturity payment and can also get more than the beneficiary amount. As stated by life assurance policy, the insured person can obtain the whole Sum Insurance amount if he or she has an accident during the insurance period.

IKBZ Short Saver Life Assurance was developed in the simplest process way for the public. The policy is transmitted officially when the premium installation is in One Year. It is also well known as "Double Benefits IKBZ Short Saver Life Assurance".

**3.4.2 General Insurance**

**(a) Fire and Allied Perils Insurance**

Life is full of unforeseen events and not all of them are pleasant. Natural disasters such as an earthquake, avalanche, storm or fire can put human life and property at risk. IKBZ provides the Standard Fire & allied Perils policy, which will support you in such trying times. This insurance policy protects you against the losses that can emerge due to a fire and allied perils.

Properties that are covered the following assets based on (i) the agreed value or (ii) the market value:

1. Building (excluding the value of land)
2. Plant & Machineries, Equipment & Accessories

3. Stocks (Raw, In-process Goods or Finished and Belongings of Retailer, Wholesaler and Manufacturer)
4. Fixtures, Fittings and Furniture and Other Contents

Exclusion of specific Items such as bullion, unset precious stones, curiosity and work of arts for an amount exceeding Ks - 50,000, manuscripts, plans, securities, drawings, obligations or documents, paper money, coins, stamps or, cheques, computer system records and books of accounts etc. The policy protects various immovable and movable assets mentioned above against loss or damage due to Fire, Lightning, and Explosion of home-used gas. Moreover, types of losses are covered by standard fire policy are goods spoiled or property damaged by water or other used to extinguish the fire, pulling down of adjacent premises by the fire brigade in order to stop the progress of flame, breakage of goods in the process of their removal from the building where fire is raging e.g. damage made by throwing furniture out of window.

Add on Covers to extend your insurance to cover other perils are Riot, Strikes and Malicious Damage (RSMD), Air Craft Damage, Impact Damage, Subsidence and Landslide, Earth-quake fire and Earth-quake shock, Explosion, Spontaneous combustion, Storm, Cyclone, Tempest, Typhoon, Tornado, Hurricane (SCTTTH), Flood and Inundation, Burglary and War Risk. Properties that are not covered to Loss of or damage to the property insured directly or indirectly caused by or in consequence of fire are theft during or after the occurrence of a fire, pollution or contamination, ionizing radiations and contamination by radioactivity, fermentation, natural heating, spontaneous combustion, its undergoing heating, drying process, the burning of property by order of any public authority and subterranean fire, nuclear weapons material, forests, bush, prairie, pampas or jungle and clearing of lands by fire, other exclusions as explained in the Policy.

#### **(b) Comprehensive Motor Insurance**

Vehicle is one of our most prized possessions. With Motor Insurance, vehicle is protected against any unforeseen circumstances. Now, we can be rest certain of hassle-free service and street-wise support, backed by authorized workshops and end to end automated process which ensures fast track claim settlement. It aids to protect you, staff, third party properties and business motor assets (trucks, plants, and other vehicles). It can also help to protect you in the event of a motor related legal action. No fleet is too large or small for our professional staff to handle. Vehicle's insurance is always in safe hands.

Vehicles that are covered based on (i) the agreed value or (ii) the market value. Insurable motor vehicles are private car, vehicle owned by embassy, UN and its organizations, commercial vehicles, hired vehicles, touring vehicles, goods transport vehicles, bus, coach or taxi, ambulance, fire engine, hearse and vehicle owned by religious organizations, any other vehicles registered at Road Transport Authority and Mobile Plants (Crane, Fork -lift, Excavator, Dump Truck, etc.).

Basic Covers are loss or damage to vehicle, third party's property and liability to third parties, under the circumstances of collision and overturning, fire, explosion or lightning, malicious act, when in transit (including loading and unloading) by road, rail or inland waterway and falling objects unless caused by flood, storm, or natural disaster.

Additional covers are other perils by payment of extra premiums for compulsory covers are strike, riot and civil commotion (3 days only) and wind screen and optional covers are Acts of god (flood, wind storm, earthquake, etc.), war risk, and theft. Major Exclusions under this Policy are any loss or damage to the vehicle and/or its accessories will not be covered if caused by normal wear, tear and general ageing of the vehicle, any consequential loss, mechanical or electrical breakdown, failure, vehicle being used otherwise than in accordance with limitations as to use, damage to or by a person driving the vehicle without a valid license, damage to or by a person driving the vehicle under the influence of drugs or liquor, damage to tires and tubes, unless damaged during an accident and Loss or damage outside Myanmar.

### **(c) Cash Insurance**

Three kinds of Cash Insurance are accessible from our IKBZ Insurance Co., Ltd. They are Cash in Safe Insurance, Cash in Transit Insurance and Fidelity Insurance. Every successful business needs complete safeguarding against potential loss. In business, storing money in your safe often causes anxiety for everyone. These Cash-in-Safe insurance policies are very much beneficial in such undesirable situations. Incidences like burglary or theft creates feel helpless. Insurance can help you successfully get the better of these situations by putting you firmly in control of your business and dreaming of making it big. This policy indemnifies against loss of money whilst kept within the premises.

Product Features of cash in safe under this Policy covers cash, bank & currency note, coins, certified cheques, money orders, postage cheques, postal cheques, securities and postage stamps secured in locked vault or safe /strong room at

the premises of the insured. Exclusion of this policy is manuscripts, accounts or records and perils covered are burglary, robbery and any violent and forcible means. Major exclusion under this Policy are to any loss due to any fraudulent act by the insured or a partner or an employee (except such acts by a messenger or custodian) discovered within three working days after the occurrence and in case of dishonest act committed several times before discovery, the date of discovery is assumed to be the first day of occurrence, to any loss due to forgery, payment of money in any exchange or purchase or accounting or arithmetical errors or omissions, to any loss due to any loss insured by fidelity guarantee, to any loss due to war ( whether war be declared or not), civil war , terrorism, strike , riots , civil commotion to a popular rising, rebellion, revolution, acquisition of property by order of public authority, to any loss due to nuclear weapons, radiation or contamination by radio activity from any nuclear fuel or from any nuclear waste from the combustions of nuclear fuel, any loss or damage by fire however caused and other exclusion as defined in the policy.

Cash in transit policy indemnifies against loss of money whilst kept during transit. This Policy covers cash, bank & currency note, coins, certified cheques, money orders, postage cheques, postal cheques, securities and postage stamps secured in locked safe or vault/strong room at the premises of the insured. Exclusion are manuscripts, accounts or records and perils covered are the losses of money in transit between the insured's premises and bank or post office, or other specified places occasioned by the perils covered by this Policy are robbery or theft and any violent and forcible means. Major exclusions under this Policy are loss of money directly or indirectly caused by earthquake ,volcanic eruption, flood , typhoon, tornado, cyclone , hurricane, other convulsion of nature or atmospheric disturbance, war, invasion, Act of foreign enemy, hostilities or warlike operations (whether war be declared or not), mutiny, riot, civil Commotion, insurrection, rebellion, revolution , conspiracy, military, naval or usurped power, martial law or State of Siege and other exclusions as defined in the Policy.

Despite the best internal control evaluate in any corporate activity, mishaps like misappropriation and embezzlements by employees do take place. Fidelity Insurance Policy protects employers against such exposures. This insurance is targeted to cover financial losses mentioned by employees such as cashiers, finance or sales personnel and other such employees holding position or trust in the organization. This policy covers loss of money or money's worth which is confidently entrusted by

business and loss of money or money's worth accepted by employees in line of duty. The term "Money" shall be supposed to mean and to include cash and/or any other financial instrument that is easily convertible into cash. Foreign currency shall be equal to local currency at the prevailing Central Bank Mean Rate at the time of loss. Types of coverage under this policy provide coverage against any direct pecuniary loss sustained by the employer through the acts committed by his employees in connection with their occupation and duties. Major exclusion under this policy are any fraudulent claims, any loss due to war (whether war be declared or not), Civil war, terrorism, strike, riots, civil commotion to a popular rising, rebellion, revolution, any loss due to Acts of nature (flood, wind storm, earthquake, etc.), other exclusions as defined in the Policy.

**(d) Personal Accident Insurance**

Personal accident insurance is to provide financial assistance for anyone who faces loss of life, disability or injury due to accident. The insured should have healthy condition. The insured should be in age of 16 to 65. For age of 16 to 18, the parents can buy this cover for them. Premium may differ depend on risk of job. Premium amount may be more for risky jobs such as army, polices, pilot & crew, electrical work etc.). Basic covers are accidental death, permanent disabilities in case of accident, and injuries in case of accident and hospitalization in case of accident. Benefits are death claim & permanent disability can be claimed for 100% of sum insured. Others, proportionally % benefit depend on the case of injury. Exclusions are the injury, hospitalization and death, directly or indirectly resulted from the cases shall not be included in the coverage such as self-making injuries, permanent disabilities and death with plotting, injuries , permanent disabilities and death by drug abusing or using, disabilities and death by diseases, injuries, permanent disabilities and death by self-committed criminal, injuries, permanent disabilities and death by terrorism, riot and war, injuries, permanent disabilities and death by other people.

**(e) Cargo Insurance**

Cargo insurance is taking responsibility in case of damage occurred in cargo transportation (One round trip only). There are two main types of cargo insurance: marine cargo insurance and inland transit cargo insurance. Marine cargo insurance may be divided into by steamer and by coastal. It protects only for total loss and partial loss is not inclusive. Additional Cover under this policy are war risk, strike,



riot and civil commotion and port risk. Premium rates are different depend on types of cargo, seasons (summer or Rainy) and Inland/Streamer/Costal.

**(f) Special Travel Insurance**

While travelling along the specified route from the beginning till the end with the vehicle stated in the ticket, the insured will get indemnity for his/her death/injury directly or indirectly due to the stated vehicle unless the insured suffers or commits are pre-existing diseases and handicaps, insane, suicide, voluntary act of bodily injury, abortion, involvement in dangerous or reckless act, violation of law to commit a crime, usage of illegal drugs and war ,strike, riot and civil commotion. The beneficiary will be compensated up to Kyats 3,000,000 upon the death of the insured and up to Kyats 2,400,000 proportionally upon the extent of injury occurred to the insured. The beneficiary is needed to submit the claim during one year since the insured's death and during two years since the injury occurred to the insured.

## **CHAPTER (4)**

### **ANALYSIS OF CUSTOMER ATTITUDE TOWARDS IKBZ**

This chapter presents the findings of the study and analyzes the insurances of IKBZ. There have been six sections; section 4.1 expressed the research design, section 4.2 analyzed on the demographic profile of customer, section 4.3 analysis on customer attitudes by tri component attitude model.

#### **4.1 Research Design**

Descriptive statistics was used to discuss results of the study which has been presented form of tables, frequencies, percentage, mean and standard deviation. These data are presented and analyzed based on data collected through structured questionnaires from 105 customers who purchased life and non-life insurance products of IKBZ head office. Structured questionnaires have been distributed to 150 customers and 70 percent of them returned back.

#### **4.2 Demographic Profile of Customers**

The demographic information of respondents was necessary because the ability of the respondents to give satisfactory information on the study greatly depends on their background. The demographic characteristic involves gender, age, highest education level, occupation, monthly income and marital status. This aspect of the analysis concerned with the personal data on the respondents of the questionnaire given to them.

#### **Gender of the respondents**

The respondents are both males and females. Table (4.1) shows the gender of respondents.

**Table (4.1) Gender of the respondents**

| <b>Category</b> | <b>No. of Respondents</b> | <b>Percentage</b> |
|-----------------|---------------------------|-------------------|
| Male            | 53                        | 51                |
| Female          | 52                        | 49                |
| Total           | 105                       | 100               |

Source: Survey Data, 2019

As shown in Table (4.1), the sample consists of 53 males and 52 females. In terms of the percentage, male respondents share 51 percent of the sample while female respondents share 49 percent of the sample.

### **Respondents Age Group**

Ages of the respondents are classified into six groups. Table (4.2) presents the distribution of the age of respondents.

**Table (4.2) Age group of the respondents**

| <b>Age (in year)</b> | <b>No. of Respondents</b> | <b>Percentage</b> |
|----------------------|---------------------------|-------------------|
| Under 21             | 0                         | 0                 |
| 21 to 30 years       | 26                        | 25                |
| 31 to 40 years       | 25                        | 24                |
| 41 to 50 years       | 30                        | 29                |
| 51 to 60 years       | 17                        | 16                |
| Above 60 years       | 7                         | 6                 |
| <b>Total</b>         | <b>105</b>                | <b>100</b>        |

Source: Survey Data, 2019

Table (4.2) respectively shows the frequency distribution of age. . It is found that under 21 have no responds. Most respondents from these age group in employment and they have regular income. So, they can decide to choose insurance product.

### **Highest Education level**

Table (4.3) presents the distribution of education level of respondents. There are four education levels among the respondents in the sample: Under high school, High school graduate, University Graduate and Professional / Master Graduate.

**Table (4.3) Number of Respondents by Education**

| Education Level       | No. of respondents | Percentage |
|-----------------------|--------------------|------------|
| Under High School     | 1                  | 1          |
| High School           | 11                 | 11         |
| University Graduate   | 81                 | 77         |
| Professional / Master | 12                 | 11         |
| <b>Total</b>          | 105                | 100        |

Source: Survey Data, 2019

The education levels of respondents can influence on the customer attitudes of IKBZ. According to the table (4.3) 1% of the total respondents are under graduate, 11% of the total respondents are high school, 77% of the total respondents are university graduate and 11 % of the respondents are professional/ master graduated.

#### **Occupation of Respondents**

Table (4.4) shows the frequency distribution of the occupation of the respondents in the sample.

**Table (4.4) Occupation of Respondents**

| Category                     | No. of respondents | Percentage |
|------------------------------|--------------------|------------|
| Un-employed                  | 1                  | 1          |
| Business Owner / Self-employ | 50                 | 48         |
| Company Staff                | 46                 | 44         |
| Government employee          | 8                  | 7          |
| <b>Total</b>                 | 105                | 100        |

Source: Survey Data, 2019

There are four categories of occupation in survey questionnaire: un-employed, business owner/ self-employed, company staff and government employee. 1 respondent are un-employed, 50 respondents have their own business/ self-employed, 46 respondents are working for company staff and 8 respondents are government employee. In term of percentage share, the category of client who run their own

business is the highest with 48%, followed by client who are working for private company with 44% and client who are working for government service with 7%.

### Monthly Income

In this study, approximate monthly average income is broadly divided by five levels. Table (4.5) shows the distribution of income level of respondents.

**Table (4.5) Number of Respondents by Income**

| Income group (Kyats)   | No. of respondents | Percentage |
|------------------------|--------------------|------------|
| Under 200,000          | 2                  | 2          |
| 200,000 to 500,000     | 21                 | 20         |
| 500,000 to 1,000,000   | 30                 | 29         |
| 1,000,000 to 1,500,000 | 15                 | 14         |
| Above 1,500,000        | 37                 | 35         |
| <b>Total</b>           | 105                | 100        |

Source: Survey Data, 2019

It was found that the majority of respondents earn higher income while a small group of respondents earn lower income. In this case, 35% of respondents earn over 15 lakhs whereas 2 % of the respondents earn fewer than 2 lakhs. As their income level determines the type of industry they are involving, most of customers are representative of private companies and own business owners.

### Marital Status of Respondents

Marital status is divided into two categories: single and married. Marital status of target respondents has been surveyed for this study.

**Table (4.6) Marital Status of the Respondents**

| Category     | No. of respondents | Percentage |
|--------------|--------------------|------------|
| Single       | 35                 | 33         |
| Married      | 70                 | 67         |
| <b>Total</b> | 105                | 100        |

Source: Survey Data, 2019

Table (4.6) shows the frequency of the respondent's marital status respectively. Marital status is divided into two categories: Single and Married. In term of percentage, married respondents have larger share with 67% than the single respondents with 33%. It can be concluded that the married customers with the surplus income are using saving and insurance provided by IKBZ.

### 4.3 Customers' purchasing Insurance practices from IKBZ

The second section is the analysis on the respondents' purchasing insurance practices form IKBZ. To find out this, there include three sub sections named analysis on the customer experience in purchasing insurance from IKBZ, types of insurance products purchasing from IKBZ and categories of insurance products purchasing from IKBZ.

**Table (4.7) Customer Experience in purchasing Insurance from IKBZ**

| <b>Experiences (Year)</b> | <b>No. of respondents</b> | <b>Percentage</b> |
|---------------------------|---------------------------|-------------------|
| Under 1                   | 5                         | 5                 |
| 2 to 3                    | 20                        | 19                |
| 4 to 5                    | 37                        | 35                |
| Above 6                   | 43                        | 41                |
| <b>Total</b>              | 105                       | 100               |

Source: Survey Data, 2019

In the analysis of purchasing experiences, it is grouped into four: under 1 year, 2 to 3 years, 4 to 5 years and above 6 years. Table (4.7) reports on the results of the analysis on the purchasing experiences of the respondents as follows.

It shows the result of 105 respondents, 5 respondents have under 1 year purchasing experiences, 20 have 2 to 3 years' experiences, 37 have 4 to 5 years' experiences and 43 have above 6 years' experiences. In term of percentage, majority group is above 6 years' experiences with 41 percent. 100 respondents who have above 1 year experience are loyal customers and have long term relationship with IKBZ. According to the respondent's experience, there have mixture of perceptions from both of old and young purchasing experiences.

### **Types of insurance products purchasing from IKBZ**

From table (4.8) shows the frequency of the types of insurance product purchasing from IKBZ. Insurance products are divided into two categories: Non-life and life. In term of percentage, 45 respondent of Non-life product respondents are 43%, 24 respondent of life product are 23% and 36 respondent of both Non-Life and life are 34%.

**Table (4.8) Types of insurance products purchasing from IKBZ**

| <b>Types</b>    | <b>No. of respondents</b> | <b>Percentage</b> |
|-----------------|---------------------------|-------------------|
| Non-Life        | 45                        | 43                |
| Life            | 24                        | 23                |
| Non-Life + Life | 36                        | 34                |
| <b>Total</b>    | <b>105</b>                | <b>100</b>        |

Source: Survey Data, 2019

### **Categories of insurance products purchasing from IKBZ**

Table (4.9) shows the frequency of the categories of insurance product purchasing from IKBZ. Non-life insurance products purchasing respondent are divided into three categories: fire & Allied product, motor comprehensive product, travel. Life insurance products are divided into three as public life, group life and health.

**Table (4.9) Categories of insurance products purchasing from IKBZ**

| <b>Types</b>           | <b>No. of respondents</b> | <b>Percentage</b> |
|------------------------|---------------------------|-------------------|
| Fire & Allied Products | 19                        | 18                |
| Motor Comprehensive    | 14                        | 13                |
| Travel                 | 12                        | 11                |
| Public life            | 8                         | 8                 |
| Group Life             | 10                        | 10                |
| Health                 | 6                         | 6                 |
| Non-Life + Life        | 36                        | 34                |
| <b>Total</b>           | <b>105</b>                | <b>100</b>        |

Source: Survey Data, 2019

In the case for non-life group, 19 respondents from fire & allied products respondents are 18%, 14 respondents form motor comprehensive product purchasing customers are 13%, 12 respondents of travel product respondent are 11%. In the life respondent category, 8 respondents of public life products are 8%, 10 respondent of group life respondent are 10% and 6 respondent of health are 6% respectively. 36 respondents who were insured both non-life and life insurance products are 34%.

#### **4.4 Analysis of Customer Attitude by Tri-component Model**

This part of the study presents the analysis on the customer attitude towards IKBZ services by using the affective components; how IKBZ provide its services, complain handling skills, marketing skill and ability to perform customer service satisfactory.

##### **4.4.1 Customer Attitude on Affective Component**

Respondents are requested to answer for their level of attitude toward affective function with the use of 5 point Likert Scale analysis. Table (4.10) indicates the result of the customer attitude towards the affective components.

Based on the analysis on table (4.7), it was found that most of the respondents strongly feel that satisfied with free gifts to customer. (Dash Camera, Sun Cover, etc.) with the mean value of 3.70 and standard deviation of 0.68. And it was noted that respondents objectively agreed that making customers feel safe and secure in their transactions because the mean score is 3.65 and standard deviation is 0.71. Respondents feel highly satisfied for most of the components except always try to customers about the nature and schedule of services available in the organization which is with the mean value of 3.49 and standard deviation of 0.79. Hence, the overall score of feelings component is at the high satisfactory level of 3.60.



**Table (4.10) Customer Attitude of Affective Component towards IKBZ Services**

| No.          | Attribute of Affective (Feelings) Component   | Mean | Std. Dev |
|--------------|---|------|----------|
| 1            | Point out suitable additional insurance cover especially for fire & allied product that meet customers' needs   | 3.63 | 0.68     |
| 2            | Enhancement of technological capability (e.g. computerization, networking of operation, etc to serve customers more effectively                           | 3.50 | 0.74     |
| 3            | Agents and employees who have the proper knowledge and competence to answer customers' specific queries and requests about terms and conditions of policy | 3.58 | 0.69     |
| 4            | Always try to explain the customers about the nature and schedule of insurance services available in the organization                                     | 3.49 | 0.79     |
| 5            | Making customers feel safe and secure in their transactions   | 3.65 | 0.71     |
| 6            | Willingness to help customers and the readiness to respond to customers " requests  | 3.64 | 0.77     |
| 7            | Satisfied with free gifts to customer. (Dash Camera, Sun Cover, etc:)   | 3.70 | 0.68     |
| 8            | Giving caring and individual attention to customers by having the customers" best interests at heart  | 3.54 | 0.78     |
| Overall Mean |   | 3.60 | 0.37     |

Source: Survey Data, 2019

#### **4.4.2 Customer Attitude on Behavioral Component**

This part of the study presents the analysis on the customer attitude towards IKBZ services by using the behavior components; how IKBZ provide its services, complain handling skills and ability to perform customer service satisfactory. Respondents are requested to answer for their level of attitude toward behavior function with the use of 5 point Likert Scale analysis. Table (4.8) indicates the result of the customer attitude towards the behavior components.

**Table (4.11) Customer Attitude of Behavioral Component towards IKBZ Services**

| No.          | Attribute of Behavioral Components   | Mean | Std. Dev |
|--------------|--|------|----------|
| 1            | Purchase more policies from the IKBZ because fulfill its promise towards policy (General and Life insurance)         | 3.52 | 0.74     |
| 2            | Will attract friends and family members to purchase policy from the IKBZ as it provides claims compensation on time. | 2.99 | 0.68     |
| 3            | Will buy insurance policy from IKBZ because of its connectivity with KBZ banks.                                      | 3.70 | 0.77     |
| 4            | Always choose IKBZ because of the reputation among the insurance company   | 3.67 | 0.73     |
| 5            | Prefer to purchase policy from IKBZ as its branch network is convenient and efficient.                               | 3.67 | 0.70     |
| 6            | Positive to buy policy because agents are well informed about it.  | 3.61 | 0.71     |
| 7            | Understand customer's financial availability for insurance cover selection and Sum Insured.                          | 3.47 | 0.72     |
| Overall Mean |  | 3.53 | 0.40     |

Source: Survey Data, 2019

#### **4.4.3 Customer Attitude on Cognitive Component**

This part of the study presents the analysis on the customer attitude towards IKBZ services by using the beliefs components of the Tri-component attitudes model. Respondents are requested to answer for their level of attitude toward beliefs function with the use of 5 point Likert Scale analysis.

**Table (4.12) Customer Attitude of Cognitive Component towards IKBZ Services**

| No.          | Attribute of Cognitive (Beliefs) Components   | Mean | Std. Dev |
|--------------|---|------|----------|
| 1            | Internal control of IKBZ is speedy documentation and processes.   | 3.63 | 0.68     |
| 2            | IKBZ have modernized and updated equipment, fixtures and facilities.  | 3.74 | 0.81     |
| 3            | IKBZ have attractive health insurance services packages that meet customer needs.   | 3.65 | 0.75     |
| 4            | General Insurance of IKBZ has protection in order to safeguard you from out of pocket expenses towards it repairs or uneventful loss. | 3.62 | 0.71     |
| 5            | IKBZ provides clear awareness about terms and conditions of insurance policy  | 3.00 | 0.66     |
| 6            | IKBZ employees recommend policy as per customer needs   | 3.61 | 0.64     |
| 7            | IKBZ provides fast and efficient counter service  | 3.60 | 0.67     |
| 8            | Buying insurance policy from IKBZ is more secure and safety.  | 3.63 | 0.70     |
| Overall Mean |   | 3.56 | 0.39     |

Source: Survey Data, 2019

Table (4.12) showed that most of the respondents prefer to purchase insurance policy from IKBZ because of its connectivity with KBZ banks with the mean score of 3.70 and standard deviation of 0.77. It was also found that most of the respondent likes to choose IKBZ because of the reputation among the insurance company and prefer to purchase policy from IKBZ as its branch network is convenient and efficient with the same mean score of 3.67 and standard deviation of 0.73 and 0.70. Respondents prefer to purchase for most of the components except attract friends and family members to purchase policy from the IKBZ as it provides claims on time which is with the mean value of 2.99 and standard deviation of 0.68. The overall customer's attitude concerning behavioral component was at a high level of 3.53.

Based on the analysis from table (4.12), it was noted that most of the respondents strongly agreed that IKBZ have modernized and updated equipment,

fixtures and facilities because it has the mean score of 3.74 and standard deviation of 0.81. Respondents are highly accepted that IKBZ have attractive health insurance services packages that meet customer needs with the respective mean of 3.65 and standard deviation of 0.75. The overall customer's attitude concerning beliefs component was at a high level of 3.56.

#### 4.4.4 Overall Customer Attitude towards IKBZ Services

This part was analysis on the overall average mean score and level of standard deviation based on the analysis of three components: affective component, behavioral component and cognitive component.

**Table (4.13) Overall Customer Attitude towards IKBZ Services**

| Tri Components      | Mean | Std. Dev |
|---------------------|------|----------|
| Affective Component | 3.60 | 0.37     |
| Behavior Component  | 3.61 | 0.40     |
| Cognitive Component | 3.63 | 0.39     |
| Overall Mean        | 3.62 | 0.33     |

Table (4.13) indicates the analysis on the overall customer attitude on IKBZ services based on the tri-component model, shows that the cognitive (beliefs) component was the highest component. The overall mean score is 3.62 and the standard deviation is 0.33, which is greater than the standard mean score of 3. It can be seen that many of the customers has positive attitude towards IKBZ Services.

As indicated by the positive and significant correlation between beliefs and feelings, the beliefs of IKBZ customer with regards to the products are likely to influence their feelings toward the products. The conative component is concerned with the intention to buy. It leads to behavior or purchase action. The significant and positive correlation between consumer feelings toward and consumer intentions to buy insurance products suggests that the favorable the feelings of customer, the more they are prepared to buy insurance products; the unfavorable the feelings of customers, the more unlikely they are to buy insurance products. Consumer beliefs about insurance products are also positively correlated with intentions to buy insurance products. This suggests that customer intentions to buy insurance products

may also be influenced by the beliefs that consumers hold regarding insurance products. The significant and high correlations between customer beliefs, feelings and intentions to purchase suggest convergence validity i.e. these components converge on measuring consumer attitude.

#### **4.5 Correlation Analysis among Affective Component, Behavior Component and Cognitive Component**

The following table (4.14) represents correlation analysis among affective component, behavior component and cognitive component factors about IKBZ Services.

The table presents the Pearson correlation between affective components, behavior components and cognitive component. Correlation between affective and behavior component  $r = 0.662$ , this mean that changes in affective component are moderately correlated with changes in the behavior component. Correlation between affective and cognitive component  $r = 0.528$ , this mean that changes in affective component and cognitive component are moderately correlated. The correlation between behavior and cognitive component  $r = 0.688$ , means that moderate positive relationship and consumer belief about insurance products are also positively correlated with intensions to buy insurance products. This suggests that customer intension to buy insurance products may also be influenced by the belief that consumers hold regarding insurance products. The significant and high correlation between customer beliefs, feeling and intension to purchase suggest convergence validity i.e. these components coverage on measuring customer attitudes.

**Table (4.14) Correlation analysis among attitudes components**

|                     |                     | Affective Component | Behavior Component | Cognitive Component |
|---------------------|---------------------|---------------------|--------------------|---------------------|
| Affective Component | Pearson Correlation | 1                   | .662**             | .528**              |
|                     | Sig. (2-tailed)     |                     | .000               | .000                |
|                     | N                   | 105                 | 105                | 105                 |
| Behavior Component  | Pearson Correlation | .662**              | 1                  | .688**              |
|                     | Sig. (2-tailed)     | .000                |                    | .000                |
|                     | N                   | 105                 | 105                | 105                 |
| Cognitive Component | Pearson Correlation | .528**              | .688**             | 1                   |
|                     | Sig. (2-tailed)     | .000                | .000               |                     |
|                     | N                   | 105                 | 105                | 105                 |

\*\* . Correlations are significant at the 0.01 level (2-tailed).

Source: IBM SPSS Statistics 22 output data

The Table (4.14) presents the Pearson correlation between affective components, behavior components and cognitive component. Correlation between affective and behavior component  $r = 0.662$ , this mean that changes in affective component are moderately correlated with changes in the behavior component. Correlation between affective and cognitive component  $r = 0.528$ , this mean that changes in affective component and cognitive component are moderately correlated. The correlation between behavior and cognitive component  $r = 0.688$ , means that moderate positive relationship and consumer belief about insurance products are also positively correlated with intensions to buy insurance products. This suggests that customer intension to buy insurance products may also be influenced by the belief that consumers hold regarding insurance products. The significant and high correlation between customer beliefs, feeling and intension to purchase suggest convergence validity i.e. these components coverage on measuring customer attitudes.

## **CHAPTER (5)**

### **CONCLUSION**

This chapter presents the summary of findings on customer attitudes towards IKBZ insurance services. It has been section into three. It has been into three sections: section 5.1 expresses findings and discussions on the survey data, Section 5.2 suggests and recommends regarding to the findings of the study and final Section 5.3 suggests the needs for further studies.

#### **5.1 Findings**

According to the survey data, in gender group, male and female respondents are nearly equal. The major age group of age respondents is between 41 and 50 years. This is an effective working age because this kind of age is stable, strong and mature enough to do job. The most of respondents are university graduate. The occupation of respondent survey data was found business owner or self-employed almost respondent than other level. The income level of respondent was most above 15 Lakhs because they have good financial situation to take insurance cover over their ownership.

The affective components of the attitude show that most of the respondents has positive attitude towards IKBZ services. The respondents strongly feel that convenient to pay premium on due date. All services of IKBZ are satisfactory which was described above the standard mean score level, except the fact the apprising the customers of the nature and schedule of services available in the organization compare to other. Hence, it can still be concluded that most of respondents have the positive attitude of affective component.

The study of the behavioral components indicates that respondents prefer to buy insurance policy from IKBZ because of its connectivity with KBZ banks, timely revival of lapsed policies, and change of nomination, addresses and mode of premium payments. The overall mean values calculated was above the standard score but lesser than the affective and cognitive components and it can be determined that the respondents' have the positive attitude of behavioral component towards IKBZ services.

From the analysis of cognitive components, it expresses that most of the respondents strongly thought that Services provided by IKBZ is more convenience to

customers than peer group. It was found that the overall mean value of cognitive components was above the standard score and the highest among the three components.

By examining the tri component attitude model towards insurance services of IKBZ, it was found that belief component was the most vital factor. Most customers identified that internal control of IKBZ is speedy documentation and processes, IKBZ have modernized and updated equipment, fixtures and facilities, IKBZ have attractive health insurance services packages that meet customer needs, General Insurance of IKBZ has protection in order to safeguard from out of pocket expenses towards it repairs or uneventful loss, IKBZ provides clear awareness about terms and conditions of insurance policy, IKBZ employees recommend policy as per customer needs, IKBZ provides fast and efficient counter service and buying insurance policy from IKBZ is more secure and safety. The overall mean score is 3.62 with standard deviation 0.33, it can be said that many of the customer possess positive attitude towards insurance services of IKBZ.

## **5.2 Suggestion**

As a service industry, IKBZ services should deliver quality services so that customers are satisfied and have positive attitudes towards the services. The study has been conducted and found some important attributes regarding customer's attitude towards IKBZ services. Based on the findings of this study, the following recommendations are proposed to help improvements for services of IKBZ insurance company.

It has been found from the study that customers give much emphasis on the claims compensation process to speed up it by reducing some of document/forms requirement. The study also has found that customers have more positive attitude regarding with free gifts to customer and convenient to pay premium on due date. The customer's attitude changes as claims process changed. This is virtually a study for evaluating the customer's attitude because all the variables have not been taken into account for attitude measurement. The study has been carried out despite some of the limitations.

After analyzing the outcome of the survey result, the study has recommended some of the strategies which might be effective in gaining positive customer's attitudes. IKBZ should focus more on staff awareness of about terms and conditions.



IKBZ should arrange more insurance awareness training for insurance knowledge improvements. Delay in claims compensation is found a bit higher by the survey outcome. It can also be reduced in correspondence with services to receive more positive attitudes from customers. Improvement on customer care services is needed to be delivering efficient and quick customer services. More comprehensive training should be given to the team. Updated information for services and new products should be available and easily accessible for all customers in every channel. IKBZ should also focus more to arrange more insurance product in-house training because customer have negative attitude concerning of understanding on terms and policy.

### **5.3 Needs for future research**

This study mainly analyzed on customer attitudes according to the available data. The data were collected from IKBZ customer totally 105 using sampling methods. This study only sampled IKBZ Head Office. The main limitation of study was incapacity to include more organizations and associations. The study also deal with challenges of time resources limiting the study from collecting information for the study particularly where the respondent delay in filling the questionnaire. The respondents were faces with uncooperative from the respondents because of unfamiliarity with the goole format questionnaire required for the study. Some respondents may have confused question to answer and some respondents have given false information and response related with their job. The researcher explained to the respondents that the information they provided was to be kept confidential and was only for academic purpose only.

The study investigated customer attitudes towards IKBZ services in Myanmar. A further research should be carried to determine customer attitudes and behavior on insurance services of the insurance industry or financial institution in Myanmar. The study also recommends that a further study should be carried out to determine and analyze customer attitudes on other financial sectors.

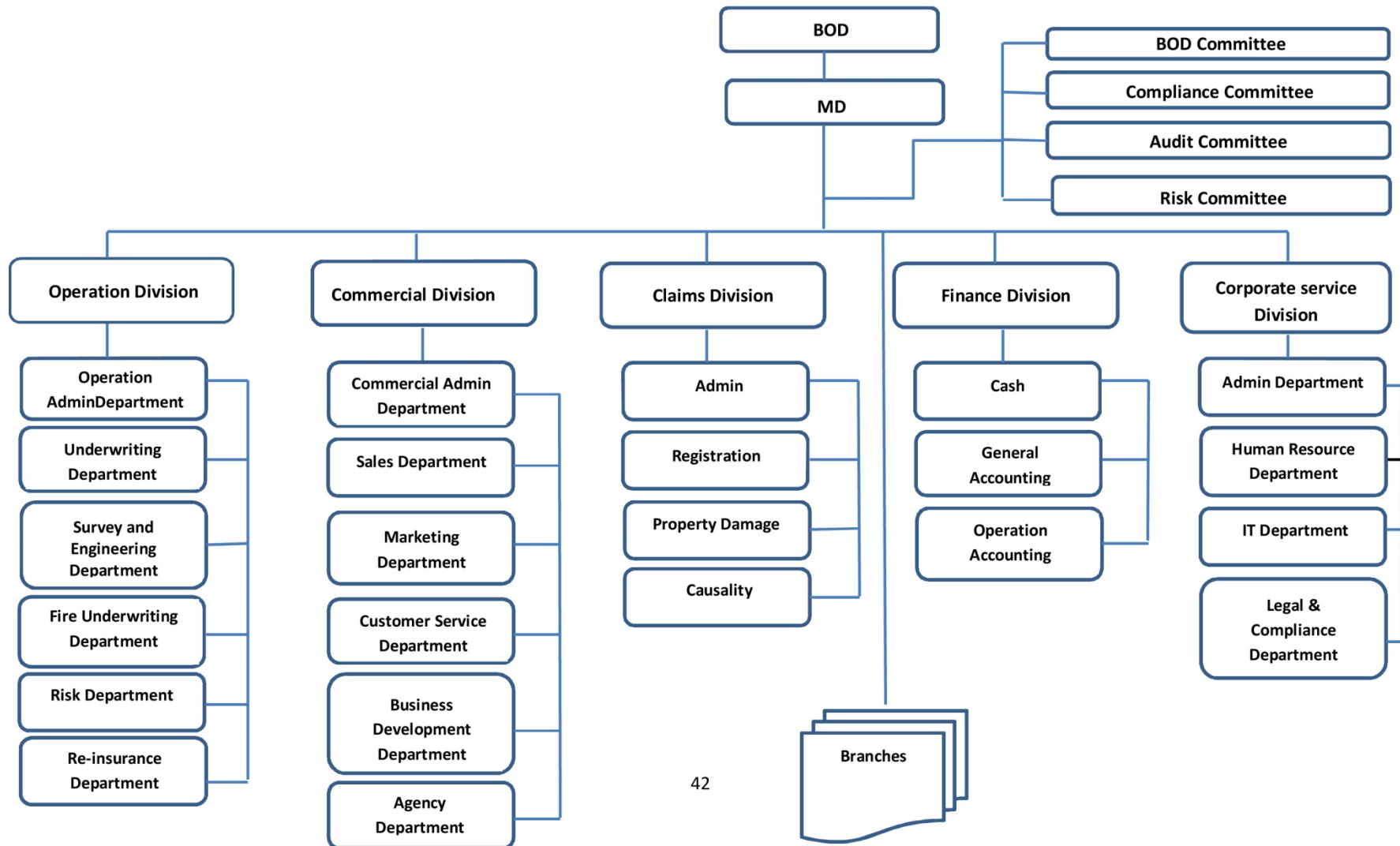
## REFERENCES

- A, K. P. (1987). *Strategic Marketing for Non-profit Organizations*.
- Cynthia, N. (2012, October). *The relationship between corporate governance and performance of non-governmental organizations in Kenya*. Retrieved from <http://erepository.uonbi.ac.ke/bitstream/handle/11295/95588/>.
- E.Rejda, G. (2008). *principles of risk management and insurance* (Tenth edition ed.). Pearson Addison-Wesley.
- finance, M. o. (2019, March). *Ministry of planning and finance*. Retrieved from Ministry of planning and finance: <http://www.mopf.gov.com>
- Grönroos., C. (1983). *strategic management and marketing in the service sector*. Cambridge: Marketing Science Institute.
- Hill, P. T. (1997). On Goods and Services. *Review of Income and Wealth, Volume 32 No 4*.
- Hill, P. T. (1999). Tangibles, Intangibles and Services. *The Canadian Journal of Economics*, 32, 426-446.
- <https://www.mra-research.co.uk/quant-customer-satisfaction/>. (n.d.). Retrieved from <https://www.mra-research.co.uk/quant-customer-satisfaction/>.
- Juneja, P. (n.d.). Services Marketing - Definition and Characteristics. *Management Study Guide*.
- Kangal, S. (2017). *iEduNote*. Retrieved from iEduNote.com: <https://iedunote.com/factors-influencing-attitude>
- Khanal, J. (2018). *Influence of affective, cognitive and behavioral intention on customer attitude towards coffee shops in Norway: Comparative study of local and international branded coffee shop*. Norway.
- Manchan, Anil; *Insurance News Letter* (2019)
- Manchan, Anil; *The importance of the Life Planner* (2019)
- Massmann, O. (2015). *Doing Business in Myanmar Risk and insurance, What Power & Utilities Companies need to Know*. Duane Morris LLP.
- McMinn, J. (2018, January 12). *Austin personal injury blog*. Retrieved from McMinn Law firm: <https://www.mcminnlaw.com>
- McNamara, R. &. (2017). *Principles of Risk Management and Insurance*. India: Pearson India Education Services Pvt.Ltd.

- Myint, Win; *Insurance News Letter* (2019)
- Mweberi, F. K. (2017). *Effect of Corporate Governance Practices on Financial Management in Non-Governmental Organizations-Kenya*. Retrieved from <http://ijecm.co.uk/wp-content/uploads/2015/12/31226.pdf>.
- Oo, Sandar; *Insurance News Letter* (2018)
- Oo, Sandar; *Insurance News Letter* (2019)
- Rejda, M. (2017). *Principles of Risk Management and Insurance*. Inda: Pearson India Education Services Pvt.Ltd.
- Sasser. (1978). Management of Service Operations. *Measuring Customer Satisfaction with Service Quality Using American Customer Satisfaction Model (ACSI Model)*.
- Slolomon, M. R. (2017). *Consumer behavior*.
- Thomas Foerch, O. K. (2016). *A Challenging Environment for Banks*. Yangon: Deutsche Gesellschaft für.
- Ticker, B. (2015). *Corporate Governance*. United Kingdom: Oxford University Press.
- Yeasmeen, N. (2015, June). Consequences of Non-Disclosure in the Contract of Insurance. *IOSR Journal of Business and Management (IOSR-JBM)* , Volume 17, (Issue 6.Ver. III ), PP 29-36.
- Yusuf, T. O., Gbadamosi, A., & Hamadu, D. (2009). ATTITUDES OF NIGERIANS TOWARDS INSURANCE SERVICES: AN EMPIRICAL STUDY. *African Journal of Accounting, Economics, Finance and Banking Research, Volumn*.

**Organization Structure of IKBZ**

**Appendix (A)**



**Appendix (B)**

**Insurance Products Available in Myanmar**

| <b>No.</b>   | <b>Non-Life</b>                                       | <b>No.</b> | <b>Life</b>                                 |
|--|---|------------|---|
| 1  | Comprehensive Motor Insurance *                       | 1          | Public Life Insurance *                     |
| 2  | Fire & Allied Perils Insurance *                      | 2          | Group Life Insurance *                      |
| 3  | Cash in Safe Insurance *                              | 3          | Health Insurance *                          |
| 4  | Fidelity Insurance *                                  | 4          | Sportsmen Life Insurance *                  |
| 5  | Cash in Transit Insurance *                           | 5          | Special Travel Insurance *                  |
| 6  | Marine Hull Insurance *                               | 6          | Snake Bite Insurance *                      |
| 7  | Marine Cargo Insurance *                              | 7          | Farmers' Life Insurance *                   |
| 8  | Personal Accident Insurance*                          | 8          | Government Services Personal Life Insurance |
| 9  | Deposit Insurance                                     | 9          | Military Personal Life Insurance            |
| 10   | Credit Guarantee Insurance                            | 10         | Seamen Life Insurance                       |
| 11   | Third Party Liability Insurance                       | 11         | Shore Job Life Insurance                    |
| 12   | Miner's Liability Insurance                           |            |   |
| 13   | Worker's Liability Insurance                          |            |   |
| 14   | Personal Accident Insurance for Cooperative Personnel |            |   |
| 15   | Contractors' All Risk Insurance                       |            |   |
| 16   | Eraction All Risk Insurance                           |            |   |
| 17   | Machinery Insurance                                   |            |   |
| 18   | Electronic Equipment Insurance                        |            |   |
| <b>Note*The product currently offered by local private insurance companies</b> |   |            |   |

**Appendix (C)**

**List of local insurance companies in Myanmar**

| <b>No.</b> | <b>Licensed Insurance Company</b>        | <b>Class</b>                       | <b>Holding Company</b>                          |
|------------|--|------------------------------------|---|
| 1          | Myanma Insurance                         | Life Insurance+ Non-Life Insurance | State Owned                                     |
| 2          | IKBZ Insurance Co., Ltd                  | Life Insurance+ Non-Life Insurance | KBZ Bank  |
| 3          | First National Insurance Public Co., Ltd | Life Insurance+ Non-Life Insurance | Asia Development Bank (Htoo Group of Companies) |
| 4          | AYA Myanmar Insurance Co., Ltd           | Life Insurance+ Non-Life Insurance | Ayeyarwaddy Bank                                |
| 5          | Grand Guardian Insurance Public Co., Ltd | Life Insurance+ Non-Life Insurance | Shwe Taung Development Group of Companies       |
| 6          | Global World Insurance Co., Ltd          | Life Insurance+ Non-Life Insurance | Asia World Co., Ltd.                            |
| 7          | Aung Thitsar Oo Insurance Co., Ltd.      | Life Insurance+ Non-Life Insurance | Union of Myanmar Economic Holding Ltd. (UMEHL)  |
| 8          | Young Investment Global Insurance        | Life Insurance+ Non-Life Insurance | Young Investment Group                          |
| 9          | Excellent Fortune Insurance Co., Ltd.    | Life Insurance+ Non-Life Insurance | Excellent Fortune Development Group Co., Ltd.   |
| 10         | Pillar of Truth                          | Life Insurance+ Non-Life Insurance | Parami Energy Group Co., Ltd.                   |
| 11         | Citizen Business Insurance Co., Ltd.     | Life Insurance                     | Citizen Business Bank                           |
| 12         | Capital Life Insurance                   | Life Insurance                     | Diamond Star Group of Companies                 |
| 13         | Aung Myint Mo Min Insurance Co., Ltd.    | Life Insurance                     | Maynmar Economic Corporation (MEC)              |

Source: GIZ (2016)

**Appendix (D)****List of Representative Offices in Myanmar (Insurer)**

| <b>No.</b> | <b>Name of Company</b>                           | <b>Class</b>   | <b>Country</b> | <b>Registration Date</b> |
|------------|--|----------------|----------------|--------------------------|
| 1          | Mitsui Sumitomo Insurance                        | General        | Japan          | 23-08-1995               |
| 2          | Sompo Japan Nippon Kao Insurance Inc.            | General        | Japan          | 05-10-1995               |
| 3          | Tokio Marine & Nichido Fire Insurance            | General        | Japan          | 21-07-1997               |
| 4          | Taiyo Life Insurance Co., Ltd.                   | Life           | Japan          | 09-04-2012               |
| 5          | Chubb INA International Holding Ltd              | General + Life | USA            | 29-03-2013               |
| 6          | AIA Company Limited                              | Life           | Hong Kong      | 06-12-2012               |
| 7          | Prudential Holding Ltd.                          | General        | UK             | 25-06-2013               |
| 8          | Manulife Financial Life Insurance Co., Ltd.      | Life           | Hong Kong      | 23-07-2013               |
| 9          | Met Life Asia Co., Ltd.                          | Life           | USA            | 07-10-2013               |
| 10         | Great Eastern Life Insurance Co., Ltd.           | Life           | Singapore      | 17-12-2013               |
| 11         | Maung Thai Life Assurance Co., Ltd.              | Life           | Thailand       | 21-01-2014               |
| 12         | The New India Assurance Co., Ltd.                | General + Life | India          | 05-09-2014               |
| 13         | Dingbu Insurance                                 | General + Life | Korea          | 06-08-2014               |
| 14         | Allianz Global Corporate & Specially SE          | General        | Germany        | 30-09-2014               |
| 15         | JLT Jardine Lloyd Thopson Ltd.                   | General        | Thailand       | 08-04-2015               |
| 16         | Shin Kong Life Insurance                         | General        | Taiwan         | 13-05-2015               |
| 17         | Thai Life Insurance Public Co., Ltd.             | Life           | Thailand       | 23-06-2015               |
| 18         | Dai-Chi Life Holding Inc.                        | Life           | Japan          | 07-03-2017               |
| 19         | Maung Thai Insurance Public Co., Ltd.            | General        | Thailand       | 23-10-2017               |
| 20         | Nippon Life Asia Pacific (Regional HQ) Pte. Ltd. | Life           | Singapore      | 14-02-2018               |
| 21         | LOLC Life Insurance                              | Life           | Sri Lanka      | 02-01-2019               |

Source: MOPF (2019)

**Appendix (E)****List of Representative Offices in Myanmar (Brokers)**

| <b>No.</b> | <b>Name of Company</b>                          | <b>Type</b>         | <b>Country</b> | <b>Registration Date</b> |
|------------|---|---------------------|----------------|--------------------------|
| 1          | Poe-ma Insurance                                | Reinsurer           | France         | 07-11-2012               |
| 2          | Pana Harrison (Asia) Pte. Ltd                   | Broker              | Singapore      | 26-02-2013               |
| 3          | Willis Singapore Pte. Ltd.                      | Broker              | Singapore      | 14-01-2014               |
| 4          | KM Dasur Reinsurance Broker Private Ltd.        | Broker              | Malaysia       | 31-07-2014               |
| 5          | MARSH Insurance                                 | Broker              | Singapore      | 07-08-2015               |
| 6          | AEGIS Management & Consultants Agency Co., Ltd. | Broker              | Vietnam        | 22-09-2015               |
| 7          | Grandisoe Pte. Ltd.                             | Broker              | Singapore      | 27-04-2017               |
| 8          | Asia Insurance Broker Pte. Ltd.                 | Broker              | Singapore      | 16-06-2017               |
| 9          | MGA Asia Insurance Brokers Company Limited      | Broker              | Cambodia       | 06-12-2017               |
| 10         | United Oversea Insurance Limited                | Reinsurer           | Singapore      | 30-08-2018               |
| 11         | MCLarens Singapore Pte. Ltd.                    | Adjuster & Surveyor | Singapore      | 30-08-2018               |
| 12         | Acclaim insurance broker Pte. Ltd.              | Broker              | Singapore      | 28-06-2018               |

Source: MOPF (2019)



**Customer Attitude survey questionnaire on IKBZ Insurance Company Limited**

Dear respondent,

The information obtained from the questionnaires will be used only for the EMBF (Executive Master of Banking and Finance). This Questionnaire is the part of a research study on customer attitude towards IKBZ insurance company limited. This study is for Yangon University of Economics. Your responses to the questionnaire will be entered directly into a database and treated confidentially. Your participation in this study will be highly appreciated and thank you.

**Section (A) Demographic factors of Respondent**

1. Gender

Male     Female

2. Age

Under 21 years                       21 to 30 years  
 31 to 40 years                         41 to 50 years  
 51 to 60 years                          above 60 years

3. Highest Education Level

Under High School                       High School Graduate  
 University Graduate                       Professional/Master Graduate

4. Occupation

Un-employed                               Business Owner/Self-employ  
 Company Staff                              Government Employee  
 Others

5. Monthly Income

Under 200,000                               200,001 to 500,000  
 500,001 to 1,000,000                       1,000,001 to 1,500,000  
 Above 1500,000

6. Marital Status

Single

Married

**Section (B) Customers' purchasing Insurance practices from IKBZ**

7. How many does you purchase insurance policy from IKBZ

Under 1 year

1 to 2 year

2 to 3 year

3 to 4 year

4 to 5 year

Above 5 year

8. What types of insurance product have you purchased from IKBZ

Non-Life

Life

Non-life and Life

9. What categories of insurance product have you purchased from IKBZ

Fire & Allied product

Public Life

Motor Comprehensive

Group Life

Travel

Health

Non-Life & Life

**Section (C) Customer's perception on IKBZ Insurance Services**

Please choose on one answer.

1. Strongly Disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree

| No. | Factor  | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1   | Convenient to pay premium on due date   |   |   |   |   |   |
| 2   | Fulfills promises in a timely manner towards claim settlement   |   |   |   |   |   |
| 3   | Will choose IKBZ as it offers 24 hours claims services.   |   |   |   |   |   |
| 4   | Easy to get information about insurance new products and promotion program through TV, Newspaper, Internet websites, etc. |   |   |   |   |   |
| 5   | Timely revival of lapsed policies, change of nomination, addresses and mode of premium payment etc.                       |   |   |   |   |   |

|   |   |  |  |  |  |  |
|---|---|--|--|--|--|--|
| 6 | Services provided by IKBZ is more convenience to customers than peer group            |  |  |  |  |  |
| 7 | Secure your life with IKBZ insurance and ensure that you live your life tension-free. |  |  |  |  |  |

**Section (D) Customer's Attitudes on IKBZ Insurance Services**

**Customer Attitude on Affective Component**

1. Strongly Disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree

| No. | Attribute of Affective (Feelings) Component   | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1   | Point out suitable additional insurance cover especially for fire & allied product that meet customers' needs   |   |   |   |   |   |
| 2   | Enhancement of technological capability (e.g. computerization, networking of operation, etc. to serve customers more effectively                          |   |   |   |   |   |
| 3   | Agents and employees who have the proper knowledge and competence to answer customers' specific queries and requests about terms and conditions of policy |   |   |   |   |   |
| 4   | Always try to explain the customers about the nature and schedule of insurance services available in the organization                                     |   |   |   |   |   |
| 5   | Making customers feel safe and secure in their transactions   |   |   |   |   |   |
| 6   | Willingness to help customers and the readiness to respond to customers' requests   |   |   |   |   |   |
| 7   | Satisfied with free gifts to customer. (Dash Camera, Sun Cover, etc.)   |   |   |   |   |   |
| 8   | Giving caring and individual attention to customers by having the customers' best interests at heart  |   |   |   |   |   |

### Customer's Attitudes on Behavior Component

1. Strongly Disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree

| No. | Attribute of Behavioral Components   | 1 | 2 | 3 | 4 | 5 |
|-----|--|---|---|---|---|---|
| 1   | Purchase more policies from the IKBZ because fulfill its promise towards policy (General and Life insurance)         |   |   |   |   |   |
| 2   | Will attract friends and family members to purchase policy from the IKBZ as it provides claims compensation on time. |   |   |   |   |   |
| 3   | Will buy insurance policy from IKBZ because of its connectivity with KBZ banks.                                      |   |   |   |   |   |
| 4   | Always choose IKBZ because of the reputation of the insurance company  |   |   |   |   |   |
| 5   | Prefer to purchase policy from IKBZ as its branch network is convenient and efficient.                               |   |   |   |   |   |
| 6   | Positive to buy policy because agents are well informed about it.  |   |   |   |   |   |
| 7   | Understand customer's financial availability for insurance cover selection and Sum Insured.                          |   |   |   |   |   |

### Customer's Attitudes on Cognitive (Beliefs) component

1. Strongly Disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree

| No. | Attribute of Cognitive (Beliefs) Components   | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1   | Internal control of IKBZ is speedy documentation and processes.   |   |   |   |   |   |
| 2   | IKBZ have modernized and updated equipment, fixtures and facilities.  |   |   |   |   |   |
| 3   | IKBZ have attractive health insurance services packages that meet customer needs.   |   |   |   |   |   |
| 4   | General Insurance of IKBZ has protection in order to safeguard you from out of pocket expenses towards it repairs or uneventful loss. |   |   |   |   |   |
| 5   | IKBZ provides clear awareness about terms and conditions of insurance policy  |   |   |   |   |   |

|   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| 6 | IKBZ employees recommend policy as per customer needs        |  |  |  |  |  |
| 7 | IKBZ provides fast and efficient counter service             |  |  |  |  |  |
| 8 | Buying insurance policy from IKBZ is more secure and safety. |  |  |  |  |  |