CHAPTER–VI
SUMMARY OF FINDINGS, CONCLUSION AND POLICY IMPLICATIONS

The researcher has made an attempt to study the relationship marketing practices in life insurance companies in Madurai division. The main objectives of the research were:

1. To analyse the profile of the life insurance agents in Madurai Division
2. To identify the basic constructs of Relationship Marketing Orientation (RMO) among the agents.
3. To analyse the relationship between the profile of the agents and their Relationship Marketing Orientation
4. To examine the impact of Relationship Marketing Orientation on the business performance of the agents.

The concepts and the methodology were formulated according to the objectives of the study with the help of comprehensive reviews of previous studies. The secondary data about the life insurance industry were collected from various journals.

The collected data were analyzed with the help of appropriate tools to examine customer orientation, relationship marketing orientation, customer
relationship building practices, and business performance of the agents. The findings of the study are summarized below:

The dominant gender among the agents in the present study is male. The age among the agents in the private sector is comparatively less than the age of the agents in public sector. The more prevalent marital status among the agents is married. The dominant level of education among the agents in both sectors is under graduation which is followed by high school.

The most common occupational backgrounds of fathers of the agents are agriculture and private sector employment. But this is noticed to be higher among the agents in public sector. For most of the respondents the number of earning members (including the respondent) is only one.

The most common monthly family income group of the respondents is Rs.15001 to 20,000. The number of full time agents is higher in public sector than in private sector. Majority of the respondents have over ten years of experience in insurance field.

Majority of the respondents work independently. Most of the respondents are not engaged in other business activity besides Life insurance agency. General insurance agency is the common other business carried out by the respondents.
Most of the respondents from public sector have chosen life insurance sector as it is a growing industry and relatives in the same field. Most of the respondents in the private sector have chosen life insurance sector because of low investment and achievement orientation.

Majority of the respondents, every year collect first premium from their customers above Rs. 7 lakhs. Majority of the respondents serve more than 125 customers. Majority of the respondents earn annual commission between Rs. one lakhs to 1.25 lakhs.

Regarding the level of innovativeness majority of the respondents are rated as moderate, regarding the level of scientific orientation most of the respondents are rated as moderate, regarding the level of economic motivation most of the respondents are rated as moderate.

Regarding human orientation among the agents majority of the respondents are rated as moderate, regarding the level of insurance orientation majority of the respondents are moderate.

The important factors in customer orientation identified by factor analysis are customer care, communication and handling customer complaints. The important customer orientation factor among the respondents from public sector is communication whereas in the private sector the important factor is customer care.
Regarding customer orientation, a significant difference among the two groups of respondents is identified in all the three factors in customer orientation. In total, customer orientation among the agents in public sector is higher than in private sector.

A higher mean difference between the two sectors is noticed in the case of communication. The important discriminant factor of customer orientation among the two groups of agents is customer care.

A significant mean difference between the full timers and part timers in agency work is noticed on all the three factors in customer orientation. The important discriminant factors regarding customer orientation between the part timers and full timers are customer care and handling customer complaints.

Regarding ‘Customer Care’ factor in customer orientation, significant difference between the respondents are identified when they are classified on the basis of age, level of education, occupational background, nature of work, years of experience, other business and personality index. The significantly associating profile variables with communication orientation are gender, level of education, occupational background, nature of work, years of experience, independency in agency work, other business and personality index. Regarding handling customer’s complaints, the significantly associating profile variables are gender,
age, level of education, occupation background, family income, nature of work, years of experience, other business and personality index.

The important factors in relationship marketing orientation among the agents are trust, bonding, communication, shared value, empathy and reciprocity. The agents in public sector are more conversant with all the factors of relationship marketing orientation than their counterparts except in empathy. Regarding relationship marketing orientation, significant differences between the respondents from private sector and public sector is identified in the case of trust, bonding, shared value and reciprocity.

Regarding trust orientation the significantly associating profile variables are age, level of education, occupational background, family income, nature of work, years of experience, other business and with bonding are family income, nature of work, years of experience, independency in agency work, other business and personality index.

The significantly associating profile variables with communication are age, marital status, level of education, family income, years of experience, independency in agency work, other business and personality index.
Regarding shared value, a significant difference among the agents is identified when they are classified on the basis of occupational background, independency in agency work and other business.

Regarding empathy, the significantly associating profile variables are occupational background, nature of work and other business. The significantly associating profile variables with reciprocity among the agents are age, marital status, level of education, independency in agency work, other business and personality index.

Relationship marketing orientation among the agents in public sector is noticed to be higher than in private sector. The higher mean difference between the agents in public and private sectors was identified in the few RMO factors namely reciprocity, bonding and trust whereas significant mean differences are noticed in the case of trust, bonding, shared value and reciprocity. The important discriminant RMO factors among the agents in public and private sectors are trust and bonding.

Significant mean differences between full time and part time agents have been identified in all the factors of RMO. Higher mean differences are noticed in the case of communication and bonding. A higher discriminant power of the factor is noticed in the case of trust and shared value. The important discriminant
RMO factors between full timers and part timers in agency work are bonding and trust.

Regarding perception on complexity of service, the significantly associating profile variables are age, level of education, family income, years of experience, independency in agency work and personality index whereas regarding the perception on service quality, the profile variables are age, marital status, level of education, occupational background, family income, years of experience, independency in agency work and personality index. Regarding the perception on Customerisation, the significantly associating profile variables are gender, martial status, level of education, family income, years of experience and other business. The significantly associating profile variables with the perception on long term value are age, martial status, level of education, occupational background, years of experience, independency in agency work, other business and personality index.

The highly implemented customer relationship building practices among the agents in public sector are consistency, reliable service; promises of service and vulnerability whereas among the agents in private sector, these are system friendliness.
The important CBRP practices among the agents are relationship, communication, service and personalization. The highly implemented important CBRP practices among the agents in public sector are relationship and service whereas among the agents in private sector, these two are personalization and service. Regarding the implementation of important CBRP practices, significant differences between the two groups of agents have been identified in the case of relationship, communication and service.

Regarding the implementation of relationship practices, the significantly associating profile variables are age, level of education, occupational background, year of experience, independency in agency work, other business and personality index. The significantly associating profile variables with the implementation of CRBPs are age, level of education, occupational background, years of experience, independency in agency work, other business and personality index.

Significant mean differences between the two groups of agents in case of implementation of CBRP are relationship, communication and service. A higher mean difference is noticed in the case of communication and relationship. A high discriminant power is identified in the case of relationship. The important discriminant practices among the agents in public and private sector are service and communication.
Among both full timers and part timers, a significant mean difference is noticed in the case of implementation of relationship, communication, service and personalization. A higher mean difference is identified in the case of relationship. A higher discriminant power is noticed in the case of relationship and service. The important discriminant practices among the full timers and part timers are service and communication.

The most important business performance factor is customer care. The highly perceived variables in customer care among the agents in public sector are measure customer satisfaction, after sales service and create customer value whereas among the agents in private sector, these items are customer commitment and measure customer satisfaction.

Regarding the perception variables related to customer care, significant differences between the two groups of agents are identified in the case of perception on measure customer satisfaction, create customer value, corresponding customer needs and after-sales service. The reliability of the variables in customer care on the factor is greater than the standard ratio of 0.5.

The second important business performance factor is competitor orientation. The highly perceived variables in competitor orientation among the agents in public sector are discussion of competitor’s strategy with company and
sharing of competitor’s information. Whereas among the agents in private sector, these highly perceived variables are regular feedback to the company about competitors and target opportunities for competitive advantage. Regarding the perception on the variables in competitor orientation, significant differences between the two groups of agents are identified in the case of responding rapidly to competitor’s action, sharing of competitor’s information, discussion of competitor’s strategy with company and differentiated service from competitors.

The variables involved in this factor go up to 81.38 per cent.

The next important performance factor is inter-functional coordination. The variables in inter-functional coordination explain inter-functional coordination to the extent of 76.93 per cent. The highly perceived inter-functional coordination variables among the agents in public sector are customer value and frequent revealing of strategy and its integration, whereas among the agents in private sector, they are share resources with other agents and contact with important persons to discuss on strategy and its integration.

The correlation between various performance variables namely customer care index, competitors orientation index, inter-functional coordination index, annual turnover achieved and number of customers held shows that there is a significant high correlation between customer care index and annual turnover achieved; and number of customers held and annual turnover achieved.
Regarding the performance variables, significant mean differences between the agents in public and private sectors have been identified in all performance variables except the inter-functional coordination index. A higher mean difference is noticed in the case of customer care index and competitor orientation index. A higher discriminant power of the performance variable is identified in the case of number of customers held and customer care index. The important discriminant performance variables among the two groups of agents are annual turnover achieved and number of customers achieved.

The significant mean difference between full timers and part timers in agency work is identified in all performance variables. A higher mean difference is noticed in the case of number of customers held and inter-functional coordination index. A higher discriminant power is seen in the case of competitors orientation index and number of customers held. The important discriminant performance factors between the two groups are customer care index and competitors orientation index.

The significantly influencing customer orientation factors on customer care index among the agents in public sector are customer care, communication and handling customer complaints whereas in the private sector, these are communication and handling customer complaints. The above said independent variables have a future impact on customer care index. The significantly
influencing customer orientation factors on competition orientation index among the agents in public sector are customer care, communication and handling customer complaints whereas in private sector, these are customer care handling and customer complaints.

Between the agents in public and private sector the significantly and positively influencing factors in customer orientation are communication and handling of customer complaints. The significantly influencing factors in customer orientation on annual turnover among the agents in private sector are customer care and handling of customer complaints whereas in public sector, these are customer care and communication. Regarding the number of customers held, the significantly and positively influencing factors in customer orientation are customer care and handling of customer complaints.

The significantly influencing RMO factors on customer care index among the agents in public sector are trust, shared value and reciprocity whereas in private sector, these factors are bonding, shared value, empathy and reciprocity. At the same time, the significantly influencing RMO factors on competitors orientation index are trust, shared value, empathy and reciprocity whereas among the agents in private sector, these RMO factors are shared value and reciprocity.
The impact of RMO factors on inter-functional coordination index indicates that the significantly and positively influencing RMO factors are trust and shared value among the agents is public sector. Among the agents in private sector, these are trust, shared value and reciprocity. The significantly influencing RMO factors on annual turnover achieved among the agents in public sector are trust, bonding, shared value, empathy and reciprocity whereas among the agents in private sector, these are trust, shared value and reciprocity.

Among the agents in public sector, the significantly and positively influencing RMO factors on number of customers held are trust, shared value and reciprocity whereas among the agents in private sector, these RMO factors are trust, bonding, shared value and empathy.

The significantly and positively influencing Customer Relationship Building Practices (CRBPs) among the agents in public sector on customer care index are relationship and service whereas in private sector, these CRBPs are relationship, service and customization. Competition orientation is significantly influenced by service and personalization among the agents in public and private sector. The significantly influencing CBRPs on inter-functional coordination index among the agents in both public and private sector are relationship, service and personalization.
Among the agents in public sector, the significantly influencing CRBPs on the number of customers held are relationship and personalization whereas among the agents in private sector, these are relationship, service and personalization. The significantly influencing CRBPs on the number of customers held among the customers in public sector are relationship, communication, service and personalization whereas among the agents in private sector, these CRBPs are relationship, service and personalization.

The significantly influencing independent variables on the annual turnover achieved among the agents in public and private sector are customer orientation index, and customer relationship building practices. The above said variables positively influence the annual turnover achieved by the agents. The above said three independent variables have a significant impact on the number of customers held and performance index among the agents.

CONCLUDING REMARKS

The findings in this study support our assertion that RMO is a multidimensional construct, consisting of six dimensions: trust, bonding, communication, shared value, empathy and reciprocity. These reflect strongly on the profile of the agents. The important discriminant RMO factors among the agents in public and private sector are trust and bonding. The important customer relationship building practices adopted by the agents are relationship,
communication, service and personalization. The important discriminant practices among the agents in private and public sector are service and communication.

With respect to the RMO performance link, the findings indicate that the degree of relationship marketing orientation is positively associated with customer care, competitors orientation, inter-functional coordination, annual turnover achieved and number of customers held. The significantly influencing RMO factors on the performance variables are trust, bonding, shared value, empathy and reciprocity but the degree of impact of the above RMO factors on the performance variables differ between the two groups of agents. This result is consistent with some previous researches (Shani and Chalagani, 1992\(^1\); Wilson and Mummalanei 1986\(^2\); Witkowski and Thiboleau, 1999\(^3\)). The implication of this findings is that insurance firms with a higher RMO of trust and bonding dimension would outperform those in which the six components are more nearly equal.

In summary, this research shows that the establishment of relationship marketing by the agents in public sector is slightly better than the agents in private sector. The agents in private sector must realize the importance of consistent development of RMO and strive to bridge this gap if they desire to survive in the life insurance field.

**POLICY IMPLICATIONS**

The present study has drawn a few policy implications to enrich the RMO among insurance agents. They are given below:

For marketing practitioners, the findings validate the long-held belief that RMO is a crucial success factor for business performance among the agents. Agents wishing to improve their relationships with customers need to constantly monitor their behaviour and attitudes. The proposed scale could be used as a diagnostic tool to identify areas where specific improvements are needed and to pinpoint the aspects of RMO the agents need to improve upon.

Some parameters or norms should be used by the agents for comparing their RMO orientation with others. There is a need for periodic measurement of one’s own RMO which would help to track changes over time.
The agents in life insurance field should come forward to analyse the present day needs of customers. They have to change their services and relationship with customers according to the changes happening in the society.

The six components in the RMO model can serve the training needs by helping human resource managers to develop appropriate training programmes for improving the understanding of the agents in activities involved in developing relationship marketing.

The agents in public sector should realize that the distance between private and public sector can be minimized by marketing orientation. They should know the importance of insurance RMO to survive in the field. For that they can form an association among the registered agents and the association should provide adequate training, counselling programmes, seminars and workshops to the members and enrich their knowledge in RMO.

The agents in private sector are highly active and innovative since most of them are youngsters. But because they do not have adequate knowledge of the products of their company, they are unable to compete with their counterparts in the public sector. Hence, these agents should have a clear idea about the mission and vision of their companies and customers. They should train themselves to have a better RMO.
Furthermore, top management in both sectors may use this framework to develop relevant and effective marketing strategies and tactics. Functional managers can also use the framework to set clear policies to develop relationship marketing. They should consider relationship marketing as a necessary and essential business process rather than a burden on the staff. Changing the corporate culture and reward systems accordingly will strengthen relationship marketing.

**DIRECTION FOR FUTURE RESEARCH**

The present study has made an attempt to assess the value of RMO in life insurance field. This study suggests the use of RMO in fields other than insurance for future research.

The present study is an initial attempt to build and test a conceptual framework for relationship marketing. With more research, it is expected that a more comprehensive conceptual framework related to relationship marketing can be developed.

Although the results of this study do provide support to the claim that RMO has a positive influence business performance, it should be noted that business performance is a multi dimensional constant that may be characterized in a number of ways including effectiveness, efficiency and adaptability. Therefore, it
would be useful to explore the complexities of the relationship between RMO and alternative dimensions of business performance with the help of canonical correlation analysis in future studies.

The determinants of RMO also require both theoretical and empirical investigation; after all, managers need to know how they can be instrumental in shaping the RMO of their agents.

The present study focuses only on the relationship between agents and customers. There is a better scope of three dimensional analyses in RMO namely the relationship between insurer and agents; agents and customers; and customers and insurers. This may provide more information than the existing study on RMO in life insurable field.

Future studies should examine the effects of RMO on business performance across different service categories and also service industries.

Future studies should examine the moderating effect of environmental factors such as market turn balance, competitive hostility and market growth on the association between RMO and business performance.