

**IMPACT OF SALES PEOPLE ETHICAL BEHAVIOR ON CUSTOMER  
LOYALTY SPECIAL REFERENCES ON INSURANCE COMPANIES IN  
BATTICALOA DISTRICT**



**BY**

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## ABSTRACT

In today's heightened ethical awareness and increased competitive pressure, the implications of ethical behavior for insurance companies have become a vital determinant of customer loyalty. The purpose, "Effect of sales people ethical behavior in customer loyalty, special reference on Batticaloa district in insurance industry." This study is to develop a conceptual framework to investigate the relationship between ethical sales behavior, relationship quality, and customer loyalty.

The proposed model is tested on data collected from 193 insurance customers. Structural equation modeling technique was employed using SPSS 22.0 to verify the reliability and validity of the Likert five-point scales and to test the hypothesized relationships.

Result indicates that ethical behavior did increase customer loyalty to the insurance companies; yet this effect was direct and indirectly, mediated by relationship quality (customer trust and customer commitment) to the insurance companies. Findings also indicate that, customer trust in the insurance companies has positive effects on customer commitment to the bank. The result of this study positions customer trust and customer commitment as the primary mechanism through which the beneficial effects of ethical sales behavior are realized.

However, the study show that perceived ethical behavior has a major impact on the development and maintenance of the customer-insurance company relationship. manager, which value the critical importance of long-term relationships with their customers, should achieve an environment where the potential for unethical behavior is at a minimum.

**Keywords:** Ethical Sales Behavior, Relationship Quality, Customer Loyalty, Customer Trust, Customer Commitment, Insurance Customer

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