CHAPTER–I
INTRODUCTION AND THEORETICAL FRAMEWORK

In the face of increased competition and mature markets, relationship marketing has gained increased importance as a strategy for retaining customers (Berry 1995; Gummesson 2002). To be successful in a crowded market place, the offering of a company should be differentiated from dozens of competitive offerings. Even companies with well-differentiated offerings are finding it very difficult to retain customers for a long time.

Relationship marketing is one promising way to reduce the customer churn, overcome service failure and sell new as well as old products to a more receptive customer base. So, it is no wonder relationship marketing is gaining attention in marketing research and has already become an important idea of enterprises marketing activity in recent couple of decade.

But relationship marketing is not something very new. Relationship marketing was practiced during the pre industrial era when farmers and artisans sold their produce directly to the end user (Sheth, J.N. and Parvatiyar, A. 2000\(^3\)).

Later, after the industrial era, due to mass production the producers have to look for mass markets. So, the producers started concentrating on production and had to depend on middlemen. Because of the reliance on middlemen for ages, many large firms lost sight of the individual customer. Now they are discovering the advantages of relationship marketing for the first time and hence, relationship marketing is only a new-old concept (Berry 1995\(^4\)) as depicted in Figure 1.1.

**FIGURE 1.1**

**Evolution of Relationship Orientation**

<table>
<thead>
<tr>
<th>Pre Industrial era</th>
<th>Industrial era</th>
<th>Post Industrial era</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship Orientation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


---

**Relationship marketing**

Relationship marketing has emerged as one of the most important themes within marketing theory during the 1980s (Long *et al.*, 19995). Relationship marketing differs from traditional mass marketing, as it does not seek a temporary increase in sales, but attempts to create involvement and product loyalty by building a permanent bond with the customer (Tuomo Takala and Outi Uusitalo, 19966).

Relationship marketing is about understanding the total relationship landscape. When effectively planned and implemented, it involves all the resources of an organisation in a holistic business strategy aimed at achieving a greater engagement of all the key stakeholders in the business.

Relationship marketing can be defined as “the process of identifying and establishing, maintaining, enhancing, and when necessary terminating relationships with customers and other stakeholders, at a profit, so that the


objectives of all parties involved are met, where this is done by mutual giving and fulfilment of promises” (Grönroos, 1997).

**Axioms and Purpose of Relationship Marketing**

Development of relationship marketing points to a significant shift in the axioms of marketing: competition and conflict to mutual cooperation, and choice independence to mutual interdependence, as illustrated in Figure 2. The important axiom of transactional marketing is the belief that self interest and competition will create value, but relationship marketing axiom believes that mutual cooperation and interdependence will create value.

**FIGURE 1.2**  
Axioms of Transactional and Relationship Marketing

[Diagram of Axioms: Transactional Marketing vs. Relationship Marketing]


Breakdown of Relationship Marketing into Objectives, Defining Constructs and Instruments

The major objectives of relationship marketing are customer retention, customer delight, and increasing customer loyalty. The key defining constructs of relationship marketing are trust, commitment, co-operation, communication and shared value. Some of the instruments used in relationship marketing are direct marketing, database marketing and customer partnering (Adam Lindgreen, 2001)⁸.

FIGURE 1.3
Breakdown of relationship marketing into objectives, defining constructs and instruments

(Objectives, • Customer satisfaction • Customer delight • Share of customer • Customer retention • Loyalty  
Defining Constructs, • Trust • Commitment • Co-Operation • Communication • Shared Values • Conflict • Power • Non-opportunistic behaviour • Independence  
Instruments, • Direct Marketing • Database Marketing • Quality Management • Services Marketing • Customer Partnering • Catch-all phrases)

(Source: Adam Lindgreen, 2001).

Three Levels of Relationship Marketing

Relationship marketing can be practiced on multiple levels depending upon the type of bond used to foster customer loyalty (Berry, 1995)\(^9\).

<table>
<thead>
<tr>
<th>Level</th>
<th>Primary bond</th>
<th>Degree of service customisation</th>
<th>Potential for sustained competitive advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>Financial</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Two</td>
<td>Social</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Three</td>
<td>Structural</td>
<td>Medium to high</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Berry, 1995.

Level one relationship marketing relies on price initiatives to secure customer loyalty. But the potential for sustained competitive advantage is low, since price is the most easily imitated element of the marketing mix (Berry, 1995)\(^{10}\).

Level two of relationship marketing relies on social bonds, as marketers attempt to capitalise the social encounter during service encounter (Czepiel, 1990)\(^{11}\). For example, strategies like calling customers by name during interaction and communicating with the customers regularly, will lead to personalisation and

social bonding. Social bonding may prompt a customer to be more tolerant of a service failure (Crosby and Stephens, 1987).\(^\text{12}\)

Level three relationship marketing relies largely on structural solutions to important customer problems. The solutions to the customer’s problems are designed into the service delivery system and bind the customer to the company.

**Indicators of Relationship Marketing**

The following seven dimensions indicate existence of relationship marketing in services. (Pressey and Mathews 2000)\(^\text{13}\)

1. A high level of trust between both parties
2. A high level of commitment between both parties
3. A long time horizon (or length of relationship)
4. Open communication channels between both parties, with information exchanged between both parties
5. Having the customers’ best interest at heart
6. A commitment to quality for both parties
7. An attempt to favourably lock-in or retain the customer

---


Relationship Marketing Perspectives

Relationship marketing has been differentiated from the marketing mix paradigm and analysed from various perspectives. The following are the important perspectives:

1. Widening, deepening and lengthening the relationship

2. Market Segmentation

Widening, deepening and lengthening the relationship

By widening, deepening and lengthening the relationship beyond what it would be naturally, without stimulation, we aim to improve growth and performance to deliver mutually more beneficial relationship (Batterly, R. 2003).

As explained in Figure 4

Relationship has to be widened by increasing the period of time the relationship between the entities will last, it should be then deepened the relationship by increasing the number of interactions (transactions/purchases) between the entities and finally it should be lengthened by increasing the number of products or services the customer will buy from the organisation.

FIGURE 1.4
Increasing the Three Dimensions of Relationships

As explained in figure 5, if the market is looked at as an anonymous mass and then it is divided, the customer becomes no more than a residual in a hierarchy. In Relationship marketing to start with each individual and build from there, either keeping the customer as an individual, or making customers members of community according to their wants and behaviour (Gummesson, E 2002)\textsuperscript{15}.

FIGURE 1.5
Customers as Segmented Masses and Customers as Individuals and Members of Communities

Contextual setting

The objective is firstly, to develop a contextual framework from a relationship perspective for the study of insurance marketing, and secondly, to draw some conclusions concerning this area.

Deregulation and internationalisation of the Indian and international financial markets, has fashioned a new, increasingly competitive business environment. The global financial markets are in a state of change, with convergence between insurance companies and banks and cross selling of financial services are becoming increasingly familiar.

This is a matter of concern for all financial players who have been comfortably operating on a regulated and relatively stable market. In this
competitive scenario to retain and reinforce relationships insurance firms are working to develop a bond with their existing customers.

Since the last decade competition has intensified in the financial markets, mainly through deregulation and internationalisation. Due to intense competition, companies are finding it difficult to sell their goods or services, and to retain their market share. So, companies are trying to focus their activities towards the customer.

This is a paradigm shift in the way business leaders think about the company’s relationship with the market. It also represents a change from a product oriented to a market oriented way of thinking. So, in the larger canvass deregulation coupled with technological advancement has distorted the long-established boundary between various institutional groups, and this has led to rethinking in the marketplace. Today we tend to speak of financial services as a spectrum instead of talking about banking insurance or other financial service distinctively. This mega trend of convergence is a threat and at the same time is an opportunity to financial services providers, as it opens new avenues and there is a possibility of offering a bouquet of financial services to customers.

Numerous financial institutions have stretched into new, but closely related markets. As a result the number and diversity of competitors have increased dramatically. So, there is a search for a competitive advantage in the process of
service delivery rather than the service itself, the search thus has turned attention to the concept of “relationship marketing”. (Ennew, et al 1993)\(^{16}\)

**Relationship Marketing Framework: Agent Client Interaction**

![Figure 1.6: Relationship Marketing Framework](image)

**Perceived “C” Vulnerabilities**

- **Complexity**
  - Highly dynamic and uncertain market place customer’s ignorance or limited financial literate

- **Credence**
  - Lack of concrete objects for clients to evaluate and credence quality cannot be evaluated after consumption

- **Customerisation**
  - Characterised by complex individual alignment of each relationship

- **Continuity**
  - Rely on the professional to dictate what is good for the client and need to restructure policies regularly.

**Trust Building Ladder**

- **Calculus based interaction**
  - Clients formally evaluate agents capabilities by mutual information disclosure and shared understanding

- **Knowledge based interaction**
  - Learning about each other: value-sharing and joint decision making by cooperative concern and empathy.

- **Identification based interaction**
  - Relational skill in testing promises through reciprocal responsiveness.

- **Integration based Interaction**
  - Dissolution of boundaries and openness-customerise services for an individual client.


Complexities, Credence, Customerisation, and Continuity are the vulnerable factors in insurance service and the total-trust customer relationship is used to convert these customer vulnerabilities into customer loyalty if a company

---

or an agent pre-empts its competitors by creating “act in our customers’ best interest” vision with a total-trust strategy (Wong et al 2004)\(^\text{17}\).

**NEED FOR THE STUDY**

In 1993, the Indian government constituted the “Malhotra Committee” to suggest reforms in the Insurance Industry. The committee submitted its report in 1994, with recommendations for opening the insurance sector to private players, improving, service standards and extending insurance coverage to larger sections of the population (Subhadra, K 2003)\(^\text{18}\).

In 1999, the Insurance Regulatory Development Act was passed in the Indian Parliament and the door was opened for private companies with foreign equity. So far thirteen private players have been granted license to conduct life insurance business in India.

So, the insurance market in India has switched over from supply-led to a demand-led market and an upsurge in multi-product and multi-institution

---


competition (Sadhak, H 2006)\(^9\). In this backdrop to survive and excel in a competitive market, companies should go far beyond the traditional marketing approach.

One promising approach available at their disposal is Relationship marketing. Relationship marketing concentrates on the long-term, ongoing relational exchange which is very important to service firms and it represents a paradigm shift in marketing.

Empirical evidence has proved that Relationship Marketing Orientation has a positive influence on business performance (Leo Y.M. Sin et al., 2002)\(^{20}\). But, despite the importance of relationship management in services marketing in the overall success of the firm, research in this area is limited (Janet E. Keith, et al 2004)\(^{21}\).

---


This research was carried out as an effort to provide insights to practitioners and academicians about the effect of a strong Relationship Marketing Orientation on business performance.

OBJECTIVES OF THE STUDY

The objectives of the study are:

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.

STATEMENT OF THE PROBLEM

Relationship marketing is proposed as one of the priority areas for research (Marketing Science Institute, 1990 and 1983; Berry 1995). Despite the importance of relationship management in services marketing in the overall success of the firm, research in this area is limited (Janet E. Keith, et al 200422). Further research is vital to establish the impact of relationship marketing orientation on business performance.

SCOPE OF THE STUDY

The study covers IRDA licensed Life Insurance Agents working in the following Life Insurance Companies in Madurai Division.

1. Life Insurance Corporation of India

2. ICICI Prudential Life Insurance Company

3. Bajaj Allianz Life Insurance Company

RESEARCH METHODOLOGY

Instrument was constructed using previous literature. The instrument was validated by conducting discussion with practising managers in Life Insurance Companies. The structured non disguised questionnaire was framed and then it was reviewed by faculty members specialising in marketing. A pilot study was conducted with a small sample of 50 life insurance agents. Then the reliability of the questionnaire was assessed using cronbach alpha coefficient. Since alpha value is 0.85 the questionnaire is reliable.

This instrument was used to collect data from life insurance agents. From the sampling design it was decided to collect data from 520 and 110 life insurance agents in public and private sector respectively. Data was collected using personal interview method.
SAMPLING FRAMEWORK AND DESIGN

The sampling process includes the following steps (Luck & Rubin 1987):23:

1. Define the population
2. Establish the sampling frame
3. Specify the sampling method
4. Determine the sample size
5. Select the sample

Population: Population can be defined as the target group which the researcher wants to know about by studying one or more of its samples (Tripathi, 2005).24 The population for this study is defined as Insurance Regulatory Authority of India approved Life Insurance agents, working for Madurai division of Life Insurance Corporation of India, Bajaj Allianz Life Insurance Company and ICICI Prudential Life Insurance Company at the time the survey was conducted.

Details of Life Insurance Agents working for Madurai Division of Life Insurance Corporation of India, Bajaj Allianz Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited are given below.

---

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of the Life Insurance Company</th>
<th>Number of Life Insurance Agents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Life Insurance Corporation of India (Public Sector)</td>
<td>12,088</td>
</tr>
<tr>
<td>2.</td>
<td>Bajaj Allianz Life Insurance Company Limited (Private Sector)</td>
<td>1,838</td>
</tr>
<tr>
<td>3.</td>
<td>ICICI Prudential Life Insurance Company Limited (Private Sector)</td>
<td>712</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>14,638</strong></td>
</tr>
</tbody>
</table>

**Sampling Frame**

For the purpose of developing a the sample frame, complete list Insurance Regulatory Authority of India approved Life Insurance agents, working for Madurai division of Life Insurance Corporation of India, Bajaj Allianz Life Insurance Company and ICICI Prudential Life Insurance Company was obtained.

**Sample Size**

From the discussion conducted with practicing managers and agents it was concluded that 70 per cent of the life insurance agent feel that relationship marketing is important. Keeping this in mind the following formula is applied to find out the sample size.²⁵

\[
- n = \frac{Z^2 \rho(1 - \rho)}{e^2}
\]

\[\rho = 0.7\]
\[1 - \rho = 0.3\]
\[Z = 1.96 \text{ (at 5\% confidential level)}\]
\[e = 3.5\]
\[n = \frac{(1.96)^2 \times 0.7 \times 0.3}{(0.35)^2}\]
\[= 658.56\]
\[\approx 659\]

Then it adjusted using population multiplier
\[n = \frac{N \times \overline{n}}{N \times \overline{n}} = \frac{14,638 \times 659}{14,638 \times 659} = 630\]

**Sampling Method**

A stratified proportionate random sampling has been chosen to distribute the sample size among the population. The total sample size and the sample size included for the study among agents are shown in Table 1.2.

**TABLE 1.2**

<table>
<thead>
<tr>
<th>Player</th>
<th>Population</th>
<th>Sample</th>
<th>Response Rate</th>
<th>Final Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>12088</td>
<td>520</td>
<td>52.31</td>
<td>272</td>
</tr>
<tr>
<td>Private</td>
<td>2550</td>
<td>110</td>
<td>95.45</td>
<td>105</td>
</tr>
<tr>
<td>Total</td>
<td>14638</td>
<td>630</td>
<td></td>
<td>377</td>
</tr>
</tbody>
</table>
The above table shows that out of 14638 agents, 630 is taken as sample size. All the 630 agents are distributed on the basis of proportion. And the samples are selected at random in each stratum. The response rate among the agents in public and private sector are 52.31 and 95.45 per cent to the respective total. Hence the sample size of the agents comes to 377.

DATA SOURCES

Primary data was collected from Agents of Life Insurance Corporation of India belonging to various branches in Madurai division and advisors of ICICI Prudential Life Insurance Company and Bajaj Allianz Life insurance Company in Madurai

Secondary data were collected from the existing marketing literature to learn the research done in the general area in which the specific problem falls.

INSTRUMENT CONSTRUCTION

A draft questionnaire was developed and pre-tested using a small convenient sample to check for any vagueness, gaps and communication errors. Field tests on the revised questionnaire were then conducted with a small sample. Subjects were guided through the question. The final version of the survey consisted of a number of measures to Relationship Marketing Orientation, employing five-point rating scales (1 = strongly agree and 5 = strongly disagree).
The questionnaire contained questions on the following areas:

1. Respondent background.

2. Customer orientation-12 items (adopted from Morgan and Chadha (1993))

3. Relationship marketing orientation-23 items (adapted from Leo Y.M. Sin, et al (2002))


Content validity of items in the instrument

Content of this research was validated by determining the variables which have been defined and used previously in the literature (Sin et al 2002, Morgan and Chadha 1993, Oliver H.M. Yau 2000, Sin, et al 2006, and Lages et al. 2005). The details are given in the following paragraphs.

Customer orientation scale used by Morgan and Chandha (1993), was adopted without any change, since the scale was developed to study the relationship marketing perspective in life insurance industry in the United Kingdom.

Since the Relationship Marketing Orientation scale, Customer Relationship Building Practices were not originally developed for the life insurance industry, the scales were adopted by having a discussion with two practicing managers of
life insurance companies and hence the content validity of the instrument is proved. Further three senior faculty members who were teaching marketing for over three decades were requested to review the questionnaire before pilot study. A pilot study was conducted among 50 Life insurance agents and it did not reveal any problems with the contents of the scale.

**Reliability**

For testing reliability, Cronbach coefficient alpha is used since it is the most common method used for assessing the reliability for a measurement scale with multi-point items (Robert A. Peterson, 1994). The coefficient, which reflects homogeneity among a set of items, varies from 0 to 1. However, a good reliability should produce at least a coefficient value of 0.70 (Hair et al. 1995). In our study the Cronbach alpha coefficient value is 0.85, so homogeneity is observed among the set of items selected.

**Framework of analysis**

The tools used for analysing the data collected were

1. Factor analysis
2. Discriminant analysis
3. Multiple regression analysis
4. Analysis of variance
Factor Analysis

Factor analysis identifies common dimensions of factors from the observed variables that link together the seemingly unrelated variables and provides insight into the underlying structure of the data. Varimax rotation is one of the most popular methods used in the study to simplify the factor structure by maximising the variance of a column of the pattern matrix. The common factors themselves are expressed as linear combinations of the observed variables. (Nalini, 2006)

Factor Model

\[ \text{Family income} = W_{i1}X_1 + W_{i2}X_2 + \ldots + W_{ik}X_k \]

Whereas

- \( F_i \) = Estimate of the \( i^{th} \) factor
- \( W_i \) = Weight or factor score co-efficient
- \( X_i \) = Variables included
- \( k \) = No. of variables included

In the study, factor analysis has been applied to narrate the variables into the factors related to i) customer orientation, ii) relationship marketing orientation, iii) antecedents of relationship marketing orientation, iv) customer relationship building practices, v) customer care; vi) competitors orientation and inter functional co-ordination among the agents in the life insurance industry.

---

2. Discriminant Analysis

Discriminant analysis is a technique for analysing data when the dependent variable is categorical and the independent variable is interval in nature. When the dependent variable has two categories, the technique is known as two-group discriminant analysis. When three or more categories are involved, the technique is referred to as multiple discriminant analysis (Malhotra, 2003). The discriminant analysis model involves linear combinations of the following form:

\[ Z = b_0 + b_1 X_1 + b_2 X_2 + \ldots + b_n X_n \]

Whereas

- \( Z \) = Discriminant score
- \( b_n \) = Discriminant co-efficient on weight
- \( X \) = Discriminant variables
- \( b_0 \) = Constant

Wilks Lambda was calculated as a multi variant measure of group difference over discriminating variables. (Shajahan, 2005). The relative discriminating power of the variables were calculated by

\[ I_j = K_j (X_{j1} - X_{j2}) \]

---


Whereas

\[ I_j = \text{The important value of the } j^{\text{th}} \text{ variable} \]

\[ K_j = \text{Unstandardised discriminant co-efficient for the } j^{\text{th}} \text{ variable} \]

\[ X_{jk} = \text{Mean of the } j^{\text{th}} \text{ variable for the } k^{\text{th}} \text{ group} \]

The relative importance of a variable \( R_j \) is given by

\[ R_j = \frac{I_j}{\sum_{j=1}^{n} I_j} \]

In the study, two group discriminant analysis was used to find out important discriminant variables between the agents in working for public sector player and private sector players; and between the full time and part time insurance agents regarding i) Customer orientation, ii) Relationship marketing orientation, iii) Customers relationship building practices, and iv) Performance measures.

**Multiple Regression Analysis**

When a variable is dependent on more than one independent variable, one analysis will not reveal the relationship. For this purpose, the multiple regression analysis was administered. The cause and effect relationship between dependent and independent variables has been carried out by multiple regression analysis. The general form of the regression model is:
\[ Y = a + b_1 X_1 + b_2 X_2 + \ldots + b_n X_n + e \]

Whereas

\[ Y \quad = \text{Dependent variable} \]
\[ X_1, X_2, \ldots X_n = \text{Independent variable} \]
\[ b_1, b_2, \ldots b_n = \text{Regression co-efficient of independent variables} \]
\[ a \quad = \text{Constant and} \]
\[ e \quad = \text{error term} \]

In the study multiple regression analysis has been used to find out.

i) The impact of antecedents of Relationship Marketing Orientation on the relationship marketing orientation index among the agents.

ii) The impact of factors in customer orientation on customer care index, competitor orientation index, inters functional co-ordination index, annual turnover and number of customers and (performance variables).

iii) The impact of Relationship Marketing Orientation on the performance variables.

iv) The impact of customer relationship building practices on performance variables.

v) The impact of independent variables on performance index among the agents.
T-Test

The ‘t’ test is used to find out the significant difference among the two group of samples regarding any intention variable which is internal scale. The ‘t’ statistics is calculated by

\[ t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(n_1-1)\sigma_1^2 + (n_2-1)\sigma_2^2}{n_1+n_2-2}} \sqrt{\frac{1}{n_1} + \frac{1}{n_2}}} \]

degree of freedom of \((n_1 + n_2 - 2)\)

Whereas
- \( t \) – ‘t’ statistics
- \( \bar{X}_1 \) – Mean of the first sample
- \( \bar{X}_2 \) – Mean of the second sample
- \( \sigma_1^2 \) – Variance in the first sample
- \( \sigma_2^2 \) – Variance in the second sample
- \( n_1 \) – Number of samples in first group
- \( n_2 \) – Number of samples in second group

In the study, the ‘t’ test has been used to find out the significant difference among the agents working in public sector and private sector regarding their customer orientation, relationship marketing orientation, customers relationship building practices, customer care, competitors orientation and inter functional co-ordination.
Analysis of Variance (ANOVA)

Analysis of variance is used for examining the differences in the mean values of the dependent variable associated with the effect of the controlled independent variables, after taking into account the influence of the uncontrolled independent variables. One-way analysis of variance involves only one dependent variable or a single factor. The null hypothesis may be tested by the F statistic based on the ratio between these two estimates:

\[
F = \frac{\frac{SS_c}{(c-1)}}{\frac{SS_{error}}{(N-c)}} = \frac{MS_c}{MS_{error}}
\]

Where \(SS_c = \sum_{j=1}^{c} n (\bar{Y}_j - \bar{Y})^2\)

Where \(SS_{error} = \sum_{j=1}^{c} \sum_{i=1}^{n} (\bar{Y}_j - \bar{Y})^2\)

\(Y_i\) = Individual observation  
\(Y_j\) = Mean for category (j)  
\(Y\) = Mean over the whole sample, or grand mean  
\(Y_{ij}\) = \(i^{th}\) observation in the \(j^{th}\) category  
\(C\) = Number of independent variables or groups  
\(N\) = Total sample size (nxc)

The ‘F’ statistic follows the F distribution, with \((c-1)\) and \((N-c)\) degree of freedom.
In the study the one-way analysis of variance have been administered to find out the association between the profile of agents and their customer orientation, relationship marketing orientation and implementation of customer relationship building practices.

**Index Generation**

The index regarding various descriptive items among the agents and customers are prepared on the basis of the formula.

\[
I = \frac{\sum_{i=1}^{n} S_i}{\sum_{i=1}^{n} MS_i} \times 100
\]

Whereas  
- \(I\) = Index  
- \(S_i\) = Score of the variables included  
- \(MS_i\) = Maximum score of the variables  
- \(i=1\ldots n\) = Number of variables included in particular measurement

In the study, the index have been generated to find out the personality of the agents, customer orientation, relationship marketing orientation, customer relationship building practices, customer care, competitors orientation, inter-functional co-ordination and performance index of the agents.
LIMITATION OF THE STUDY

The study is subjected to the following limitation.

1. The relationship between the dependent and independent variables are assumed to be linear.

2. The results cannot be applied to other financial services in India

3. The result cannot be generalised to the total insurance industry in India

4. Temporal generalisation is not possible because of the dynamic characteristics of the market

CHAPTERISATION

The present study has been organized into six chapters for the purpose of clear and neat presentation.

Chapter-I describes the theoretical frame work, the need for the study, objectives, statement of the problem, scope and limitations of the study, methodology, sampling design, instrument design, tools of analysis.

Chapter-II presents an extensive review of the literature pertaining to relationship marketing, prior studies conducted regarding relationship marketing and subsequently research gap was identified.

Chapter-III highlights the profile of Life insurance industry in India.
Chapter IV describes the profile of life insurance agents, their customer orientation, relationship marketing orientation, customer relationship building practices and the analysis of the association between profile of agents and Relationship Marketing Orientation.

Chapter V emphasizes the impact of Relationship Marketing Orientation on business performance variables.

Chapter VI discusses the research findings in the light of implications for theory and practice. The concluding chapter also discusses the policy implications and directions for further research.