INFLUENCE OF CRM ON CUSTOMER LOYALTY - AN APPLICATION TO THE LIFE INSURANCE INDUSTRY IN SOUTH AFRICA

Roberts-Lombard, Mornay ; du Plessis, Leon. Journal of Global Business and Technology 7. 1 (Spring 2011): 23-34.

摘要 (概要)

This article investigates the influence of CRM on customer retention at a South African long-term insurance organisation. Primary data was gathered using a questionnaire, with items referring to CRM and customer loyalty. Data was factor-analysed. The findings of the study stipulate that CRM positively influences customer loyalty. If the long-term insurance organisation successfully maintained relationships with its customers, intentional customer loyalty at the long-term insurance organisation will increase. CRM in the multiple regression analysis explained 80.2% of the variance (R) in customer loyalty. Therefore, one unit increase in CRM will increase customer loyalty with 89.5% when considering Beta. [PUBLICATION ABSTRACT]

全文文献

Headnote

ABSTRACT

This article investigates the influence of CRM on customer retention at a South African long-term insurance organisation. Primary data was gathered using a questionnaire, with items referring to CRM and customer loyalty. Data was factor-analysed. The findings of the study stipulate that CRM positively influences customer loyalty. If the long-term insurance organisation successfully maintained relationships with its

customers, intentional customer loyalty at the long-term insurance organisation will increase. CRM in the multiple regression analysis explained 80.2% of the variance (R) in customer loyalty. Therefore, one unit increase in CRM will increase customer loyalty with 89.5% when considering Beta.

(ProQuest: ... denotes formulae omitted.)

INTRODUCTION

Over the past twenty years, the importance of the service industries to the world economy has grown tremendously. In 2003 the service sector contributed to over 80% of the employment and Gross Domestic Product (GDP) of the United States (Zeithaml, Bitner & Gremier, 2006). In the South African economy the service sector contributed 71.4% of South Africa's total GDP in 2006. The services sector is spearheaded by the financial services sector. The services sector employs 65% of the total workforce in South Africa (Datamonitor, 2008a). Since democracy in 1994, there has been increasing competition in the South African financial services industries from niche players and foreign entrants, as technology and financial liberalisation created the stimulus for competition from new areas. The financial services sector has been subjected to changes regarding new regulation, compliance and transparency. The process of démocratisation has also required the banks, insurance organisations and securities markets to examine the extension of services to the great number of South Africans excluded from formal financial provision (Hawkins, 2004). The insurance industry emerged from the cloister of the sanctions era by expanding abroad. The foreign invasion of the banking market has spilled over into the insurance market, as direct writers of insurance policies start to erode the local market. In South Africa, factors such as crime, AIDS, increased competition in the insurance industry and proposed legislative changes have made life more difficult for the institutions that cover consumers' life, health or property. Greater competition has also put pressure on life assurers, who face a steady rise in policy lapses. The industry previously experienced remarkable growth before 1998, but it is now struggling (Business Times, 1998).

An organisation that wants to succeed in today's global competitive market where customers are empowered and brand loyalty erosion is increasing, will have to move to customer relationship management (CRM). Customer relationship management enables organisations to provide excellent real-time customer service through the effective use of individual account information (Kotler and Keller, 2006). This requires a more complex approach, organisations need to investigate customer needs, they have to build relationships with both existing and potential customers, and they will have to satisfy their customers' needs (Rootman, 2006). Organisations realise the importance of satisfying and retaining customers. Acquiring new customers can cost five times more that the cost involved in satisfying and retaining current customers. Organisations on average can lose up to 10% of their customers. When customer defections are decreased by 5%, this can lead to an increase in profits of between 25% - 85%, depending on the industry. The profit rate of a customer tends to increase over the life of the retained customer (Berndt, Du Plessis, Klopper, Lubbe & Roberts-Lombard, 2009; Kotler and Keller, 2006; Ndubisi & Wah, 2005). Long-term insurance organisations such as Liberty Life require a loyal customer base to survive. Loyal customers can be generated through CRM. In 2009 Liberty Life lost R970 million as customers lapsed or surrendered their contracts, thereby ending their relationship with Liberty Life (Liberty Holdings Limited, 2010). CRM can assist Liberty Life in building long-term beneficial relationships with customers, which has a direct influence on the value proposition to customers, and the competitive position of Liberty Life in the market. This will lead to customer loyalty and increased profits to Liberty Life.

This article includes a literature review of CRM and customer loyalty, and an explanation of the problem that was investigated. The research objectives, hypotheses and methodology are then discussed. Thereafter, the empirical results are discussed, followed by management implications and recommendations.

LITERATURE REVIEW

The literature review presented in this article aims at providing a broader understanding of the major constructs examined in the research. Specifically, a brief discussion of the South African long-term insurance industry is provided. The literature review will also focus on CRM, trust, commitment, two-way communication, conflict handling and customer loyalty.

The long-term insurance industry in South Africa

The South African insurance market generated total gross written premiums of $24.2 billion in 2007, representing a compound annual growth rate (CAGR) of 8.9% for the period spanning 2003-2007. The longterm insurance segment was the market's most lucrative in 2007, generating gross written premiums of $14.7 billion, equivalent to 60.6% of the market's overall value. The performance of the market is forecast to accelerate, with an anticipated CAGR of 9.7% for the five-year period 2007-2012, which is expected to drive the market to a value of $38.5 billion by the end of 2012. Liberty Life was the largest long-term insurance organisation in South Africa, accounting for 20.3% of the country's value. Table 1 depicts the main long-term insurance companies in South Africa by market share (Datamonitor, 2008a).

Customer Relationship Management

Today, many organisations such as banks and long-term insurance organisations realise the importance of CRM and its potential to help them acquire new customers, retain existing ones and maximise their lifetime value. A close relationship with customers will require a strong coordination between Information Technology (IT) and marketing departments to provide a long-term retention of selected customers (Read, 2009). The broad application of CRM has lead to a multitude of definitions. Krasnikov, Jayachandran and Kumar (2009) describes CRM as an enterprise-wide commitment to identify the individual customers of an organisation, and to create a relationship between the organisation and these customers as long as the relationship is mutually beneficial. CRM evolved from organisation processes such as RM and the increased emphasis on improved customer retention through the effective management of customer relationships.

CRM is important for service organisations. If organisations desire a good relationship with customers, they must ensure that their management and staff are trustworthy and show a strong commitment to service (Tynan and McKechnie, 2009). Trust and commitment are key elements for retaining customers (Du Plessis, Jooste & Strydom, 2005). CRM provides a transition from a transaction-based to a relationship-based model that concentrates on the acquisition, development and retention of profitable customer relationships (Baran, Galka & Strunk, 2008). Unless there is a minimum level of trust between the parties in the relationship, it is unlikely that a relationship will be maintained. When trust breaks down in a relationship, the relationship is likely to dissolve. Trust can only be established after numerous interactions took place between the parties. Trust between the parties must be developed and it must be seen as an investment in the relationship building that has a long-term benefit for both parties. Trust emerges as parties share experiences and interpret and assess each other's motives. As the parties learn more about one another, risk and doubt are reduced (Kim, Kim, Kim, Kim & Kang, 2008). Two-way communication with customers is enabled by advances in information and telecommunications systems. All the communication with customers, when it is integrated into the organisation, recorded and managed, allows the relationships with customers to develop and to be maintained (Alhabeeb, 2007). A goal of CRM is to create an opportunity for re -purchase by a customer through an improvement in the communication process to the customer, providing the right offer, relating to product and price, through the right channel, at the right time. This will lead the customer to perceive that the organisation is concerned with the customer's needs, and this in turn may lead to greater satisfaction towards the organisation. When the customer has had additional experiences with the organisation in which the customer's needs were satisfied, the customer may develop a sense of loyalty to the organisation (Kim, Kim, Kim, Kim & Kang, 2008). Similar to trust, commitment appears to be one of the most important variables in understanding relationships, and it is a useful construct for measuring the likelihood of customer loyalty, as well as for predicting future purchase frequency (van Doom & Verhoef, 2008). How conflict is handled between the organisation and the customer will either ensure loyalty, or the customer will leave the organisation and go to a competitor (Ndubisi & Wah, 2005). Long-term relationships with customers can successfully be created, reinforced and retained by building the customers' trust in an organisation over time, demonstrating a commitment by the organisation to service, communicating with the customers in a timely, reliable and pro-active fashion, and handling conflicts between the organisation and the customers effectively (Ndubisi, 2007).

Customer loyalty

The aim of relationship marketing is the establishment and maintenance of long-term relationships with customers (Zeithaml et al., 2006). Organisations understand that it is considerably more profitable to keep and satisfy existing customers, than to constantly renew a strongly-churning customer base. To make relationship marketing work, marketers have adopted a customer management orientation, which emphasises the importance of customer lifetime value, retention and the dynamic nature of a person's customerorganisation relationship over time (Reinartz and Kumar, 2003). The rationale behind CRM is that it improves organisation performance by enhancing customer satisfaction and driving up customer loyalty. A model has been designed to explain this logic, and it is called the satisfaction-profit chain (Lehmuskallio, 2009). Customer satisfaction increases because the insight into customers allows organisations to understand them better, and through this, organisations create improved customer value propositions. As customer satisfaction rises, so does customer repurchase intention. This then influences the actual purchasing behaviour, which significantly impacts organisation performance (Alhabeeb, 2007).

There are two major approaches when defining and measuring loyalty; one is based on behaviour and the other on attitude. The behavioural loyalty refers to a customer's behaviour on repeat purchase, indicating a preference for a brand or a service over time. There are two behavioural dimensions to loyalty. Firstly, the question must be asked if the customer is still active. Secondly, the organisation must determine if they maintained their share of the customer's spending. Attitudinal loyalty refers to a customer's intention to repurchase and recommend, which are good indicators of a loyal customer. A customer who has the intention to repurchase and recommend, is very likely to remain with the organisation (Tynan and McKechie, 2009). Attitudinal (intentional) loyalty is measured by reference to components of attitude such as beliefs, feelings and purchasing intention. Customers who have a strong preference for involvement or commitment to a supplier are the more loyal in attitudinal terms (Lehmuskallio, 2009). This study will focus on the attitudinal (intentional) loyalty of the customers of long-term insurance organisations. Organisations must track customer loyalty as the truer measure of how they compare to competitors and this will shift the focus from customer acquisition to customer retention (Baran et al., 2008).

PROBLEM INVESTIGATED

Statistics released by the Life Offices Association (2010), indicated that in the second half of 2009 surrenders of policies increased, lapsed premiums also increased by 20% as compared to the previous halfyear, and 33% compared to the corresponding period in 2008. A policy is surrendered when the policyholder stops paying the premiums and withdraws the reduced fund value of the policy before maturity. A lapse occurs when the policyholder stops paying premiums before the fund value exceeds the unrecovered costs, meaning that the paid-up or surrender value is zero. In both cases, customers are lost as they terminate their relationship with the long-term insurance organisation. The purpose of CRM is to increase customer satisfaction, improve customer perception of service quality, and increase customer loyalty (Baran et al., 2008). CRM applied correctly leads to customer loyalty, and loyal customers are usually more profitable (Helkkula and Kelleher, 2010).

To retain existing customers in the current economic climate where customers are lapsing their longterm insurance policies because of the unsure economic future, long-term insurance organisations will have to understand how trust, commitment, two-way communication and conflict handling through the application of CRM can contribute to customer loyalty. Larger portions of long-term customers than short-term customers exhibit high profitability, therefore the theory of an overall positive connection between customer loyalty and profitability cannot be rejected (Leverin & Liljander, 2006). Long-term insurance organisations will not be able to survive for much longer in the competitive long-term insurance industry, battling the global recession, if they do not understand the importance of these variables influencing their CRM, and how they can improve customer loyalty. This article will focus on the importance for long-term insurance organisations to better understand the need for CRM, and how that will lead to customer loyalty. The problem statement therefore refers to an investigation into the influence of CRM on customer loyalty at a long-term insurance organisation in South Africa.

Service organisations can benefit from CRM, as customers focus on the service aspect and interaction with the service provider when evaluating a service organisation, as no physical product is involved (Rootman, 2006). Long-term insurance organisations need to be aware of the importance of CRM in ensuring customer loyalty. This would assist long-term insurance organisations in applying a CRM process that will strengthen customer loyalty and increase market share in South Africa.

RESEARCH OBJECTIVE

The objective of this article is to investigate the influence of CRM on customer loyalty at a long-term insurance organisation in South Africa.

Research Hypothesis

To give effect to the problem statement, the following null hypothesis was formulated, stating that no relationships exist. An alternative hypothesis was also formulated stating that the relationships exist.

HO1: There is no relationship between CRM and intentional customer loyalty at a long-term insurance organisation in South Africa.

HA1: There is a relationship between CRM and intentional customer loyalty at a long-term insurance organisation in South Africa.

RESEARCH METHODOLOGY

This study was conducted in two phases, the first phase focused on qualitative research, and the second phase focused on a quantitative research approach. A focus group interview was held with a manager of the Customer Walk-in-Centre in Johannesburg, and two other senior managers responsible for customer relationships at a long-term insurance organisation. The focus group interview assisted the researcher in developing the questionnaire and provided the desired information on CRM and customer loyalty from a longterm insurer's viewpoint (Rootman, 2006). The questionnaire was used during the quantitative phase of the research. The reason for quantitative data is that it is easy to interpret the results in simple conclusions (Zikmund & Babin, 2007: 83). Taking into consideration the nature of the research, the problem statement and all other related matters regarding the research, the research was descriptive.

A structured questionnaire survey was used to collect data for this research, and this process was administered by conducting personal interviews. The questionnaire included self-developed items, as well as items from questionnaires used in previous research. The population of the research consists of the long-term insurer's entire individual, natural person, customers who visited Customer Walk-in-Centres in the Gauteng (Johannesburg and Pretoria), Kwazulu-Natal (Durban) and Western Cape (Cape Town) provinces of South Africa. For the purpose of this study a probability sampling method was used. Stratified sampling, followed by simple random sampling was used in this study. The reason for selecting this sampling technique was that the sampling frame of the study was divided into subgroups, strata, and the sampling process was performed separately on each stratum. Stratified samples are the most statistically efficient, and they allow the investigation of the characteristics of the interest for particular subgroups within the population (Churchill & Iacobucci, 2005). The sample size selection of this study was twofold. Firstly, the sample was based on the percentage of customers visiting Customer Walk-in-Centres presented as a portion of the total number of customers visiting these centres. Secondly, the percentage was applied to 254 customers of the long-term insurer entering the Customer Walk-in-Centres in Johannesburg, Pretoria, Cape Town and Durban in South Africa.

The research instrument, a questionnaire, was pre -tested in a pilot study involving five customers in the Customer Walk-in-Centre in Johannesburg. Reliability and validity are the hallmarks of good measurement and the keys to assessing the trustworthiness of any research conducted. The reliability measurement for this study was the internal consistency reliability test. Reliability tests whether the questionnaire will measure the same thing more than once and result in the same outcome every time (Cant, Gerber-Nel, Nel & Kotze, 2005; Ndubisi & Wah, 2005). The extent to which a particular measure is free from both systematic and random error indicates the validity of the measure. In this study exploratory factor analysis, utilising the Varimax with Kaiser Normalisation was performed to assess the discriminant validity of the questionnaire. Validity was also confirmed by conducting the Kaiser-Meyer-Olkin (KMO) and Bartlett's test of sphericity (Madiba, 2009). The statistical analysis that was used in the study included a multiple regression analysis to test the hypotheses formulated for the study, and an analysis of variance test

(ANOVA). The rotation of the factor matrix was also performed to assess the discriminant validity of the measuring instrument.

FINDINGS

The findings of the empirical investigation are presented in the following section. Firstly, this article will look at reliability, then validity, and lastly the findings of the multiple regression analyses will be discussed.

Reliability

The internal consistency reliability test compares different samples of the items being used to measure a phenomenon, during the same time period. This can be done by means of a split -half reliability test, also known as the coefficient alpha or Cronbach's alpha, and results exceeding 0.60 will reflect the lower level of acceptability (Ndubisi & Wah, 2005). The reliability statistics for the questionnaire are presented in Table 3.

It is evident in Table 3 that Cronbach's alpha for all three constructs are above the lower limit of acceptability, 0.60. This confirms that the measurement set used in the study was reliable.

Validity

Exploratory factor analysis, utilising the Varimax with Kaiser Normalisation was performed to assess the discriminant validity of the questionnaire. Validity was also confirmed by conducting the Kaiser-MeyerOlkin (KMO) and Bartlett's test of sphericity. Through these tests all the items on the questionnaire illustrating a significant <0.05 rating will indicate the validity of the questionnaire as a research instrument (Madiba, 2009). The KMO measure of sampling adequacy is an index that compares the sizes of the observed correlation coefficients to the sizes of the partial correlation coefficient. The overall Kaiser-Meyer-Olkin measure of sampling adequacy is defined as (Norusis, 2003):

...

Interpretation of the KMO as characterised by Kaiser, Meyer and Olkin are reflected in Table 4.

Bartlett's test of sphericity tests whether the correlation matrix is an identity matrix, which would indicate that the factor model is inappropriate. In matrix algebra, the determinant of an identity matrix is equal to 1.0. For example (Norusis, 2003):

...

The Chi-square calculated can be determined as follows:

$$x^2 = -[(n-1) - 1/6\ (2p+1+2/p)]\ [\text{In } S + p\ln(1/p)\ \Sigma l_j]$$

p = number of variables, k = number of components, l_j = jth eigenvalue of S

$df = (p-1)(p-2)/2$

Table 5 indicates the result of the KMO and Bartlett's test.

Table 5 indicates the validity of the research instrument with a significant level of 0.000.

The KMO was equal to 0.939, therefore the degree of common variance among the variables was marvellous. A factor analysis will extract most of the variance. Through the Anti-Image Correlation Matrix, the sampling adequacy was confirmed. All values on the diagonal were greater than 0.70. This is additional support for the validity of the research instrument used in the study.

Correlation between CRM and customer loyalty

Non-parametric correlation was performed to assess the relationship between CRM and customer loyalty. The results are reflected in Table 6. This was performed to give effect to the research objective formulated for this research study.

Table 6 indicates that the correlation between the different variables tested is significant, all above the 0.01 level. The Spearman rank correlation coefficient was used in this study. When utilising the Spearman correlation coefficient, the actual values of the two variables do not have to be linearly related, but their ranks do (Norusis, 2003). Strong correlation between the different variables is good, but if high, may also be an indication that the researcher is testing the same variable in different ways. From the secondary research conducted, it is clear that the different constructs tested are not identical. The primary research was conducted after consulting previous related studies and utilising the measuring tools developed during those studies, therefore the high correlation.

Relationship between CRM and customer loyalty

Organisations adopt CRM for a number of reasons, but most noticeably it is employed to increase customer satisfaction and customer retention or loyalty. The relationship with the customer can be exploited by the organisation through ero ss -selling, extension selling, or by some other transaction offering additional income to the organisation (Biedenbach and Marell, 2010). The study revealed that the majority of customers (45.01%) strongly agree that there is a relationship between CRM and intentional customer loyalty at a longterm insurance organisation in South Africa. All the dimensions of the study have high structural correlation (refer to Table 6). The empirical results indicate a positive relationship between CRM and intentional customer loyalty at a long-term insurance organisation in South Africa. The study is consistent with Botha and van Rensburg (2010) and Du Plessis et al. (2005), who state that CRM is based on an organisation's effort to develop long-term, mutually beneficial links with customers. Thus, if a long-term life insurance organisation has high quality relationships with customers, it will end up with more loyal customers. Kotler and Keller (2006) agree by stating that maximising customer value means cultivating long-term customer relationships. Therefore, if a life insurance provider is committed, trustworthy, communicates timely and accurately and is skilled in conflict handling, greater loyalty will be created among customers. These findings corroborate the findings of the study of Ndubisi (Ndubisi, 2007).

A multiple regression analysis was performed to assess the relationship between CRM and customer loyalty. The results are reflected in Table 7.

Table 7 indicates that CRM positively influenced the dependent variable customer loyalty. The relationship between CRM and customer loyalty is significant at $p = 0.000$.

This relationship implied that if the long-term insurance organisation successfully maintained relationships with its customers, intentional customer loyalty at the long-term insurance organisation will increase. Table 7 further indicates that CRM in the multiple regression analysis explained 80.2% of the variance (R) in the dependent variable. In other words, it can be said that 80.2% of a possible change in the level of customer loyalty in the long-term insurance organisation is caused by CRM. Finally, Table 7 illustrates that one unit increase in CRM will increase customer loyalty with 89.5% when considering Beta.

The hypothesis HO1 which states that there is no relationship between CRM and intentional customer loyalty at the long-term insurance organisation in South Africa is rejected. The hypothesis HA1 which states that there is a relationship between CRM and intentional customer loyalty at the long-term insurance organisation in South Africa is accepted.

MANAGEMENT IMPLICATIONS

The empirical results imply that a long-term insurance organisation can improve and maintain its relationships between the organisation and customers if the long-term insurance organisation exhibits trustworthy behaviour and shows genuine commitment to service. A long-term insurance organisation should develop training session to inform employees that the core CRM processes are customer acquisition, customer retention and customer development. Just as a customer acquisition strategy aims to increase the customer base, the focus of customer retention is to keep a high proportion of current customers by reducing customer defections. The long-term insurance organisation should launch a customer development strategy which aims to increase the value of retained customers. A long-term insurance organisation should retain and develop loyal customers by being trustworthy and committed to service delivery.

In order to maintain relationships with customers and to retain loyal customers, a long-term insurance organisation can give special benefits to loyal customers, for example lowering policy charges when new policy agreements are entered into, and charging less administrative fees for managing investments. It is clear from the empirical studies that only one unit increase in CRM at the long-term insurance organisation can increase customer loyalty with 89.5%. A long-term insurance organisation should ensure that CRM, and therefore customer loyalty, increases by delivering high quality and high value products and services. The policies and other services should deliver on promises.

A long-term insurance organisation should train employees to understand that every single contact with a customer must count. Customers' first impressions are the ones they remember, therefore frontline employees should be equipped to ensure a positive first experience. This is the best way to acquire loyal customers. A long-term insurance organisation must know its customers. Loyalty schemes equivalent to Discovery's Vitality Programme can be introduced by a long-term insurance organisation. This loyalty programme will not only contribute to obtaining a bigger share of the wallet of the customer, but can also be used to obtain more information about customers. A long-term insurance organisation must build a system linked to its policy master that will inform management when customers defect. These customers should be contacted immediately and asked why they intend leaving the long-term insurance organisation, and determine if anything can be done to rectify the reason why the customer is not happy.

A long-term insurance organisation must deliver excellent customer services and the particular experience a customer has with customer service will influence how the customer feels about a long-term insurance organisation. A long-term insurance organisation should always do the unexpected, and that is to treat customers well. Unfortunately, most customers today expect to be ignored or mistreated. A long-term insurance organisation can request senior managers to phone clients personally to thank them for their support or give reasons for a mistake made, and indicate what the long-term insurance organisation is doing to rectify the mistake. A long-term insurance organisation should use its customer database to maximise the personalisation of offers to customers. Should a long-term insurance organisation be able to implement the recommendations, customer loyalty will increase, which will lead to higher profits and will give a long-term insurance organisation a sustainable competitive advantage.

CONCLUSIONS

It is important to note that, although the research was conducted in four major centres in South Africa at one long-term insurance organisation, the findings and recommendations may be applicable to other longterm insurance organisation in South Africa due to the uniformity of services on offer.

This research succeeded in highlighting the importance of CRM when predicting customer loyalty at a long-term insurance organisation in South Africa. Organisations adopt CRM for a number of reasons, but most noticeably it is employed to increase customer satisfaction and customer retention/ or loyalty. The relationship with the customer can be exploited by the organisation through cross -selling, extension selling, or by some other transaction offering additional income to the organisation. The study revealed that the majority of customers (45.01%) strongly agree that there is a relationship between CRM and intentional customer loyalty at a long-term insurance organisation in South Africa. Finally, the study concluded that there is a high structural correlation between CRM and customer loyalty (refer to Table 6).

References

REFERENCES

Alhabeeb, MJ. 2007. On consumer trust and product loyalty. International Journal of Consumer Studies, 31: 609-612.

Baran, RJ. , Galka, RJ. & Strunk, D. P. 2008. Principles of customer relationship management. Mason, USA: Thomson South- Western.

Berndt, A., Du Plessis, L., Klopper, H. B., Lubbe, I. & Roberts -Lombard, M. 2009. Starting out in marketing. Roodepoort, South Africa: Future Vision Business Consultants.

Biedenbach, G. & Marell, A. 2010. The impact of customer experience on brand equity in a business-tobusiness services setting. Brand Management Journal, 17(6): 446-458.

Botha, GJ. and van Rensburg, A.C. 2010. Proposed business process improvement model with integrated customer experience management. South African Journal of Industrial Engineering, 2(1): 45-57.

Business Times (1998). Available from: http://www.btimes.co.za/98/0118/news/newsll.htm (Accessed 30 May 2010).

Cant, M., Gerber-Nel, C., Nel, D. & Kotze, T. 2005. Marketing Research. 2nd edition. Claremont, South Africa: New Africa Books.

Churchill, G. A. & Iacobucci, D. 2005. Marketing Research Methodological Foundations. Mason, USA: Southwestern Thomson.

Datamonitor. 2008a. Country analysis report, South Africa, n.p.: Datamonitor.

Datamonitor. 2008b. South Africa life insurance, n.p.: Datamonitor.

Du Plessis, PJ., Jooste, CJ. & Strydom, J. W. 2005. Applied strategic marketing. Sandton, South Africa: Heinemann.

Hawkins, P. 2004. South Africa's financial sector ten years on: performance since Democracy. Development Southern Africa, 21(1):179-204.

Kim, K.H., Kim, K.S., Kim, D.Y., Kim, J.H. & Kang, S. H. 2008. Brand equity in hospital marketing. Journal of Organisation Research, 61:75-82.

Kotler, P. & Keller, K.L. 2006. Marketing Management. New Jersey, USA: Pearson Prentice Hall.

Lehmuskallio, S. 2009. Intranet editors as corporate gatekeepers and agenda setters. Corporate Communications: An International Journal, 13(1):95-1 1 1.

Leverin, A. & Liljander, V. 2006. Does relationship marketing improve customer relationship satisfaction and loyalty? International journal of bank marketing, 24(4):232-251.

Liberty Holdings Limited. 2010. Liberty Holdings Limited, annual report 2009. Johannesburg: Liberty Holdings Limited.

Life Offices Association. 2010. Half-yearly statistics – circular 85/2010. Cape Town: Life Offices Association.

Madiba, G. 2009. The influence of the elements of the extended marketing mix on consumers' intention to purchase at a fast-food retail chain in Johannesburg. Unpublished master's dissertation. Johannesburg, South Africa: University of Johannesburg.

Ndubisi, N. O. 2007. Relationship marketing and customer loyalty. Marketing Intelligence & Planning, 25(1):98-106.

Ndubisi, N.O. & Wah, C. K. 2005. Factorial and discriminant analyses of the underpinnings of relationship marketing and customer satisfaction. International Journal of Bank Marketing, 23(7):542-557.

Norusis, M. 2003. SPSS 12.0 Statistical procedures companion. New Jersey, USA: Pearson Prentice Hall.

Read, B. 2009. Top Tips To Build and Keep Customer Loyalty With CRM. Customer Inter@ction Solutions, 27(9):26-28.

Reinartz, WJ. & Kumar, V. 2003. The impact of customer relationship characteristics on profitable lifetime duration. Journal of Marketing, 67(1):77-99.

Rootman, C. 2006. The influence of customer relationship management on the service quality of banks. Unpublished master's dissertation. Port Elizabeth, South Africa: Nelson Mandela Metropolitan University.

Tynan, C. and McKechnie, S. 2009. Experience marketing: a review and reassessment. Journal of Marketing Management, 25(5): 501-517.

Van Doom, J. & Verhoef, P.C. 2008. Critical incidents and the impact of satisfaction on customer share. Journal of Marketing, 72: 123-142.

Zeithaml, V.A., Bitner, M. & Gremier, D.D. 2006. Services marketing, integrating customer focus across the firm. New York, USA: McGraw-Hill.

Zikmund, W.G. & Babin, BJ. 2007. Essentials of marketing research. 3r edition. Mason, USA: Thomson South.

AuthorAffiliation

Mornay Roberts-Lombard is an Associate Professor in the Department of Marketing Management at the University of Johannesburg in South Africa. He holds a PhD in Business Management from the North West University (Potchefstroom campus) in South Africa and is an active researcher in the fields of Relationship marketing, Customer Relationship Management (CRM) and Internal Marketing. He has a strong passion for teaching and has contributed to a variety of books in the field of Marketing. He enjoys travelling and is a fellow of the American Marketing Association (AMS).

Leon Du Plessis is an admitted Advocate of the High Court of South Africa. He is currently applying his skills to the financial industry where he holds the position of Compliance Manager for the professional Provident Society, a financial services organization in South Africa. He holds a Masters degree in Business Management from the University of Johannesburg in South Africa and has published in the field of Customer Relationship Management (CRM). He has also delivered papers on CRM in South Africa and Turkey and has contributed to the popular press on CRM issues in South Africa. He is also a member of the Golden Key Association.