

**A STUDY ON THE IMPACT OF CUSTOMER SATISFACTION  
ON CUSTOMER RETENTION: SPECIAL REFERENCE TO  
MOTOR VEHICLE IN GENERAL INSURANCE IN MANMUNAI  
NORTH D.S DIVISION IN BATTICALO DISTRICT**



**MARIARISHANI LAVENDRAVASAN**

**1369**



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**DEPARTMENT OF MANAGEMENT  
FACULTY OF COMMERCE AND MANAGEMENT  
EASTERN UNIVERSITY, SRI LANKA**

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## ABSTRACT

Many organizations try to achieve their organizational goals such as profit maximization, high market share and survival with the help of customers. Because in the current context customers are the king in business. In the market, consumers have certain expectation from the providers. Customer satisfaction with a company's products or services is often seen as the key to a company's success and long-term competitiveness. Customer satisfaction has been a subject of great interest to organizations and researchers. If the impact of customer satisfaction does not create any positive influence in customer retention on motor vehicle insurance, all the resources spend for the customers will be wasted. Therefore, this study attempt to find about "*The impact of customer satisfaction on customer retention on motor vehicle insurance*", which is in Mannarai North D.S Division in Batticaloa District.

The insurance industry provides protection against financial losses resulting from a variety of hazards. This study focuses on motor vehicle insurance under general insurance. There are various Insurance companies provide its services but, six popular providers has been selected for this study such as Sri Lanka Insurance, Ceyfinco Insurance, Janashakti Insurance, the MBSL Insurance, Union Assurance and HNB assurance.

The purpose of this present study is to analysis "*Whether the satisfaction of customers with the motor vehicle insurance has the relationship with customer retention in Mannarai North Divisional Secretariat area in Batticaloa District?*". The research methodology of this study involved a questionnaire survey of 200 respondents who are the insurance holders in Mannarai North D.S division in Batticaloa District.

The study considers customer satisfaction as independent variable with four appropriate dimensions and customer retention as dependent variable with six dimensions. The results indicate that customer satisfaction has significant positive relationship with customer retention. Eventually, the research findings provide new and useful insights to the insurance providers for improving the role of customer satisfaction through better understanding of their customers.

**Keywords:** *Customer satisfaction and Customer retention*

# TABLE OF CONTENTS

	Page No
Acknowledgement.....	I
Abstract.....	II
Table of Contents.....	III
List of Tables.....	IX
List of Figures.....	XI

## CHAPTER 1- INTRODUCTION

1.1 Background of the study.....	01
1.2 Research problem.....	02
1.3 Specific research questions.....	03
1.4 Objectives of the study.....	03
1.5 Significance of the study.....	04
1.6 Scope of the study.....	04
1.7 Assumptions of the study.....	05
1.8 Outline of the study.....	06
1.9 Summary.....	06

## CHAPTER 2- LITERATURE REVIEW

2.1 Introduction.....	07
2.2 Customer satisfaction.....	07
2.2.1 Dimensions of customer satisfaction.....	09
2.2.1.1 Sense of care.....	09
2.2.1.2 Quality of service.....	10
2.2.1.3 Financial rewards.....	10
2.2.1.4 Complaint ratio.....	11
2.3 Customer retention.....	11
2.3.1 Dimensions of customer retention.....	14
2.3.1.1 Customer relationship management.....	14
2.3.1.2 Trust.....	15
2.3.1.3 Commitment.....	15
2.3.1.4 Switching costs.....	16

2.3.1.5 Corporate image .....	17
2.3.1.6 Communication .....	18
2.4 Relationship between customer satisfaction and customer retention.....	18
2.5 Summary .....	20

## CHAPTER 3- CONCEPTUALISATION AND OPERATIONALISATION

3.1 Introduction.....	21
3.2 Conceptualization.....	21
3.2.1 Conceptual Framework.....	21
3.3 Customer satisfaction.....	22
3.3.1 Dimensions and indicators of customer satisfaction .....	22
3.3.1.1 Sense of care .....	22
3.3.1.1.1 A. Performance towards expectation .....	22
3.3.1.1.2 B. First call solution.....	23
3.3.1.1.3. C. Friendly manner .....	23
3.3.1.1.4. D. Service availability .....	23
3.3.1.2 Quality of service.....	23
3.3.1.2. A. Cost.....	24
3.3.1.2. B. Service delivery process.....	24
3.3.1.2. C. Skilled employees.....	24
3.3.1.2. D. Speed of service.....	24
3.3.1.2. E. Place appearance.....	25
3.3.1.2. F. Individualized attention.....	25
3.3.1.3 Financial rewards.....	25
3.3.1.3. A. Real value .....	25
3.3.1.3. B. Other benefits.....	25
3.3.1.4 Complaint ratio.....	26
3.3.1.4. A. Settled time period.....	26
3.3.1.4. B. Proper claim document .....	26
3.4 Customer retention.....	26
3.4.1 Dimensions and indicators of customer retention.....	27
3.4.1.1 Customer relationship management .....	27

3.4.1.1. A. CRM Strategy .....	27
3.4.1.1. B. Customized reports .....	27
3.4.1.1. C. Recommendations .....	28
3.4.1.1. D. Service encounters failures .....	28
3.4.1.2 Trust .....	28
3.4.1.2. A. Services related to honesty, benevolence and integrity .....	28
3.4.1.2. B. Advice .....	29
3.4.1.2. C. Well trained staffs .....	29
3.4.1.3 Commitment .....	29
3.4.1.3. A. Personal meaning .....	29
3.4.1.3. B. Cost to leave .....	29
3.4.1.3. C. Other benefits .....	30
3.4.1.3. D. Attractive alternatives .....	30
3.4.1.3. E. Brand attitude .....	30
3.4.1.3. F. Sense of belongingness .....	30
3.4.1.4 Switching costs .....	30
3.4.1.4. A. Cost .....	31
3.4.1.4. B. Effort to change the competitor .....	31
3.4.1.4. C. Employee responses .....	31
3.4.1.4. D. Competitor's advertisement .....	31
3.4.1.5 Corporate image .....	31
3.4.1.5. A. Concentration on customers .....	32
3.4.1.5. B. Trust issues .....	32
3.4.1.6 Communication .....	32
3.4.1.6. A. Information updates .....	32
3.4.1.6. B. Information system .....	33
3.5 Operationalization .....	33
3.6 Summary .....	35

## CHAPTER- 04-METHODOLOGY

4.1 Introduction .....	36
4.2 Study setting, study design and method of survey .....	36
4.3 Sampling .....	37

4.3.1 Sample size.....	37
4.3.2 Sampling method.....	37
4.3.3 Sampling distribution.....	38
4.4 Method of data collection.....	38
4.4.1 Sources of data.....	38
4.4.2 Structure of the questionnaire.....	38
4.5 Data presentation and analysis.....	39
4.5.1 Method of data presentation.....	40
4.5.2 Method of data analysis.....	41
4.6 Method of evaluation.....	41
4.7 Summary.....	43

## CHAPTER 05 -DATA PRESENTATION AND ANALYSIS

5.1 Introduction.....	44
5.2 Reliability analysis.....	44
5.2.1 Reliability.....	44
5.2.2 Validity.....	46
5.3 Personal information.....	46
5.3.1 Motor vehicle model.....	46
5.3.2 Insurer company.....	47
5.3.3 Age.....	48
5.3.4 Gender.....	48
5.3.5 Highest level of education.....	49
5.3.6 Civil status.....	49
5.3.7 Occupation.....	50
5.3.8 Holding period of insurance in the same company.....	50
5.4 Research information.....	51
5.4.1 Univariate analysis.....	51
5.4.1.1 Level of customer satisfaction.....	51
5.4.1.2 View of independent variable.....	51
5.4.1.2.1 Sense of care.....	52
5.4.1.2.2 Quality of service.....	53
5.4.1.2.3 Financial rewards.....	54
5.4.1.2.4 Complaint ratio.....	55

5.4.1.3 Level of customer retention.....	56
5.4.1.4 View of dependent variable.....	57
5.4.1.4.1 Customer relationship management.....	58
5.4.1.4.2 Trust.....	58
5.4.1.4.3 Commitment.....	59
5.4.1.4.4 Switching costs.....	60
5.4.1.4.5 Corporate image.....	61
5.4.1.4.6 Communication.....	62
5.4.1.5 Levels of independent and dependent variable dimensions in the insurance companies.....	63
5.4.2 Bivariate analysis.....	65
5.4.2.1 Correlation analysis.....	65
5.4.2.2 Regression analysis.....	67
5.5 Examine the difference between the groups of demographic variables towards customer satisfaction and customer retention.....	68
5.5.1 Testing for motor vehicle models.....	69
5.5.2 Testing for insurer companies.....	69
5.5.3 Testing for age.....	70
5.5.4 Testing for gender.....	71
5.5.5 Testing for highest level of education groups.....	72
5.5.6 Testing for civil status.....	74
5.5.7 Testing for occupation.....	75
5.5.8 Testing for holding period of same insurance.....	75
5.6 Summary.....	76
<b>CHAPTER-06 – DISCUSSION</b>	
6.1 Introduction.....	77
6.2 Discussion on personal information.....	77
6.2.1 Motor vehicle model.....	77
6.2.2 Insurer company.....	77
6.2.3 Age.....	78
6.2.4 Gender.....	78
6.2.5 Highest level of education.....	78
6.2.6 Civil status.....	79

6.2.7 Occupation.....	79
6.2.8 Holding period of insurance in the same company.....	79
6.3 Discussion on research information.....	79
6.3.1 Customer satisfaction.....	79
6.3.1.1 Sense of care.....	81
6.3.1.2 Quality of service.....	81
6.3.1.3 Financial rewards.....	82
6.3.1.4 Complaint ratio.....	82
6.3.2 Customer retention.....	83
6.3.2.1 Customer relationship management.....	84
6.3.2.2 Trust.....	84
6.3.2.3 Commitment.....	85
6.3.2.4 Switching costs.....	85
6.3.2.5 Corporate image.....	85
6.3.2.6 Communication.....	86
6.4 Relationship between customer satisfaction and customer retention.....	86
6.5 Summary.....	87
<b>CHAPTER 07 - CONCLUSIONS AND RECOMMENDATIONS</b>	
7.1 Introduction.....	88
7.2 conclusion of customer satisfaction.....	88
7.2.1 Recommendation of customer satisfaction.....	89
7.3 conclusions on customer retention.....	91
7.3.1 Recommendation of customer retention.....	93
7.4 Conclusion of relationship between customer satisfaction and customer retention.....	94
7.5 Limitations of the study.....	96
7.6 implications.....	96
7.7 Recommendation for further research.....	97
7.8 Summary.....	97
References.....	98
Appendix I- Survey Questionnaire.....	104