

The Role of Relationship Marketing Strategies on Customer Retention in Life Insurance Companies: A Case Study of British American Investments Company Limited (Britam Kenya)

by

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APPROVAL

THE ROLE OF RELATIONSHIP MARKETING STRATEGIES ON CUSTOMER RETENTION IN LIFE INSURANCE COMPANIES: A CASE STUDY OF BRITISH AMERICAN INVESTMENTS COMPANY LIMITED (BRITAM KENYA)

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In accordance with Daystar University policies, this proposal is accepted in partial fulfillment of the requirements for the Master of Business Administration degree.

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THE ROLE OF RELATIONSHIP MARKETING STRATEGIES ON CUSTOMER
RETENTION IN LIFE INSURANCE COMPANIES: A CASE STUDY OF BRITISH
AMERICAN INVESTMENTS COMPANY LIMITED (BRITAM KENYA)

I declare that this proposal is my original work and has not been submitted to any other college or university for academic credit

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LIST OF ACRONYMS AND ABBREVIATIONS

AKI:	Association of Kenya Insurers
BRITAM:	British American Investments Company Limited
IRA:	Insurance Regulatory Authority
KMV:	Key Mediating Variables
LIMRA:	Life Insurance Marketing and Research Association
RMO:	Relationship Marketing Orientation
SPSS:	Statistical Package for Social Sciences

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ABSTRACT

As insurance companies are important contributors to any economy, sustained client relationships and stability through maintained clients, are essential for the survival of these institutions. Insurance companies offering life insurance policies therefore need to familiarize themselves with service delivery activities and methods and should constantly adjust to improve their relationship marketing efforts and customer retention levels. This study was therefore guided by objectives that sought to identify the relationship marketing strategies that Britam Kenya uses to retain their clients, to establish the role relationship marketing strategies play on customer retention at Britam Kenya and to find out the challenges faced by Britam Kenya in retaining their clients/customers. Data was collected from primary and secondary sources. The researcher adopted a descriptive case research design and random sampling technique was used to select the sample. Out of 102 questionnaires administered, a total of 65 filled questionnaires were returned. Majority 26(40%) of the respondents had been insured for 1-5 years, 23(35.4%) for 6-10 years, 10 (15.4%) for over 10 years and 6(9.2%) for less than one year. The study established that the company adopted service quality, communication, personalization, service differentiation, value offers, price perception and rewarding but this appears to be at the introduction stage because most of the respondents disagreed having service experience that would reflect the practice of relationship marketing. It recommends that businesses must be innovative in delivering unique value to their current customers to protect their brand loyalty and grow their revenue stream. It also recommends that

insurance companies should offer value to customers that is worth the sacrifices they make.

DEDICATION

I dedicate this thesis to my father Patrick Amugune, my mother Joan Amugune and my brother Bruce Amugune who have been a constant support throughout my research.

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