
Impact of Relationship Marketing on Customers Loyalty

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ABSTRACT

Relationship marketing is the efforts done by insurance companies making long lasting and profitable relationship with these customers. The main objective of this research is to analysis impact of relationship marketing to make customer's brand loyal towards insurance companies of chitwan. In this regards, results are found out the personalized service makes customers' brand loyal towards insurance company of chitwan. Thus relationship marketing ensures to make brand loyaltowards insurance companies.

Keywords: Need arousal, insurance company, brand loyal, claim management, quality service, personalized service

Introduction

Relationship Marketing is the philosophy of doing business, a strategically orientation that focuses on keeping and improving current customers rather than acquiring the new customers. Relationship marketing has emerged from 1980s as a key concept in marketing literature due to realization of attracting of new customers may cost five times than existing ones. So it has been widely adopted by the business organization in the contemporary marketing world. Relationship marketing shifts attention from short-term transaction and immediate profits to a process of creating customers values through building long-term relationship with customers.

Relationship marketing focus is not on immediate sales rather it is directed at building large groups satisfied and loyal customers. Customer's retention and winning back lost customers are the key strategy in relationship marketing. Relationship marketing uses sustained long-term efforts in delivering values to the customers and profit to the firm.

Relationship marketing has aim of building satisfying long-term relation with the key customers, suppliers, distributors, in order to earn profit and retain the business. In competitive market, it is not enough to build relationship only with customers, it is equally important to establish relationship with vendors, intermediaries, and other influencing groups. Smart marketers, who try to build a long term trusting win-win relationship with valued customers, distributors, dealers, suppliers and other stakeholders, adopt relationship marketing.

This approach is directed at building strong economic, technical and social relationship with all parties concerned over a period. The objective of the relationship marketing is to build valuable company asset popularity known as marketing network. Today the real competition is not between companies rather it is between marketing Network.

The main problem of this research is that whether relationship marketing makes consumer brand loyal towards Nepalese Insurance Companies or not. In this regards, the research makes effort to examine the impact of relationship marketing strategies followed by Nepalese Insurance Companies makes the customer brand loyal towards them. What is the Impact of relationship marketing effort of Insurance Companies on brand loyalty? What are relationship-marketing strategies to be followed by different Insurance Companies? What are the factors affecting brand loyalty for Insurance companies?

The main objective of this research is to analyze the Impact of relationship marketing on Customer Loyalty towards Insurance companies. However, the specific objectives are to analyze the impact of relationship marketing on brand loyalty, to evaluate strategies of relationship marketing in the context of Nepalese's Insurance Company and to examine factors affecting brand loyalty towards Nepalese Insurance Companies

Hypothesis

H1: There is association between relationship marketing and brand loyalty.

H2: There is association between relationship marketing strategies and brand loyalty.

H3: There is association between factors affecting brand loyalty and loyalty.

Literature review

Insurance Business in Nepal

After the formulation of new insurance act in 2049 B.S, number of insurance companies has been established, which was considered as the golden period of Insurance business in the history of Nepal. A number of modern Insurance companies were establishing from private sectors contributing a lot in the economic growth of the country (Sing: 2005)

Thapa and Neupane (2056), argued that the Insurance companies started to get success in Nepal because many industries were established and the people really became aware of taking Insurance policy. They found that there were 19 insurance companies, both life and non-life insurance established in Nepal.

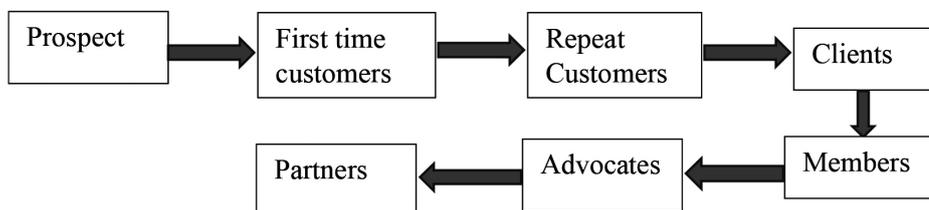
(Jas Gurung 2010), argued that there are 25 insurance companies i.e. 8 life insurance and 16 non-life insurance and one offers both life and non-life services. Similarly, the progressive turn of premium collection reached to 48% for non-life and 37.06% for life insurance in 2066/67 and contributed 1.70% in the GDP of the economy (Gurung: 2010)

However, According to investopaper 2023, NOV 17, "In Nepal there are 10 Life insurance companies and 20 Non-life insurance Company. Thus Insurance business lucrative in Nepal due to the rapid growth of Insurance business.

Relationship Marketing is building long-term mutually satisfying relation with customers. It aims to gain and retain their long-term loyalty. The customer is regarded as partner in creating value. It focuses on knowing the customer and delivering high customer value and satisfaction. It is a method to retain customer by building one to one relationship. Relationship marketing is a long term relationship between marketer and customer. Both parties collaborate for identifying needs, developing, and updating marketing mixes to satisfy needs. It creates customer loyalty to ensure that customers return from time to time. It converts customers into clients; customers keep buying more and more where customers do not forgotten the business organization (Agrawal: 2016).

Customer Development process Relationship marketing

Relationship marketing involves customer's development process in following steps:



Steps of Customers Development Agrawal Govind 2016 Page 30

Customer Relationship Management in the life insurance Business, Gupta Pooja (2015), January, stated that CRM (Customer relationship Management) practices provide life insurance organizations with platform to gain a competitive advantage by appreciating customer needs and building value based long term relationship. As organizations grow larger, they face complication in controlling the potential and present customers.

Such a situation calls for well-organized CRM systems for accepting and analyzing the key success factors. The basic principles of CRM is to offer better value to customers and turn prospect into customers, customers into loyal customers and loyal customers into repeat customers.

Relationship Marketing: Impact on Insurance companies customer satisfaction and brand loyalty

Relationship marketing stated that make the customer satisfied from the insurance companies service product and it results in customer loyalty towards particular insurance company. This relationship marketing has great impact on customer satisfaction and making them brand loyal (Hakins et al. 2001).

Research Gap

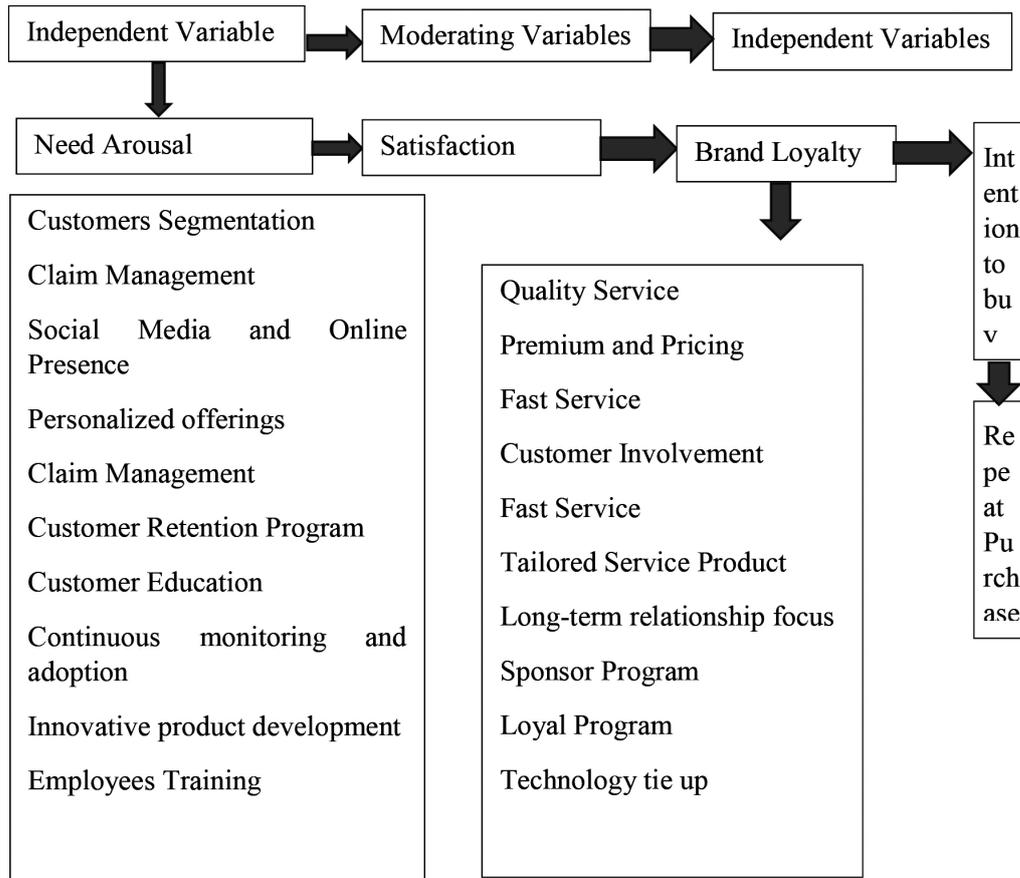
However, above research article does not spell out about relationship strategies and brand loyalty factors in the context of Nepal Insurance Company in Chitwan. However, in this research researcher makes the efforts to analyze relationship strategies and factors that make the brand loyal towards insurance companies.

Research Methods

Both qualitative and quantitative research methods are used, survey research design is used as well. Self-administered questionnaires are used and some are used to examine the Impact of relationship marketing for making brand loyal towards Nepalese Insurance Companies.

Sample size is 200 customers of different Insurance companies in Chitwan and among them 100 customers are selected randomly because data are homogenous in Nature. It is noted that 150 questionnaires are distributed but 100 questionnaires are received having filled up. Primary and secondary both data are used. The sources of data are primary, secondary, primary data are collected from questionnaires, and secondary data are collected from books, journals, article. In this method, percentage, pie chart, hypothesis are used for analysis of data through excel and SPSS software program.

Conceptual /Research Framework



Source: CharttorjeeDoboshree, Kamesh AVS 2019

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Table 1: Reliability Test

Cronbach's Alpha	No. of Items
.828	35

Source: SPSS

The questionnaire's reliability, assessed via Cronbach's Alpha (0.828), indicates high internal consistency with 35 items, confirming its validity (Cronbach's Alpha from survey data: 0.86).

The descriptive statistics of respondents for the impact of Relationship Marketing on Customer Loyalty in Nepalese Insurance Companies in Chitwan reveal a balanced gender distribution (Female: 53, Male: 47). Age distribution is diverse, with significant representation across various age groups. Most respondents are married (63%). Regarding customer visits to the insurance branch, the data shows a range from first to fourth visits (First Visiting: 33, Second Visiting: 27, Third Visiting: 20, Fourth Visiting: 20).

The survey indicates that 25% of customers loyal due to the customers services towards insurance company.

Similarly, 8% of customers in favor of fast claiming process of insurance company makes the brand loyal towards insurance company. Likewise 15% of customers in favor of coverage and policies and 3% of customers towards premium and pricing.

The survey spells out that 13% of customers in favor of towards customer segmentation, 11% of customers in favor of data analytics, 3% of customers in favor of underwriting techniques, 7% of customers in favor of digital transformation, 17% of customers in favor of personalized offerings strategies which make them brand loyal towards relationship strategies and which result brand loyal towards insurance company.

Similarly 19% of customers in favor of customers service, 8% of customers in favor of fast claiming process, 15% of customers in favor of coverage and policies ,3% of customers in favor of premium and pricing that make brand loyal towards insurance company.

Likewise, responses reflects 13% of customers favor customer segmentation, 4% of customers favor data analysis, 10% of customers favor underwriting techniques, 6% of customers favor digital transformation, 3% of customers favor personalized offerings ,4%of customers favor innovative product developments, 7%of customers favor customer education,3%of customers favor claim management, 1% customers favor social media and online presence which makes brand loyal towards insurance company.

Findings

Finally, the maximum 17% of customers responded personalized services make them brand loyal and minimum 3% of customers responded underwriting techniques services make them brand loyal towards insurance company.

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