MANCHESTER
1824

The University of Manchester
Brooks World Poverty Institute

Client perceptions of the value of microinsurance: evidence from southern Ghana

Lena Giesbert [1*]

Susan Steiner [2]

[1] German Institute of Global and Area Studies (GIGA), Institute of African Affairs, Germany
Email: giesbert@giga-hamburg.de
*Corresponding author

[2] Leibniz Universität Hannover, Germany
Email: steiner@ifgb.uni-hannover.de

January 2014

BWPI Working Paper 192

Creating and sharing knowledge to help end poverty

www.manchester.ac.uk/bwpi

1

Abstract

The uptake of microinsurance in developing countries falls short of projections, which has recently made stakeholders focus on client value. However, empirical research on what constitutes client value in microinsurance has been limited. As a starting point for further investigations, we draw a first conceptual sketch of the dimensions of client value. Our analysis is based on qualitative data from focus group discussions among both existing and potential clients of a micro life insurance in southern Ghana. Using a multidimensional approach, we show that client value is based on the perceived quality, costs and consumption outcome, as well as the emotional and social value of micro life insurance. In their value judgments, focus group participants particularly emphasize the quality of customer service provision, the (expected) insurance benefits, and positive emotions associated with insurance coverage. The evaluation of the value of the microinsurance under study is mixed. We therefore also investigate why clients form the value perceptions they do. This investigation finds that large discrepancies between people's expectations and experiences reduce the perceived value of the insurance product. It shows that contextual factors, such as clients' knowledge about insurance, their interaction with peers, and the availability and effectiveness of alternative risk management options, largely shape whether they perceive high or low value in micro life insurance.

Keywords: microinsurance, client value, perception, focus groups, Ghana

Authors

Lena Giesbert is Research Fellow at the GIGA Institute of African Affairs, Hamburg, Germany.

Susan Steiner is Assistant Professor for Development Economics at Leibniz University, Hannover, Germany.

Acknowledgements

1. Introduction

The majority of people in developing countries have never been formally insured against such hazards as illness, unemployment, harvest failure and natural catastrophes. A growing number of commercial insurance companies, microfinance institutions, cooperatives, mutual insurers as well as governments have in the last decade thus started to offer microinsurance policies, which are specifically targeted at low-income people. However, uptake of microinsurance generally falls short of projections, which has recently made stakeholders focus on client value (Magnoni and Zimmerman 2011; Matul et al. 2011; McCord et al. 2012). In a vastly underserved market with potentially high demand for microinsurance, it is understood that low uptake can either be a sign of poorly designed insurance products or of misperceptions about the value of these products (Matul et al. 2011). However, empirical research on what constitutes client value in microinsurance has been limited.[1] In this paper, we intend to fill this gap and to achieve a systematic and detailed understanding of the value that clients perceive in microinsurance. Our analysis is based on qualitative data from focus group discussions among both existing and potential clients[2] of a micro life insurance in the Central Region of southern Ghana.

Household survey data obtained prior to and after the focus group discussions show that illness and death constitute the most important risks for households in southern Ghana (Steiner and Giesbert 2010), which is in line with much of the literature on risk exposure and risk management in other countries (Cohen and Sebstad 2005; Cohen et al. 2005; Dercon 2002; Dercon et al. 2008; Tesliuc and Lindert 2004). Hence, one would expect that health and life insurance was a priority purchase for many households, given that illness and death have strong monetary implications for households or even extended families. While the uptake of health insurance, in the form of the publicly provided National Health Insurance Scheme (NHIS), is indeed quite high (approx. 50 percent) in the Central Region as well as other regions covered by our surveys, we find that the uptake of micro life insurance is below 5 percent (Giesbert et al. 2011; Giesbert 2012).[3] This limited uptake may be a sign that clients do not perceive much value in the micro life insurance under study. This paper seeks to shed some light on this question by investigating when and why clients perceive value.

Microinsurance stakeholders define client value as the "added value – in comparison to other available risk coping mechanisms – of having insurance either when claims are made or as a result of the changed behavior caused by owning a policy and trusting that it will be honored" (Magnoni and Zimmerman 2011: 5) or as "reducing vulnerability due to improved risk-management practices that then contributes to improved well-being" (Matul et al. 2011: 1). While useful as a starting point to think about client value in microinsurance, these definitions largely ignore the debate on the client value of goods and services in the marketing literature of the past 25 years.[4] This literature

---

[1] Efforts have mostly been confined to the development and application of practically oriented value assessment tools, such as the ILO's PACE (Matul et al. 2011).

[2] Henceforth, we refer to potential and existing clients simply as clients. As we explain below, value can be perceived by both.

[3] The NHIS was launched in 2004 and replaced the cash-and-carry healthcare system. It provides medical care for contributors and their dependants at public hospitals, certain recognized private hospitals, and health centres.

[4] This literature mostly uses the terms 'customer value' or 'consumer value', not 'client value'. We refer to 'client value' throughout this paper because we elaborate on insurance, which is characterized by long-term contractual arrangements between policyholder and provider. In this context, we consider 'client' to be the more adequate term than 'customer' or 'consumer'. We also use 'client value' when discussing the literature, even if the respective contributions employ another term.

treats client value as the outcome of an evaluative judgment that is subjective, personal and context-dependent (Holbrook 1996; Sánchez-Fernandez and Iniesta-Bonillo 2007; Zeithaml 1988). It distinguishes between unidimensional and multidimensional models of client value (Sánchez-Fernandez and Iniesta-Bonillo 2007). Unidimensional models assume that clients apply cognitive reasoning to weigh the benefits of goods and services against their costs. Multidimensional models, in contrast, regard the value perceived in goods and services as a complex phenomenon consisting of several dimensions that include cognitive as well as affective factors.

In line with this second approach, we consider client value to be a multidimensional concept. We study value from the clients' perspective and assume that value is a subjective and relativistic judgment that involves cognitive as well as affective processing of information. Indeed, several studies on the determinants of microinsurance uptake have pointed out that behavioural factors, such as trust, familiarity with the provider as well as imitation of peers' behaviour, play a large role in explaining households' decisions to purchase microinsurance (Cai et al. 2009, 2013; Cole et al. 2013; Giesbert et al. 2011; Giné et al. 2008; Morsink and Geurts 2011; Thornton et al. 2010). This suggests that affections and social interactions should be taken into account when trying to understand why people value (or do not value) and purchase (or do not purchase) microinsurance.

By using focus group discussions, we take an exploratory approach to identify which dimensions constitute value for clients of micro life insurance and why clients form the value judgments they do. We consider a qualitative research design to be the most appropriate, given that we delve into an area that has not received much attention by the microinsurance literature. Such an approach does not generate data that is representative for a greater population and does not allow us to measure the relative quantitative contribution of the separate dimensions to overall client value. However, it provides an insight into the value dimensions that are relevant for clients of micro life insurance without having to make any prior assumptions. Focus group discussions, in contrast to one-to-one interviews, facilitate the explicit use of the interaction among the group participants who discuss their own and others' experiences, opinions and beliefs. This helps us to shed light on the process of perception formation.

The remainder of this paper is organized as follows. Following this introduction, we provide a conceptual framework by reviewing models of client value. In the next section, we describe the methodologies of data collection and data analysis applied. Then, we turn to the results and present five dimensions that we find to constitute value from the perspective of microinsurance clients. We also investigate the context that determines whether or not clients perceive value in microinsurance. The final section concludes.

2. Conceptual framework

2.1 Models of client value[5]

The question of what constitutes client value has been originally addressed by unidimensional models. These models claim that clients weigh benefits against costs and thereby concentrate on economic utility (Sánchez et al. 2006). One of the most popular definitions is provided by Zeithaml (1988: 14), who defines client value as "the consumers' overall assessment of the utility of a

---

[5] In this review, we intend to cover the most important models of client value. For the sake of briefness, we will not, however, provide a complete review. The interested reader may consult Sánchez-Fernández and Iniesta-Bonillo (2007).

product based on perceptions of what is received and what is given." Similarly, Monroe (1990) describes client value as the ratio of perceived benefits and perceived sacrifice. The receiving components or benefits have often been reduced to the quality of a good or service, and the giving components or sacrifice to the price. However, these two features may be too narrow. Benefits may also come in the form of such things as brand reputation or convenience and sacrifice as operating costs, time or effort (Best 2013; Bolton and Drew 1991; Zeithaml 1988).

Typically, unidimensional models regard benefits and sacrifices as antecedents of value. They are seen as abstractions within clients' cognitive organization of information, rather than specific product attributes. Value is understood as a mental concept at an even higher level than benefits and sacrifices and as more individualistic and personal. Due to its complexity, value has often been empirically measured by a simplistic indicator of the value-for-money perceived by clients (Bolton and Drew 1991; Sánchez-Fernandez and Iniesta-Bonillo 2007; Zeithaml 1988).

The multidimensional models of client value are much broader and allow for affective value dimensions. One of the first multidimensional models is presented by Sheth et al. (1991), who identify five value dimensions (functional, emotional, social, epistemic and conditional), which are assumed to influence consumption choice. Functional value is the utility derived from the capacity of a good or service for functional, utilitarian or physical performance. Emotional value is the utility derived from the feelings generated by a good or service. Social value is the utility acquired from a good or service's association with particular social groups. Epistemic value relates to the capacity of a good or service to offer novelty or surprise to the client. Conditional value is the utility derived in the context of a specific set of circumstances. Later contributions confirm these dimensions to be valid, with some modifications. Sweeney and Soutar (2001) do not find epistemic and conditional value to play a role in the context of durables, and they distinguish between two types of functional value, i.e. quality/performance and price/value-for-money. Sánchez et al. (2006) identify four types of functional value (installations, professionalism, quality and price) besides emotional and social value in their study of tourism packages. Pura and Gummerus (2008), analysing value in the context of mobile services, ascertain six value dimensions, i.e. conditional, epistemic, emotional, social, monetary and convenience value.

A second line of multidimensional models has started with Mattson (1991) on the basis of Hartman's (1973) framework of an axiological approach towards value. Value is here assumed to precede client satisfaction, and the specific dimensions are emotional, practical and logical (or systemic). Emotional value is equivalent to the understanding in the above models. Practical value refers to the physical and functional aspects of consumption, and logical value focuses on the rational and abstract characteristics of the good or service, such as value-for-money. Followers of this approach include de Ruyter et al. (1997) and Lemmink et al. (1998), who study value in the context of museum and restaurant visits, respectively.

Comparing these marketing models of client value to the above definitions of client value in microinsurance reveals that the latter are short-sighted for several reasons. First, Magnoni and Zimmerman (2011) and Matul et al. (2011) do not explicitly acknowledge that value may have several dimensions. Second, even though they incidentally take on a marketing perspective (and refer to such issues as service quality, client satisfaction and potential misperception of the value offered), they focus on the economic benefits that can be expected, in the sense of an increase in people's welfare. They either vaguely generalize the benefits ("added value") or name a particular

form of benefit ("reduced vulnerability"). This approach is much closer to specifying the impact of microinsurance than to addressing value aspects such as quality, convenience or emotions. Third, and related to this, the definitions do not sufficiently account for the fact that client value is always perceived client value and therefore a subjective construct. Value may differ from person to person and even from time to time for the same person (Holbrook 1996; Zeithaml 1988). Additionally, perceptions are not necessarily based on objective information, but may be rather formed on the basis of intuition (Böhm and Brun 2008; Slovic et al. 1982). And, fourth, both definitions suggest that client value could only be evaluated after having purchased insurance, which is, however, not the case. Client value may instead also be perceived at the prepurchase stage (Sánchez et al. 2006; Sweeney and Soutar 2001; Woodruff 1997), which is of crucial importance for the ultimate purchase decision. If an individual considers purchasing insurance, but does not perceive its value to be sufficiently high, the insurance will not be purchased.

2.2 The context of client value

It is generally recognized that client value strongly depends on the context in which it is perceived (Holbrook 1996; Zeithaml 1988). Yet, little attention has been paid to the question of how the context is related to the formation of value perceptions and their change over time (Woodruff and Flint 2006). Some models of client value treat the context as one of several dimensions of client value (Pura and Gummerus 2008; Sheth et al. 1991). Even though we agree with Pura and Gummerus (2008) that the context affects the (content-related) dimensions of value, we argue that treating it as a separate dimension would be misleading. We rather view the context as a cross-cutting determinant of all value dimensions. For example, whether an individual experiences joy while consuming a good or service, or thinks that the value-for-money is too low, always depends on his or her specific situation.

Context conditions include such factors as client characteristics, personal values, needs, and financial resources (Bolton and Drew 1991; Ravald and Grönroos 1996). In addition, Woodruff and Flint (2006) point out that value perceptions may change after recent experiences with a particular good or service. With regard to life insurance, considered in this paper, it is plausible that individuals see more or less value contingent on whether they have a spouse and children, whether they have access to other effective risk management options (for example, savings or loans), and whether they have heard from other people that life insurance has been useful for them, among other factors. We could even imagine that the value that individuals see in other types of insurance, such as health or agricultural insurance, spills over to the value perceived in life insurance. In our analysis, we go beyond identifying the value that our focus group participants place on micro life insurance to explore how these value perceptions are formed.

3. Methodology

3.1 Data collection

Focus group discussions were conducted in the Central Region of Ghana, in the towns of Brakwa and Nyakrom, in October 2008. These towns lie within the respective service areas of two rural banks that have been distributing the micro life insurance – named Anidaso policy – provided by the Gemini Life Insurance Company (GLICO) since 2004. The policy is similar to a universal life insurance, including a term component up to the age of 65, topped up by accident and hospitalization indemnification payouts for the policyholder, the spouse and up to four children. Contributions towards a so-called pension plan, which serves as a savings scheme and pays the

accumulated amount at the expiry of the term, can be added on a voluntary basis. GLICO recruits and trains sales agents who typically come from the communities where the Anidaso policy is offered and who are in charge of marketing the policy and of administrative tasks. We refer to the supply side (composed of GLICO, the rural bank, and the sales agents) simply as the insurance provider when no further disaggregation is required.

In Brakwa, we had completed a household survey in February 2008. Nyakrom was chosen as a study site in addition to Brakwa to capture some variation in the supply conditions, including different rural banks, the respective sales agents, and other context factors. In both Brakwa and Nyakrom, people also had access to conventional commercial life and non-life insurance, mainly provided by the Donewell and Unique insurance companies, and to public insurance schemes such as the Social Security and National Insurance Trust (SSNIT) and NHIS. Except for the latter, coverage with these insurance types is no more than marginal.

In each of the two towns, we conducted two focus group discussions, using a purposive sampling frame. With the help of the local sales agents, we approached groups of different professional associations, which had previously attended information sessions on the Anidaso policy. GLICO typically targets its marketing efforts towards groups in order to reduce marketing costs. At the end of the information sessions, attendants can purchase the policy on the spot. Therefore, a substantial number of the professional associations' members in Brakwa and Nyakrom were microinsured. In Brakwa, one focus group (comprised only of females) consisted of market women, whereas the other group (males) consisted of members of a farmers association. In Nyakrom, one group (females) was composed of members of a dressmakers group, while the other (males) was composed of participants involved in construction/masonry. We consider these professions to be typical for the target group of microinsurance.

Attendance of the focus group discussions was not obligatory, but the groups selected the desired number of eight participants per focus group among themselves.[6] Our only intervention was to require that half of the participants of each focus group was insured and the other half was not insured. This was to hear the views of both existing and potential microinsurance clients and to stimulate the debate (Wibeck et al. 2007). We regard non-insured participants as potential clients, as they have been exposed to the insurance provider and the product but have not (yet) purchased a policy.[7] Inviting participants from real groups (the associations) ensured that, firstly, all of them have had exposure to the micro life insurance in an information session and, secondly, they share certain experiences, opinions and incidents in their daily lives – a common ground – that increases their willingness to exchange thoughts and ideas compared with strangers (Kitzinger 1994; Loos and Schäffer 2012). The challenge of having insured and non-insured participants in one group consisted in the possibility of the non-insured people not feeling at ease – because the issue of interest was insurance – and, hence, not participating equally in the discussion. We return to this issue below.

---

[6] As a result, it might well be that there was a self-selection of the more extrovert and potentially more influential people from the respective associations in the focus group discussions.

[7] The potential clients are a heterogeneous group, consisting of people who have definitely decided not to purchase the Anidaso policy as well as people who have not made up their mind. While it may seem awkward to refer to the first as potential clients, we nevertheless do so because they belong to the target group of microinsurance from the perspective of the insurance provider.

The discussions were held by two trained moderators from the Institute of Statistical, Social and Economic Research in Accra. Both spoke the most common language spoken in the Central Region, Twi. The discussions were semi-structured and we provided the moderators with discussion guidelines. The guidelines included three main discussion areas: a) application of different risk management strategies in cases of death and illness, and perception of the value of these; b) experiences with, knowledge about, and valuation of insurance in general and the micro life insurance in particular; and c) factors influencing the decision to buy insurance. The discussions lasted for about two hours. They were held in Twi and were recorded using digital audio and video recorders. They were then completely transcribed and translated into English by the moderators.

3.2 Data analysis

Our analysis was guided by the conceptual framework outlined above, keeping different models of client value as well as different context factors in mind. In a first cycle of open coding, we identified value items and context factors that we then grouped into categories. It turned out that these categories were broadly in line with several of the previous contributions in the marketing literature, especially Parasuraman et al. (1988) on the attributes of service quality, Sweeney and Soutar (2001) and Sánchez et al. (2006) on the specific dimensions of client value, and Pura and Gummerus (2008) on the context. Hence, in the refinement of our coding scheme, we used a flexible approach that allowed a mix of deductively and inductively developed codes (Friese 2012; Saldaña 2013). We applied an eclectic combination of attribute, magnitude, descriptive, process, affective and pattern coding to the transcript data (Saldaña 2013). We identified specific value items of which we derived more abstract and general value attributes, and these subsequently defined our value dimensions. In some cases, we directly summarised value items in value dimensions, if there were only few observed value items making aggregation into attributes difficult (in the case of social value) or if the value items appeared to be highly specific to the case of life insurance (in the case of consumption outcome). In a similar manner, we coded all aspects related to the context of the focus group participants and structured these by developing higher-level context factors. Furthermore, we coded the evaluative tendency of statements made by the focus group participants and whether or not these were based on own experiences with the micro life insurance. We coded and analysed the transcript data using the qualitative data analysis software Atlas.ti.

In what is termed 'group-to-group validation', we look at the value that clients perceive in micro life insurance by analysing whether discussion of value items and context factors is similar or different across the groups (Morgan 1997). The interest here is not in absolute numbers of respective codes, but rather on the variety and interrelation of value items and context factors and the intensity of the discussion.[8] The main analysis consists in the in-depth interpretation of the coded data.

---

[8] With interrelation of codes, we mean incidences where codes overlap, co-occur, or follow one another. The investigation of these interrelations allows us to detect common patterns underlying the data (Friese 2012). Thereby we discover, for example, that emotional value attributes are often connected to certain quality attributes.

4. Results from the focus group discussions

4.1 Dimensions of client value

We observe that the multidimensional approach to client value is reflected in our focus group discussions. The participants discuss a wide range of value items that we ultimately summarize in five dimensions of client value. As illustrated in Figure 1, the participants discuss microinsurance with respect to emotional value, social value, and different forms of functional value, in line with Sweeney and Soutar (2001) and Sánchez et al. (2006).[9]

Among the functional value dimensions, the participants most prominently discuss the service quality of the micro life insurance. We find that the codes that describe quality in our trancripts can be categorized into the five quality attributes (tangibles, reliability, responsiveness, assurance and empathy) identified in the SERVQUAL model by Parasuraman et al. (1988).[10] The items that are mostly discussed across all groups are the provision of information by the insurance provider (empathy) and trust in the future benefits of the micro life insurance (assurance). The first involves keeping the clients informed in a language they can understand and explaining the insurance product in every detail, not only at the time when the contract is concluded, but also later when questions come up. While all participants seem to consider this as very important in their value assessment, there are both positive and negative evaluations of the Anidaso policy in this regard.

> *The young man who came to collect, […] he opened the way for us and gave us the information for us to join. When he explained it, it meant progress, we had to do it. (Brakwa, female, insured)*

> *They should educate us paaa!, so we would know, because even what we are doing, we have not completely understood it. (Nyakrom, female, insured)*

Similarly, the participants reveal both high and low trust in future imdemnification payouts of the micro life insurance, which seems to depend on the length and depth of their relationship with the rural bank and the sales agent.

Costs appear as a second functional value dimension, which captures both monetary as well as non-monetary costs. The focus group participants mainly emphasize the most obvious type of costs, which is the monthly premium contributions. The regularity of the monthly premium contributions represents a large burden for them, as it does not take into account the irregular money inflow of self-employed people or extraordinary and emergency expenses.

---

[9] See also Table A1 in the Appendix for the categorization of value items into attributes and dimensions.
[10] In this model, tangibles are the physical facilities, equipment and appearance of personnel of the service provider. Reliability describes the ability to perform the promised service dependably and accurately. Responsiveness is understood as the willingness of employees to help clients and provide prompt service. Assurance implies that employees are knowledgeable, friendly and able to inspire trust and confidence among clients. And, finally, empathy is approached as the caring and individualized attention that the service provider offers its clients.

Figure 1: Perceived value dimensions and attributes
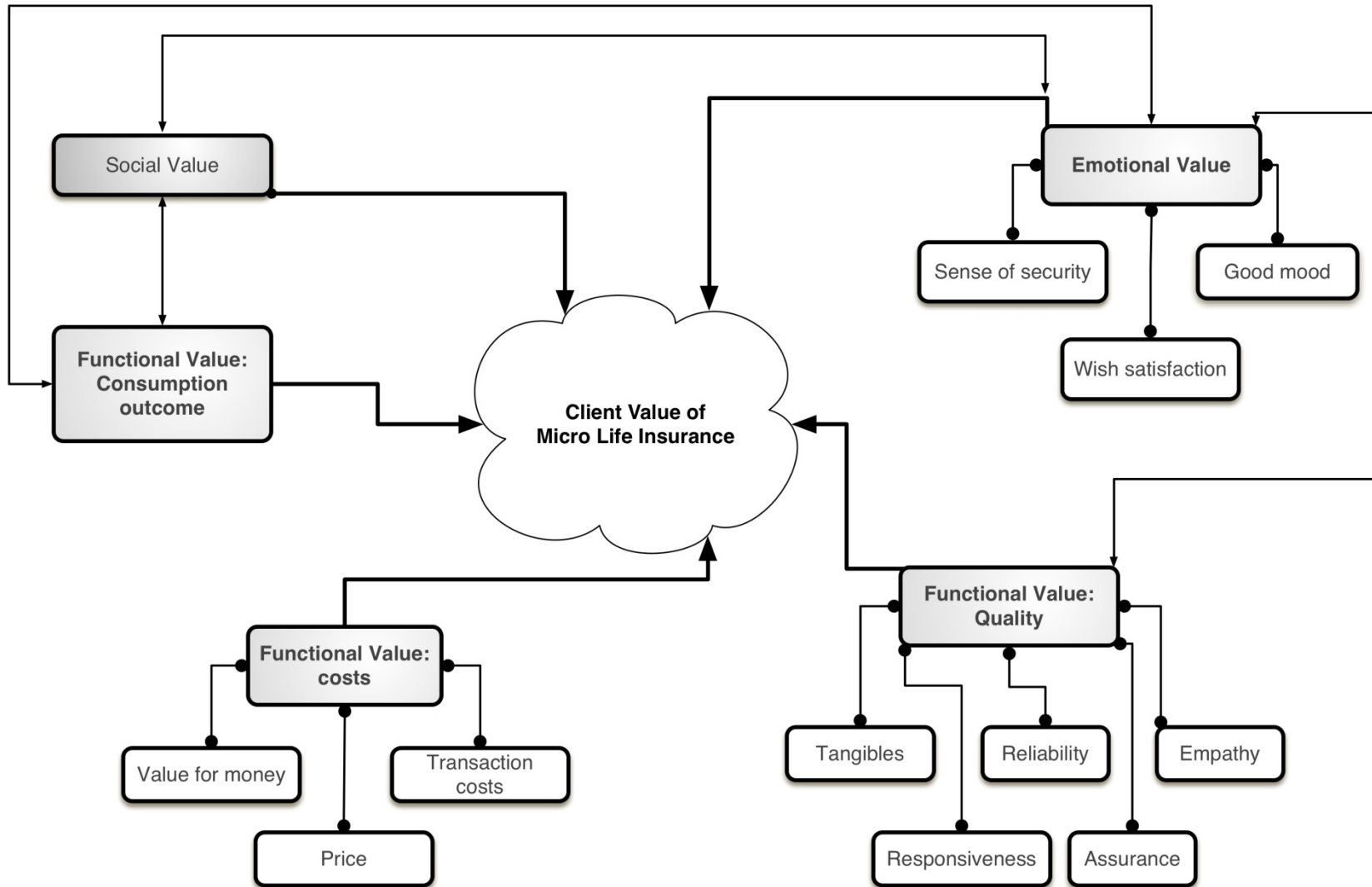
Source: Authors' own illustration.

On the other hand, several participants across all groups emphasize the cost advantage of the micro life insurance in comparison to loans, because insurance does not carry interest.

> *I didn't know they had that Anidaso thing here, so when I was bringing my child from the hospital and paid my debt, those that had to bear interest, they bore it [...] when I paid all, I got to know that, as a human being when you are there, something can happen to you unexpectedly and you will need help. (Nyakrom, female, insured)*

Such comparisons with alternative risk management options, especially loans and savings instruments, are a typical way of judging the value of micro life insurance.

As a third dimension of functional value, we identify the consumption outcome. This relates to the perceived consequences of insurance consumption (Woodruff and Flint 2006) and, in particular, the perceived insurance benefits that the micro life insurance provides.[11] Many of the contributions suggest that a number of participants have not fully understood the terms and conditions of the Anidaso policy and base their value assessments on false impressions. Beside the payout after death, a pension plan and the financing of hospitalization costs, participants across all groups perceive many other benefits in micro life insurance that are not actually part of the policy. Most commonly mentioned is the rather unspecific notion that it will help in the future. Participants typically think the insurance would cover almost any type of problem that might befall them. This overly positive, but unspecific view on microinsurance is particularly transmitted in the Brakwa female group.

> *We should pay this money monthly so if one day if something happens to you and you see them eh eh! it means that they will take care of you or help you, that is why we also joined. We all have hope. (Brakwa, female, insured)*

The most common emotional value attribute associated with the Anidaso policy is a sense of security that is conveyed by being insured. More specifically, participants associate being insured with the feeling of hope that they will be compensated for future losses. They believe that insurance will result in a positive outcome when they experience difficulties or shocks and hence in an ultimate improvement of their general livelihood.

> *Now, you see that, this insurance I have, and you don't, now when I look at my life, I am more relaxed than those who don't have it. (Brakwa, female, insured)*

Another feeling commonly expressed in this regard is 'peace of mind', in the sense of reduced worries about the future prior to an insured event and relief afterwards. Peace of mind is also commonly recognised in the literature as a central element of insurance (Churchill 2002). Interestingly, in two out of the four groups, participants mention feelings of happiness or joy that go along with having micro life insurance. They also feel strong, in the sense of being prepared for shocks, and proud or even superior to others who are not insured. On the negative side, participants also express that they feel confused with regard to the functioning and components of micro life insurance, and thus worried and insecure. Furthermore, they mention disappointment and dissatisfaction with the insurance provider because some of their expectations have not been fulfilled.

---

[11] Some authors recognize that service quality may have several components, one for the process of the service delivery and one for the outcome of the service delivery (Grönroos 1982; Rust and Oliver 1994). We follow these authors to some extent, but regard the outcome to be an own value dimension beside quality.

As orginally indicated by Sheth et al. (1991), many goods and sevices are consumed because of the social image they evoke or because they allow for identification with a particular social group and therefore convey social value. We observe only very little of such considerations in our focus group discussions, which does not necessarily mean that they are not present. The main social value item highlighted across all groups is the perceived possibility of helping the remaining family, especially the children, by leaving a bequest.

We find that the value dimensions are not independent from each other, as suggested by Sheth et al. (1991), but that they are interrelated. This is in line with Sweeney and Soutar (2001), who claim that purchasing an attractive good is likely to simultaneously evoke favourable functional as well as emotional or social responses. Of course, the same is true in the opposite (negative) direction. In our empirical setting, we notice strong links between emotional value and quality. For example, when the participants talk about the delivery of service after a claim (reliability) or the approachability of the insurance provider (empathy), they simultaneously express anger, disappointment or worry, as the micro life insurance supposedly does not meet their expectations on these aspects.

> *I took some of their manager's numbers, but they said I shouldn't call them but I should see [sales agent]. I collected [sales agent]'s number and he told me to take my certificate there. I took it there, when I was going I took everything else that was needed. Since then I haven't heard anything, I board a car to his place, that he should just give me the thing, when I go, he says it is at Cape, when I go, he says it is in Accra. In fact it was worrying me. (Brakwa, male, insured)*

> *We are a bit scared that in the future if you are in difficulty, they will throw you up and down and you don't know whom to go to. (Nyakrom, female, insured)*

We have also some indication for links between emotional value and consumption outcome, between social value and consumption outcome as well as between emotional and social value (links between dimensions are reflected by connecting arrows in Figure 1).

Overall, the micro life insurance is perceived in a very positive way in the two female groups and the Nyakrom male group. In contrast, participants in the Brakwa male group reveal many negative perceptions of the micro life insurance**.** They discuss certain value items that are less or not at all discussed in the other groups, particularly related to reliability and assurance. In this group, one participant had a negative experience with the customer service of the insurance provider. This participant's contributions dominate the discussion and strongly influence the other participants in their assessment of the value of micro life insurance. Therefore, the picture that emerges from the Brakwa male group may be an extraordinary one. However, we can well imagine that we would have observed more of such negative experiences and subsequent value judgments, had we conducted a larger number of focus group discussions or done research over a longer period of time (i.e. were our focus group participants able to draw upon more experiences).

4.2 Expectations and experiences

The value perceptions revealed in the focus group discussions are not necessarily based on participants' own experiences with micro life insurance. By 'own experiences', we mean incidences of purchasing the policy, making use of customer service, asserting a claim, or consuming payout benefits. This holds true for the non-insured participants (by definition), but also for the insured participants. Many of the insured participants did not have contact with the insurance provider after

purchasing the Anidaso policy. Furthermore, they had been insured for a maximum of four years, which is relatively short a time period for the case of life insurance, at the time of our field work. They are therefore similar to the non-insured participants, in the sense that they have not used the insurance for risk management. We note that the insured participants make more statements on the value that they perceive in micro life insurance than the non-insured participants. Nevertheless, we do not see noteworthy differences in what they say about the value perceived. Insured and non-insured participants also rarely base their value assessments on the processing of (objective) information about insurance coverage and associated services. In the majority of cases, perceptions are instead based on imaginations and expectations of what insurance in general and the micro life insurance in particular entails.

As indicated in Figure 2, a substantial share of the value dimensions that we identified may therefore be regarded as expected value, as opposed to received value (Flint and Woodruff 2001; Woodruff 1997). It is important to note that the value of insurance is generally very difficult to evaluate, as it contains only few so-called search properties, but many credence and experience properties (Darby and Karni 1973; Parasuraman et al. 1985; Zeithaml et al. 2009). In contrast to search properties, which can be examined prior to purchasing a good or service, experience properties are best evaluated after a good or service has been purchased and consumed.

Credence properties, however, are hardly possible to understand and assess even after consumption.[12] Therefore, it is plausible to assume that value perceptions vis-à-vis insurance can never be fully based on experiences and objective information. Instead, part of the value perceptions will always be based on expectations, simply because insurance is hard to assess.

There is a tendency among the focus group participants to perceive low value in micro life insurance in the emotional, quality and cost dimensions of value (often in combination) when these are based on service experiences. In fact, these are the only perceptions of value that clients could have based on experiences and consequently could have compared the experiences with their prior expectations. This is because these dimensions are situated in the service process domain (Lemmink et al. 1998), which comprises all interactions with the insurance provider, starting with attending an information session. On the contrary, the consumption outcome dimension and, to a lesser extent, the social value are by and large assessed on the basis of expectations, as these dimensions are part of the service outcome domain (Lemmink et al. 1998). An assessment of this requires more experiences with the micro life insurance, most importantly to have asserted a claim. The majority of these latter judgments is positive. Yet, the expected value items are often incorrect and/or very vaguely specified, for example when participants assume that the Anidaso policy will provide insurance benefits not only in the case of death, but also in the case of any other hazardous event.

Thus, in line with the expectancy-disconfirmation paradigm (Oh 1999; Oliver 1980; Woodruff 1997), our analysis demonstrates that the interaction of expectations and experiences can be of great relevance for the value judgments of the focus group participants. When they have made experiences with the micro life insurance, these experiences seem to have induced re-evaluations, and sometimes to have formed new expectations, of the value perceived. Our results further suggest that the interaction between expectations and experiences strongly feeds back into the

---

[12] This would, for instance, refer to the adequate level of premiums or insurance payouts that are almost impossible to assess without substantial actuarial knowledge.

relationship with the insurance provider as well as the influence of peers. Thus, this process influences not only the post-purchase attitudes and perceptions, but is also likely to influence clients' future purchase decisions, as further substantiated below.

Figure 2: Context factors and client value of micro life insurance
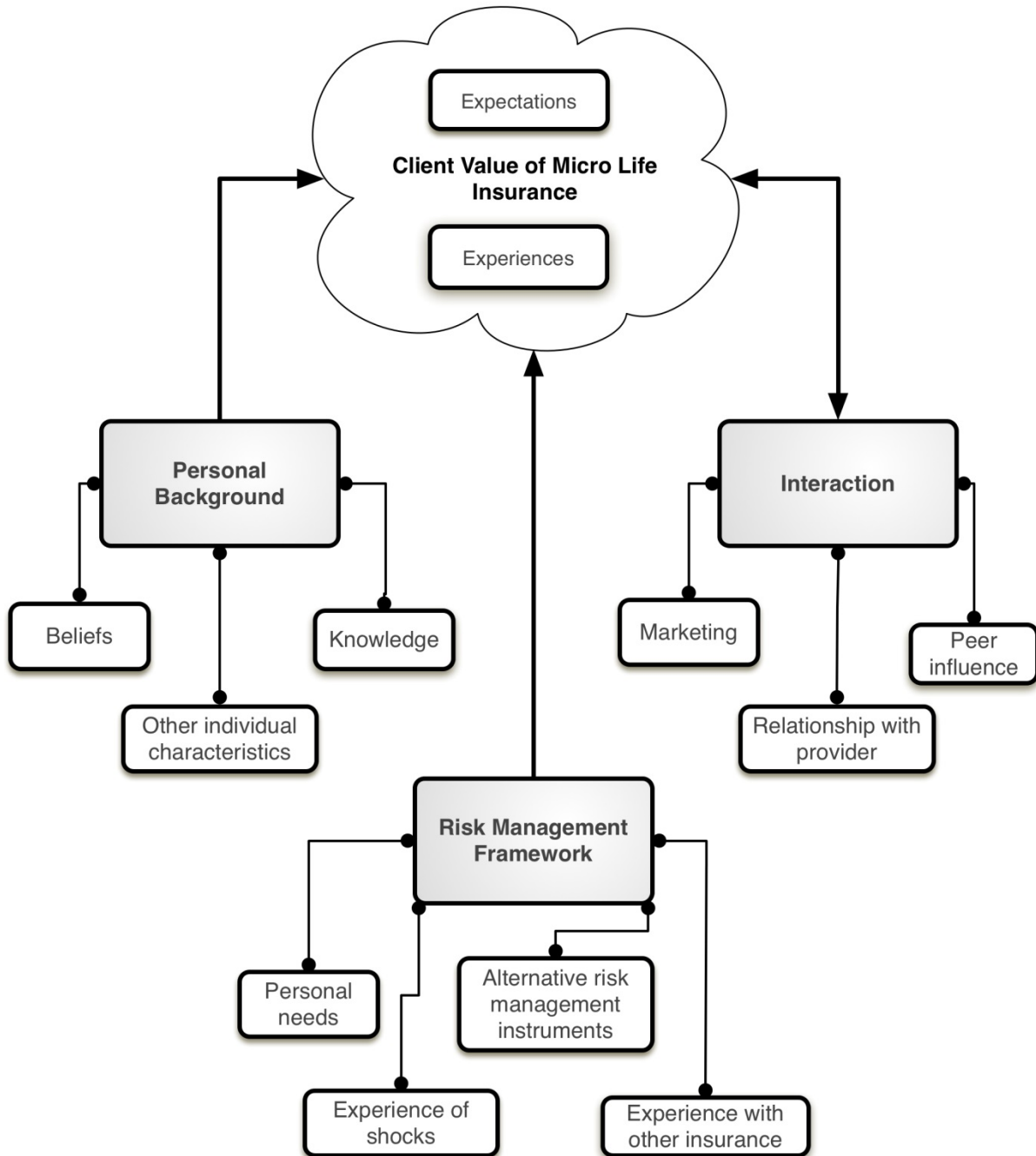
Source: Authors' own illustration.

4.3 Context: personal background, risk management framework, and interaction

We identify three major context factors that shape client value in micro life insurance, as shown in Figure 2. These factors are the personal background, the prevailing risk management framework, and the interaction of clients with the insurance provider as well as their peers. They may or may not be specific to the empirical setting of our focus group discussions in southern Ghana. Further research is needed to find out whether these factors are equally important in other local settings and for other types of microinsurance.

First, we find that client value is interrelated with the personal background of clients. This refers mostly to the personal knowledge about insurance.[13] The majority of evaluative statements in the focus groups relating to the Anidaso policy are based on very imprecise and sometimes erroneous knowledge about the specific details of the insurance coverage. Many participants openly state that they have limited education in general and have difficulties to understand explanations given by the insurance provider. Others mention that they simply have had too limited opportunities to accumulate knowledge about the funtioning of insurance in general or the micro life insurance in particular. While the general concept of insurance offering a benefit in the case of damage seems to be understood by many focus group participants, there is often uncertainty about the specific benefits included, the exact procedures behind insurance, and the way that one obtains coverage, as also found in other focus group discussions on microinsurance (Thornton et al. 2010). Such a lack of knowledge has important consequences for the perceptions of the value of micro life insurance. People may project either their wishful thinking or their unfounded negative ideas onto insurance. In our empirical case, we find evidence for both of these behaviours.

Second, client value of micro life insurance is shaped by the existing risk management framework. This is particularly true for the perceived insurance benefits. The focus group participants judge whether the Anidaso policy would provide valuable benefits in the context of the shocks that they or others in their community typically experience. The main shocks and difficulties that are mentioned are illness, death, children's education (which is a concern especially to the women in Brakwa), and weather-related housing damage. In this context, the participants express the personal financial needs that result from such shocks, such as their need for finance to fund their children's education, medical treatments and funerals. These financial needs are reflected in the erroneous beliefs about insurance benefits.

Furthermore, the value of micro life insurance is typically assessed in comparison with other types of insurance or alternative risk management options. Particularly, this applies to evaluations of the costs of micro life insurance, the empathy, and emotional value attributes. The focus group participants view other types of insurance, such as SSNIT or conventional commercial insurance, as inaccessible and too expensive for them. This leads to high value perceived in micro life insurance. In contrast, the NHIS is mostly positively evaluated throughout the discussions and regarded as beneficial, easily accessible and thus valuable. Possibly, this is because the NHIS is explicitly targeted at the entire population and hence covers a large share of low-income people. Interestingly, this does not lead to low value perceived in micro life insurance. The participants seem to transfer their experiences with and expectations from the NHIS to the micro life insurance.

---

[13] The value perceived in the micro life insurance seems to be related to other personal characteristics as well. For example, personal beliefs, such as considering self-reliance a better behaviour as compared to reliance on others in times of hardship, appear to be relevant. However, the exact role of such personal characteristics for the perceived value in micro life insurance remains inconclusive in the data at hand.

It could be that this even extends to the concrete insurance benefits, because the focus group participants frequently expect medical expenses to be covered by the Anidaso policy. Comparisons with alternative risk management options induce either high (in the case of informal loans or depletion of assets) or low (in the case of savings) value perceived in micro life insurance.

Third, client value is based on the interaction of the focus group participants with the insurance provider as well as with their peers. One way of interaction with the provider comes in the form of marketing efforts and the delivery of information, for example in the group meetings of professional associations. The information conveyed here is very relevant for clients' judgment of the value of micro life insurance, because of the inherent difficulty in assessing the value of insurance, as well as clients' limited knowledge on financial matters outlined above. Much of the insufficient knowledge about the exact terms and conditions of the micro life insurance seems to result from incorrect information given by the sales agents. The reason for this may be that these are ill informed themselves, due to a lack of training by GLICO. Another reason, which should not be underestimated, seems to be an adverse incentive structure. Sales agents receive a bonus for each sold insurance policy, but not for subsequent customer services. Furthermore, we identified considerable deficits in management practices of the insurance provider during our field work, which contribute to erroneous expectations as well as confusion among the focus group participants. For instance, the debiting of premiums is not transparent for clients and the delivery of their policy documents is not always reliable, resulting in frequent insecurities about their actual insurance status.

Another interaction factor that influences value perceptions is the relationship that clients have with the insurance provider, especially the rural bank and the sales agents. For example, the focus group participants express positive or negative evaluations of trust in future insurance benefits (assurance), service delivery (reliability) or attention provision (empathy) when they have had previous positive or negative encounters, respectively, with the rural bank. It is also evident that participants find it important to personally know the insurance sales agent. When their expectations on the insurance product and related services are not fulfilled, they often express personal disappointment by the particular sales agent in charge.[14] The discussions indicate that it is not uncommon that clients seek out sales agents at their homes. This relational aspect has rarely been addressed, even though the relationship between clients and provider might have a large effect on the overall client value (Ravald and Grönroos 1996). This is because maintaining a positive relationship may increase tolerance of clients towards occasionally low performance and encourage trust and loyalty of clients, subsequently increasing client value.

Many value assessments in the focus group discussions are associated with the influence of peers. This peer influence takes place internally within the focus groups, but also externally in terms of what people have heard about the micro life insurance and other types of insurance in their communities. With regard to internal peer influence, the insured participants in the Brakwa female group, for example, repeatedly attempt to convince their non-insured peers about the value of the micro life insurance. This behaviour even turns into a form of pressure on the non-insured participants to purchase the Anidaso policy as soon as possible. In the opposite way, the one participant in the Brakwa male group whose expectations were strongly disappointed passes on his negative perceptions to other participants as well. As shown by Swenson et al. (1992),

---

[14] It is likely that the importance of the personal relationships between clients and bank staff as well as insurance sales agents is also related to the fact that many of them come from and reside in the same towns.

participants may learn as a result of their participation in focus group discussions. By bringing together insured and non-insured participants, it was almost certain that we would not only stimulate a debate on the value of micro life insurance, but that we would also "provoke an orientation to action" (Kleiber 2004: 97). This implies that focus group discussions help convey information and sometimes take on the form of interventions. Given that microinsurance, including the Anidaso policy, is often sold by approaching existing groups, this can provide good indications of real-life scenarios in the distribution of insurance products. In addition, we can derive some indications about the way knowledge on microinsurance is generated and influenced by social networks. The non-insured participants are drawn towards the viewpoints of the insured, whom they seem to respect as some kind of experts on the matter, even though that is not necessarily true.

With regard to the external peer influence, both positive and negative value perceptions are based on the experiences and narratives of people with insurance in the participants' community. Participants relate to the specific encounters of relatives and/or friends with insurance and some participants link such stories to their own value judgments and their decision to purchase (or not) the Anidaso policy. In addition, it appears that hearsay is a very common way of learning about insurance.[15] These findings are in line with earlier research on microinsurance, which shows that many households that buy microinsurance do so on the advice of others or know others who have already claimed insurance benefits (Giné et al. 2008; Morsink and Geurts 2011).[16] In Ghana, Jehu-Appiah et al. (2011) find that peer pressure has a significant and cumulative effect on individuals' perceptions of the quality, costs and insurance benefits within a community. In their empirical setting, this results in a negative effect of peer influence on consequent enrolment into the NHIS. A previous negative experience with insurance (staff, claims procedures, and so on) shared among peers can thus substantially alter another person's perceived value of it, resulting in a negation of any contact with the provider and a disinterest in information about the specific insurance product.

5. Conclusion

This paper addresses the perceived client value of a micro life insurance product in southern Ghana. As a starting point for further investigations, we draw a first conceptual sketch of the dimensions that constitute client value. It becomes evident that earlier contributions on client value in the marketing literature, which typically investigate value in industrialized countries, provide a useful guide to study client value in microinsurance in developing countries. As in many models of client value, we find that value is a multidimensional concept that goes beyond just weighing the costs against the monetary benefits of insurance.

In the setting of micro life insurance, clients base their perceptions of value on five dimensions, namely, quality, costs, consumption outcome (all three are forms of functional value), emotional value and social value. Within focus group discussions, participants primarily discuss the dimensions of quality, consumption outcome and emotional value. As a next step, research that applies quantitative methodologies, such as in Lemmink et al. (1998), de Ruyter et al. (1997), Sweeney and Soutar (2001) and Sánchez et al. (2006), is needed to investigate the relative importance of different dimensions and their attributes. Furthermore, we investigate client value in

---

[15] TV programmes as a source of information are also mentioned. There are several TV and radio programmes in Ghana that aim at providing financial literacy to the public.
[16] This phenomenon is not specific to microinsurance. In his seminal work, Kunreuther for example, finds that in the United States one of the main distinctions between people who purchased disaster insurance and those who did not is that the former had acquaintance with others who had also taken out such insurance.

a rather narrow empirical setting of one micro life insurance product in southern Ghana. We look forward to research in different empirical settings and with respect to different types of insurance that develops our sketched conceptual model of client value further.

In addition to an analysis of client value, we also investigate how and why focus group participants form the value perceptions they do. We find that value perceptions are largely shaped by the gap between expectations of and experiences with micro life insurance in combination with a number of contextual factors. On the one hand, we observe that focus group participants have unrealistic expectations of insurance benefits, anticipating payouts for a large variety of damages that are not covered by the policy. For the time being, these expectations lead to a high perceived value of micro life insurance. However, as soon as people's understandings are altered through engagement with the realities of the insurance product, perceived value is quickly adjusted downwards. On the other hand, whether the focus group participants perceive high or low value depends on a range of contextual factors. The most important of these are participants' knowledge about insurance, the availability and effectiveness of alternative risk management options, and their interaction with peers.

Turning our attention to the implications of our findings for insurance providers, these suggest the need to pay continuing attention to the provision of (correct) information, so that there is no room for false expectations to evolve on the side of the clients. The obvious danger is that those clients whose expectations are not met are left perceiving low value in microinsurance products. However, arguably the more significant implication is multiplication of such negative perceptions through peer networks. We argue that this is of particular relevance in developing countries, where people do not have much access to provider information about specific insurance products, but, instead, rely on peers as their main source of knowledge. Ultimately, it is of crucial importance that insurance providers understand the clients' perspective and invest in a long-term relationship by offering attentive and ongoing customer service (instead of rewarding sales agents on the basis of contract conclusions alone). Utilizing the multiplicative effect of peer influence in a positive way requires the maintenance of good relationships with existing clients, in order to reduce the risk of losing large numbers of potential clients.

References

Best, R. J. (2013), *Market-Based Management. Strategies for Growing Customer Value and Profitability*. Boston, MA: Pearson.

Böhm, G. and W. Brun (2008). 'Intuition and affect in risk perception and decision making', *Judgment and Decision Making*, 3(1), 1–4.

Bolton, R. N. and J. H. Drew (1991). 'A multistage model of customers' assessments of service quality and value', *Journal of Consumer Research*, 17(4), 375–384.

Cai, H., Y. Chen, H. Fang and L.-A. Zhou (2009). *Microinsurance, Trust and Economic Development: Evidence from a Randomized Natural Field Experiment*, NBER Working Paper, 15396, Cambridge, MA: National Bureau of Economic Research.

Cai, J., A. de Janvry and E. Sadoulet (2013). 'Social networks and the decision to insure', mimeo, online: https://bepp.wharton.upenn.edu/bepp/assets/File/AE-S13-Cai.pdf.

Churchill, C. (2002). 'Trying to understand the demand for microinsurance', *Journal of International Development*, 14(3), 381–387.

Cohen, M., M. J. McChord and J. Sebstad (2005). 'Reducing vulnerability: demand for and supply of microinsurance in East Africa', *Journal of International Development*, 17(3), 319–325.

Cohen, M. and J. Sebstad (2005). 'Reducing vulnerability: The demand for microinsurance', *Journal of International Development*, 17(3), 397-474.

Cole, S., X. Giné, J. Tobacman, P. Topalova, R. M. Townsend and J. Vickery (2013). 'Barriers to household risk management: evidence from India', *American Economic Journal: Applied Economics*, 5(1), 104–135.

Darby, M. R. and E. Karni (1973). 'Free competition and the optimal amount of fraud', *Journal of Law and Economics*, 16(1), 67–88.

Dercon, S., T. Bold and C. Calvo (2008). 'Insurance for the poor?' in A. Barrientos and D. Hulme (eds.), *Social Protection for the Poor and Poorest. Risk, Needs and Rights* (pp.47–63), Basingstoke, UK: Palgrave Macmillan.

Dercon, S. (2002). 'Income risk, coping strategies and safety nets', *The World Bank Research Observer*, 17(2), 141–166.

Flint, D. J. and R. B. Woodruff (2001). 'The initiators of changes in customers' desired value: results from a theory building study', *Industrial Marketing Management*, 30(4), 321–337.

Friese, S. (2012). *Qualitative Data Analysis with Atlas.ti*. Los Angeles, London, New Delhi, Singapore, Washington, DC: Sage Publications.

Giesbert, L., S. Steiner and M. Bendig (2011). 'Participation in micro life insurance and the use of other financial services in Ghana', *Journal of Risk and Insurance*, 78(1), 7–35.

Giesbert, L. (2012). *Subjective Risk and Participation in Micro Life Insurance in Ghana*, GIGA Working Papers, 210, Hamburg: German Institute of Global and Area Studies.

Giné, X., R. M. Townsend and J. Vickery (2008). 'Patterns of rainfall insurance participation in rural India', *The World Bank Economic Review*, 22(3), 539–566.

Grönroos, C. (1982). *Strategic Management and Marketing in the Service Sector*. Helsingfors: Swedish School of Economics and Business Administration.

Hartman, R. S. (1973). *The Hartman Value Profile (HVP): Manual of Interpretation*. Muskegon: Research Concepts.

Holbrook, M. B. (1996). 'Customer value – a framework for analysis and research', *Consumer Research*, 23(1), 138–142.

Jehu-Appiah, C., G. Aryeetey, I. Agyepong, E. Spaan and R. Baltussen (2011). 'Household perceptions and their implications for enrolment in the National Health Insurance Scheme in Ghana', *Health Policy and Planning*, 27(3), 222–233.

Kitzinger, J. (1994). 'The methodology of focus groups: the importance of interaction between research participants, *Sociology of Health & Illness*, 16(1), 103–121.

Kleiber, P. B. (2004). 'Focus groups. More than a method of qualitative inquiry', in: K. B.d. Marrais and S. D. Lapan (eds.), *Foundations of Research: Methods of Inquiry in Education and the Social Sciences*. Mawah, London: Lawrence Erlbaum Associates.

Kunreuther, H. (1978). *Disaster Insurance Protection: Public Policy Lessons*, New York, Chichester, Brisband. Toronto: John Wiley & Sons, Inc.

Lemmink, J., K. de Ruyter and M. Wetzels (1998). 'The role of value in the delivery process of hospitality services', *Journal of Economic Psychology*, 19(2), 159–177.

Loos, P. and B. Schäffer (2012). *Das Gruppendiskussionsverfahren. Theoretische Grundlagen und empirische Anwendung*. Wiesbaden: VS-Verlag.

Magnoni, B. and E. Zimmerman (2011). ‚Do clients get value from microinsurance? A systematic review of recent and current research', Appleton: MicroInsurance Centre, online: http://www.microinsurancecentre.org/milk-project/milk-docs/doc_details/811-do-clients-get-value-from-microinsurance-a-systematic-review-of-recent-and-current-research.html.

Mattson, J. (1991). 'A service quality model based on an ideal value standard', *Journal of Service Industry Management*, 3(3), 18–33.

Matul, M., C. Tatin-Jaleran and E. Kelly (2011). *Improving Client Value from Microinsurance: Insights from India, Kenya, and the Philippines*, Microinsurance Paper, 12, Geneva: International Labour Organization.

McCord, M. J., B. Magnoni and E. Zimmermann (2012). *A Microinsurance Puzzle: How Do Demand Factors Link to Client Value?* MILK Brief, 7, Appleton: MicroInsurance Centre.

Monroe, K. B. (1990). *Pricing: Making Profitable Decisions*. New York: McGraw-Hill.

Morgan, D. L. (1997). *Focus Groups as Qualitative Research*. Qualitative Research Methods Series, Thousand Oaks, London, New Delhi: Sage Publications.

Morsink, K. and P. Geurts (2011). *Informal Trust Building Factors and the Demand for Microinsurance*, Rio de Janeiro: 7th International Microinsurance Conference, 8-10 November 2011.

Oh, H. (1999). 'Service quality, customer satisfaction, and customer value: a holistic perspective', *International Journal of Hospitality Management*, 18(1), 67–82.

Oliver, R. L. (1980). 'A cognitive model of the antecedents and consequences of satisfaction decisions', *Journal of Marketing Research*, 17(4), 460–469.

Parasuraman, A., V. Zeithaml and L. L. Berry (1985). 'A conceptual model of service quality and its implications for future research', *The Journal of Marketing*, 49(4), 41–50.

Parasuraman, A., V. Zeithaml and L. L. Berry (1988). 'SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality', *Journal of Retailing*, 64(1), 12–40.

Pura, M. and J. Gummerus (2008). *Perceived Value of Mobile Service Use and Its Consequences*, Dissertation, Helsinki: Swedish School of Economics and Business Administration.

Ravald, A. and C. Grönroos (1996). 'The value concept and relational marketing', *European Journal of Marketing*, 30(2), 19–30.

Rust, R. and R. L. Oliver (eds.) (1994). *Service Delivery: New Directions in Theory and Practice*. Thousand Oaks: Sage Publications.

Ruyter, K. de, M. Wetzels, J. Lemmink and J. Mattson (1997). 'The dynamics of the service delivery process: a value-based approach', *International Journal of Research in Marketing*, 14(3), 231–243.

Saldaña, J. (2013). *The Coding Manual for Qualitative Researchers*. Los Angeles, London, New Delhi, Singapore, Washington, DC: Sage Publications.

Sánchez, J., L. Callarisa, R. M. Rodriguez and M. A. Moliner (2006). 'Perceived value of the purchase of a tourism product', *Tourism Management*, 27(3), 394–409.

Sánchez-Fernandez, R. and M. A. Iniesta-Bonillo (2007). 'The concept of perceived value: a systematic review of the research', *Marketing Theory*, 7(4), 427–451.

Sheth, J. N., B. I. Newman and B. L. Gross (1991). 'Why we buy what we buy: a theory of consumption values', *Journal of Business Research*, 22(2), 159–170.

Slovic, P., B. Fischhoff and S. Lichtenstein (1982). 'Why study risk perception?' *Risk Analysis*, 2(2), 83–93.

Steiner, S. and L. Giesbert (2010). 'Microinsurance. a large untapped market', *DIW Weekly Report*, 33, Berlin: German Institute for Economic Research.

Sweeney, J. C. and G. N. Soutar (2001). 'Consumer perceived value: the development of a multiple item scale, *Journal of Retailing*, 77(2), 203–220.

Swenson, J. D., W. F. Griswold, and P. B. Kleiber (1992). 'Focus groups: method of inquiry/intervention', *Small Group Research*, 23(4), 459–474.

Tesliuc, E. D. and K. Lindert (2004). *Risk and Vulnerability in Guatemala: A Quantitative and Qualitative Assessment*, Social Protection Discussion Paper Series, 0404, Washington. DC: The World Bank Social Protection Unit.

Thornton, R., E. Field, L. Hyatt, M. Islam and F. Solis (2010). 'Social security health insurance for the informal sector in Nicaragua: a randomized evaluation', *Health Economics*, 9, Suppl. 1, 181–206.

Wibeck, V., M. A. Dahlgren and G. Oberg (2007). 'Learning in focus groups: an analytical dimension for enhancing focus group research', *Qualitative Research*, 7(2), 249–267.

Woodruff, R. B. and D. J. Flint (2006). 'Marketing's service-dominant logic and customer value', in R. F. Lusch and S. L. Vargo (eds.), *The Service-Dominant Logic of Marketing. Dialog, Debate, and Directions* (pp. 183–195). Armonk, London: M.E. Sharpe.

Woodruff, R. B. (1997). 'Customer value: the next source for competitive advantage', *Journal of the Academy of Marketing Science*, 25(2), 139–153.

Zeithaml, V., M. J. Bitner and D. D. Gremler (2009). *Services Marketing. Integrating Customer Focus across the Firm.* New York: McGraw-Hill.

Zeithaml, V. (1988). 'Consumer perception of price, quality, and value: a means-end model and synthesis of evidence', *Journal of Marketing*, 52(3), 2–22.

Appendix

Table A1: Code sheet of perceived value in the micro life insurance scheme

Value dimensions *Attributes* Items	Brakwa Female	Brakwa Male	Nyakrom Female	Nyakrom Male	Total	Negative evaluations
Functional value: consumption outcome						
help in future	27	3	5	9	44	2
access to loan/other payout	5	3	0	1	9	3
death payout	4	1	0	0	5	0
facilitates savings	2	2	4	1	9	2
finance education	9	0	0	0	9	0
finance fire/other construction damage	3	0	0	0	3	0
finance hospitalization	1	0	1	0	2	0
finance medical treatment	5	1	3	3	12	1
help to progress	2	0	0	5	7	0
help to repay loans	2	0	1	0	3	0
pension	1	3	0	4	8	0
Functional value: costs						
Price						
interest	0	0	0	1	1	1
price_operation fees	0	0	1	0	1	1
price_premiums	1	4	0	5	10	6
price_premiums_reduce savings	0	5	0	0	5	5
Transaction costs						
running around/cumbersome walks	1	2	1	0	4	4
waiting time	0	2	0	0	2	2
Value for money	*0*	*3*	*1*	*0*	*4*	*3*
Functional value: quality						
Empathy						
access_eligibility/availability	2	2	1	4	9	0
access_reaching staff	3	1	1	0	5	4
easy and fast access to contributions	0	3	0	0	3	3
form of (re)payment	0	0	0	1	1	1
information provision	6	8	7	1	22	10
providing attention	0	6	2	1	9	4

Reliability						
payout delivery (claim)	1	4	1	0	6	5
policy documents delivery	3	3	0	0	6	3
premium deductions	1	1	0	0	2	1
service promises	1	14	2	0	17	16
Assurance						
client permission	0	1	2	0	3	3
credible sales agent	1	1	0	0	2	1
trust in future benefit	3	6	4	1	14	7
trustable information	0	1	1	0	2	2
Responsiveness						
enter/exit membership	0	1	0	0	1	1
prompt and easy service delivery	1	0	0	0	1	0
immediate coverage	0	0	1	0	1	1
Tangibles						
brand name	0	1	0	1	2	0
office	1	0	0	0	1	1
policy document	1	0	0	0	1	0
Emotional value						
Sense of security						
hope	8	7	5	4	24	0
peace of mind	8	1	1	1	11	0
self-control	1	0	0	0	1	0
worry	0	1	1	0	2	2
confusion	1	1	1	0	3	3
Good mood						
feeling strong	1	0	0	1	2	0
happiness/joy/feeling good	1	0	0	3	4	0
Wish satisfaction						
disappointment	0	8	0	0	8	8
dissatisfaction/anger	0	4	0	0	4	4
envy	0	1	0	0	1	1
Social value						
bequest to children/family	3	1	1	5	10	0
mutual help	0	0	0	1	1	0
solidarity demonstration	2	0	0	4	6	0

Source: Authors' own compilation based on coding of transcripts.

MANCHESTER
1824

The University of Manchester
Brooks World Poverty Institute

Executive Director
Professor David Hulme

Research Directors
Professor Armando Barrientos
Professor Rorden Wilkinson

Contact:

Brooks World Poverty Institute
The University of Manchester
Arthur Lewis Building
Oxford Road
Manchester
M13 9PL
United Kingdom

Email: **bwpi@manchester.ac.uk**

www.manchester.ac.uk/bwpi

The Brooks World Poverty Institute (BWPI) creates and shares knowledge to help end global poverty.

BWPI is multidisciplinary, researching poverty in both the rich and poor worlds.

Our aim is to better understand why people are poor, what keeps them trapped in poverty and how they can be helped – drawing upon the very best international practice in research and policy making.

www.manchester.ac.uk/bwpi