FACTORS AFFECTING THE RELATIONSHIP MARKETING IN NEPALESE INSURANCE COMPANIES

A Dissertation submitted to the Office of the Dean, Faculty of Management, in partial fulfilment of the requirements for the Degree of Masters of Business Studies

by

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **"Factors Affecting the Relationship Marketing in Nepalese Insurance Companies"**. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation

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Report of Research Committee

Mr. Kiran Shrestha has defended research proposal entitled **"Factors Affecting the Relationship Marketing in Nepalese Insurance Companies"** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per and submit the thesis for evaluation.

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Approval Sheet

We have examined the dissertation entitled **"Factors Affecting the Relationship Marketing in Nepalese Insurance Companies"** presented by **Kiran Shrestha** a candidate for the degree of Master of Business Studies (MBS). We hereby certify that the dissertation is acceptable for the award of degree.

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Abbreviations

CH	: Conflict Handling
CO	: Commitment
COM	: Communication
CRM	: Customer Relationship Management
MBS	: Master in Business Studies
RDT	: Resource Dependency Theory
RM	: Relationship Marketing
TM	: Transaction Marketing
TR	: Trust
SAT	: Satisfaction
SD	: Standard Deviation
SPSS	: Statistical Package for Social Science
TU	: Tribhuvan University

Abstract

The purpose of this study is to analyze the characteristics that influence relationship marketing in Nepalese insurance businesses, with a particular emphasis on trust, commitment, feeling satisfied, communicating effectively, and managing conflicts. Through the use of structured questionnaires, data was acquired from 400 consumers through the use of a mix of descriptive and causal comparative study techniques. The descriptive analysis revealed moderate levels of trust, commitment, contentment, and communication, accompanied by strong confidence in conflict management techniques. The results of the correlation study showed that there are strong positive links between relationship marketing (RM), trust, commitment, satisfaction, and communication. Regression analysis further corroborated these results, revealing trust, commitment, contentment, and communication as important predictors of RM, accounting for 69.6% of its variation. On the other hand, conflict management demonstrated very little influence. These findings highlight the crucial role that establishing trust, encouraging commitment, assuring high levels of satisfaction, and sustaining effective communication techniques play in the process of improving relationship marketing activities inside Nepalese insurance businesses.

Keywords: *Relationship marketing, trust, commitment, satisfaction, communication, conflict handling, Nepalese insurance companies*

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Relationship placing an emphasis on long-term consumer involvement and loyalty rather than short-term revenue, relationship marketing is a strategic strategy that is becoming more popular. The sophisticated and long-lasting nature of the goods and services offered by insurance companies makes this technique especially important in the insurance business. When it comes to relationship marketing in the insurance industry, client trust and happiness are two of the most important core factors. Trust is a critical component because clients need to have faith that their insurer will fulfill their commitments, particularly when it comes to claim processing. Ndubisi (2007) asserts that insurance companies achieve customer satisfaction by consistently meeting or surpassing their customers' expectations through trustworthy service and open communication.

The proactive level of relationship marketing involves maintaining regular communication with consumers who have signed up for a service. This is done to inform customers about new or enhanced services, thereby contributing to the customer's overall understanding of the company. In the partnership level of relationship marketing, the service organization focuses on continually engaging with customers to enhance their service performance and establish a stronger connection (Gummerson, 2002). In this level, the customer becomes a 'partner' in the company's operations and success. It is necessary for this kind of connection for the customer to get involved in issues pertaining to the service organization and its service offerings While service companies benefit significantly from the partnership level of relationship marketing, the customer feels appreciated and engaged throughout the whole service process in exchange for their cooperation

Effective and engaging communication for the consumer is also an essential component of relationship marketing. It is essential for insurance firms to maintain a consistent and individualized engagement with their customers via a variety of channels, including phone calls, emails, and social media. According to Gronroos (2004), a customized approach has the effect of making clients feel appreciated and understood, which in turn helps to develop deeper connections. Furthermore, by using customer data and analytics, insurance companies are able to adjust their services and marketing activities to meet the specific requirements of individual customers. According to Kumar and Reinartz (2012), this allows insurers to improve the entire customer experience by providing tailored offers and proactive assistance. This is accomplished by monitoring the behavior and preferences of customers.

Another essential component is the quality of the service, especially with regard to the administration of claims. The efficient and fair management of claims strongly impacts customer satisfaction and loyalty. According to Parasuraman, Zeithaml, and Berry (1988), a claims procedure that is both transparent and hassle-free may improve a customer's opinion of the insurer and generate positive word-of-mouth. Additionally, the implementation of customer loyalty programs may serve as an incentive for consumers to continue their involvement with their insurance. According to Dowling and Uncles (1997), these programs may include premium reductions, referral prizes, and extra services for long-term policyholders. As a result, the perceived value of remaining with the firm increases.

Digital transformation is an essential component of contemporary relationship marketing tactics. Digital solutions like online policy management platforms, mobile applications, and automated customer assistance systems can significantly enhance the customer journey. According to Wirtz and Zeithaml (2018), these technologies not only provide ease but also make it possible to gather and analyze data in a more effective manner, which in turn helps to foster tailored marketing activities and enhance the overall quality of service delivery.

Relationship marketing is an essential component for insurance firms that want to cultivate long-term connections with their customers and earn their loyalty. By putting an emphasis on trust, engagement, data-driven initiatives, service quality, loyalty programs, and digital transformation, insurance companies may cultivate a client base that is loyal to them, which in turn helps to ensure the continuous success of their organizations.

Relationship marketing is a strategic approach that prioritizes long-term customer engagement and loyalty over short-term sales. In the insurance industry, this strategy is particularly critical due to the complex and enduring nature of insurance products and services. This study focuses on the insurance sector in Nepal, examining the relationship between various independent variables trust, commitment, satisfaction, communication, and conflict handling and the dependent variable, relationship marketing.

1.2 Problem Statement

In the competitive market of insurance companies, relationship marketing is a crucial activity for businesses. It is worth noting that businesses often spend significantly more on acquiring new clients compared to retaining existing ones (Gruen, 1997). Consequently, many companies are now putting more effort into maintaining strong customer connections to retain customers and increase their market share. While numerous methods of relationship marketing have been proposed, there is no clear consensus on which practices are considered "optimal" (Grande, 1996). Several theories have been published, but no single theory has gained widespread acceptance. Furthermore, it has been acknowledged that there are no guarantees for the success of a relationship marketing program, as it requires careful design, implementation, monitoring, and measurement (Grande, 1996).

Relationship marketing recognizes that business interactions encompass non-financial elements alongside commercial aspects (Hunt & Morgan, 1994). This approach offers several advantages to both companies and customers, including increased profitability, competitive advantage through value-added benefits, and the creation of loyal, satisfied customers. Customers perceive differences in overall quality, complexity, and intangibility of products, which can reduce their concerns and allow for better anticipation of future service delivery. In terms of relationship quality, the specific aspects emphasized may vary depending on the research context. Naudé and Buttle (2000) developed an overview of the main constructs of relationship quality found in the literature. They identified relationship quality as a combination of elements such as trust, commitment, communication, conflict resolution, satisfaction, as well as goals, congresses, investments, and profits. It is important to note that different scholars have found variations in the impact of each determinant on the relationship quality between organizations.

Several studies were conducted on relationship marketing all around the world. Gedefaw (2014) found that conflict resolution, commitment, communication, and trust are crucial for relationship quality at Ethiopian Airlines, but highlighted issues like poor dispute resolution and delayed communications. Yu and Chen (2014) identified customer orientation, expertise, similarity, and contact intensity as significant antecedents of relationship quality in the insurance sector, impacting long-term relationship orientation. Williams et al. (2015) noted that the determinants of customer satisfaction and relationship quality vary depending on project completion times. Abtin and Pouramiri (2016) demonstrated a positive correlation between customer loyalty and factors such as trust, satisfaction, management, communication, and competence.

Abrol (2017) emphasized the need for improving customer satisfaction, trust, service quality, communication, and knowledgeability for successful CRM implementation in the insurance sector. Harun et al. (2018) proposed an integrative model for relationship marketing in insurance, highlighting the complex nature of managing customer relationships. Mahmoud et al. (2018) found that trust and conflict resolution significantly affect customer retention in the mobile communications sector. Shetty and Basri (2018) stressed the importance of customer orientation and adaptive selling behaviors for enhancing relationship quality in banking and insurance services.

Lu and Guo (2019) revealed that relational behaviors could mitigate the negative impacts of task conflict on relationship quality. Mungra et al. (2019) showed that satisfaction, commitment, and trust positively influence relational outcomes in manufacturer-supplier relationships. Neupane (2019) identified trust, communication, dispute resolution, and dedication as critical for customer loyalty in Nepali banks. Agyei et al. (2020) linked trust to enhanced customer engagement and loyalty in the Ghanaian insurance industry.

Isimoya and Olaniyan (2020) found that trust, commitment, communication, and satisfaction positively influence word-of-mouth communication in Nigerian insurance. Maseke and Iipinge (2021) highlighted agent persuasion, social influences, advertising, and behavioral factors as key in client preferences for insurance companies. Dhakal et al. (2022) identified trust, bonding, communication, shared values, and empathy as vital for customer satisfaction in Nepali banks. Oluwabiyi et al. (2022) demonstrated a positive impact of relationship marketing on customer perception of insurance in Lagos. Kavitha (2023) noted that CRM technology enhances service quality but must evolve to meet changing customer expectations. Finally, Kwajaffa (2023) found that trust and shared values significantly influence customer satisfaction, whereas communication alone is insufficient in the Nigerian insurance sector.

In the context of Nepal's insurance sector, the problem of relationship marketing is critical, as many insurance companies struggle to build and maintain long-term customer loyalty. Despite the growing recognition of the importance of trust, effective communication, conflict resolution, and customer dedication, the sector faces significant challenges in implementing these relationship marketing strategies effectively. Common issues include poor handling of disputes, inconsistent communication with policyholders, and a lack of customer-oriented practices, which undermine customer satisfaction and trust. Moreover, the dynamic and increasingly sophisticated expectations of customers add to the complexity of maintaining robust relationships. Therefore, Nepali insurance companies must enhance their relationship marketing efforts by improving trust-building measures, ensuring timely and clear communication, and addressing customer grievances more effectively. These improvements are essential for fostering long-term customer loyalty and achieving a competitive edge in the market. Mainly the following research questions are raised:

- How do customers perception on trust, commitment, satisfaction, communication, and conflict handling in Nepalese insurance companies?
- What is the relationship between trust, commitment, satisfaction, communication, and conflict handling on relationship marketing in Nepalese insurance companies?
- What is the effect of trust, commitment, satisfaction, communication and conflict handling on successful relationship marketing of insurance companies?

1.3 Objectives of the study

The general objective of the study is to examine relationship marketing and its factors in Nepalese insurance companies. However, the specific objectives of the study are as follows:

- To assess the perception of customers towards trust, commitment, satisfaction, communication and conflict handling of Nepalese insurance companies.
- To identify the relationship between trust, commitment, satisfaction, communication and conflict handling on relationship marketing in Nepalese insurance companies.

- To examine the effect of trust, commitment, satisfaction, communication and conflict handling on successful relationship marketing in Nepalese insurance companies.

1.4 Hypothesis of the study

Based on the research questions, objectives of the study and empirical evidences, the following research hypotheses were formulated and tested using statistical tools.

H_{01}: There is no significant relationship between trust and relationship marketing.

H_{02}: There is no significant relationship between commitment and relationship marketing.

H_{03}: There is no significant relationship between satisfaction and relationship marketing.

H_{04}: There is no significant relationship between communication and relationship marketing.

H_{05}: There is no significant relationship between conflict handling and relationship marketing.

1.5 Rationale of the Study

The vital need to understand and enhance the elements that drive customer loyalty in a market that is quickly developing formed the basis for this research on relationship marketing in Nepal's insurance industry. Many insurance firms in Nepal encounter substantial obstacles in efficiently adopting relationship marketing techniques such as trust, effective communication, dispute resolution, and client commitment. Despite the widespread recognition of the importance of these methods, many insurance firms in Nepal still face significant challenges. Because of the highly competitive nature of the insurance sector and the ever-increasing sophistication of consumer expectations, it is of utmost importance to investigate the fundamental problems that impede the creation of solid, long-term relationships with customers.

This research aims to offer valuable insights into enhancing relationship marketing techniques to better meet customer needs and fortify their loyalty. By identifying the major factors of effective relationship marketing and gaining awareness of the unique problems faced by Nepali insurance businesses, the study will provide actionable ideas to improve customer happiness and retention. Furthermore, the research will contribute to the existing body of knowledge by providing empirical information on the efficacy of different relationship marketing methods used in Nepal's insurance industry.

The results of this research will be useful for insurance businesses looking to improve their connections with their customers and gain an advantage over their competitors. Policymakers and industry stakeholders will also gain a deeper understanding of the crucial elements that foster client loyalty, empowering them to support and implement more successful relationship marketing programs. Finally, the research's purpose is to raise awareness about the most effective methods of relationship marketing in order to improve the overall performance and long-term viability of the insurance industry in Nepal.

1.6 Limitations of the Study

The study has certain limitations which are as follows: -

- This study is prepared amongst the customers of different insurance companies in Kathmandu valley only.
- The study might not account for all possible variables influencing relationship marketing and customer loyalty, potentially overlooking other significant factors.
- The study may not fully account for cultural nuances and differences that influence customer perceptions and behaviors in the context of relationship marketing.
- Factors such as economic conditions, competitive actions, and market trends outside the scope of the study can impact the findings and their implications.
- The sample size may not be representative of the entire population of insurance customers across Nepal, limiting the generalizability of the findings.
- The study relies on self-reported data, which may be subject to biases such as social desirability bias or recall bias.
- The study is entirely based on the opinion, views and response of the customers of insurance companies.

CHAPTER II

LITERATURE REVIEW

A literature review is the process of examining research papers or other relevant propositions in the connected field of the study in order to get an understanding of all previous studies, their findings, and flaws, and to enable future investigation. It is a necessary and essential part of every research project's procedure. Review of literature refers to the process of investigating the idea and critical aspects of study planning that have been established in the same field of investigation. This chapter contains information on the study-related resources that are examined over the course of the study period. The chapter delves into the topic's review in great depth and provides examples. A number of some prior research work, journals articles have been evaluated in relation to this subject which was divided into three section as theoretical review, empirical review and research gap.

2.1 Theoretical Review

A theoretical review in the context of relationship marketing can provide a foundational grasp of the fundamental ideas, frameworks, and theories that support the study of interactions between organizations and their consumers. During the latter half of the 20th century, relationship marketing emerged as a popular marketing strategy. This marketing approach shifted the emphasis from transactional exchanges to long-term involvement, highlighting the significance of establishing and sustaining strong connections with customers. Morgan and Hunt established the commitment-trust theory, a primary idea that underscores the importance of trust and commitment as fundamental components driving effective relationship marketing. Furthermore, the social exchange theory and the resource-based view provide insights into the ways in which relational behaviors and resource utilization contribute to the quality of relationships and the competitive advantage that they provide. In addition to this, the review investigates the significance of customer pleasure, loyalty, and perceived value as essential consequences of successful relationship marketing. By examining these theoretical frameworks, academics and practitioners may gain a better understanding of the processes through which relationship marketing techniques affect company performance and customer retention, thereby directing the creation of more successful marketing methods.

2.1.1 Relationship Marketing Theory

Leonard Berry's relationship marketing theory prioritizes the development of long-term connections with clients over individual transactions. This theory provides a framework for understanding how insurers may improve client loyalty and happiness, which is particularly useful in the insurance industry, which places a high premium on trust and commitment to continued interaction. According to Berry (1983), relationship marketing requires a move away from a transactional emphasis and toward a relational one. This shift may result in increased customer loyalty and retention rates.

Empirical research validates Berry's arguments, demonstrating that relationship marketing strategies, like customized communication and client-focused services, significantly impact customer satisfaction and retention in the insurance industry. Palmatier et al. (2006) revealed that investments in relationship marketing yield substantial returns in terms of client loyalty and profitability. This has particular significance for insurance firms because the establishment of long-term relationships with customers may result in the generation of consistent income streams.

Since the advent of the digital era, relationship marketing has evolved to include the use of technology and data analytics to gain a deeper understanding of customers' requirements and preferences. By integrating technology, insurance businesses are able to provide individualized goods and services, which in turn increases the level of pleasure experienced by their customers. Nguyen and Mutum (2012) found that the insurance sector has greatly benefited from the use of customer relationship management (CRM) systems in implementing successful relationship marketing strategies.

The value of relationship marketing in the insurance industry has been the subject of a recent empirical study that continues to verify its significance. Li et al. (2020) found that the quality of the connection, encompassing trust, commitment, and satisfaction, directly influences the level of client loyalty in the insurance sector. The results suggest that insurance companies should invest in activities that establish relationships with their customers in order to promote long-term client loyalty.

In addition, the COVID-19 epidemic has brought to light the significance of relationship marketing in terms of preserving the trust and loyalty of customers. Kim et al.'s (2021) research reveals that insurance companies that upheld consistent and empathetic communication throughout the pandemic period

2.1.2 Social Exchange Theory

George Homans' social exchange theory proposes that a subjective cost-benefit analysis and the evaluation of numerous possibilities establish human connections. Customers evaluate the advantages they obtain from insurance, such as peace of mind and security, in comparison to the expenses, which include premiums and deductibles, in the context of insurance. According to this hypothesis, clients are more likely to stay loyal to an insurance provider if they believe that the advantages provided by the provider surpass the expenses of the insurance program. Homans (1958) posits that successful exchanges in the insurance field hinge on reciprocity and mutual benefit, both of which are essential for building and maintaining long-term relationships with customers.

Empirical research in the insurance field has demonstrated that perceived value and fairness significantly influence customer happiness and loyalty. Moliner et al. (2007) research findings indicate that consumers' perceptions of value, quality, and fairness regarding their insurance connections positively impact their loyalty. A positive cost-benefit analysis, as described by Social Exchange Theory, is essential for keeping clients and lends credence to the premise that such an analysis is very important.

Furthermore, numerous studies have explored the impact of trust and commitment on the social trade process. Geyskens et al. (1999) found that trust and commitment play a crucial role as mediators in the relationship between perceived value and loyalty. When it comes to the insurance industry, establishing trust with consumers through open and honest communication and treating them with honesty is very necessary in order to maintain long-term relationships with them.

A number of recent studies have conducted more research on the dynamics of social exchange within the insurance sector. Zboja and Voorhees (2006) found that the perceived quality of service and the value provided by insurance firms significantly influenced the trust and loyalty of their customers. This underscores the importance of delivering high-quality services and ensuring clients receive fair treatment during their insurance transactions.

Furthermore, as a result of the growing rivalry in the insurance sector, businesses have shifted their attention to placing greater emphasis on the creation of value for their consumers. Liu et al. (2021) found that insurance businesses that prioritize customer value development and uphold fair pricing policies are more likely to achieve higher levels of customer satisfaction and loyalty. According to the concepts of social exchange theory, which emphasize the significance of perceived advantages in customer interactions, this is consistent with the stated principles.

2.1.3 Commitment-Trust Theory

Trust and commitment are two important characteristics that are crucial to the success of relationship marketing, according to the commitment-trust theory, which was developed by Morgan and Hunt in 1994. Morgan and Hunt define trust as having faith in one's partner's dependability and integrity, and commitment as the desire to maintain a valued relationship. These aspects are essential because they build long-term relationships by encouraging cooperative behaviors and inhibiting opportunistic activities. This makes them very important.

Empirical data supports the use of the idea in a variety of different businesses. Mukherjee and Nath (2003) researched in the banking industry demonstrates that trust and commitment significantly enhance client loyalty. Ndubisi (2007) discovered that trust and commitment had a direct impact on the retention and happiness of customers in the insurance market. The findings of this research emphasize the importance of the commitment-trust theory in understanding the dynamics of relationship marketing.

In the context of insurance firms, open and honest communication, maintaining a high level of service quality, and conducting legitimate business operations can all contribute to building trust. On the other hand, commitment entails a determination to keep commitments and live up to the consumer's expectations. Hennig-Thurau et al. (2002) established that consumers who perceive a high degree of dedication from their service providers are more likely to participate in positive word-of-mouth behaviors. This is an essential factor for insurance firms that depend on referrals and client loyalty.

Recent studies are further validating the application of the hypothesis. Alrubaiee and Al-Nazer (2010) emphasized that trust and commitment are crucial elements of customer relationship management (CRM) in service sectors like insurance. Furthermore, the ever-changing nature of the digital ecosystem has led to the addition of new aspects to these structures. Wu et al. (2020) found that the use of digital technologies in relationship marketing facilitates customized and timely interactions, thereby building trust and commitment with clients.

The commitment-trust theory provides a solid foundation for understanding the elements that lead to success in relationship marketing within the insurance industry. When it comes to establishing and sustaining excellent connections with customers, trust and dedication continue to play a key role. This, in turn, eventually results in increased customer loyalty and overall company sustainability.

2.1.4 Resource Based Theory

The resource-based theory (RBT), which was first stated by Wernerfelt (1984) and later expanded by Barney (1991), proposes that a company's sustainable competitive advantage is generated from its distinctive resources and capabilities. For these resources to be able to give a sustainable advantage over the competition, they need to be valuable, rare, inimitable, and non-substitutable (VRIN). These resources might be material or intangible.

Empirical research in a variety of industries, including the insurance industry, has proven the applicability of RBT. Fahy (2000) emphasized how businesses with more resources in terms of customer service and technical skills outperformed their corresponding rivals. Unique resources, such as sophisticated data analytics, customer relationship management systems, and highly trained individuals, are essential in the insurance business to provide exceptional service to customers and retain their loyalty.

It is possible for insurance businesses to dramatically improve their relationship marketing efforts by using one-of-a-kind resources like proprietary algorithms for risk assessment, extensive client databases, and a strong brand reputation. Barney and Arikan (2001) assert that businesses with these strategic resources can better anticipate customer requirements and tailor solutions to meet those needs, thereby fostering stronger connections.

Barney et al. (2021) examined how the incorporation of artificial intelligence and machine learning into business operations has become a new source of competitive advantage with regard to digital transformation. These technologies make it possible for insurance firms to do more precise risk assessments, to connect with customers in a more customized manner, and to process claims in a more expedient manner, all of which contribute to increased consumer satisfaction and loyalty.

Resource-based theory provides useful insights into the ways in which insurance businesses may employ their one-of-a-kind resources to boost relationship marketing. These organizations are able to generate durable competitive advantages and develop long-term connections with their customers if they capitalize on the specific talents that they possess.

2.1.5 Customer Relationship Management (CRM) Theory

From a business perspective, the customer relationship management (CRM) Theory centers on the strategic approach to managing contacts with both prospective and existing customers. Customer using data analysis to improve company interactions, customer relationship management (CRM) systems have the goal of enhancing client relationships. More specifically, they concentrate on retaining customers and generating sales development. The idea of customer relationship management (CRM) has seen tremendous development since its conception in the early 1990s, contributions made by academics such as Payne and Frow (2005), who offered a thorough framework for CRM application.

Empirical studies have shown that customer relationship management (CRM) is useful in a variety of industries. Kim et al. (2003) demonstrated that the financial services sector significantly boosts customer happiness and loyalty through the use of customer relationship management (CRM). Verhoef and Lemon (2013) research demonstrates the importance of customer relationship management (CRM) methods, such as personalized communication and efficient service delivery, in maintaining client loyalty and satisfaction within the insurance industry.

By employing data to get an understanding of consumer behaviors and preferences, customer relationship management (CRM) provides insurance businesses with the ability to develop individualized marketing campaigns. By way of illustration, Swift (2001) highlighted the fact that customer relationship management (CRM) systems enable businesses to efficiently segment their client base and personalize their services to match the individual requirements of each group, hence increasing customer happiness and loyalty.

Recent developments in technology have greatly improved customer relationship management skills. The integration of big data analytics, artificial intelligence, and machine learning into customer relationship management (CRM) systems has enabled more accurate customer insights and predictive analytics. Kumar and Reinartz (2018), state that these technologies enable businesses to predict the wants and behaviors of their customers, which ultimately results in more successful relationship marketing tactics when implemented. When it comes to the insurance sector, this leads to greater risk management, more tailored policy options, and enhanced customer service.

Customer relationship management theory provides insurance businesses with a strategic framework to enhance their relationship marketing efforts. These businesses are able to enhance their contacts with customers, boost their level of happiness, and cultivate long-term loyalty by using customer relationship management (CRM) systems and technology.

2.1.6 Service-Dominant Logic

Known as Service-Dominant (S-D), Vargo and Lusch (2004) first presented the concept of Service-Dominant (S-D) Logic, which shifts the focus from the conventional goods-dominant logic to the idea that services serve as the indispensable foundation of trade. S-D Logic suggests that all economies function as service economies, with numerous actors, including consumers, co-creating value through interactions and connections. This is despite the fact that all economies are service economies.

Lusch et al. (2007) proved that businesses that use S-D logic are in a better position to innovate and adapt to the ever-changing needs of the market. For the purpose of fostering strong connections and increasing customer loyalty, it is essential for businesses in the insurance sector to co-create value with their customers through interactions with them and the provision of individualized service offers.

When insurance businesses adopt an S-D Logic viewpoint, they perceive their products and services not only as policies but rather as complete solutions that require them to collaborate with their clients in order to generate value. To achieve this, it is necessary to understand the consumer's requirements, provide individualized guidance, and ensure continual involvement throughout the customer's lifetime. Brodie et al. (2011) research highlights that businesses utilizing S-D logic can enhance customer satisfaction and loyalty by fostering collaborative relationships and consistently co-creating value.

Vargo and Lusch (2017) highlighted the significance of digital platforms and technologies in terms of their role in supporting value co-creation. When it comes to the insurance industry, these technologies make it possible to have interactions in real time, provide tailored service, and boost client engagement, all of which contribute to an overall improvement in the customer experience.

Service-dominant logic provides insurance businesses with a valuable framework to enhance their relationship marketing strategies. Building better, more long-lasting connections with their customers and gain a competitive edge in the market are both possible outcomes for these businesses if they place an emphasis on value co-creation and ongoing engagement.

2.2 Empirical Review

Gedefaw (2014) investigated the factors that determine relationship marketing and the influence that these factors have on the overall quality of relationships at Ethiopian Airlines. The research employed a five-point Likert scale survey for both local and foreign customers, as well as semi-structured key informant interviews with staff. Both quantitative and qualitative methods were applied in the research. In the primary results, it was discovered that the most significant factor in determining the quality of a relationship was the way in which conflicts were resolved, followed by commitment, communication, and trust. Despite the fact that the quality of the relationships as a whole was assessed to be satisfactory, the research revealed several areas that need improvement. These areas include ineffective dispute resolution, uneven treatment of consumers, and delays in telling customers about changes to flight schedules.

Yu and Chen (2014) explored the influential factors that shape relationship quality (RQ) and long-term relationship orientation within the insurance marketing channel in Taiwan. The study employed in-depth interviews and surveys to gather data on the interactions between life insurers and insurance intermediaries. The research identified several antecedents of RQ, including customer orientation, expertise, similarity, and contact intensity, all of which positively influenced RQ. Additionally, the study found that components of RQ such as trust, satisfaction, and commitment significantly impacted long-term relationship orientation. These findings underscore the importance of these factors in fostering strong, enduring relationships in the insurance industry. By emphasizing these elements, insurers can enhance their relationship quality and ensure long-term partnerships with intermediaries, ultimately benefiting the overall business.

Williams et al. (2015) investigated the domains of customer satisfaction and customer relationship quality in project management, which were previously understudied. In particular, the researcher made a distinction between projects that were finished on time and those that were not completed on time. After that, the authors investigated the factors that influence customer satisfaction and relationship quality at various phases of the project for each of the three groups. The information was gathered from 588 clients who had purchased and installed large-scale building service systems from a multi-national Fortune 100 company. The findings show that the determinants of customer satisfaction and relationship quality varied substantially over the duration of a project, both in terms of order and size, depending on whether projects were completed on time or late, according to the findings. Project managers must consider how changes in these factors will affect their ability to keep customers happy during the duration of the project, as well as their ability to retain on-going relationships with customers in the future.

Abtin and Pouramiri (2016) investigated the impact of relationship marketing on the enhancement of customer loyalty. The majority of the instruments used in this research were questionnaires, which was the survey technique used in this study. The Pearson correlation coefficient was used to examine the relationship between loyalty as the dependent variable and trust, satisfaction, management, communication, and competence as the independent variables. The results revealed that there was a statistically significant positive relationship between the variables studied. Customers' loyalty was shown to have a statistically significant connection with each of the independent factors, which included trust, satisfaction, management, communication, and competence. According to the findings of this study, respondents were clearly concerned about the quality of the product in order to convert from an ordinary customer to a loyal customer.

Abrol (2017) focused on identifying the factors that affect the successful implementation of customer relationship management (CRM) in the general insurance sector of Jammu city, J&K State. The study utilized purposive judgment sampling to select participants and employed exploratory factor analysis, confirmatory factor analysis, and structural equation modeling to analyze the data. The findings indicated that several factors, including customer satisfaction, trust, service quality, communication, and knowledgeability, significantly and positively impacted the effectiveness of CRM implementation. These results suggest that for insurance companies to successfully implement CRM strategies, they need to focus on enhancing these critical areas. By doing so, they can improve their service quality, build stronger customer relationships, and achieve better business outcomes.

Harun et al. (2018) conducted a systematic review to summarize the existing literature on relationship marketing within the insurance industry. Using a descriptive analysis of empirical studies, the research identified various antecedents of relationship marketing that have different effects on insurance firms. The study proposed an integrative model to understand these antecedents and their consequences, providing a comprehensive framework for future research and practice. This model highlights the complex nature of relationship marketing in the insurance sector and suggests that a multifaceted approach is necessary to effectively manage and improve customer relationships. The study's findings offer valuable insights for practitioners and researchers aiming to enhance relationship marketing strategies within the insurance industry.

Mahmoud et al. (2018) examined the direct and indirect relationship that exist between trust, commitment, and conflict resolution in the context of customer retention. Data from consumers of mobile communications providers were gathered via a cross-sectional survey utilizing a standardized questionnaire, which was conducted online. According to the results, only dispute resolution had a direct and statistically significant impact on customer retention. Customer satisfaction was also significantly influenced by trust and the way in which conflicts were resolved. Customer happiness, on the other hand, was shown to have an indirect substantial impact on customer retention via the use of trust and conflict management. According to the findings of the research, managers should successfully address customer complaints while also building their credibility in order to please and keep their consumers.

Shetty and Basri (2018) conducted a systematic review to understand the impact of customer-sales representative relationships on sales effectiveness and the significance of relational behaviors in developing and maintaining long-term relationships in banking and insurance services. The review utilized narrative synthesis, guided by the PICO model and PRISMA guidelines, to screen and select 22 relevant papers. The findings revealed that customer orientation and adaptive selling behaviors are key factors that improve relationship quality. These behaviors lead to higher customer satisfaction, loyalty, and commitment, which are crucial for maintaining long-term relationships. The study emphasizes the importance of sales representatives adopting a customer-centric approach and being adaptable to different customer needs and situations to enhance relationship quality and achieve better sales outcomes.

Lu and Guo (2019) investigated the effect of interorganizational task conflict on relationship quality and the mediating role of relational behavior. The study used structural equation modeling to analyze the data and found that task conflict negatively impacts relationship quality. However, the research also revealed that relational behaviors such as information exchange, solidarity, and flexibility partially mediate the effects of task conflict. This suggests that while task conflict can harm relationship quality, improving relational behaviors can mitigate these negative effects. By fostering better information exchange, solidarity, and flexibility, organizations can enhance their relationship quality even in the presence of task conflicts. These findings provide valuable insights for organizations looking to improve their interorganizational relationships and manage conflicts more effectively.

Mungra et al. (2019) examined the mediating effect of satisfaction on trust-commitment and relational outcomes in manufacturer supplier relationships. Using structural equation modeling and data collected from 196 manufacturers, the study found that there is a positive relationship between satisfaction, commitment, and trust. The research also indicated that increased satisfaction leads to lower governance costs and improved performance. Additionally, the study noted that relationship performance improves in the early stages but tends to diminish as the relationship matures. This finding suggests that while building satisfaction, commitment, and trust are important in the early stages of a relationship, it is also crucial to maintain these elements over time to sustain high performance and positive relational outcomes. The study provides insights for manufacturers and suppliers on how to effectively manage their relationships to achieve long-term success.

Neupane (2019) investigated the impact of relationship marketing strategies on customer loyalty in Nepali commercial banks. The study utilized semi-structured surveys to collect data and found that various aspects of relationship marketing, such as trust, communication, dispute resolution, and dedication, are critical for developing customer loyalty. The findings highlight the importance of these factors in enhancing customer relationships and ensuring customer retention. By focusing on building trust, maintaining clear and open communication, effectively resolving disputes, and showing dedication to customer needs, banks can strengthen their relationship marketing efforts and foster greater customer loyalty. The study provides valuable insights for banks looking to improve their customer relationships and achieve better business outcomes through effective relationship marketing strategies.

Agyei et al. (2020) explored the influence of trust on customer engagement and its subsequent impact on customer loyalty in the insurance industry in Ghana. Using structural equation modeling to analyze data from 452 valid responses, the study found that trust in both the service provider and the regulator significantly affects customer engagement. In turn, customer engagement was shown to enhance customer loyalty. These findings underscore the pivotal role of trust in fostering deeper customer relationships and improving customer loyalty. By building trust with customers and ensuring strong engagement, insurance companies can enhance customer loyalty and achieve better business outcomes. The study provides valuable insights for insurance companies looking to improve their relationship marketing efforts and strengthen their customer relationships.

Isimoya and Olaniyan (2020) analyzed the impact of relationship marketing dimensions on word-of-mouth (WOM) communication in the Nigerian insurance industry. The study utilized a questionnaire distributed to a sample of 400 policyholders and conducted correlation and regression analyses to analyze the data. The findings revealed that relationship marketing components, such as trust, commitment, communication, and satisfaction, positively correlate with WOM communication. This suggests that effective relationship marketing strategies can enhance WOM, thereby improving the overall reputation and client base of insurance companies. The study emphasizes the importance of focusing on these relationship marketing components to achieve better WOM communication and, ultimately, business success.

Maseke and Iipinge (2021) investigated the factors influencing clients' preferences in selecting insurance companies. The study used a survey design with questionnaires from 185 participants to collect data. The findings revealed that the majority of clients chose insurers due to agent persuasion. Additionally, there was a positive relationship between clients' perceived importance of insurance and factors such as social influences, advertising, and behavioral factors. These results suggest that insurance companies should consider these factors to better attract and retain clients. By understanding the key drivers of client preferences, insurance companies can tailor their marketing strategies to effectively meet client needs and improve their competitive advantage.

Dhakal et al. (2022) studied the perception of relationship marketing in commercial banks in Kathmandu Valley. The research employed an explanatory design and network-based theory, along with quantitative evaluation through descriptive and inferential analysis. Data were collected using structured questionnaires via KOBO toolbox, and the analysis was conducted using SEM with 204 responses. The findings indicated that banks in Kathmandu Valley are aware of relationship marketing practices, and there is a significant relationship between bonding, trust, communication, and customer satisfaction. Critical factors identified in relationship marketing included trust, bonding, communication, shared values, and empathy. These findings suggest that banks should focus on these elements to enhance their relationship marketing efforts and achieve higher customer satisfaction.

Oluwabiyi et al. (2022) examined the influence of relationship marketing on customer perception of insurance in Lagos State, Nigeria. The study utilized a survey approach with a sample of 1,650 consumers and conducted multiple linear regression analysis to analyze the data. The findings revealed a significant positive impact of relationship marketing on customer perception of insurance. This suggests that effective relationship marketing strategies can enhance customers' perceptions and potentially increase insurance patronage. The study provides valuable insights for insurance companies looking to improve their relationship marketing efforts and attract more customers by focusing on building strong, positive customer relationships.

Kavitha (2023) assessed the effectiveness of customer relationship management (CRM) technology in enhancing service quality for policyholders in life insurance companies in Chennai City. The study used structured questionnaire data from 100 policyholders to collect information. The findings indicated that CRM technology enhances innovation and efficiency in service delivery. However, the study also noted that customers are becoming increasingly challenging to satisfy, highlighting the need for continuous improvement and adaptation of CRM strategies to meet evolving customer expectations. These insights suggest that while CRM technology can significantly improve service quality, insurance companies must also focus on understanding and addressing the changing needs and expectations of their customers.

Kwajaffa (2023) analyzed the impact of customer relationship management (CRM) measures on consumer satisfaction within the Nigerian insurance sector. Using a survey research design and the Kruskal-Wallis statistical tool, the study found that trust significantly influences customer satisfaction, while communication does not have a significant impact. Additionally, shared values were found to positively impact customer satisfaction. These findings suggest that while trust and shared values are crucial for customer satisfaction, communication alone may not be sufficient to enhance customer satisfaction in the insurance industry. The study provides valuable insights for insurance companies on how to effectively manage customer relationships by focusing on building trust and shared values to achieve higher customer satisfaction.

Table 1

Summary of Empirical Review

Author(s)	Title	Objective	Methodologies	Major Findings
Gedefaw (2014)	Determinants of relationship marketing: The case of Ethiopian Airlines	To assess the determinants of relationship marketing on overall relationship quality of Ethiopian Airlines.	Quantitative and qualitative approaches; Five Likert scale survey questionnaire for domestic and international clients; Semi-structured key informant interviews with employees.	Conflict handling is the strongest contributor to relationship quality, followed by commitment, communication, and trust. but issues as poor conflict handling, and delays in flight schedule changes need improvement.

Yu and Chen (2014)	Developing life insurer-insurance intermediary relationships	To investigate the influential factors of the antecedents of relationship quality (RQ), RQ itself, and long-term relationship orientation within the insurance marketing channel.	In-depth interviews and a survey examining the relationships between life insurers and insurance intermediaries in Taiwan.	Antecedents of RQ (customer orientation, expertise, similarity, and contact intensity) positively impact RQ. RQ (trust, satisfaction, and commitment) positively influences long-term relationship orientation.
Abrol (2017)	Exploring the factors affecting the successful implementation of customer relationship management in insurance sector	To explore the factors affecting the successful implementation of Customer Relationship Management (CRM) in the General Insurance sector of Jammu city, J&K State.	Purposive judgment sampling; exploratory factor analysis, confirmatory factor analysis, and structural equation modeling.	Customer satisfaction, trust, service quality, communication, and knowledgeability significantly and positively impact effective CRM implementation. The use of technology and in CRM implementation can further enhance customer satisfaction

Harun et al. (2018)	Relationship marketing in insurance industry: A systematic analysis of literatures	To review and summarize the literature dealing with relationship marketing in the insurance industry.	Descriptive analysis of empirical literature.	Diverse antecedents of relationship marketing have varying effects on insurance firms. An integrative model for these antecedents and consequences is proposed.
Shetty and Basri (2018)	Relationship orientation in banking and insurance services – a review of the evidence	To understand whether a strong customer–sales representative relationship contributes to sales effectiveness and the significance of relational behaviors in developing and maintaining long-term relationships.	Systematic review with narrative synthesis; PICO model and PRISMA guidelines to screen and select 22 relevant papers.	Customer orientation and adaptive selling behaviors improve relationship quality, leading to higher customer satisfaction, loyalty, and commitment.
Lu and Guo (2019)	The effect of task conflict on relationship quality: The mediating role of relational behavior	To understand the effect of interorganizational task conflict on relationship quality and determine if	Structural equation modeling.	Task conflict negatively impacts relationship quality. Information exchange,

		relational behavior has a mediation function.		solidarity, and flexibility partially mediate these effects.
Mungra et al. (2019)	The mediating effect of satisfaction on trust-commitment and relational outcomes in manufacturer–supplier relationship	To investigate the effect of commitment and trust on satisfaction and the sequential effect of satisfaction on relational outcomes in a manufacturer–supplier relationship.	Structural equation modeling using data collected from 196 manufacturers.	There is a positive relationship between satisfaction, commitment, and trust. Increased satisfaction lowers governance cost and improves performance. Relationship performance improves in the early stage and diminishes as it matures.
Neupane (2019)	Relationship marketing and customer loyalty of Nepali commercial banks	To understand the impact of relationship marketing strategies on customer loyalty in Nepali commercial banks.	Semi-structured surveys.	Relationship marketing aspects, including trust, communication, dispute resolution, and dedication, are critical for

				developing customer loyalty.
Agyei et al. (2020)	Influence of trust on customer engagement: Empirical evidence from the insurance industry in Ghana	To investigate the effect of trust dimensions on customer engagement and the impact of customer engagement on customer loyalty in the insurance industry.	Structural equation modeling using data from 452 valid responses.	Trust in the service provider and regulator significantly impacts customer engagement, which in turn enhances customer loyalty.
Isimoya and Olaniyan (2020)	Impact of relationship marketing dimensions on word-of-mouth communications in the insurance industry in Nigeria	To examine the impact of relationship marketing on word-of-mouth (WOM) communication in the insurance industry in Nigeria.	Questionnaire distributed to a sample of 400 policyholders; correlation and regression analyses.	Relationship marketing components positively correlate with WOM communication.
Maseke and Iipinge (2021)	Factors influencing clients in choosing insurance companies	To identify factors that drive clients' preferences in selecting insurance companies and determine the relative importance of these factors.	Survey design with questionnaires from 185 participants.	Majority chose insurers due to agent persuasion. Positive relationship between client's relative importance of insurance and factors such as

				social, advertising, and behavioral factors.
Dhakal et al. (2022)	Perception of Relationship Marketing in Commercial Bank: Empirical Evidence from Kathmandu Valley	To understand the perception of relationship marketing in commercial banks of Kathmandu Valley.	Explanatory research design; Network-based theory; Quantitative evaluation using descriptive and inferential analysis; Structured questionnaire via KOBO toolbox; SEM analysis with 204 responses.	Banks are aware of relationship marketing practices. Significant relationship between bonding, trust, and communication with customer satisfaction. Trust, bonding, communication, shared values, and empathy are critical factors in relationship marketing according to banking workers.
Oluwabiyi et al. (2022)	The influence of relationship marketing on customer perception of insurance in Lagos State, Nigeria	To investigate the influence of relationship marketing on customer perception of insurance and propose remedies	Survey approach with a sample of 1,650 consumers; multiple linear regression analysis.	Significant positive impact of relationship marketing on customer perception of insurance.

		for low insurance patronage.		
Kavitha (2023)	Customer relationship management of Life Insurance companies in Chennai City	To investigate the effectiveness of Customer Relationship Management (CRM) technology in enhancing service quality for policyholders.	Structured questionnaire data from 100 policyholders.	CRM technology enhances innovation and efficiency but customers are increasingly challenging to satisfy.
Kwajaffa (2023)	Relationship management on customer satisfaction in some selected insurance companies in Nigeria	To analyze the impact of customer relationship management (CRM) measures on consumer satisfaction within the insurance sector.	Survey research design; Kruskal-Wallis statistical tool.	Trust significantly influences customer satisfaction, while communication has no significant impact. Shared values positively impact customer satisfaction.

2.3 Research Gap

Despite the widespread recognition of the relevance of relationship marketing worldwide, there is a significant lack of research specifically focusing on poor nations like Nepal. Until now, most studies have concentrated on industrialized economies, leading to a dearth of in-depth research in countries like Nepal. In addition, the few studies that do exist often lack extensive analysis that makes use of sophisticated tools such as regression and robust sampling approaches. They also seldom conduct in-depth analyses of the opinions of customers. To fill these gaps, it is essential to conduct empirical research within Nepalese insurance companies, using a large number of samples and conducting in-depth analysis. To successfully strengthen commitment, trust, dispute resolution, communication, and customer satisfaction in Nepal, this study should specifically explore the adaptation of relationship marketing strategies to local market characteristics.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

This study employs a combination of descriptive and causal comparative research designs to address the core issues related to the factors influencing relationship marketing in Nepalese insurance companies. The descriptive research design is utilized to gather factual information and obtain a comprehensive understanding of the factors impacting relationship marketing. Additionally, the causal comparative design is employed to examine the potential cause-and-effect relationship between the dependent and independent variables, specifically focusing on trust, commitment, satisfaction, communication, and conflict handling and their impact on relationship quality. By employing these research designs, the study aims to provide valuable insights into the dynamics of relationship marketing in the context of Nepalese insurance companies.

3.2 Population and Sample, and Sampling Design

The population in this study refers to the entire group, which consists of a large number of employees and customers of insurance companies. Due to the challenges of collecting detailed information from such a large population, a sub-group, known as the sample, is selected to represent the population. The use of a sample allows researchers to dedicate more time and resources to conducting an in-depth study of the research problem. By employing effective sampling techniques, researchers can save valuable time and resources. In this study, the Cochran formula is used to determine the sample size of the study. To calculate the sample size, a confidence level of 95% is considered, corresponding to a Z-score of 1.96. The margin of error is set at 5%, equivalent to an e value of 0.05. The formula is as follows:

$$n = \frac{z^2 \times p \times (1 - p)}{e^2}$$

Where:

n is the sample size

Z is the Z-score corresponding to the desired confidence level which is 1.96 for a 95% confidence level in this study

p is the estimated proportion of the population which is 0.5 for maximum variability

e is the margin of error (expressed as a proportion)

Let's assume a confidence level of 95% (Z = 1.96) and a margin of error of 5% (e = 0.05) and p=0.5,

Assuming a 50% estimated proportion of customers in the population (p = 0.5) since there is no prior knowledge about the proportion, the formula becomes:

$$n = \frac{1.96^2 \times 0.5 \times (1 - 0.5)}{0.05^2}$$

$$n = \frac{3.841 \times 0.25}{0.0025}$$

$$n = \frac{0.96025}{0.0025}$$

$$n = 384.1$$

Rounding up to the nearest whole number, the recommended sample size is 400. Therefore, for an unknown population of consumers of different insurance companies of Nepal, a sample size of 400 is used to achieve a confidence level of 95% with a margin of error of 5%.

3.3 Nature and Sources of Data

The study utilizes primary sources to collect the necessary data for analysis. The primary data is gathered through the distribution of pre-structured questionnaires to the sample population. These questionnaires are designed to capture the required information and responses from individuals. The questionnaire format includes a five-point Likert scale, allowing respondents to indicate their level of agreement or disagreement with specific statements or questions. The researcher ensures that the questionnaires are distributed either by visiting individual investors in person or through electronic mail. By using this data collection technique, the researcher aims to obtain reliable and relevant information directly from the participants.

3.4 Data Collection Procedures

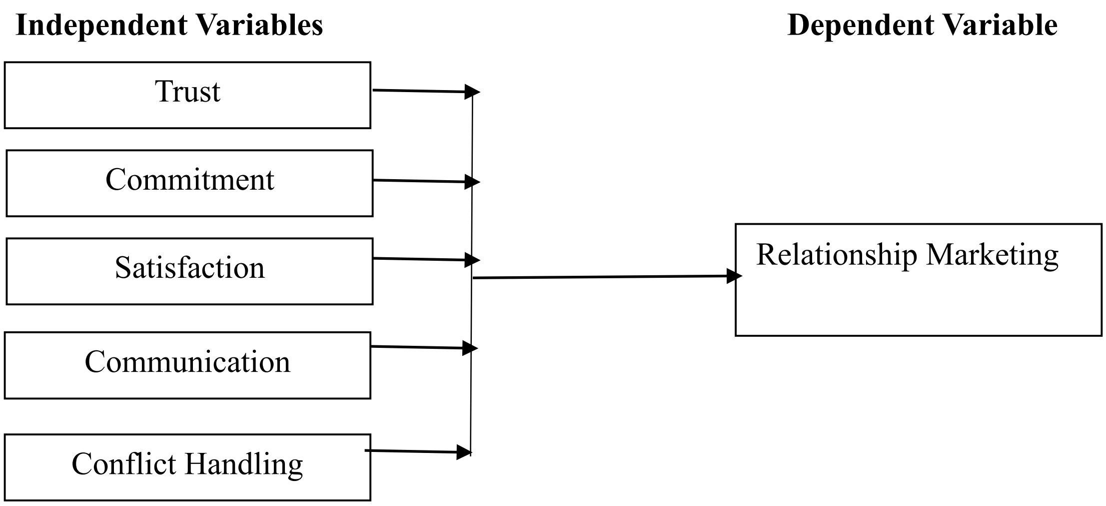
For this study, appropriate data are collected through the questionnaire method. Firstly, the researcher develops various questions based on the variables related to the research topic. The questions aim to explore the relationship between the dependent and independent variables in the research. Additionally, the researcher visits the relevant area and conducts indirect or informal interviews. Primary data is generated as required for this research. The study employs simple random sampling techniques to obtain the perceptions of 384 individuals about the various variables that impact the relationship quality of insurance companies. Close-ended questionnaires and Likert scale questionnaires are used in the study. Furthermore, the questionnaires have the capacity to gather information from multiple respondents within a short period of time.

3.5 Research Framework and Definition of Variables

The study on elements impacting relationship marketing in insurance businesses is based on numerous well-established theories that explain relationship marketing dynamics. Morgan and Hunt (1994) commitment-trust theory states that relationship marketing relies on trust and commitment to build loyalty and collaboration. Barney (1991)'s Resource-Based Theory highlights the strategic significance of firm-specific resources and competencies, especially customer connections, in competitive advantage. Swift (2001) describes Customer Relationship Management (CRM) Theory as using technology and strategic tactics to improve customer relationships. Vargo and Lusch (2004)'s Service-Dominant Logic emphasizes customer connections and shifting the emphasis from physical items to value co-creation via service interactions. These theories allow for a comprehensive study of how numerous elements affect relationship quality and client loyalty in insurance relationship marketing. The research framework of the study is presented in Figure 1.

Figure 1

Research Framework



Source: Source: Gedefaw (2014); Yu and Chen (2014); Abrol (2017); Harun et al. (2018); Dhakal et al. (2022)

3.5.1 Relationship Marketing

Firms use relationship marketing as a strategy technique to build and maintain long-term connections with various stakeholders, such as consumers, suppliers, partners, and others. According to Gronroos (1994), it places an emphasis on mutual trust, commitment, and individualized interactions in order to cultivate employee loyalty and happiness. According to Gronroos (1994), relationship marketing is a paradigm shift from conventional transactional marketing. Relationship marketing, when compared to transactional marketing, places an emphasis on client retention and satisfaction through constant interaction and customer-oriented methods. The foundation of this strategy is the belief that long-term relationships are crucial for repeat business, referrals, and overall company success.

3.5.2 Trust

In commercial interactions, the term "trust" refers to the faith or belief that one party (for example, a client) has in the dependability, integrity, and competency of another party (for example, an insurance company). According to Morgan and Hunt (1994), it is an essential component of relationship marketing since it helps to reduce uncertainty and risk while simultaneously promoting collaboration and the development of customer relationships. Morgan and Hunt (1994) put forth a theory that builds trust over time through consistent conduct, openness, and the fulfillment of commitments. Influencing client loyalty, contentment, and readiness to participate in long-term relationships with the insurance firm is critical in having a significant impact.

3.5.3 Commitment

In the context of relationship marketing, commitment refers to the emotional connection or devotion of one party to the maintenance of a relationship with another party (for example, an insurance company) over time. Moorman et al. (1993) demonstrate that commitment plays a crucial role in enhancing the strength and longevity of relationships. They argue that mutual happiness, trust, and the perception of advantages cultivate commitment, leading to customer retention over time and advocacy activities. The customer's commitment to invest time, effort, and resources in the connection ultimately enhances the overall quality of the relationship.

3.5.4 Satisfaction

According to Fornell et al. (1996), customer satisfaction may be defined as the degree to which the goods, services, or interactions offered by an insurance firm meet or surpass the expectations of the consumers. The concept of customer satisfaction is a subjective judgment that encompasses a variety of elements, including product quality, service delivery, and value for money, as stated by Fornell et al. (1996). It has a direct impact on client loyalty, further purchases, and favorable word-of-mouth recommendations about the company. To boost competitive advantage and preserve long-term relationships with clients, it is critical to monitor and improve customer satisfaction levels.

3.5.5 Communication

According to Gronroos (2000), communication in relationship marketing refers to the process of exchanging information, ideas, and feedback between an insurance business and its clients. The transmission of pertinent messages and active listening to the requirements and preferences of the client are both essential components of effective communication, according to Kitchen and Schultz (1999). According to Gronroos (2000), communication is necessary for facilitating the development of trust, the resolution of problems, and the consolidation of relationships. Enhancing client happiness, loyalty, and engagement via communication that is simple to understand, delivered in a timely manner, and tailored helps to cultivate strong long-term connections.

3.5.6 Conflict Handling

According to Jehn (1995), the term "conflict handling" refers to the methods and procedures that insurance firms use in order to manage and effectively settle conflicts or disputes with their clients. Managing interpersonal disputes via negotiation, mediation, or compromise is what Rahim (2002) said that conflict handling is the management of such conflicts. To maintain trust and happiness in relationships, it is essential to handle conflicts effectively by resolving concerns in a timely and equitable manner. As well as sustaining favorable customer impressions and long-term relationship results, it plays a vital role in minimizing escalation and keeping pleasant customer feelings.

3.6 Method of Analysis

The study utilizes both descriptive and analytical statistics to analyze the collected data. This process involves manual work as well as computer programs such as MS Excel and SPSS. Descriptive statistics are used to analyze the data by examining frequencies and presenting the data in the form of frequency and percentages. This allows for a relative weight description of the types of individual investors in the securities markets, as well as the demographic characteristics of the sample. These measures enable the study to compare frequency distributions and determine the level of significance for each variable. The analysis of the data is performed based on the available data and includes various statistical tools. The following tools are used to analyze and interpret the data: -

3.6.1 Descriptive Analysis

Descriptive analysis is used to summarize and present key characteristics of the data collected from insurance companies and their customers. This analysis technique involves calculating measures such as mean, median, mode, standard deviation, and frequency distributions to describe the variables under study. In this study relationship marketing in insurance, descriptive analysis helps in profiling customer demographics, summarizing perceptions of service quality, understanding communication effectiveness, and identifying patterns in conflict handling practices.

3.6.2 Correlation Analysis

Correlation analysis is utilized to examine the strength and direction of relationships between pairs of variables within the dataset. Pearson correlation coefficients is computed to assess the linear relationships between variables such as trust, satisfaction, commitment, communication, and conflict handling. In this study, correlation analysis helps in determining whether and to what extent variables are correlated with dependent variable.

3.6.2 Regression Analysis

Regression analysis is employed to understand the impact of independent variables on a dependent variable while controlling for other relevant factors. Multiple regression models may be constructed to predict how changes in one or more independent variables affect the outcome variables in relationship marketing. In this study, regression analysis enables researchers to assess which factors most significantly influence relationship marketing within the insurance sector. The multiple regression equation of the study is as follows:

$SRM = a + b_1(TR) + b_2(CO) + b_3(SA) + b_4(CM) + b_5(CH) + e$

Where,

SRM represents the successful relationship marketing

TR represents Trust

CO represents Commitment

SA represents Satisfaction

CM represents Communication, and

CH represents Conflict Handling

e represents error terms

CHAPTER IV

RESULTS AND DISCUSSIONS

The data analysis section of this study is of utmost importance as it aims to present and analyze the gathered data in order to substantiate theoretical claims through statistical computations. The primary objective is to validate the theoretical assumptions and provide concrete evidence. Through this comprehensive analysis, this study aimed to shed light on the relationship marketing and its factors in insurance companies. The findings obtained from this analysis contributes to the existing body of knowledge in this field and provide valuable insights for both researchers and practitioners. The data analysis chapter serves as a crucial component of this research study, offering a rigorous examination of the collected data and providing a solid foundation for the subsequent discussions and conclusions.

4.1 Results

The first section of the analysis focused on the demographic data of the respondents. This provided important insights into the characteristics of the participants, such as their age, gender, educational background, occupation, monthly income, insurance coverage and length of relationship. Understanding these demographic factors is crucial in interpreting the subsequent findings. Next, a descriptive analysis of the data is conducted. This involved summarizing and presenting the collected information in a meaningful way. Measures such as central tendency, dispersion, were employed to provide a clear understanding of the data distribution and key trends. Finally, an inferential analysis is conducted to draw conclusions and make inferences about the larger population based on the collected sample data. Statistical tests like correlation analysis and regression analysis were used to examine the relationships between variables and determine their significance.

4.1.1 Demographic Profile of Respondents

The demographic profile of the respondents in this study consists of 400 customers of insurance companies, analyzed to understand their characteristics and potential impact on relationship marketing. The data collected includes age, gender, education level, income, and duration of being a customer. This profile helps in identifying patterns and trends that may influence their perceptions and interactions with insurance providers. By analyzing the demographics, the study aims to contextualize the findings on relationship marketing within the broader customer base, highlighting how these factors might affect trust, commitment, satisfaction, communication, and conflict handling in the insurance sector. Table 2 shows the demographic profile of respondents.

Table 2

Demographic Profile of Respondents

Items		Frequency	Percent
Gender	Male	210	52.5
	Female	190	47.5
Age Group	18-24	35	8.75
	25-34	90	22.5
	35-44	130	32.5
	45-54	105	26.25
	55 and above	40	10.00
Education	SLC	110	27.5
	Plus Two	90	22.5
	Bachelor Degree	125	31.25
	Masters and above	75	18.75
Occupation	Student	43	10.75
	Employed	193	48.25
	Business Person	161	40.25
	Others	3	0.75
Monthly Income	Less Than NPR 30,000	30	7.5
	NPR 30,000 to 40,000	70	17.5
	NPR 40,000 to 50,000	90	22.5
	NPR 50,000 to 100,000	120	30.00
	NPR 100,000 and above	90	22.5
Insurance Coverage	Life Insurance	114	28.5
	Health Insurance	97	24.25
	Vehicle Insurance	107	26.75
	Property Insurance	74	18.5
	Other (please specify):____	8	2.0
Length of Relationship	Less than 6 months	50	12.5
	6 months - 1 year	95	23.7565/4
	1-3 years	120	30.00
	3-5 years	65	16.25
	More than 5 years	70	17.5
Total		400	100

Source: Survey (2024)

Table 2 shows the demographic profile of respondents. The demographic profile of the 400 respondents offers information into the factors affecting relationship marketing in insurance companies. The sample includes 52.5% males and 47.5% females, providing a balanced perspective on gender-related preferences and experiences. The age distribution indicates that the majority of respondents are between 35 and 44 years old (32.5%), followed by those aged 45-54 (26.25%). This suggests that middle-aged customers, who often have more established insurance needs, are key stakeholders in relationship marketing strategies.

Educational background plays a significant role in shaping customer expectations, with 31.25% of respondents holding a Bachelor’s degree, indicating a relatively educated customer base that may demand more personalized and informed interactions. The occupation data shows that 48.25% are employed and 40.25% are business persons, highlighting the importance of tailored communication and services to meet the diverse needs of working professionals and entrepreneurs.

Income levels reflect potential market segments, with 30% earning between NPR 50,000 and 100,000, suggesting that insurance companies should consider income-specific products and relationship management approaches. The diverse insurance coverage among respondents—ranging from Life Insurance (28.5%) to Health and Vehicle Insurance emphasizes the need for comprehensive relationship marketing strategies that cater to various insurance needs and preferences.

The length of the relationship with insurance providers is crucial in understanding customer loyalty and retention. With 30% of respondents having maintained a relationship for 1-3 years and 23.75% for 6 months to 1 year, it is evident that fostering trust and satisfaction early on can significantly impact long-term relationship marketing success. These demographic insights are integral to developing effective relationship marketing strategies that address the specific needs and preferences of diverse customer segments in the insurance industry.

4.1.2 Descriptive Analysis

The descriptive analysis provides an overview of the key variables affecting relationship marketing in insurance companies. Each variable, measured on a five-point Likert scale, gives insights into customer perceptions and behaviors. The analysis includes trust, commitment, satisfaction, communication, and conflict handling, offering a detailed understanding of their individual contributions to relationship marketing. This section sets the stage for further analysis by summarizing the central tendencies and variability of the responses, providing a foundation for deeper relationship and regression analyses. SPSS 25.0 software was used to analyze the data.

4.1.2.1 Descriptive Analysis of Trust

Trust is a crucial component of relationship marketing, reflecting the level of confidence customers have in their insurance providers. The descriptive analysis of trust, based on five statements, shows how customers perceive the reliability and integrity of the insurance companies. The results indicate that a majority of respondents tend to trust their providers, which is essential for fostering long-term relationships. High levels of trust correlate positively with customer retention and loyalty, emphasizing its importance in relationship marketing strategies.

Table 3

Descriptive Analysis of Trust

Statements	N	Min	Max	Mean	SD
I trust my insurance company to keep its promises.	400	1.00	5.00	3.23	1.39
My insurance company is reliable and dependable.	400	1.00	5.00	3.28	1.32
I believe my insurance company is honest with its customers.	400	1.00	5.00	3.25	1.28
My insurance company always acts in my best interest.	400	1.00	5.00	3.13	1.39
I feel confident in the abilities of my insurance company.	400	1.00	5.00	2.96	1.21
Trust	400	1.20	4.60	3.17	0.85

Source: Survey (2024)

Table 3 the descriptive analysis of trust among customers of insurance companies reveals varied perceptions. The first statement, regarding trust in the insurance company to keep promises, has a mean score of 3.23 with a standard deviation of 1.39, indicating moderate trust but considerable variability in responses. The second statement about reliability and dependability scored a mean of 3.28, suggesting that customers generally perceive reliability, though the standard deviation of 1.32 points to differences in opinion. The third statement, concerning the honesty of the insurance company, scored

3.25, reflecting moderate agreement. The fourth statement, about acting in the customer's best interest, had a lower mean of 3.13, highlighting some skepticism among customers, with high variability SD = 1.39. Notably, the fifth statement on confidence in the abilities of the insurance company is the lowest, with a mean of 2.96 and a standard deviation of 1.21, indicating that customers are less assured about the company's competence. The composite trust score averages at 3.17 with a standard deviation of 0.85, showing moderate trust levels across respondents, with notable diversity in individual perceptions.

4.1.2.2 Descriptive Analysis of Commitment

Commitment reflects the emotional and psychological attachment of customers to their insurance companies. The analysis of commitment, derived from five survey statements, reveals that most customers feel a strong sense of loyalty and attachment to their providers. This commitment indicates customers' willingness to maintain long-term relationships, even when presented with alternatives. Such commitment is vital for enhancing relationship marketing efforts, as it encourages customer retention and positive word-of-mouth.

Table 4

Descriptive Analysis of Commitment

Statements	N	Min	Max	Mean	SD
I am committed to maintaining my relationship with my insurance company.	400	1.00	5.00	3.31	1.42
My insurance company is dedicated to providing excellent service.	400	1.00	5.00	3.35	1.40
I feel a strong sense of loyalty to my insurance company.	400	1.00	5.00	3.37	1.27
My insurance company is committed to meeting my needs.	400	1.00	5.00	3.27	1.40
I plan to continue my relationship with my insurance company for the foreseeable future.	400	1.00	5.00	3.31	1.31
Commitment	400	1.40	4.80	3.32	0.81

Source: Survey (2024)

Table 4 the descriptive analysis of commitment among customers of insurance companies shows generally positive perceptions. The first statement, regarding commitment to maintaining the relationship, has a mean score of 3.31 with a standard deviation of 1.42, indicating moderate commitment and some variability in responses.

The second statement about the company's dedication to providing excellent service scored a mean of 3.35, reflecting a generally favorable view, though the standard deviation of 1.40 suggests some differences in opinions. The third statement, regarding a strong sense of loyalty, has a mean of 3.37 with a standard deviation of 1.27, indicating a fairly strong loyalty among customers. The fourth statement, about the company's commitment to meeting customer needs, scored a mean of 3.27, showing moderate agreement with a standard deviation of 1.40. The fifth statement, focusing on the intention to continue the relationship, has a mean of 3.31 and a standard deviation of 1.31, indicating that most customers plan to maintain their relationship.

4.1.2.3 Descriptive Analysis of Satisfaction

The analysis of satisfaction, based on five statements, assesses how well insurance companies meet customer expectations. Results show a generally high level of satisfaction among respondents, suggesting that their experiences with the services provided are favorable. Satisfaction not only strengthens the customer-company relationship but also enhances overall loyalty and advocacy, making it a key focus area for insurance companies.

Table 5

Descriptive Analysis of Satisfaction

Statements	N	Min	Max	Mean	SD
I am satisfied with the services provided by my insurance company.	400	1.00	5.00	3.34	1.37
My experiences with my insurance company have been positive.	400	1.00	5.00	3.30	1.37
The products offered by my insurance company meet my needs.	400	1.00	5.00	3.37	1.24
I am happy with the customer service of my insurance company.	400	1.00	5.00	3.21	1.39
Overall, I am satisfied with my insurance company.	400	1.00	5.00	3.65	1.20
Satisfaction	400	1.40	5.00	3.37	0.87

Source: Survey (2024)

Table 5 the descriptive analysis of satisfaction among customers of insurance companies indicates generally positive perceptions. The first statement, regarding satisfaction with services, has a mean score of 3.34 and a standard deviation of 1.37, reflecting moderate satisfaction but with some variability. The second statement, about positive experiences, scored a mean of 3.30, suggesting that most customers have favorable interactions, although opinions vary (SD = 1.37). The third statement, focusing on products meeting customer needs, has a mean of 3.37 and a standard deviation of 1.24, indicating a relatively high level of satisfaction. The fourth statement, regarding customer service, scored a mean of 3.21, showing moderate satisfaction with some variability (SD = 1.39). The fifth statement, overall satisfaction, has the highest mean at 3.65 and a standard deviation of 1.20, suggesting that customers are generally content with their insurance companies. The composite satisfaction score averages at 3.37 with a standard deviation of 0.87, indicating overall moderate satisfaction.

4.1.2.4 Descriptive Analysis of Communication

The descriptive analysis of communication examines how well insurance providers convey information and respond to customer inquiries. Based on five statements, the analysis shows that respondents generally perceive communication as satisfactory, which is crucial for building trust and transparency. Good communication practices help in resolving issues promptly and foster a positive relationship marketing environment.

Table 6

Descriptive Analysis of Communication

Statements	N	Min	Max	Mean	SD
My insurance company keeps me well informed about my policies.	400	1.00	5.00	3.34	1.39
The communication from my insurance company is clear and understandable.	400	1.00	5.00	3.23	1.37
I receive timely updates and information from my insurance company.	400	1.00	5.00	3.16	1.30
My insurance company is responsive to my inquiries and requests.	400	1.00	5.00	3.05	1.40
My insurance company communicates effectively through various channels.	400	1.00	5.00	3.62	1.21
Communication	400	1.40	5.00	3.28	0.80

Source: Survey (2024)

Table 6 shows the response on communication among customers of insurance companies shows generally positive feedback. The first statement, about being well-informed about policies, has a mean score of 3.34 with a standard deviation of 1.39, indicating moderate satisfaction with the information provided. The second statement, focusing on clear and understandable communication, has a mean of 3.23, suggesting that while communication is generally clear, there is variability in perceptions (SD = 1.37). The third statement, regarding the timeliness of updates, scored a mean of 3.16, reflecting moderate satisfaction, though there are differing opinions (SD = 1.30). The fourth statement, about responsiveness to inquiries, has a lower mean of 3.05 with a standard deviation of 1.40, indicating some room for improvement in responsiveness. The fifth statement, on effective communication through various channels, scored the highest mean at 3.62 and a standard deviation of 1.21, suggesting that customers appreciate the use of multiple communication platforms. Overall, the composite communication score averages at 3.28 with a standard deviation of 0.80, indicating moderate satisfaction with communication practices, with some diversity in responses.

4.1.2.5 Descriptive Analysis of Conflict Handling

Conflict handling measures how well insurance companies address and resolve customer complaints and disputes. The analysis, informed by five statements, indicates that most customers are satisfied with how their providers handle conflicts. Effective conflict resolution not only mitigates potential customer dissatisfaction but also strengthens trust and commitment. This component is vital for maintaining positive relationships and enhancing the overall effectiveness of relationship marketing strategies in the insurance sector.

Table 7

Descriptive Analysis of Conflict Handling

Statements	N	Min	Max	Mean	SD
My insurance company handles conflicts and complaints effectively.	400	1.00	5.00	3.34	1.39
When issues arise, my insurance company addresses them promptly.	400	1.00	5.00	3.23	1.37
I feel that my concerns are taken seriously by my insurance company.	400	1.00	5.00	3.16	1.30
My insurance company provides satisfactory solutions to my problems.	400	1.00	5.00	3.05	1.40
I am confident in my insurance company's ability to manage conflicts.	400	1.00	5.00	3.62	1.21
Conflict Handling	400	1.40	5.00	3.28	0.80

Source: Survey (2024)

Table 7 depicts conflict handling among customers of insurance companies reflects moderate satisfaction. The first statement, regarding the effective handling of conflicts and complaints, has a mean score of 3.34 with a standard deviation of 1.39, indicating that most customers feel conflicts are managed adequately. The second statement, addressing promptness in resolving issues, scored a mean of 3.23, suggesting moderate satisfaction, though there is variability in responses (SD = 1.37). The third statement, about taking customer concerns seriously, has a mean of 3.16, reflecting some room for improvement (SD = 1.30). The fourth statement, on providing satisfactory solutions, scored a mean of 3.05, indicating that while some customers are content, others see potential for better resolution (SD = 1.40). The fifth statement, concerning confidence in the company's ability to manage conflicts, scored the highest mean at 3.62 with a standard deviation of 1.21, showing a relatively high level of confidence. Overall, the composite conflict handling score averages at 3.28 with a standard deviation of 0.80, reflecting moderate satisfaction, with some variability in individual perceptions.

4.1.2.6 Descriptive Analysis of Relationship Marketing

The overall descriptive analysis of relationship marketing, which encompasses trust, commitment, satisfaction, communication, and conflict handling, provides a holistic view of the customer-provider dynamic in insurance companies. The five statements assessing this dependent variable show that respondents generally view their relationships with providers positively.

Table 8

Descriptive Analysis of Relationship Marketing

Statements	N	Min	Max	Mean	SD
I feel valued as a customer by my insurance company.	400	1.00	5.00	3.25	1.36
My insurance company engages with me in a meaningful way.	400	1.00	5.00	3.13	1.37
I feel a personal connection with my insurance company.	400	1.00	5.00	3.04	1.29
My insurance company understands and anticipates my needs.	400	1.00	5.00	2.90	1.37
I would recommend my insurance company to others based on our relationship.	400	1.00	5.00	3.28	1.31
Relationship Marketing	400	1.40	4.80	3.12	0.79

Source: Survey (2024)

Table 8 on relationship marketing among customers of insurance companies indicates moderate levels of engagement and connection. The first statement, about feeling valued as a customer, has a mean score of 3.25 with a standard deviation of 1.36, suggesting that many customers feel appreciated. The second statement, regarding meaningful engagement, scored a mean of 3.13, reflecting moderate satisfaction but with some variability in perceptions (SD = 1.37). The third statement, about feeling a personal connection, has a mean of 3.04, indicating that while some customers feel connected, there is room for improvement (SD = 1.29). The fourth statement, on the company's ability to understand and anticipate needs, scored a mean of 2.90, showing lower satisfaction and suggesting an area for development (SD = 1.37). The fifth statement, concerning willingness to recommend the company based on the relationship, scored a mean of 3.28, reflecting a moderate level of endorsement. Overall, the composite relationship marketing score averages at 3.12 with a standard deviation of 0.79, indicating moderate satisfaction with relationship marketing efforts, with some variability among respondents.

4.1.2.7 Summary of Descriptive Analysis

The summary of the descriptive analysis synthesizes the findings from trust, commitment, satisfaction, communication, conflict handling, and overall relationship marketing. It indicates a generally favorable perception of these factors among customers, suggesting that insurance companies are effectively meeting their relationship marketing goals. The insights derived from this analysis serve as a foundation for further relationship and regression analyses, providing valuable implications for improving customer relationship strategies in the insurance sector.

Table 9

Summary of Descriptive Analysis

Variables	N	Min	Max	Mean	SD
Trust	400	1.20	4.60	3.17	0.85
Commitment	400	1.40	4.80	3.32	0.81
Satisfaction	400	1.40	5.00	3.37	0.87
Communication	400	1.40	5.00	3.28	0.80
Conflict Handling	400	1.80	4.40	3.56	0.59
Relationship Marketing	400	1.40	4.80	3.12	0.79

Source: Survey (2024)

Table 9 shows the summary of descriptive analysis of study variables which include relationship marketing as dependent variable and trust, commitment, satisfaction, communication and conflict handling as independent variables. The mean score for trust is 3.17, with a standard deviation of 0.85, indicating moderate levels of trust among customers. This suggests that while many customers feel confident in their insurance companies, there is significant variability in trust levels. The minimum score of 1.20 and maximum of 4.60 reflect a wide range of perceptions, highlighting that trust is an area that can be strengthened to ensure more consistent customer confidence.

The mean score for commitment is 3.32, with a standard deviation of 0.81, suggesting a fairly strong sense of loyalty and attachment to their insurance providers. The minimum score of 1.40 and maximum of 4.80 indicate that while many customers are committed, some remain less engaged. This underscores the importance of fostering deeper relationships and ensuring customers feel valued to enhance commitment levels.

Satisfaction has a mean score of 3.37, with a standard deviation of 0.87, reflecting generally positive customer experiences. The scores range from 1.40 to 5.00, indicating that most customers are satisfied, though there are areas where satisfaction could be improved. Maintaining high levels of customer satisfaction is crucial for enhancing overall relationship marketing efforts and retaining customers.

The mean score for communication is 3.28, with a standard deviation of 0.80, suggesting that customers feel moderately satisfied with how their insurance companies communicate. The range of scores, from 1.40 to 5.00, indicates variability in how well customers feel informed and engaged. Effective communication remains critical for building trust and ensuring customers feel valued.

Conflict handling has the highest mean score of 3.56, with a standard deviation of 0.59, indicating that customers generally feel confident in their insurance companies' ability to manage conflicts and complaints. The narrower range of scores (1.80 to 4.40) suggests that customers have more consistent experiences in this area. Effective conflict resolution is key to maintaining strong customer relationships and trust.

The mean score for relationship marketing is 3.12, with a standard deviation of 0.79, indicating moderate satisfaction with the relationship aspects of their insurance companies. The range of scores (1.40 to 4.80) highlights the variability in how customers perceive their engagement and connection with their providers. Enhancing relationship marketing strategies can lead to improved customer loyalty and advocacy.

4.1.3 Relationship Analysis

The relationship analysis explores the correlations between the independent variables (trust, commitment, satisfaction, communication, and conflict handling) and the dependent variable, relationship marketing. Using statistical methods, the analysis assesses the strength and significance of these relationships, revealing that all independent variables positively influence relationship marketing. This finding underscores the importance of these factors in shaping customer perceptions and interactions with insurance providers, thereby enhancing overall relationship marketing efforts.

Table 10

Relationship Analysis

		RM	TR	CO	SAT	COM	CH
RM	Pearson Correlation	1	.796**	.769**	.795**	.780**	.047
	Sig. (2-tailed)		.000	.000	.000	.000	.348
TR	Pearson Correlation		1	.855**	.885**	.861**	.069
	Sig. (2-tailed)			.000	.000	.000	.165
CO	Pearson Correlation			1	.832**	.828**	.030
	Sig. (2-tailed)				.000	.000	.545
SAT	Pearson Correlation				1	.837**	.029
	Sig. (2-tailed)					.000	.569
COM	Pearson Correlation					1	.053
	Sig. (2-tailed)						.291
CH	Pearson Correlation						1
	Sig. (2-tailed)						

**. Correlation is significant at the 0.01 level (2-tailed).

Where,

RM= Relationship Marketing

TR= Trust

CO= Commitment

SAT= Satisfaction

COM= Communication

CH= Conflict Handling

Table 10 shows correlation analysis which reveals the strength and direction of relationships between the independent variables i.e., trust, commitment, satisfaction, communication, conflict handling and the dependent variable, relationship marketing. Trust (TR) demonstrates a strong positive correlation with relationship marketing (RM), exhibiting a coefficient of 0.796 and a significance level (p-value) of less than 0.001. This indicates that higher levels of trust in insurance companies are associated with more positive perceptions of relationship marketing among customers. So, the first hypothesis of the study i.e., $H_0 1$: There is no significant relationship between trust and relationship marketing is rejected.

Commitment (CO) also shows a positive correlation with relationship marketing (RM), with a correlation coefficient of 0.769 and a significant p-value (< 0.001). This suggests that customers who feel more committed to their insurance providers are likely to perceive stronger relationship marketing efforts. So, the second hypothesis of the study i.e., H_{02}: There is no significant relationship between commitment and relationship marketing is rejected.

Satisfaction (SAT) displays a strong positive correlation of 0.795 with relationship marketing (RM), and a significant p-value (< 0.001). This correlation implies that higher levels of customer satisfaction contribute significantly to better relationship marketing outcomes in the insurance sector. So, the third hypothesis of the study i.e., H_{03}: There is no significant relationship between satisfaction and relationship marketing is rejected.

Communication (COM) exhibits a substantial positive correlation of 0.780 with relationship marketing (RM), with a significant p-value (< 0.001). Effective communication practices, such as clear information dissemination and responsiveness, play a crucial role in fostering positive relationships with customers. So, the fourth hypothesis of the study i.e., H_{04}: There is no significant relationship between communication and relationship marketing is rejected.

Conflict handling (CH), however, shows a weak and non-significant correlation with relationship marketing (RM), with a correlation coefficient of 0.047 and a p-value of 0.348. This suggests that while conflict resolution is important, it does not directly impact customers' perceptions of relationship marketing as strongly as trust, commitment, satisfaction, and communication. So, the fifth and final hypothesis of the study i.e., H_{05}: There is no significant relationship between conflict handling and relationship marketing is rejected. Trust, commitment, satisfaction, and effective communication are pivotal factors that strongly influence relationship marketing in insurance companies.

4.1.2 Regression Analysis

The regression analysis further investigates the impact of trust, commitment, satisfaction, communication, and conflict handling on relationship marketing. By examining the coefficients and significance levels, the analysis identifies which factors most significantly affect relationship marketing. The results show that trust and satisfaction have the strongest impact, followed by commitment, communication, and conflict handling. These findings provide critical insights for insurance companies, highlighting areas to focus on for enhancing customer relationships and optimizing relationship marketing strategies.

Table 11

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834[a]	.696	.692	.43387

a. Predictors: (Constant), CH, COM, SAT, CO, TR

Table 11 model summary indicates that the regression model, which includes predictors such as trust (TR), commitment (CO), satisfaction (SAT), communication (COM), and conflict handling (CH), explains a significant proportion of the variance in relationship marketing (RM). The coefficient of determination (R Square) is 0.696, indicating that approximately 69.6% of the variability in relationship marketing can be explained by the predictors included in the model. The adjusted R Square, which considers the number of predictors in the model, remains high at 0.692. This suggests that the selected predictors collectively contribute effectively to predicting relationship marketing outcomes in the context of insurance companies. The regression model demonstrates a strong fit, highlighting the significant influence of trust, commitment, satisfaction, communication, and to a lesser extent, conflict handling, on relationship marketing effectiveness within the insurance sector.

Table 12

Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	169.631	5	33.926	180.222	.000[b]
	Residual	74.169	394	.188		
	Total	243.800	399			

a. Dependent Variable: RM
b. Predictors: (Constant), CH, COM, SAT, CO, TR

Table 12 assesses the significance of the regression model in predicting relationship marketing (RM) based on the predictors trust (TR), commitment (CO), satisfaction (SAT), communication (COM), and conflict handling (CH). The regression model shows a significant overall fit, as indicated by a highly significant F-statistic of 180.222 ($p < 0.001$). This suggests that the variation in relationship marketing scores can be largely attributed to the combined influence of the predictors included in the model. These results underscore the robustness of the regression model in capturing and explaining the relationships between trust, commitment, satisfaction, communication, conflict handling, and relationship marketing within the insurance sector.

Table 13

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.359	.160		2.236	.026		
	Trust	.190	.066	.208	2.906	.004	.150	6.651
	Commitment	.167	.056	.176	2.999	.003	.224	4.467
	Satisfaction	.251	.058	.279	4.309	.000	.184	5.422
	Communication	.216	.059	.221	3.689	.000	.215	4.654
	Conflict Handling	.010	.037	.008	.271	.787	.989	1.012

a. Dependent Variable: RM

Table 13 shows the regression coefficients of study variables with trust, commitment, satisfaction, communication, and conflict handling as predictors of relationship marketing. The constant term (intercept) is 0.359. This means that when all other predictor variables trust, commitment, satisfaction, communication, conflict handling are zero, the predicted value of relationship marketing (RM) is 0.359. The standard error of the constant term is 0.160, and its t-value is 2.236, which is statistically significant at $p = 0.026$. This indicates that the intercept significantly differs from zero.

The coefficient for trust is 0.190, indicating that for every one-unit increase in trust, relationship marketing (RM) scores are predicted to increase by 0.190 units, holding all other variables constant. The standard error of this coefficient is 0.066. The standardized beta coefficient, which measures the relative importance of predictors, is 0.208. The t-value associated with trust is 2.906, which is significant at $p = 0.004$, indicating that trust has a statistically significant positive impact on relationship marketing.

Commitment shows a coefficient of 0.167, suggesting that a one-unit increase in commitment is associated with a predicted increase of 0.167 units in RM, when controlling for other variables. The standard error for commitment is 0.056, and the standardized beta coefficient is 0.176. The t-value is 2.999, significant at $p = 0.003$, indicating a statistically significant positive relationship between commitment and relationship marketing.

The coefficient for Satisfaction is 0.251, indicating that for every one-unit increase in satisfaction, relationship marketing is predicted to increase by 0.251 units. The standard error of Satisfaction is 0.058. The standardized beta coefficient is 0.279, indicating a strong relative importance of satisfaction in predicting relationship marketing. The t-value associated with satisfaction is 4.309, highly significant at $p < 0.001$, indicating a robust positive impact of satisfaction on relationship marketing.

Communication has a coefficient of 0.216, suggesting that a one-unit increase in communication leads to a predicted increase of 0.216 units in relationship marketing. The standard error for Communication is 0.059, and the standardized beta coefficient is 0.221. The t-value is 3.689, significant at $p < 0.001$, indicating a statistically significant positive relationship between communication and relationship marketing. Effective communication practices play a crucial role in enhancing relationship marketing in the insurance sector.

Conflict handling shows a coefficient of 0.010, indicating that it has a minimal effect on RM scores. The standard error for conflict handling is 0.037, and its standardized beta coefficient is 0.008. The t-value associated with conflict handling is 0.271, not significant at p = 0.787, suggesting that conflict handling does not significantly predict relationship marketing in this model. This implies that while managing conflicts is important, it does not directly impact customers' perceptions of relationship marketing as strongly as trust, commitment, satisfaction, and communication do in the insurance sector.

The main conclusion of regression result indicate trust, commitment, satisfaction, and communication are significant predictors of relationship marketing in the insurance sector, as evidenced by their statistically significant coefficients and positive impacts on relationship marketing. On the other hand, conflict handling does not show a significant influence in this regression model. These findings underscore the critical role of building trust, fostering commitment, ensuring high levels of customer satisfaction, and maintaining effective communication strategies to enhance relationship marketing efforts within insurance companies.

4.2 Discussion

This research evaluated consumer perceptions about several aspects of Nepalese insurance businesses. Particular attention was paid to trust, commitment, satisfaction, communication, and the resolution of conflicts. Customers have a moderate level of trust in insurance businesses, which indicates that they typically view insurance firms as trustworthy and dependable. However, there is still room for growth in terms of exhibiting genuine concern for the best interests of customers. Additionally, a significant number of clients expressed a sense of devotion towards their respective insurances, indicating a well-assessed commitment. It would seem from this that insurance firms have been successful in cultivating long-term relationships with a sizeable section of their consumer base.

The levels of satisfaction were positive, but they also brought to light areas in which there is room for improvement in terms of customer service and product options. Although customers expressed general satisfaction, they suggested enhancing their experiences, especially by offering personalized service and accommodating their constantly evolving needs. On the other hand, there is room for development in terms of responsiveness and the efficacy of multi-channel communication. Communication was assessed as being clear and intelligible. Customers like timely information, but they anticipate more aggressive communication techniques from businesses. The management of disputes earned moderate ratings, reflecting the fact that while insurance firms do handle concerns, there is an expectation for more rapid and complete responses to complaints and conflicts.

The study found that trust significantly affects relationship marketing in Nepalese insurance companies. This is consistent with the findings of Yu and Chen (2014), who highlighted trust as a crucial component in enhancing relationship quality and long-term relationship orientation within the insurance industry in Taiwan. Similarly, Abtin and Pouramiri (2016) reported a positive relationship between trust and customer loyalty, reinforcing the importance of trust in building lasting customer relationships. Agyei et al. (2020) also supported this, showing that trust significantly influences customer engagement and loyalty in the Ghanaian insurance sector. These findings align with Mungra et al. (2019), who found trust as a key driver of satisfaction and relationship outcomes in manufacturer-supplier relationships.

The study showed that commitment has a significant positive impact on relationship marketing. This aligns with Gedefaw (2014), who found commitment to be a critical factor in determining the quality of relationships in Ethiopian Airlines. Yu and Chen (2014) also found that commitment significantly impacts long-term relationship orientation in the insurance sector. Abrol (2017) similarly identified commitment as a significant factor in CRM effectiveness within the insurance industry. These findings corroborate the results of Shetty and Basri (2018), who emphasized commitment's role in enhancing long-term relationships in the banking and insurance sectors.

Satisfaction emerged as the most influential factor in relationship marketing, consistent with the findings of Williams et al. (2015), who noted that customer satisfaction plays a crucial role in relationship quality in project management. This is further supported by Abtin and Pouramiri (2016), who reported a significant positive relationship between satisfaction and customer loyalty. Neupane (2019) also identified satisfaction as essential for customer loyalty in Nepali commercial banks, aligning with the results of Abrol (2017) and Dhakal et al. (2022), who emphasized satisfaction in relationship marketing strategies.

The study found that communication significantly affects relationship marketing, aligning with findings from Gedefaw (2014), who identified communication as a key factor in relationship quality. Abrol (2017) also found that effective communication positively impacts CRM implementation in the insurance sector. However, this contrasts with Kwajaffa (2023), who found that communication did not have a significant impact on customer satisfaction within the Nigerian insurance sector. Despite this contradiction, the majority of literature, including Shetty and Basri (2018) and Neupane (2019), emphasizes the importance of communication in building strong customer relationships.

Conflict handling was not found to significantly affect relationship marketing in this study, which contrasts with Gedefaw (2014), who identified conflict resolution as the most significant factor in relationship quality at Ethiopian Airlines. Similarly, Mahmoud et al. (2018) found that conflict resolution significantly influences customer retention in the mobile communications sector. However, the lower impact observed in the current study suggests that while conflict handling is important, other factors like trust and satisfaction may play a more prominent role in the context of Nepalese insurance companies.

The study underscores the critical role of trust, satisfaction, communication, and commitment in successful relationship marketing strategies within Nepalese insurance companies. By focusing on these areas, insurers can enhance customer engagement, loyalty, and overall relationship quality, ultimately contributing to long-term success and competitive advantage in the insurance sector.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

Relationship marketing in insurance companies is very necessary in Nepal to cultivate long-term client loyalty and trust. Because the insurance industry is highly competitive, businesses must place a major emphasis on developing good connections with their customers by establishing trust, communicating effectively, and committing to them. Customers who place a high value on individualized service and dependable assistance are more likely to be interested in businesses that have these characteristics because they help differentiate them in the market. Relationship marketing techniques are becoming more important for insurance businesses to focus on in order to preserve a competitive advantage and improve customer satisfaction as consumers grow more knowledgeable and discriminating.

This study holds significant importance as it delves into the growing significance of relationship marketing in the Nepalese insurance industry. Understanding the variables that drive relationship marketing such as trust, commitment, satisfaction, communication, and conflict management is essential for businesses that want to strengthen customer loyalty. This is due to the increasing level of competition and changing consumer expectations. This research offers insights that help aid insurance firms in building successful strategies to improve client relationships, which will eventually lead to higher customer retention and commercial success. The identification of key aspects included in the study provides crucial insights.

This study employs a research approach that combines descriptive and causal comparative designs to investigate the elements that impact relationship marketing in Nepal's insurance businesses. The study encompasses employees and consumers from various insurance companies, with a sample size of 400 individuals selected through simple random selection. Primary data are gathered by administering standardized questionnaires using a five-point Likert scale to assess the respondents' views. The study framework incorporates well-established ideas, such as Morgan and Hunt's commitment-trust theory and Gronroos' conceptions of relationship marketing. Data analysis employs descriptive statistics to summarize data properties, correlation analysis to investigate associations between variables, and regression analysis to discover important predictors of relationship marketing results in Nepal's insurance industry.

Major findings shows moderate levels of trust (mean = 3.17) and commitment (mean = 3.32), while satisfaction (mean = 3.37) and communication (mean = 3.28) are generally positive among customers. Conflict handling (mean = 3.56) scores highest, indicating strong confidence in resolution practices. Correlation analysis highlights strong positive relationships between trust ($r = 0.796$), commitment ($r = 0.769$), satisfaction ($r = 0.795$), communication ($r = 0.780$), and relationship marketing (RM), all significant at $p < 0.001$. Regression analysis further confirms these relationships, explaining 69.6% (R Square) of RM variance, with trust ($\beta = 0.190$), commitment ($\beta = 0.167$), satisfaction ($\beta = 0.251$), and communication ($\beta = 0.216$) significantly predicting RM. In contrast, conflict handling ($\beta = 0.010$) shows minimal impact.

The study provides considerable advantages to the Nepalese insurance business because it demonstrates the critical role that relationship marketing plays in boosting customer happiness and loyalty. As a result, it offers insightful information on the ways in which trust, commitment, satisfaction, communication, and the management of conflict all contribute to effective relationship marketing. These results equip insurance businesses with the necessary information to execute focused tactics and establish strong connections with potential customers. If companies concentrate on five key areas, they can increase the quality of their services, distinguish themselves in the market, and achieve sustainable development in Nepal's highly competitive insurance environment.

5.2 Conclusion

Within the context of Nepalese insurance companies, the purpose of this study was to investigate how customers perceive trust, commitment, satisfaction, communication, and the conflicts handling. The findings revealed that consumers generally viewed these aspects favorably, with trust and contentment receiving particularly high scores. This suggests that clients feel valued and have confidence in the reliability and integrity of their insurance providers.

According to the findings, there are also significant connections between these parameters and relationship marketing. Successful relationship marketing significantly correlates with each of the following: trust, commitment, satisfaction, and communication. This highlights the critical role that these factors play in developing beneficial connections with customers. Although conflict management received positive reviews, its impact on relationship marketing was not as significant. This suggests that other elements may play a more prominent role in this context.

In conclusion, the findings of the study revealed that trust, commitment, contentment, and communication play a crucial role in determining the level of success that relationship marketing methods achieve in Nepalese insurance firms. There was a clear indication that satisfaction was the most impactful element, highlighting the significance of this component in fostering customer loyalty and retention. These results recommend that insurance firms prioritize establishing trust, improving communication, and guaranteeing customer pleasure to successfully increase their relationship marketing efforts and achieve long-term success.

5.3 Implications

After analyzing the findings of the study, discussion of the study and conclusion of the study, the following implications are made:

- Insurance companies in Nepal should prioritize building trust through transparent communication and consistent service delivery to strengthen relationship marketing.
- Developing long-term commitment strategies, such as loyalty programs and personalized services, can enhance customer retention and engagement.
- Improving customer satisfaction through regular feedback mechanisms and addressing customer needs promptly can positively impact relationship marketing.
- Implementing diverse and effective communication strategies, including digital platforms, ensures timely and clear information dissemination to customers, enhancing their experience.
- Providing conflict resolution training for staff can improve their ability to handle disputes efficiently, leading to better customer relationships.
- An integrated approach to relationship marketing that encompasses trust, commitment, satisfaction, communication, and conflict handling is crucial for maximizing its effectiveness.
- Emphasizing customer-centric services in all interactions can lead to higher customer loyalty and stronger, lasting relationships.

- Future research could explore the impact of emerging technologies on relationship marketing in the insurance sector, and conduct comparative studies across different service industries to understand broader applications.

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Appendices

Questionnaires for Sample Respondents

Part A

Demographic and Multiple-Choice Questions

1.	Gender	1. Male
		2. Female
2.	Age	1. 18-24
		2. 25-34
		3. 35-44
		4. 45-54
		5. 55- or above
3.	Education Level	1. SLC
		2. Plus Two
		3. Bachelor's degree
		4. Master's degree and above
		5. SLC
4.	Occupation	1. Student
		2. Employed
		3. Business Person
		4. Others
5.	Monthly Household Income	1. …………………
6.	Insurance Coverage	1. Life Insurance
		2. Health Insurance
		3. Vehicle Insurance
		4. Property Insurance
		5. Other (please specify):_____
7.	Length of Relationship	1. Less than 6 months
		2. 6 months - 1 year
		3. 1-3 years
		4. 3-5 years
		5. More than 5 years

Part B

Likert Scale Based Questions

S. N	Statements	SD	D	N	A	SA
Trust						
T1	I trust my insurance company to keep its promises.					
T2	My insurance company is reliable and dependable.					
T3	I believe my insurance company is honest with its customers.					
T4	My insurance company always acts in my best interest.					
T5	I feel confident in the abilities of my insurance company.					
Commitment						
CO1	I am committed to maintaining my relationship with my insurance company.					
CO2	My insurance company is dedicated to providing excellent service.					
CO3	I feel a strong sense of loyalty to my insurance company.					
CO4	My insurance company is committed to meeting my needs.					
CO5	I plan to continue my relationship with my insurance company for the foreseeable future.					
Satisfaction						
SAT1	I am satisfied with the services provided by my insurance company.					
SAT2	My experiences with my insurance company have been positive.					
SAT3	The products offered by my insurance company meet my needs.					
SAT4	I am happy with the customer service of my insurance company.					
SAT5	Overall, I am satisfied with my insurance company.					
Communication						
COM1	My insurance company keeps me well informed about my policies.					
COM2	The communication from my insurance company is clear and understandable.					
COM3	I receive timely updates and information from my insurance company.					
COM4	My insurance company is responsive to my inquiries and requests.					

COM5	My insurance company communicates effectively through various channels.					
Conflict Handling						
CH1	My insurance company handles conflicts and complaints effectively.					
CH2	When issues arise, my insurance company addresses them promptly.					
CH3	I feel that my concerns are taken seriously by my insurance company.					
CH4	My insurance company provides satisfactory solutions to my problems.					
CH5	I am confident in my insurance company's ability to manage conflicts.					
Relationship Marketing						
RM1	I feel valued as a customer by my insurance company.					
RM2	My insurance company engages with me in a meaningful way.					
RM3	I feel a personal connection with my insurance company.					
RM4	My insurance company understands and anticipates my needs.					
RM5	I would recommend my insurance company to others based on our relationship.					

Source: Gedefaw (2014); Dhakal et al. (2022)

THANK YOU!!

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Abstract

The purpose of this study **is to** analyze **the** characteristics that influence **relationship marketing in** Nepalese **insurance**

businesses, with a particular emphasis on trust, commitment, feeling satisfied, communicating effectively, and managing conflicts. Through the use of structured questionnaires, data was acquired from 400 consumers through the use of a mix of descriptive and causal comparative study techniques. The descriptive analysis revealed moderate levels of trust, commitment, contentment, and communication, accompanied by strong confidence in conflict management techniques. The results of the correlation study showed that there are strong positive links between relationship marketing (RM), trust, commitment, satisfaction, and communication. Regression analysis further corroborated these results, revealing trust, commitment, contentment, and communication as important predictors of RM, accounting for 69.6% of its variation. On the other hand, conflict management demonstrated very little influence. These findings highlight the crucial role that establishing trust, encouraging commitment, assuring high levels of satisfaction, and sustaining effective communication techniques play in the process of improving relationship marketing activities inside Nepalese insurance businesses. Keywords: Relationship marketing, trust, commitment, satisfaction, communication, conflict handling, Nepalese insurance companies ii CHAPTER I INTRODUCTION 1.1 Background of the Study Relationship placing an emphasis on long-term consumer involvement and loyalty rather than short-term revenue, relationship marketing is a strategic strategy that is becoming more popular. The sophisticated and long-lasting nature of the goods and services offered by insurance companies makes this