



**INFLUENCE OF CUSTOMER RELATIONSHIP MARKETING  
ON CUSTOMER RETENTION IN INSURANCE INDUSTRY IN  
SRI LANKA**

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## ABSTRACT

Insurance is a sector which undergoes rapidly change and transformation. Hence, what we have today as insurance is completely different from what we had as insurance industry yesterday. Similarly, insurance tomorrow will be completely different insurance today. It is only a visionary in insurance who is able to correctly gauge what is happening and take appropriate action to make him ready for the change.

Success of the insurance industry is in the hand of its customers. If customers retain with the insurance throughout their life cycle it is a great achievement of that insurance since insurance survive with the insurance Policy of its customers. Customers will retain with the insurance only if their satisfaction level high.

The purpose of the particular study is to identify the influence of customer relationship marketing on customer retention in case of Sri Lanka Insurance industry.

This research study has identified the key determinants that drive customer relationship marketing such as Empathy, Responsiveness, Effective Communication, Trust, and Commitment.

To get an in depth understanding about the issue quantitative research approach was being used. The empirical data were gathered through a self completion questionnaire which was distributed among 200 customers.

Finally The level of customer relationship marketing in Sri Lanka insurance industry is shows moderate level where as the level of customer retention in Sri Lanka insurance industry shows high level. Because each of dimensions of the independent variable have significant positive impact on customer retention in Sri Lanka insurance in Rathnapura district. Moreover, highest commitment is the highest impact dimension on customer retention. Through analysis researcher found that customer relationship is not differ on the gender and age where, it is varying based on income level, education and professional status. And also, the customer retention is varying based on the customer's gender, age level, income level, education level and professional level except marital status.

## TABLE OF CONTENTS

Acknowledgement .....	I
Abstract .....	II
Table of Contents .....	III
List of Tables .....	VII
List of Figures .....	VIII
Abbreviations .....	IX
1. Chapter One	
1.1. Introduction .....	01
1.2. Background of the Study .....	01
1.3. Problem Statement of the Study .....	03
1.4. Research Objectives .....	04
1.5. Significance of the Study .....	04
1.6. Scope of The Study .....	05
1.7. Limitation of the Study .....	05
1.8. Structure of the Report .....	06
2. Chapter Two	
2.1. Introduction .....	07
2.2. An Overview of Marketing .....	07
2.3. Customer Retention .....	08
2.4. Customer Relationship Marketing .....	09
2.5. Relationship Marketing and Customer Relationship Marketing .....	09
2.6. Influencing Factors of Customer Retention .....	10
2.7. Relationship Marketing Practices and dimension .....	11
2.7.1. Trust .....	11
2.7.2. Commitment .....	11
2.7.3. Communication .....	12
2.7.4. Empathy .....	13
2.7.5. Responsiveness .....	13
2.8. The Effects of Customer Relationship Marketing on Customer Retention ..	14
2.9. Finance Service Industry and Insurance .....	14
2.10. Insurance Industry of Sri Lanka .....	15
2.11. Summary of the Chapter .....	16

3. Chapter Three	
3.1. introduction	17
3.2. Conceptual Framework	17
3.3. Definition of key concept	18
3.3.1 Customer Relationship marketing	18
3.3.2 Empathy	18
3.3.3 Responsiveness	19
3.3.4 Trust	19
3.3.5 Communication	20
3.3.6 Commitment	21
3.3.7 Customer Retention	21
3.4. Operationalization of Customer Relationship Marketing and Customer Retention	22
3.5. Summary	24
4. Chapter Four	
4.1. Introduction	25
4.2. Research Design	25
4.3. Study Setting	26
4.4. Population	26
4.5. Sampling	26
4.6. Sampling Distribution	26
4.7. Methods Data Collection	26
4.8. Methods of Measurement	27
4.8.1 Questionnaire	27
4.9. Method of Presentation and Data Analysis	28
4.9.1 Method of data Presentation	28
4.9.2 Method of data analysis	28
4.9.3 Method of data evaluation	28
4.10. Univariate Analysis	28
4.11. Bivariate Analysis	29
4.11.1 Multiple Regression Analysis	29
4.11.2 ANOVA and Independent sample t test	31
4.12. Summary of the Chapter	31

5. Chapter Five	
5.1. Chapter Introduction	32
5.2. Validity and Reliability Test Result	32
5.3. Frequency Distribution Analysis	33
5.3.1 Gender distribution	33
5.3.2 Married Status	34
5.3.3 Age Category	35
5.3.4 Income Level	36
5.3.5 Education level	37
5.3.6 Profession	38
5.4. Data presentation for Customer Relationship marketing influencing factors	39
5.4.1 Customer Relationship Marketing	39
5.4.2 Customer Retention	44
5.5. Univariate Analysis	46
5.5.1 Mean and Standard deviation for Customer relationship marketing on Customer retention	46
5.5.2 Mean and Standard deviation for Customer Retention	49
5.6. Bivariate Analysis	49
5.6.1 Multiply Regression Analysis	49
5.6.2 ANOVA testing	51
5.7. Demographic Variable analysis and interpretation	53
5.7.1 Cross Tabulation Analysis	53
5.7.1.1 Mean comparison between gender and customer relationship	53
5.7.1.2 Mean comparison between marital status and customer relationship	54
5.7.1.3 Mean comparison between Age and customer relationship	54
5.7.1.4 Mean comparison between Income level and customer relationship	55
5.7.1.5 Mean comparison between Education and customer relationship	55
5.7.1.6 Mean comparison between Professional status and customer relationship	56
5.7.2.1 Mean comparison between gender and customer retention	56
5.7.2.2 Mean comparison between marital status and customer retention	57

5.7.2.3 Mean comparison between age and customer retention.....	57
5.7.2.4 Mean comparison between Income level and customer retention....	58
5.7.2.5 Mean comparison between Education and customer retention .....	58
5.7.2.6 Mean comparison between Professional status and customer retention .....	58
5.8. Chapter Summary .....	59
6. Chapter Six	
6.1. Chapter Introduction .....	61
6.2. Discussion on research variables .....	61
6.2.1 The level of customer relationship marketing in Sri Lanka insurance industry .....	61
6.2.2 The level of customer retention in Sri Lanka insurance industry.....	62
6.2.3 Impact of each dimension of independent variable, depend variable..	62
6.2.3.1 Multiple Regression Analysis.....	62
6.2.4 Identification of customer relationship vary among demographic factors .....	63
6.2.5 Identification of customer retention vary among demographic factors	63
6.3. Chapter Summary .....	65
7. Chapter Seven	
7.1. Introduction.....	66
7.2. Conclusions.....	66
7.3. Recommendations.....	67
7.4. Limitations of the Study and Suggestions for future studies.....	69
7.5. Implications of the study .....	70
7.6. Chapter Summary .....	70
8. References.....	71
9. Appendix	
Appendix - 1: The Questionnaires used for the study.....	75
Appendix - 2: The Output of the Analyses .....	80