

Project Dissertation Report on
“STUDY OF CUSTOMER RETENTION STRATEGIES –
NSIA INSURANCE COMPANY”

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CERTIFICATE

This is to certify that Mehtab Barua, Roll No. : 2K19/EMBA/532 student of Masters of Business Administration (Executive 2019 – 2021) at Delhi Technological University, Delhi has accomplished the project titled " STUDY OF CUSTOMER RETRENTION STRATEGIES - NSIA INSURANCE COMPANY" under my guidance and to the best of my knowledge completed the project successfully, for the partial fulfilment of the course in 4TH semester of the course Executive MBA.

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DECLARATION

I, Mehtab Barua understudy of EMBA 2019-21(Delhi School of Management), thusly proclaim that the work introduced in this report entitled "STUDY OF CUSTOMER RETRENTION STRATEGIES - NSIA INSURANCE COMPANY" is my very own credible record work did under the direction of Dr. Saurabh Agrawal I announce this submitted work is done exclusively by me as far as I could possibly know, no such work has been put together by some other individual for the honor of degree or confirmation

PLACE – DELHI

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ABSTRACT

Customer Relationship Management (CRM) practices are business strategies designed to reduce costs and increase profitability by solidifying customer loyalty. With intense competition among insurance companies in Ghana, this study sought to assess Customer Relationship Management practices and Customer Retention in NSIA Insurance. The study was conducted to identify critical factors necessary for customer retention in carrying out customer relationship management practices in the selected insurance company and to develop effective customer relationship management practices to manage customer retention for sustainability within the insurance industry using NSIA Insurance as a case study. Well structured questionnaires and face-to-face interview were the methods adopted for the investigation of the study. A sample size of 40 respondents was considered, they were made up of customers and the staff who are fully involved in customer relationship management of the insurance company. Data collected from the completed questionnaires and the interviews were grouped into frequency tables and expressed in percentages. The researcher relied on the SPSS in interpreting the collected data. The study shows that even though NSIA insurance has policies on customer relationship management practices, these policies are not carried out fully to accomplish the ultimate goal of customer retention. The study recommends that for the insurance company to command an adequate number of loyal customers, NSIA Insurance should consistently improve on its quality of service to address the preference of the customers and consider the five service quality constructs of reliability, assurance, tangibility, empathy and responsiveness.

CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background of the Study

Over the last few decades insurance companies have exhausted a large chunk of resources in their quest to secure new businesses. In as much as it is important to exploit new businesses and enter emerging markets, it is also essential to maintain existing customers and enhance customer relationship (Weinstein, 2002). In reality, the cost associated with acquiring new customers is astronomically high as compared to the cost of retaining existing customers. This implies that a minimal increase in the retention rate will add several thousands of Ghana Cedis to the premium revenue.

Historical accounts vividly indicate that when a customer holds two insurance policies with an insurance company, the customer is likely to renew the policy than a customer who holds a single policy. This analytical process makes it quite strenuous to identify the type of customers that are profitable and should be retained by the company. Undoubtedly searching for new customers is indispensable but retaining and enhancing long lasting relationships with profitable customers is the main emphasis now. Insurance companies have now realized that parting ways with a customer means losing a life time's worth of referrals and purchases and not just a single sale. The target for marketing now is to attract new customers with a promise to provide superior value and retain current customers by delivering satisfaction (Kotler& Armstrong, 2011).

In Ghana, the insurance industry is characterised with a whopping majority of the insurance companies offering the same services with little variations. Insurance companies can set unique standards through tenacious customer satisfaction and effective customer relationship management. Customer retention is a key variable in customer relationship management.

Customer satisfaction is the essential condition for retaining customers; it compares the expectations of a customer to the perception of the customer being satisfied (Kracklauer et al., 2004). This highlights the relevance of customer retention as a vital tool in Ghana's competitive insurance industry.

Customer relationship management (CRM) represents an activity to build accurate knowledge on customer behaviour in order to initiate strategies that encourages customers to continually enhance their business relationship with a corporate entity (Parvatiyar & Sheth, 2001). The strategies mostly used in customer relationship management are anticipated to mitigate the occurrence of service failures that motivate customers to switch from one insurance company to the other as referenced by (Crosby et al., 1990; Jones & Farquhar, 2003; Best, 2002; Mithas et al., 2005; Uppal, 2008 and Sharma et al., 2011) in their works.

The study of Verhoef (2003) shows that customer relationship management has a positive relationship with customer retention. Other researchers like Verhoef&Donkers (2001) also confirm the use of technology as a key variable in retaining customers. This confirms that CRM plays a major role in allowing insurance companies to use strategies which rely heavily on customer database in coordinating effective customer relationship towards the ultimate goal of customer retention. Customer relationship management has quintessentially been considered as a major determinant of customer retention. Apparently the noteworthy nexus between customer relationship management and customer retention is worth studying in the highly competitive insurance industry of Ghana.

1.2 Problem Statement

Insurance companies offer unique financial services that propel economic growth in a country. The services range from the underwriting of risks common in economic entities and the mobilization of large amount of funds through premiums for long term investments. The

risk absorption role of insurers ensures financial stability in the financial markets and provides a sense of security to economic entities. The business world without insurance is unsustainable since risky business may not have the capacity to retain all kinds of risks in this ever changing and uncertain global economy (Ahmed et al., 2010). Indeed, a well-developed and evolved insurance industry is a boon for economic development as it provides long- term funds for infrastructure development of any economy (Charumathi, 2012). The National Insurance Commission, the regulatory body of the Ghanaian insurance sector, has therefore intensified its supervision, field visits, and has adopted a risk-based assessment of insurer's activities. All of these regulatory measures are to ensure that the performance of insurance companies is in sound condition.

In spite of the important role of the insurance industry, there is little information in the industry to help professionals to work to make good policies and address the needs of customers and formulate effective policies. Availability and easy access to accurate statistics on the Ghanaian insurance market remains a big challenge to the sector today. Most Ghanaians therefore are totally at a loss about what actually transpires in the industry. This has affected insurance penetration negatively in Ghana. For instance, in 2008, insurance penetration in Ghana was 1.57%, while South Africa recorded 12.7% (National Insurance Commission [NIC] Annual Report, 2008). Furthermore, there is little research conducted on the effect of CRM on customer retention in the insurance industry at large and particularly in Ghana from the customer's perspective (see Abu, 2011).

1.3 Research Objectives

The aim of the study is to assess the customer relationship management practices and how this affects customer retention in NSIA Insurance Company, Kumasi. The specific objectives are as follows:

- To examine the customer relationship management practices adopted by the NSIA Insurance company in Ghana.
- To examine the challenges NSIA Insurance is exposed to in carrying out customer relationship practices in Ghana.
- To establish the effect of customer relationship management (CRM) on customer retention in NSIA Insurance.

1.4 Research Questions

From the objectives stated above, the study seeks to answer the following questions.

- What are the customer relationship management practices adopted by NSIA Insurance?
- What are the challenges associated with customer relationship practices in NSIA Insurance?
- How does customer relationship management (CRM) affect customer retention in NSIA Insurance?

1.5 Significance of the Study

The results of this study would hopefully be significant in the sense that it would enable insurance companies to better understand why customers defect; the effect of customer relationship management and the various motivational factors which could be harnessed to inspire customers to retain them to increase and sustain productivity.

The study which focuses extensively on NSIA Insurance as a case study will contribute to the existing knowledge on customer relationship management and customer retention. The study will aid policy makers in implementing improved policies in the insurance industry as well as serve as a foundation for future research work to be conducted in this area.

1.6 Scope of the Research

This study focused on Customer Relationship Management and how it affects Customer Retention in NSIA Insurance. The customers of NSIA Insurance will be the population for the study and the study will be carried out within a time frame of 3 months.

1.7 Structure of the Research

The Chapter One, of the study is the introductory chapter, which contains the background of the study, the structure of the work, the statement of the problem, the objective of the study, limitation of the study and the organization of the study. The Chapter Two consists of the detailed discussion on the accessible studies by a variety of researchers on customer relationship management, technology and customers retention in an organization. The Chapter Three of the study contains the research methodology to be applied for the study.

It discusses the alternative methods of studying the effects of customer relationship management on customers' retention. The fourth Chapter of this study consists of the data analysis which would be collected for the study and also comprises of the results and discussions to be extracted from objectives developed for the study. The concluding Chapter of this study consists of the summary results, conclusion of the study and recommendations for the insurance industry in Ghana.

CHAPTER TWO

LITERATURE REVIEW

2.1 Customer Relationship Management

CRM is an acronym for Customer Relationship Management. There is no generally accepted definition of CRM even though CRM is considered to be an essential business approach. According to Swift (2001), CRM is an enterprise approach to understanding and influencing customer behaviour through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability.

Customer Relationship Management is the strategic use of information, processes, technology, and people to manage the customer's relationship with your company (Marketing, Sales, Services, and Support) across the whole customer life cycle (Kincaid, 2003). Additionally Parvatiyar&Sheth (2001) defined CRM as a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value.

CRM has been conceptualized by Reinartz et al. (2004) from the customer perspective as: A systematic process to manage the customer relationship initiation, maintenance, and termination across all customer contacts points in order to maximize the value of the relationship portfolio. Also Padmavathy (2012) defined CRM as a set of customer-oriented activities supported by organizational strategy and technology, and is designed to improve customer interaction in order to build customer loyalty and increase profits over time.

The definitions above accentuate CRM as a complete set of approaches for administrating customer relations in terms of marketing, customer and support services.

The organizations can use information technology and information systems to combine CRM procedures to please customers. For the purpose of this study, CRM will be defined as organization of comprehensive information regarding customers through the use of complicated software and analytical tools to cautiously manage client contact points to maximize profit and retain the customers.

2.1.1 Component of Customer Relationship Management

In the paper of (Kim et al, 2003) a framework of CRM was proposed from information processing view point in the aspects of relationship initiation, worth, positioning and commitment. The approach suggests that, customer information is crucial in administrating, attracting and retaining successful relations with customers across the developmental phases. The argument continues that, when organizations concentrate on their association with customers, some of the customers will be retain and provide value for the firm in terms of generating higher profits. Therefore, organizations can improve their relationships with customers by properly managing customer information. A related conceptual framework of CRM was anticipated to integrate business procedures, organizational arrangement, investigative structures and technology to represent customers view (Chan, 2005). In a different study Kim et al. (2003), developed a framework of CRME to consist of customer knowledge, interaction, value and satisfaction. The study declares that, business interactions are handled well only when CRM activities aimed at satisfying the customers' personal and distinctive needs. Through incorporation of business processes and technology, organizations are able to sustain and improve the relations with customers. From functional and organizational capabilities perspective, Reinartz et al. (2004) offered a model for CRM processes based on three different levels of relationships namely; initiation, maintenance, and termination. Payne et al. (2005) further studied the significance of business strategy in CRM implementation.

The authors developed a model that assigned the business strategy with customer strategy to establish value for both firm and customers. By so doing, the lifetime value of advantageous clients is maximized.

The Literature discussed above suggests that, when organizations implement CRM processes by considering business strategy, organizational motivation and information technology, then customer relations established can be retained. The integration of these elements permits firms to gain knowledge about profitable customers in order to achieve business performance increase.

2.2 Customer Retention

Customer Retention can be defined as the possibility of a client to be retained by the organization (Morgan& Hunt, 1994). Also Hall (1997) considers customer retention as maintaining customers for life. The life span worth of a customer to any business can be appreciated in their financial performance. Some studies considered Customer retention from a behavioural perspective. Thus, the customer feeling belong and dedicated to the company. For instance, the customer recommends the company to others and willing to repurchase services or products from the organization (Diller, 1996; Diller &MuÈllner, 1998; Gremler& Brown, 1998; Homburg et al., 1999; Oliver, 1999).

According to Keiningham et al. (2007, p 364), customer retention is defined as “customers” stated continuation of a business relationship with the firm. For Internet service providers (ISPs), it is continuing to use the same provider. For retail banks, it is continuing to maintain an account relationship with the bank. And for discount retailers, it is the continued repeat shopping with the retailer”. For the purpose of this study, customer retention will be defined as the company’s ability to maintain their obtainable customer base.

2.2.1 Components of Customer Retention

Retaining customer relationships are viewed as one of the crucial possession for companies (Webster, 1992; Collier & Bienstock, 2006). Some previous studies affirms that, maintaining obtainable customers is mostly worthwhile than acquiring new customers (see Rosenberg & Czepiel, 1984; Vandermerwe, 1996). As a result, some researchers have developed interest in examining the strategies for attracting and sustaining good relationships with obtainable customers (Duncan & Moriarty, 1998; González et al., 2004). Again Finn (2005) suggests that, Relationship quality plays an important role in sustaining long lasting relationship. Researchers have studied relationship quality from customer’s perspective (Crosby et al., 1990; Kumar et al., 1995). Sharing information sustains the quality of relationship. Information as a main resource can help organizations to appreciate their customers and reinforce their customer base against their competitors (McKean, 1999; Fruchter & Sigüel, 2005). Thus, distributing information with customers can make and retain the assurance of customers. Hence, sharing information often with customers can help organization to retain them (Crosby et al., 1990). One of the efficient way to attract prospects is through the assistance of retain customers who offers referrals (Johnson et al., 2003; Collier & Bienstock, 2006).

A referral from existing customers permits the sales force of the organization to penetrate into markets which are untouchable (Boles et al., 2000). However, this strategic business potential

of referrals is disregarded by companies (Bachrach, 1999; Connors, 1998) and very little attention has been given to it academically (Boles et al., 2000). Keeping high quality relationship with clients seems to boost their readiness to offer referrals (Finn, 2005). This leads to achievement of retained relationship. As soon as clients expect continued dealings, the clients will be willing to respond by referring colleagues, family and friends to their companies (Johnson et al., 2003; Washburn, 1996).

Also Noordewier et al. (1990), advocate that when a company expects a customer relationship to transcend, then the current interaction should be fostered. Continuous communication with the same service provider boosts customer willingness to refer others to their service providers. Base on the above academic literature reviewed, it is suggested that, when quality relationship exist between customers and their service providers, the relationship is sustain mainly by the distribution or sharing of information. Customers then feel close and part of the company which boost their moral to provide referrals to their service providers. This happens mainly because customers anticipate future interaction with their service providers. Therefore, the components of customer retention in this study are; relationship quality, information sharing, willingness to provide referrals and anticipation of future interaction.

2.2.2 Benefits of Customer Retention

Customer retention provides several benefits to an institution (Abratt and Russell, 1999). In reality, customer who stays with an institution or company for long is much more profitable than searching for prospects (Reichheld& Kenny, 1990; Rust & Zahorik1993). Numerous reasons such as reducing high cost of searching and catching the attention of prospects, expanding the volume of sales and profits, and advertising by customers through word of mouth. When customers understand clearly the services of the company, this influences the customer's willingness to stay with the institution hence customer retention. Furthermore,

customer retention positively affects the organizations returns, productivity, reducing switching of customer to competitors and introducing fresh prospect (Felvey, 1982; Reinartz& Kumar, 2000). Additionally Reichheld and Teal (1996), recommend that when a customer gets use to the company's dealings, they make very important business connections, purchase many products, and become less responsive to price of the products of the company.

In the midst of all these benefits, Kamakura et al. (1991) states cross selling as an important tool for ensuring quality relationship with customers.

This leads to increase in product consumption by customers thus cross-selling merely supports customer retention which prevents customers from moving to competitors. When customers stay with the organization for long, it enables the company to appreciate the consumers purchasing behaviour in terms of their choices of products and occasion. According to Beckett et al. (2000), some customers pretend to be loyal to a particular service provider even though they despite their activities because of three main reasons below. Firstly, they are unable to distinguish amongst them. Secondly, customers are enticed by accessibility to the service provider. Thirdly, customers view the cost of changing to a competitor as high, and perceive the exercise tedious and useless.

2.3 Technology

It is imperative for business entities to understand the impact that technology has for both the existing technological advancement as well as future developments. This forecast of technology advancement is believed to lie in accurately predicting future technology capabilities and the impact that technology will have on the business (Pearce & Robinson, 2013). Technology can help protect and improve the profitability of firms in growing industries. A study by Wanjau (2011) found that technology assisted in identifying ways to

detect customer retention incentives, customer satisfaction, customer acquisitions, and customer loyalty.

Also Wanjau (2011) found that CRM systems assisted significantly in addressing the issues of customer complaints more efficiently as the data is collected regularly, analyzed and applied.

Again, Kotler and Keller (2009) believe that new technology also creates major long-run consequences that are not always foreseeable, for example mobile phones, video games and the internet have not only reduced attention to traditional media but have also reduced face-to-face social interactions. Most customers today are now interacting with business through social media platforms and emails. Technology improvements like mobile money transfers for example M-pesa makes it possible to deposit money and make payments from the comfort of their homes.

2.3.1 Electronic Customer Relationship Management (E-CRM)

A concept of E-CRM has been introduced by various scholars and this is known to most as technology based CRM whereby companies are taking advantage of technology advancements in order to enhance CRM. According to Milovic (2012) E-CRM enables companies to implement interactive, personalized and relevant communication with customers through electronic and traditional channels. This means that companies can interact with their customers and therefore they can direct personalized products to their customers.

2.4 Customer Recognition

Customer recognition is when firms try to identify which customers are valuable and which customers are not. This is believed to benefit firms because once the firm knows which customers are valuable they are able to maximize their efforts in ensuring that their valuable customers remain happy at all times. This means that customers have to be divided into groups in order to fit them in their various segments (Wanjau, 2011). This however does not mean that

other customers are neglected. According to Buttle (2009) a value chain model is used by organizations as a guideline to create customer value. This model consists of two levels the primary level and the secondary level. The primary level consists of 5 stages whereby at the first stage the firm carries out a customer portfolio analysis. This is a stage where company identifies the customers that are more desirable; Buttle (2009) argued that some customers are more desirable than others.

After identifying their customers, firms try to find out everything they can about their customers so as to make them strategically fit. At this stage firms try to find out information that they need about their customers, every aspect of their lives from the day they were born to the last detail that would seem unnecessary. This helps them know what sort of product to target their customers and hence create value for customers. A study carried out by Mascareigne (2009) showed that some customers acknowledge the advantages of pinpointing

products directly to them; this means that customers are happy when they feel that their needs are directly targeted to them. It tells the customer that you are concerned and put their needs first. Customers that feel appreciated will come back.

Customer recognition is all about identifying your customers and providing products and services that best suit their needs. Managers should therefore know everything about their customers, products and services should be offered according to customers' needs this is termed customer orientation (Abdullateef, Mokhtar&Yussoff, 2010). Studies show that customer recognition has been given many terms, such as customer orientation, market orientation, or market driven firms but it all boils down to how organizations identify their customers to serve their needs and create value as they all refer to organizations that focus on customer needs and wants which forms the basis of their marketing strategies. According to Kotler (2000), five marketing philosophies guide a company's selling efforts, whereby the fourth concept the marketing concept focuses on the needs of the buyer.

This is believed to be a crucial concept for the success of any organization as many scholars agree that it leads to superior performance and firm profitability, (Racela, 2014). An article by Levit (1960) on marketing myopia explained that companies should define what business they are in, and that this question plays an important role in determining the growth of the company. He argued that the failure of any firm is not as a result of competition or saturation of the market but is due to failure of management. The researcher clarified that a business that focuses on the customer and not production tends to do better. He also argued that segmenting customers makes it possible to be accountable to each customer and therefore obtain early warnings for those customers that might be considering switching to another service provider. This means that knowledge about customers can enable firm to take necessary measures so that they do not lose their customers. It is important for organization to focus on key customers and this has an impact on customer outcomes that is; customer

satisfaction, loyalty and retention (Yim, Anderson, & Swaminathan, 2004). For the purpose of this study customer recognition is therefore a set of activities carried out by firms from identifying their customers, managing knowledge, to providing value for their customer.

According to Day (2003) an organization has to have the ability to retain and develop close relationships with customers. This helps the organization to know their customers and therefore create value once they know what their customers' preferences are. It enables organizations to provide specific products and services tailored to a specific customer. Study carried out by Wanjau (2011) showed that most organizations did not invest enough into research to understand how the customers should be recognized and uplifted.

The study showed that Kenya Commercial Bank concentrated more on selling extra to the customer rather than recognizing the customer in order to retain the customer. The research unit focused more on new product innovation rather than how to recognize the current customer's value with aim at increasing the business within the same customer and enhance customer profitability.

2.4.1 Types of Information Needed for Customer Recognition

According to Shy and Stenbacka (2011), a firm can gather two kinds of information that enable customer recognition; the information about their valued customers, the ones that they have established relationships with and second the information about what these customers prefer. They introduced three types of consumer recognition namely; identity recognition and this is where firms simply identify their customers but not their preferences, secondly asymmetric preference recognition whereby they identify both customers and their preferences, and lastly symmetric preference recognition and this is when they identify customers, their preferences and preferences of customers that purchase from rivals, and here firms in same industry share information about their customers' preferences.

In conclusion, Shy and Stenbacka (2011) pointed out that firms benefit from recognizing their customers' preferences regardless of whether the information is shared or not, but the exchange of information reduces gains from customers and customers prefer that they do not share information. Their study focused on how customer recognition contributes to profitability of the firm. Esteves (2008) carried out a study to show the competitive effects of price discrimination based on customer recognition, and concluded that the more the information the more intense competition becomes. Also Perreault and McCarthy (2002) believed that customer recognition involves a firm improving their marketing efforts by gathering detailed information and using this information to create value, establish a good relationship with customers and therefore increase profits. An insight on who is buying from you helps determine customers' tastes and preferences (Vyas&Sina, 2008).

2.4.2 Feedback and Response

Customer recognition is also not only about getting information about what customer need and want but is also about managing feedback and responding to customers' queries. According to Usitalo, Hakala and Kautonen (2008) the basic idea is not about making the complaining customer satisfied but it is about responding to these complains and making sure that it never happens again by removing the source of the complaint. This helps to avoid similar errors to occur. Also Mekonnin (2015) carried out a study that investigated customer orientation and business performance in respect of customer treatment, main customer focused bank structures and introducing latest banking technology to upgrade customer service. The results of the study showed that all customer orientation was positively correlated with business performance. Although this study was concentrating on how focusing on customers contributes to performance, it is important to note that if a business is performing well then customers are more likely to repeat purchase. The researcher therefore

concluded that customer orientation is crucial for financial institutions like the banking sector

since their business income is generated from service rendered to customers.

According to Ngambi and Ndifor (2015) marketers build social bonds with customers by viewing them as clients who are not nameless faces. This means that they should try to find out everything about their customers so that they can create a bond with their customers. Interaction with their customers on a personal level helps the company in that customers feel a sense of belonging and closeness with the brand and service provider. It also helps companies to offer solutions that are directly linked to the customers' needs, because by interacting with their customers they can determine the needs and wants of the customers. According to Sadeke *et al.* (2011) banking institutions are expected to know who their customers are and to determine the customer group that produces higher profits.

They should also know what factors keep their customers happy and so as to influence their loyalty. This means that focus should always be on the customer and what they need.

In the argument of Boohneet *et al.* (2012) an improvement in the market orientation practice will lead to high business performance thus ensuring the long term survival of the businesses. The long term survival of business is based on the retention of customers meaning that if business performs well then customers are most likely to come back to repurchase services and remain loyal. According to Homburg *et al.* (2011) maintaining a high-level of customer oriented service helps in building long term agent-customer relationships and identifying the highest level of customer orientation can help an agent maximize his customer relationship potential to achieve maximum sales results. The ultimate goal for any organization is profitability and continued survival and to achieve this companies have to maximize efforts and make their customers a priority. Also Homburg *et al.* (2011) believe that the heart of market orientation is its customer focus. According to Mekonin (2014) market orientation is a

business culture that focuses on creating superior value for customers. Customer orientation focuses on maximizing both efficiency and effectiveness at a customer level (Smith & Chang,

2010). This means that in order to be effective, businesses should solely focus on customers want.

2.4.3 Loyalty Programs

In order to build loyalty firms use loyalty programs and these are said to maximize customer retention (Bolton, Kannan & Bramlet, 2000). They believe that these programs have become common and that the main aim is to retain customers. Studies carried out by Mascareigne (2009) showed that the number of customers from the different agencies was insignificant to have loyalty programs but she did not dismiss the argument by other scholars that suggests that loyalty programs have a positive influence on customer retention (Verhoef, 2003).

Through loyalty programs, firms can potentially gain more repeat business, get opportunity to cross-sell and obtain rich customer data for future CRM efforts (Liu, 2007). Loyalty program is a program that allows consumers to accumulate free rewards when they make repeated purchases with a firm (Liu, 2007). This means that they are a type of incentive for customers to keep coming back for more. In their study Grahame and Hammond (2003) believed that there are two aims of loyalty programs, the first aim is to increase sales and revenues and therefore increasing profitability and the other aim is to create a bond between customers and the service provider or firm, and maintain the current customer base. This means that customer retention is achieved because if company is able to maintain its customer base then that means their loyal customers will continue to use services. According to Verhoef (2003), loyalty programs that provide economic incentives positively impact customer retention.

Loyalty programs can include; buy 4 and get the 5th burger for free, bonus points for every purchase, miles allocated for frequent customers. These are believed to attract customers to come back for more, hence increase repeat purchase. A loyalty program should have the ability to create a bond via reward structure that encourages customers to stay loyal, get involved and strengthen the relationship (Vyas and Sina, 2008). There are however questions that have been

raised by various scholars as to whether loyalty can be achieved by these programs alone, and some have concluded that it does not create true loyalty.

In the study of McMullan and Gilmore (2008), they highlight the importance of understanding how customers with differing levels of loyalty development may respond better to a differentiated strategy due to the effect of what sustains and renders their loyalty vulnerable. This means that there are different loyalty stages namely; high level loyalty, medium level loyalty and low level. Customers with high level loyalty value recognition and unique rewards but are believed to be less price sensitive the middle level also value recognition and a relationship with service provider and price plays important role and the low level customers are more price sensitive. Customers with a low level of loyalty are least interested in developing a relationship, but very interested in promotional offers. Additionally Khan (2012) believes that improvement of customer satisfaction will increase loyalty. Loyal customers will bring referrals to the firm.

2.4.4 Customer Lifecycle

According to Phelp (2001), customers have a peculiar lifecycle and these include the contact phase where you make initial contact with the customer. At this stage firms reach out to the customers they wish to provide services for. The next stage is the acquisition stage where the aim is to retain the customer by collecting as much information as they can so as to provide goods and services in line with the customer's needs. The firm finds out every single detail about their customers so as to make informed decisions and provide goods and services that satisfy specific needs. This is followed by the retention phase where firms create long term commitment and loyal customers; and lastly the loyalty phase where goal is to extend customer loyalty and here firms try to establish and identify life time value of their customers.

2.4.5 Trust

Various definitions of trust have interested by its existence in trade relationships and have relied on its concept as a perception or expectation in such relationship and beliefs in interpersonal trustworthiness (reliability of promises, honesty, helpfulness, and mutual interests in trade relationships) serve as symptoms of trust in purchaser-vendor relationships. Believe and commitments, commonly defined as relationship values, are relevant accessories of relationships. In trade-to-consumer relationships, the place results rely on the conduct, price and service best, believe is chiefly central (Johnson & Cullen, 2002). It represents a element of integrated skills of relationship variables. Chiefly, trust involves a notion that a relationship partner will act in the best pursuits of alternative companions (Morgan & Hunt, 1994).

Within the area of customer relationship management, trust has been seen as an essential variable for the accomplishment of relationships in the business-to-consumer (B2C) relationship building, enhancement and maintenance processes. Trust has been outlined as a willingness to depend on an exchange accomplice in whom one has self belief. For that reason, countless extraordinary conceptualizations of believe exist.

2.4.6 Commitment

Commitment is an important determinant of the strength of a customer relationship management strategy and a useful construct for measuring the likelihood of customer loyalty and predicting future purchase frequency and it is one of the most common dependent variable used in buyer-seller relationships. In buyer-vendor contexts principally in the trade- to- patron relationships, commitment is unique as an aspiration for sustained relationship and an effort to make sure its protection or as a pledge for relational balance between exchange partners. Commitment is based on affective explanations such as emotional attachment, belonging, and admire for the companion, manifested within the type of a liking to develop and toughen the connection with a further individual or crew (Sharma et al., 2001). Emotional commitment is

explained in phrases of the similarity of values and targets among partners, implying that relationship members share beliefs about correct and valuable behaviours and objectives. Commitment is in most cases used to investigate both man or woman and behaviour in firms and mark out types of action characteristic of specific sorts of persons or organizations (Wong & Sohal, 2002).

Within the marketing literature, it's believed that commitment is a permanent desire to keep a valued relationship. This implies a larger stage of responsibility to make a relationship be triumphant and to make it collectively pleasant and priceless (Morgan & Hunt, 1994)). On the grounds that, dedication is bigger amongst individuals who suppose that they obtain more price from a relationship, purchasers who particularly committed are always disposed to reciprocate efforts of a firm because of prior advantages bought and particularly committed corporations and patrons will continue to experience the benefits of such reciprocity.

The key constructs—trust, value, commitment and interaction—are the main element that determines the nature and scope of relationship between the customer and the organization or service provider. How well these activities and processes are coordinated and managed determines the continuation and future of the relationship including the roles of the peripherals like stake holders, suppliers financial institutions employees government policies.

2.4.7 Managing Relationships

As most organizations are charting ways to shift from transactional focus marketing towards relationship building, enhancing and maintenance marketing. The shift is necessary in view of several challenges facing the most businesses today especially the service industry. Most organizations strive to build and enhance relationships for their clients for long term benefits. But then, the problem of managing such relationships with their customers becomes a problem. How can organizations organize and manage their relationships and what forms of network structures are more or less useful for managing relationships?

A customer-focused service culture could be developed. The customer-focused service culture revolves around the needs and wants of the customer, having appreciated the importance of the rationale and processes of relationship marketing. The hotel enterprise needs to decide on this approach to organize and manage relationships with customers. The basis is that ongoing, long-term relationships are essential for a business' viability and market performance. Marketing managers should devote their energy to develop and maintain relationships with customers. Long-term commitments entail treating customers differently at all times. However, damage can be done if staff does not understand what is expected of them. Hence, the need to exploit fully the potentials of internal market by establishing communication channels, develop customer responsive focus and a unified sense of purpose among employees. The purpose is to remove barriers to organizational efficiency and develop customer awareness. The internal marketing is based on the notion that every employee is a customer to each other. Long-term relationship enhancement requires improved customer service and high levels of service and depends on ensuring that suppliers and customers are happy (Dibbs et al, 2001). The concept requires that all staff work together in line with set goals of the organization. Internal marketing is a philosophy for marketing human resources with marketing perspective (Gummesson, 1987).

In order to achieve this internal cohesiveness, (Reynoso& Moore, 1996) suggests six steps:

- Create internal awareness
- Identify internal 'suppliers' and 'customers'.
- Determine internal customer's expectations.
- Communicate these expectations to internal suppliers.
- Internal suppliers to modify their activities to reflect internal customers' views.
- Measure internal service quality and receive feedback to ensure a satisfactory exchange between internal customers' and suppliers.

2.4.8 ConceptualFramework

Some researchers argue that customer relationship management is not most effectively founded on looking at person transactions (O'Malley and Tynan, 2000). Even as transactional marketing is now considered as integrated into relationship marketing (Tyler and Stanley, 1999), relational alternate is an extended-term and tricky relationship between service vendors and buyers, now not easily or simplest a series of transactions (Berry, 1983; Jackson, 1985; Dwyer et al., 1987). Relationships are prone to countless on contract legislation and more on issues similar to trust, equity, accountability, and commitment (Gundlach and Murphy,1993).

Many factors together with product, nice, fee, trade rate, and demand can all have a major impact on income. Nonetheless, customer relationship management strategies may also influence sales and manufacturer loyalty (Heffernan et al., 2008; Lee et al., 2001). Several problems associated with marketing such as fast patron turnover and the consequences of discontinued consumer relationships have come to be critical for a lot of companies. Developing competition, coupled with enterprise maturity and recessionary pressures, mean that businesses can't fully rely upon new consumers to take the situation of misplaced customers (Zeithaml et al., 2006). Client enchantment but now not purchaser retention and brand loyalty are at the heart of transaction marketing exchanges which enhance, promote and supply merchandise by the use of short-time period, discrete monetary transactions.

Relationship marketing is viewed through some academic commentators to symbolize the starting of a paradigm shift in advertising (Gronroos, 2000; O'Malley and Tynan, 2000). The evolution of relationship marketing has been one of the vital enormous trends in advertising over the many years, exceptionally relating to industrial marketing (Dwyer et al., 1987; Palmatier et al., 2006; Sheth and Parvatiyar, 1995).

Again Yau et al. (2000) compared a relationship marketing orientation (RMO) with a traditional market orientation in terms of its relative impact on the business performance of firms in retail, wholesale and manufacturing industries from the perspective of Chinese managers in Hong Kong. The findings of their paper suggested that while relationship marketing is relevant to every industry, it has particular importance to the manufacturing industry and business-to-business operations.

The literature on market orientation has provided evidence of the positive relationship between RMO and the business performance and brands of firms (Heffernan et al., 2008; Palmatier et al., 2006). As the business environment changes and customers become more demanding, firms must practice effective customer relationship management practices to compete effectively (O'Malley and Tynan, 2000). Changes in the business environment will not only affect wholesale and retail business, but also the manufacturing sector through the entire supply chain. Likewise, as competition intensifies, direct consumers as well as institutional buyers will become more demanding. Therefore, a market orientation is a necessary but no longer sufficient condition for firms to remain successful. This applies to firms of all sizes in all industries (Yau et al., 2000).

In the study of Abramson and Ai (1997) the business-to-business sector in China specifically, the guanxi-style buyer-seller relationships (guanxi as a complex set of social relationships) were strongly related to reduce levels of perceived uncertainty about the business environment and a variety of improved performance outcomes. Also Wong (1998) undertook a study on guanxi and relationship performance on industrial buying in China and suggested that firms should adapt relationship marketing plans to compete in the changing environment of the Chinese market. The findings of these studies indicate that relationship marketing has a significant impact on the business performance of firms in both service and industrial marketing.

Several studies on the effects of relationship marketing on the business performance of firms across a range of industries have been reviewed (Palmatier et al., 2006). Given that customer relationship management practices is more important in the industrial business-to- business context than the consumer context; most studies are located in the industrial business-to-business context. Briefly, the findings of these studies indicate that customer relationship management practices has a significant impact on the business performance and brands of firms in both service and industrial industries (Lee et al., 2001; Sin et al., 2006), with particular importance in the manufacturing industry (Liu and Wang, 1999; Wong and Chan,1999).

Customer retention enables organizations command a pool of profitable loyal customers for mutual benefit. A conceptual model attempts to show the relationships that exist between salient variables (Ghobadian et al, 1994); as it is a simplified description of the actual situations (Seth et al, 2005).It is envisaged that a conceptual model in relationship marketing enable management appreciate and understand the importance of customer retention in business transactions.

This will enhance the overall profitability of the organization as well as assist to attain a competitive edge and increase in market share.”

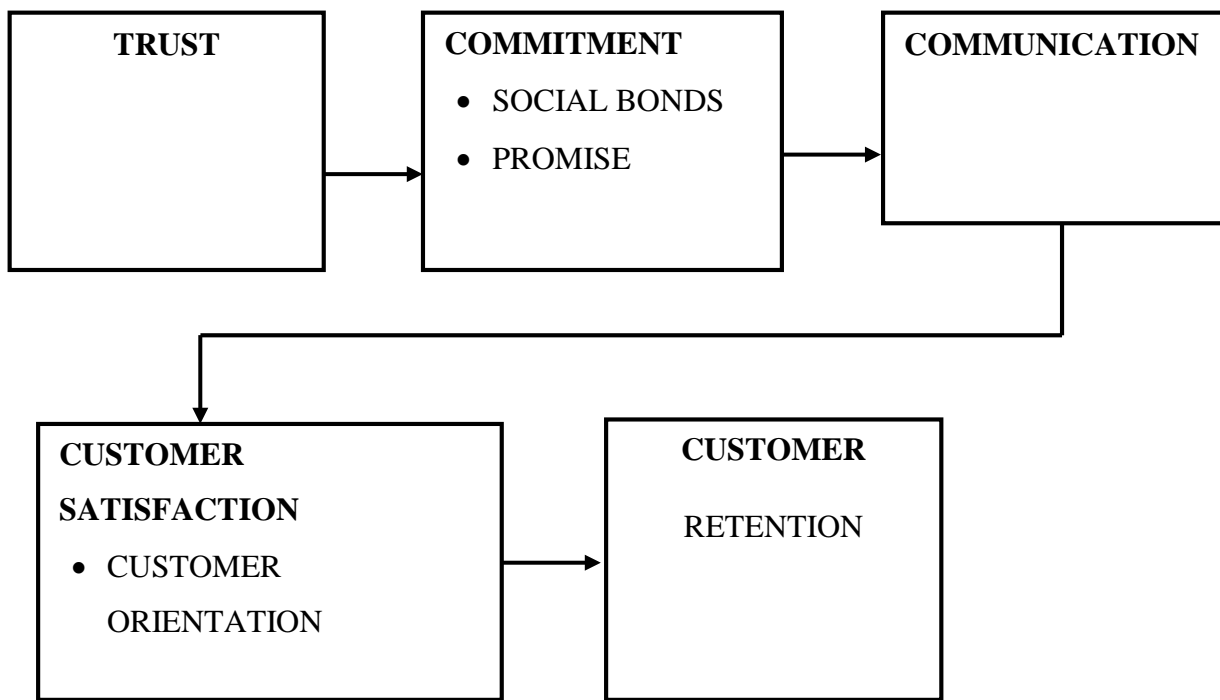


Figure 2.1. The Process of Customer Relationship Management Practices in Insurance Companies

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses primarily on the research design and throws more light on the methodology that was used to test the research questions. A well structure questionnaire was used collect data for the study.

3.2 Research Paradigm

As pointed out by Kvale (1996) and Mikkelsen (1995), the ultimate success of a research is mainly determined by the choice of research method. The research design is considered to be the blueprint of the research as vivid directives on which questions to study, which data is appropriate, the type of data to collect, and how to analyze the results are clearly illustrated (Adèr, Mellenbergh, & Hand, 2008).

Research design is divided into constant and flexible research designs (Robson, 1993). Others have noted this difference as quantitative study designs and qualitative research designs, respectively. In constant designs, the design of the study is constant earlier than the most important stage of information assortment takes situation. Fixed designs are probably conception driven; otherwise it's inconceivable to understand prematurely which variables need to be controlled and measured. Most of the time, these variables are measured quantitatively. Bendy designs allow for more freedom in the course of the info collection method. One motive for using a bendy research design may also be that the variable of curiosity is not quantitatively measurable, similar to tradition. In different cases, idea might not be had earlier than one begins the research. Examples of quantitative designs include experimental designs, non-experimental designs and quasi experimental designs.

In an experimental design, the researcher actively tries to vary the drawback, circumstances, or expertise of contributors (manipulation), which may result in a transformation in habits or results for the members of the gain knowledge of. Non-experimental study designs nonetheless, do not involve a manipulation of the hindrance, situations or experience of the participants. Quasi research designs on the other hand are research design that follow the experimental procedure, however don't randomly assign men and women to (therapy and comparison) corporations.

The research procedure adopted by the researcher is the case study procedure. The case study technique was used because of time constraint and the truth is that it is pleasantly used in trendy issues. Yet another bases on which the case study procedure was used is the fact that not all contributors can be interviewed, as a result this pattern is used to generalize the findings.

3.2.1 Purpose of the Study

From the Literature, the three main purposes under which any investigation is made are: descriptive, exploratory and explanatory purposes. Exploratory study refers to the initial research into an idea to gain in-depth understanding about the matter of interest. Studies that establish causal relationships between variables may be termed explanatory research. The emphasis here is on studying a situation or a problem in order to explain the cause and effect relationships between variables. Data could be collected and subject to statistical test such as correlations in order to have a clearer view of the relationship. In addition, one might collect qualitative data to explain the reasons why one variable affect the other in the relationships (see Saundersetal., 2009;Griffiths,2004;Romme,2003). Descriptive study is conducted for the purposes of narrating or accounting for an event or problem.

For the purpose of this study, the researcher conducted an exploratory research in attempt to assess the customer relationship management practices and customer retention in NSIA insurance company in Kumasi.

3.3 Sampling Procedures

This section gives a detailed account of the sample and the population of the study.

3.3.1 The Population and Sample

Many researchers, specifically Cooper and Schilndler (2003) define population as the total collection of elements which a researcher wishes to make some inferences. The target population consists of the staff and customers of NSIA Insurance in Kumasi. This is estimated at about three hundred and fifty (350) customers. A sample size refers to the number of variables to be included in a study (Malhotra and Briks, 2005). Normally, it is drawn from the general population for the study. A sample size of forty (40) respondents was purposively selected. The choice of customers of the NSIA Insurance is based on the demographic characteristics sex, age, marital status and educational qualification/s; apart from the objectives of the study. The sampling technique used in selecting the sample size is the purposive sampling technique. Purposive sampling technique is a type of sampling technique where the sample size is selected in accordance with the objective of the researcher.

The reason for the choice of technique is largely due to the interest of the researcher as well as time constraint as this research is time bound. In determining the sampling frame, the research considered the proportion of all customers and staff of NSIA insurance used in the case study.

3.3.2 The Sampling Technique

The adopting and implementing an appropriate sampling technique is critical for the success of a research which involves the use of a sample for data collection (Shiu et. al, 2009). Again Maylor and Blackmon (2005) state that a given sample represents a section of the study population that will be studied, in order to understand the population from which the sample was drawn. Therefore, Adams et al (2007) states that sampling is the process of selecting study participants for the purpose of classifying a population under study. This study was conducted at NSIA Insurance Company in Kumasi. The Kumasi branch of NSIA Insurance Company was the ideal business organization for the researcher at the time this study was conducted. This was mainly because the information required for the study was quite accessible with the NSIA Insurance Company in Kumasi as compared to other branches of the company in other parts of the country. A purposive sampling technique was employed in selecting the respondents who are made of the staff of the company who work at the customer service department, the branch manager and the customers of the company. A purposive sampling technique which is also known as judgmental sampling is a non-probability sample that allows the researcher to select a sample from the population based on their characteristics and the objective of the study.

3.4 Sources of Data

In a research work, there are two types of data; secondary or existing data created by a separate entity and primary or actual data gathered in the course of the study (Hair et al., 2007). Primary data is the actual information gathered purposely for the researcher's use, whereas secondary data is information gathered from other individuals for a new cause such as books, journals, articles, and web-based data (Ghauri and Grønhaug, 2005).

Primary data was used for this study so questionnaires were used as a source of gathering the primary data from the customers while a structured interview was used to gather information

from the management of NSIA Insurance in Kumasi. Practically the primary data was collected via the use of questionnaires and structured interviews.

3.5 Data Collection Tools

The questionnaire is a means of gathering information from respondents through a series of questions (Parahoo, 2006). The questionnaires were self-administered to the respondents by the researcher. Primary data was obtained from the use of questionnaire to collect data in order to assess the customer relationship management and customer retention in NSIA Insurance. Questions were in closed-ended and open-ended types. The researcher designed only one set of questionnaire for the customers. In designing the questionnaire, items were selected from the literature. Afterwards, the supervisor of the thesis moderated the questionnaire to check content. Additionally, a pilot study was carried out where the questionnaire was given to five insurance experts, managers and customers to evaluate. They commented on the errors and the researcher made the necessary corrections leading to the final questions.

The researcher administered the questionnaires personally to the respondents. Items in the questionnaire were partly open-ended and partly close-ended. The open-ended items allow the respondents to answer the questions freely and fully in their own words and with their frame of reference. Generally, open-ended questions are flexible, encourage rapport and offers possibilities of depth whiles the closed-ended items allow the given respondents to answer the questions of specific nature. The close-ended questions were developed on a five point Likert scales ranging from 1 (strongly agree/ satisfied) to 5 (strongly disagree / dissatisfied). The open-ended questions elicited information about the background of the respondents. Copies of the questionnaires were administered to the selected respondents in the sampling population of all customers of NSIA Insurance in Kumasi. After the responses, the researcher retrieved the copies of the questionnaires.

3.6 Research Ethics and Limitations

Ethical considerations form an important part of the design of a research methodology (Saunders et al., 2007). More often than not, some studies on Customer Relationship Management and Customer Retention have indicated that issues relating to ethics accounts for the frequent low response rates. The researcher therefore took steps to minimize the effect of unethical issues relating to this research work. The first action taken by the researcher was to formally send a letter to the management of NSIA Insurance requesting to use their outfit as a case study for the study. The respondents were also assured that the data provided to the researcher will only be used for only academic purpose. This was important in assuring respondents who might perceive they are given out sensitive information relating to their personal life that the data provided will not be used for any other purpose. Respondents were also allowed to complete the questionnaires in their convenient time considering the busy work schedule of respondents.

Although so much effort was put into this methodology, some imperfections came into focus. These include time constraint, cost of transportation to interview respondents, some of the managers were reluctant to give out information on their relationship with customers; probably for fear of the researcher leaking such information to their competitors while some customers refused to go into details about their relationship with NSIA Insurance company. Sometimes, the opinions of some respondents were laced with complaints about other insurance companies in the Kumasi metropolis.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the relevant data of the results obtained from the field work to address the objectives of the study. It also presents analysis and discussion of the results and findings in the light of existing literature on relationship marketing. This study was made to evaluate customer relationship management practices and customer retention in the insurance industry in Ghana with NSIA Insurance, Kumasi as a case study.

In this chapter, the data collected for the study were analyzed and interpreted. The data is presented in tables beginning with demographic variables and then research questions that are formulated to guide the research. The first part of the chapter considered the demographic background of the respondents, focusing on sex, level of education and numbers of years with the insurance company. The second part presented the findings from the study in relation to the research question.

4.2 Demographic Data

Demographic Data constitute the criteria of respondents that were used for the research. Demographic information taken for the purpose of this research includes gender, age group, educational level and tenure dealing with the Insurance Company. Below explains the details of the demographic data in tabular.

4.2.1 Gender

A total of forty (40) questionnaires were distributed among the customers of the NSIA Insurance, Kumasi; there were 20 males and 20 females representing 50% each. This means that, the services of the NSIA Insurance is patronized by both males and females.

Table 4.1 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	20	50.0	50.0	50.0
	FEMALE	20	50.0	50.0	50.0
	Total	40	100.0	100.0	

Source: Field work, 2019.

4.2.2 Age

The next demographic variable of the participants examined was their age. The results showed that, the majority of the respondents were in the age bracket of 20 – 29 years. This was followed by the age bracket of 40-49 years. 30-39 years also followed and lastly was the ages of 50 years and above. This means that, those below the age of 20 years do not patronize the services of the insurance company. This is shown in **Table 4.2** below.

Table 4.2 Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29YRS	21	52.5	52.5	52.5
	30-39YRS	6	15.0	15.0	67.5
	40-49YRS	10	25.0	25.0	92.5
	50YRS AND ABOVE	3	7.5	7.5	100.0
	Total	40	100.0	100.0	

Source: Field work, 2019.

4.2.3 Level of Education

Table 4.3 Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WASCE	9	22.5	22.5	22.5
	DIPLOMA	8	20.0	20.0	42.5
	DEGREE	15	37.5	37.5	80.0
	POST GRADUATE	8	20.0	20.0	100.0
	Total	40	100.0	100.0	

Source: Field work, 2019.

From the above table 4.3, it can be noted that customers holding degree constitute 37.5% of the respondents, those holding WASCE as their highest certificate also constitute 22.5% which is followed by the respondents/customers who hold a DIPLOMA OR POST GRADUATE degree constituting 20% each of the respondents. Educational level of

respondents from this perspective could be said to be balances since no section hold more extremely than the other. Meaning people at different levels of the educational ladder engage the services of NSIA Insurance.

4.2.4 Period a Customer has patronized the services of the Insurance Company

Respondents indicated their number of years of patronizing the NSIA Insurance as required by the researcher. From their response, it was gathered that 27 of the respondents representing 67.5% had been patronizing from NSIA insurance within the last 5 years, while 12 of the respondents representing 30% also indicated that they have been patronizing the services of NSIA Insurance between 5-9years and only one of the respondents indicated he has been patronizing the services of the insurance between 15-19years. This indicates that, the insurance company has some loyal customers and is able to retain them. This could be as a result of the services they provide.

This is illustrated in the table 4.4 below

Table 4.4 Period a Customer has patronized the services of the Insurance Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<5YRS	27	67.5	67.5	67.5
	5-9YRS	12	30.0	30.0	97.5
	15-19YRS	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

Source: Field work, 2019.

The next part of the analysis deals with the direct questions to the respondents. For the analysis sake and due to the way the responds were arranged, the Likert scale applied here was, 1=Strongly agree, 2=agree, 3=Neutral, 4=disagree, and 5=Strongly disagree while the

Uo was set at 2.5, with 95% as the significance level in accordance with the antecedent. Three things must occur at the same time for an item to be accepted as measuring a particular dimension. 1) It must have a mean score of less than 2.5; 2) it must have a t-value of equal or greater ± 1.65 ; and 3) it must be statistically significant at 0.05 (p-value = or < 0.05). The absence of any would mean the rejection of that variable.

4.2.3 Trust

Trust as seen as one of the variables that is considered in relationship marketing was the first issue the questionnaires sort to inquire into. To vividly explain the table below and the responds that were given by the respondents the following has to be noted. From the area stated questionnaire in the table:

1 = Always trust Nsia Insurance

2 = High Integrity

3 = Ability to keep Promise

4 = I'm considered in making important decisions

5 = management doing their best to have a long term relationship with me

6 = Always been checked on by the insurance company

Table 4.5 Trust

QUES	TEST VALUE = 2.5			
	T	Mean	Sig. (2-tailed)	Mean Difference
1	-3.399	2.1000	.002	-.40000
2	-4.416	2.0000	.000	-.50000
3	-3.250	2.0500	.002	-.45000
4	-2.762	2.2000	.009	-.30000
5	-5.597	1.8000	.000	-.70000

6	-1.030	2.3500	.309	-.15000
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Source: Field work, 2019

As shown in table 4.5 above, all six (6) questions fell within a positive rating or scale indicating that customers trust NSIA Insurance. However, all the questions proved to be a significant factor as far as Trust was concern except the 6th variable/question which fell out of range as its' sig value was above 0.05.

4.2.4 Commitment

The next integral factor that was discussed was the level of commitment of Nsia Insurance to see their clients/customers satisfaction. As explained in the literature review, commitment to customers satisfaction is one factor that relationship marketing takes into consideration to retain their customers. Under this section also, six different questions were asked and customers' responds were analyzed to indicate whether the insurance company is committed and if their commitment level plays any role in their decision to always seek to patronize their services.

Table 4.6 Commitment

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. tailed)	(2-Mean Difference	Std. Deviation
7	-1.207	2.3250	.002	-.17500	.91672
8	-.495	2.4250	.000	-.07500	.95776
9	-3.569	2.1000	.002	-.40000	.70892
10	-.4953	2.5750	.009	.07500	.95776
11	-1.275	2.3000	.000	-.20000	.99228
12	-1.884	2.2500	.309	-.25000	.83972

Source: Field work, 2019.

The corresponding meanings of the various question numbers are: 7 = issues are seen from the customer's point of view 8 = customers intention to maintain and develop relation with INSIA Insurance 9 = ready to put in all effort to make the relationship work 10 = INSIA Insurance spends effort in maintaining the relationship 11 = Satisfied with relationship with NSIA Insurance 12 = was right to seek the services of INSIA Insurance

Four questions verifying customers' commitment to the INSIA Insurance were statistically significant below 0.05. The questions 7, 8, 9 and 11 are these which make it clear that customers feel that the level of the insurance company's commitment to customers is high. The other issue that whether the customers were certain of their choice to seek the service of INSIA Insurance could be an issue to query but as it seems their choice might not have been the best but they ended up appreciating and getting satisfied with the services rendered by INSIA Insurance. Also since the mean of almost all the question is below 2.5, it could be realized that the question asked by the researcher proved necessary and therefore was those factors contributed to the commitment the Insurance had to their customers.

4.2.5 Social Bonds

Table 4.7 Social Bonds

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2-tailed)	Mean Difference	Std. Deviation
13	.787	2.6250	.436	.12500	1.00480
14	-1.786	2.2250	.082	-.27500	.97369
15	-1.864	2.2000	.070	-.30000	1.01779
16	-3.009	2.1500	.005	-.35000	.73554

Source: Field work, 2019.

The above table 4.7 explains how customers are attached personally to NSIA Insurance.

Customers upon feeling respected and appreciated in the organization aims on always visiting

the organization and having felt the same way they felt upon their previous visit. The significance nature of these questions seemed lower and proved insignificance but the mean are above the limit i.e. 2.5 which makes it appropriate question to determine the importance of the factors asked on determining their social bond.

4.3 Customer Orientation

This section seeks to know the limit to which customers are made aware of the situations and developments of the insurance company.

Table 4.8 Customer Orientation

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2-tailed)	mean Difference	Std. Deviation
17	-2.173	2.2250	.036	-.27500	.80024
18	-.458	2.4250	.649	-.07500	1.03497
19	.000	2.5000	1.000	.00000	1.03775
20	-3.612	2.0250	.001	-.47500	.83166
21	-5.759	1.8750	.000	-.62500	.68641
22	-4.760	1.9750	.000	-.52500	.69752
23	-2.687	2.1250	.011	-.37500	.88252

Source: Field work, 2019.

It can be deduced from the table above that the variables which are the questions that was asked by the researcher to respondents contributes to the objective of the researcher. Their significant on the average can be seen as 0.005 which out of seven questions, three was seen significant.

The average level of mean required to say for a fact that majority of the respondents agreed to the fact that the insurance company always communicates to them changes and other issues they have undergone for improvement of services is 2.5. Any mean below shows a high

output which is seen in this instance. Almost all the variables responds below 2.5 as mean except question 19 which had exactly 2.5.

4.3.1 Customer Satisfaction

The researcher asked various questions from customers to determine their level of satisfaction of the services rendered to them by INSIA Insurance. As indicated earlier, the test value was also set here at 2.5 indicating that any mean result from respondents to a question below 2.5 is accepted. In addition to this the significant level of the questions to the area of discussion has to be below 0.05 to be deemed as significant.

It can be seen from the table 4.9 below that the mean distributions of the various responds from respondents were all below the 2.5 acceptable frame which makes them accepted but it was only one that produced a significant level above the 0.05. But in all it can be concluded that majority of them are satisfied with the services rendered by NSIA Insurance

Table 4.9 Customer Satisfaction

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2-tailed)	Mean Difference	Std. Deviation
24	-2.683	2.0500	.011	-.45000	1.06096
25	-3.371	2.0250	.002	-.47500	.89120
26	-4.093	1.8750	.000	-.62500	.96576

Source: Field work, 2019.

4.3.2 Customer Retention

Customer retention here seeks to indicate the customer decision and readiness to maintain a relationship with NSIA Insurance as a result of the research conducted. As indicated in the research objective, customer retention is one vital area for consideration as far as this research was taken into consideration. Customers by their responds to the various questions asked by the researcher indicate their readiness to continue patronizing the services of NSIA Insurance.

The table 5 below represents the findings of the issues asked under the customer retention.

Table 4.10 Customer Retention

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2-tailed)	Mean Difference	Std. Deviation
24	6.426	3.7000	.000	1.20000	1.18105
25	-1.464	2.2500	.151	-.25000	1.08012
26	-2.449	2.3000	.019	-.20000	.51640
27	-4.634	1.8750	.000	-.62500	.85297
28	-4.634	1.8750	.000	-.62500	.85297

Source: Field work, 2019.

CHAPTER FIVE

SUMMARY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of findings

Based on the perspective that the researcher focused the research work, customers were given the priority to determine the modes management of the insurance company can use to retain them. And the findings indicates that customers loyalty to the insurance company depends on various factors such as the company's level of trust the customers perceives, also the level of social bonds between the insurance company and the customers, the extent to which the insurance company is willing to commit to their relationship to the customers and also the level of due care the insurance company owns to the customers.

This can be ascertain that the responds from the respondents in this research were not bias since not only did they indicate their different level of each variable considered by the researcher but also clearly distinguished their responds based on their individual desires and wants. Thus to say each variable to every respondents has its own grading system. But the fortunate things were that respondents' satisfaction means so much to them when they are considering revisiting the hotel to enjoy their services.

It was also found out in the research that, for customer to determine whether or not to maintain his/her relationship with the insurance company and continue to patronize their services had a little or nothing to do with the tenure of their patronization of their services but has a lot to do with their first point experience and the level of satisfaction they got from the insurance company.

5.2 Conclusions

The study is purposely meant to impact the insurance industry in the area of maintaining their existing customers and through them marketing themselves and making new customers. In this study, the researcher came across several findings and from the findings made various conclusions which based on the researcher's view can be accepted by the other insurance companies particularly, NSIA Insurance as a guide for customer relationship management approach to retain its customers.

The basic standard deviation and mean used in the analysis proved the variables selected for this research are significant and therefore when the various selected variables are employed into the running of various insurance companies, customer retention would be a great advantage to the management.

To enhance customers' satisfaction, the following critical issues can be adopted in the insurance industry:

- Efficient technology and internet facilities
- Regular update of customer database.
- Practicable loyalty programme to stimulate switching barriers.
- Efficient internal marketing activities and
- Ensure provision of the services that continuously satisfy customers.

Also it was deduced that customer satisfaction is the most important factor to consider when you aim at maintaining the existing customers and through them advertising the insurance company and getting more customers. This is basically through the word of mouth recommendation. Their continue visit and using of the facilities of the insurance company automatically draws others to find out the special experience that is pulling him/her to the place.

This as explained doesn't mean that the other variables examined above such as trust, social bonds, orientation etc doesn't contribute in the retention of customers but the concluding fact from the findings states that customers satisfaction means a lot in terms of aiming to retain them.

5.3 Recommendations

In view of the findings, this research study carried out which is concerned with evaluation of relationship marketing strategies for customer retention in the insurance industry in Ghana with NSIA Insurance, Kumasi as a case study. The following recommendations have been put forward which will go a long way to assist insurance companies to develop strategies for customer retention for sustainability of their business by enhancing their profitability and increase in market share.

Insurance companies need to establish the rationale for building, enhancing and maintaining relationships in insurance enterprises so as to tap from the numerous potentials and benefits accrued from it. Sources of customer satisfaction should be identified to enable the insurance company improve on the current level of services performance and examine areas where product or service innovations could be made. This would assist the insurance company assess the processes of relationship building and enhancement such as trust, commitment and communication. In addition, the insurance company should understudy the peculiarity of the Ghanaian environment such as security and crisis management. To command an adequate number of loyal customers, NSIA Insurance should consistently improve on its quality of service to address the preference of the customers and consider the five service quality constructs of reliability, assurance, tangibility, empathy, and responsiveness.

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