



**Cape Peninsula
University of Technology**

The role and value of customer relationship management systems on customer retention in a life insurance organisation in the Western Cape, South Africa

by

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Dissertation submitted in fulfilment of the requirements for the degree

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Date

ABSTRACT

This research study is focused on the role and value of customer relationship management (CRM) information and communication technology's (ICT) potential for customer retention (CR) in the life insurance business in South Africa's Western Cape Province.

This study is located within the management research paradigm because it investigates business problems with the aim of providing recommendations for their improved management. The primary focus of this research is to examine the role and value of CRM ICT potential on CR in the life insurance sector in South Africa's Western Cape Province. Many insurers have some form of retention program in place, however with the advent of technology, new entrants in the market, tough economic conditions and clients becoming more financially conscious, insurers need to seek new methods to retain clientele. The research is attempting to uncover if CRM ICT will have an impact or influence on CR within the life insurance industry in South Africa's Western Cape Province.

This study applies a quantitative research method, examining the causal link between CRM ICT and CR in the life insurance industry, by administering a questionnaire that established the relationship between CRM ICT and CR. The study's sample was one hundred clients from one walk-in centre of a major life insurance company. All clients completed the questionnaire without any preselection. Clientele were randomly selected, thus, a fair representation of the larger population pertaining to the research problem exists. Computer-aided spreadsheet software was used to collate and analyse data by means of quantitative methods.

Keywords

Customer relationship management; Client retention; Insurance industry; Internet and communication technology; South Africa; Western Cape.

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DEDICATION

**To all lifelong learners passionate about the constant pursuit of
education**

GLOSSARY OF TERMS AND ABBREVIATIONS

CR	Customer retention
CRM	Customer relationship management
IT	Information technology
ICT	Information and communication technologies
Insurance	Insurance is a means by which the insured client secures protection for him/herself and family against unforeseen circumstances.
FAIS Act	Financial Advisory and Intermediary Service Act
Intermediary	A broad definition that includes vendors, channel partners or anyone who needs information from a business

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CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Introduction

A report prepared by Klynveld Peat Marwick Goerdeler, better known as KPMG (2018:69) noted that the life insurance business in South Africa is continuously evolving, operating in a market in which the measure of client-centricity is the key differentiator, technology offers various methods to engage clientele, understand their requirements and provide personalised solutions. However, the report continues, the challenges of sluggish and obsolete systems make it problematic for recognised life insurers to keep-up with this rapidly growing marketplace. Commonly, by the time required changes have been made to large and complicated information technology (IT) infrastructures, the market may have already evolved.

The life insurance industry, therefore, needs quicker and more affordable methods to meet fluctuating market demands and reach out to existing and new clients. To stay relevant and engage more interactively with clients in the digital age, the KPMG (2018:69) report noted that insurers need to develop their IT capabilities. This study provides an investigation into the role and value of customer relationship management systems (CRM) on customer retention (CR) in a life insurance organisation in South Africa's Western Cape Province. (It should be noted that whenever the term 'insurance' is used throughout this dissertation it relates specifically to the life insurance industry.) Section 1.2 of this chapter provides the background to the research problem, followed by the significance of the study in Section 1.3.

1.2 Background to the research problem

The 2019 KPMG insurance survey (2019:99) reported on the decreasing growth and an increase in first year lapses in ongoing premium business. The insurance survey found that the South African real Gross Domestic Product (GDP) growth was low at less than 1% and equity markets declined 14% year-on-year. High unemployment rates, increases in Value Added Tax (VAT) and the price of fuel made 2018 very difficult financially for consumers. Disposable income is under duress and has decreased people's ability and inclination to save and invest. The survey concluded, that with changes in regulatory compliance and application, and driving innovation and technology, probing into uncharted terrain is what is required in fluctuating times for insurers to distinguish themselves from the masses.

As a result of rapid and relentless shifts in technology, a PricewaterhouseCoopers (PWC) report (2019:3) found that:

- Clients are more persuaded about product options and prices, which is increasingly affecting their purchasing and channel partialities. A growing number of clientele are expected to search for these products online, although the conversion rate is still low.
- In the next ten years the number of life insurance policies sold via the internet will double. This increase makes it crucial for companies in these markets to prepare accordingly for a shift in channels.
- Clients have established an inclination to manage their insurer relationship via the internet. More than a quarter of clients are keen to conduct and manage their needs digitally, with little or no personal contact.
- In a marketplace in which the depth of client centricity is the key differentiator, technology unlocks an assortment of methods to engage clients, understand their needs and provide bespoke solutions.
- The trials of sluggish and dated systems are making it difficult for established insurers to keep-up with this swiftly developing market. Frequently, by the time the required changes have been made to complex IT infrastructures, the market might have already changed.
- To remain relevant and engage interactively with clientele in the digital age, insurance companies need to advance their digital abilities.

According to KPMG (2018:69), clients are comfortable conducting their business and interacting with insurance companies online. To remain relevant, life insurance organisations also require quicker, less complex and inexpensive ways of meeting evolving market demands and reaching out to existing and new clientele.

CRM is the new measure for managing and propagating business more successfully in the life insurance industry (Rani & Soni, 2019:130). In their 2019 survey, KPMG (2019:81) argues that the South African life insurance industry faces a very volatile, undefined, complex and uncertain political and economic environment in South Africa. A Pricewaterhousecoopers (PWC) (2017:4) report, similarly argues, that the South African life insurance industry is operating in a rapidly evolving environment that is growing in complication. The PWC report notes that changing client needs and market erosion require innovative processes and a readiness to accommodate the swift changes in technology. This volatile environment, Roberts-Lombard (2012:2) argues, has created increased competition and uncertain economic futures, which has placed life insurers under pressure and facing a steady increase in policy lapses.

As the primary concern in the life insurance industry is attaining and, more crucially, retaining clientele, the success of role players in this insurance industry is reliant on the services they offer, CRM initiatives are a key element of growth in the insurance industry (Maties & Ilies, 2014:1139). CR presents a significant challenge in the South African life insurance sector. A study conducted by Madubanya (2015:65) indicates that insurers are concerned about the high number of policies being cancelled or lapsed. Similarly, a survey by KPMG (2018:70) indicates that tough economic conditions continue to put strain on the client, which results in higher lapse rates, a fact that offers a challenge for insurers. Most insurers have some form of retention programme in place, but the increasing lapse rates suggest that these programmes have little impact, due to most efforts being focused on 'firefighting' and containing the problem (Sandhu & Bice, 2014:15).

The significant level of industry competition and ever more financially conscious clients, makes it important for insurers to retain clients, thus CR becomes a vital component of CRM (Gunther, et al., 2014:59). The increasing expectations of clientele has required the life insurance industry to adopt new CRM strategies, which have had a significant affect on the sales. Furthermore, technological developments and declining technology costs have decreased parameters for implementing ICT constructed CRM tools (Maties & Ilies, 2014:1139).

The lapsing of life insurance policies remains a concern for life insurers – a situation which, if not addressed, could lead to bankruptcy (KPMG, 2018:34). Insurers operate through the sharing and pooling of risk, meaning that if losses are experienced, these are shared and spread across the group. Policies that lapse have a negative impact on the sharing and pooling of risk, therefore, the profitability of the insurer decreases. Hence lapsed policies have an impact on CR that is inevitably unfavourable for the insurer's financial viability (KPMG, 2018:34). However, despite general knowledge on the role and value of CRM ICT potential on CR in the life insurance sector, specific information on this subject in South Africa in general, and in its Western Cape Province in particular, is sparse.

1.3 Significance of the research

This study contributes to an understanding, knowledge and implementation of a successful CRM related ICT tool within the life insurance industry. This research will also contribute to the existing literature of CRM and its related concepts within the existing body of knowledge. Furthermore, the proposed research could potentially afford understanding to determine whether CRM related ICT will garner the above mentioned benefits so that the findings of this

proposed research may be recommended to other insurance companies and service related industries.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Chapter One introduced the format of this study. Chapter Two provides a comprehensive review of literature of the South African life insurance sector. Section 2.2 provides context of the current situation of the South African life insurance industry. This section indicates the problems faced by the industry, namely increased competition and lapse rates. The concept of CR is discussed, the influence of CR and the effect of CR in the insurance industry. Information and communication technology is defined and discussed. The concept of customer relationship management is discussed, the different types of CRM is discussed in and CRM as a technology is also discussed. An overview of competitive advantage is discussed, Porter's five forces model is introduced in Section 2.11 and a brief overview of the criticism of Porter's five forces model in Section 2.12. The competitive advantage of information and communication technology in the insurance industry is comprehensively discussed in Section 2.13. Section 2.14 concludes Chapter Two with a discussion of how the various concepts of customer retention, CRM, ICT and competitive advantage are applied to this study.

2.2 Overview of the South African life insurance industry

In their 2019 survey, KPMG (2019:81) argues that the South African life insurance industry faces a very volatile, undefined, complex and uncertain political and economic environment in South Africa. A Pricewaterhousecoopers (PWC) (2017:4) report, similarly argues, that the South African life insurance industry is operating in a rapidly evolving environment that is growing in complication. The PWC report notes that changing client needs and market erosion require innovative processes and a readiness to accommodate the swift changes in technology. This volatile environment, Roberts-Lombard (2012:2) argues, has created increased competition and uncertain economic futures, which has placed life insurers under pressure and facing a steady increase in policy lapses.

Kotler and Keller (2006:152) state that the success of life insurers in the current global competitive market depends on clients who are empowered and brand-loyal. As brand-loyalty losses are growing, they argue further that life insurers will have to adopt CRM. CRM is the new measure for managing and propagating business more successfully in the life insurance industry (Rani & Soni, 2019:130). Madubanya (2015:10) similarly notes that if

client relationships are not managed effectively in the South African life insurance sector, given the tough economic conditions, clientele will be inclined to cancel their insurance policies and/or take their business elsewhere.

The significant level of industry competition and ever more financially conscious clients, makes it important for insurers to retain clients, thus CR becomes a vital component of CRM (Gunther, et al., 2014:59). The increasing expectations of clientele has required the life insurance industry to adopt new CRM strategies, which have had a significant affect on the sales. Furthermore, technological developments and declining technology costs have decreased parameters for implementing ICT constructed CRM tools (Maties & Ilies, 2014:1139).

The lapsing of life insurance policies remains a concern for life insurers – a situation which, if not addressed, could lead to bankruptcy (KPMG, 2018:34). Insurers operate through the sharing and pooling of risk, meaning that if losses are experienced, these are shared and spread across the group. Policies that lapse have a negative impact on the sharing and pooling of risk, therefore, the profitability of the insurer decreases. Hence lapsed policies have an impact on CR that is inevitably unfavourable for the insurer's financial viability (KPMG, 2018:34). However, despite general knowledge on the role and value of CRM ICT potential on CR in the life insurance sector, specific information on this subject in South Africa in general, and in its Western Cape Province in particular, is sparse. According to the 2021 KPMG insurance survey the pandemic has accelerated many of the changes that were already in play such as a shift from traditional networking to more digital interactions through mobile communication, social media and online events. Being tech savvy is important and continued CRM investments will need to be made. Insurers needs to be able to show value quickly to customers looking for data-driven insights on how products will add value. The 2019 KPMG insurance survey (2019:34) agrees that despite the challenges faced in the South African life insurance industry, many entrants are launching new propositions into the market. These new entrants reflect that the industry is not sufficiently protected, existing proposals need improving (a fact that is apparent from the increased lapses in the market), and that the price of servicing clientele is too expensive. The new entrants are confident that they can action these issues quicker than the existing insurers or by partnering with the existing insurers to help them improve their point of execution. The 2019 PWC insurance survey (2019:11) argues that many insurers are reinventing their primary markets and product lines in order to find the right clientele, using the right channels, and making the right offers, all at the right time. The report states that insurers are focusing on knowing their clientele, staff and intermediaries and using the most relevant available data to improve the user experience and create and maintain stronger relationships with their clientele.

Moreover, while a personalised approach is new in insurance, insurers that are able to offer this service will have lowered acquisition costs, increased client loyalty and would have gained competitive advantage.

2.3 Customer Relationship Management

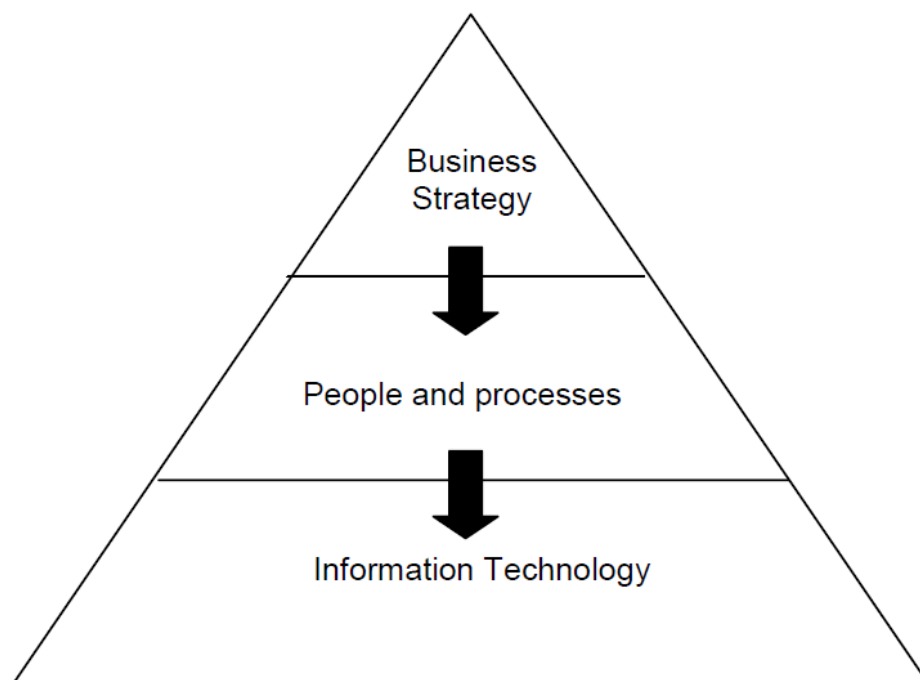
The benefits of CRM is generally acknowledged (Nguyen, 2011:137). However, its specific nature is contested. Buttle (2004:16) argues that CRM has a very diverse definition and could mean one idea to certain people, and could mean another idea to other people. Buttle and Maklan (2015:4) describe CRM as an integrated information system. The primary purpose is to grow long-term sustainability and profitability via an increased understanding of how clients behave. Shanumgasudaram and Srilekha (2017:32) similarly, describe CRM as a system for managing an organisation's interactions with current and future clientele, CRM often uses technology to synchronise sales, marketing, technical support and customer service. For Kotler and Keller (2006:152) CRM involves handling personalised information on clientele and facilitating all client interaction to increase client loyalty.

Swift (2001:177), maintains that there are many benefits to gain from CRM implementation:

- Decreased cost of clientele: the price of acquiring clients will lower as marketing costs will decline.
- The number of long-term clients will rise and, therefore, the need for new clientele will decline.
- Reduced price of sales: the price with regard to selling is lowered based upon the fact that present clients are usually more responsive.
- Increased client profitability: the client profitability will increase since the client will be upsold and cross-sold, resulting in referrals with increased client satisfaction among present clientele.
- Improved client retention and loyalty: the client retention increases since clients are retained long-term and purchases on a regular basis.

For Swift (2000:16), CRM marries the relationship marketing strategies and IT to develop sustainable and profitable relationships with clientele and all other stakeholders. This fact will require a multi-functional integrated approach of people, processes, operations and marketing abilities that is possible via IT and its applications. Greenberg (2001:16) asserts that as a result of all the diverse opinions regarding what defines CRM, CRM should start with a marketing plan which will then guide the company and marketing plan that is ultimately empowered by utilising IT.

Figure 1.1: CRM Evolvement (Greenberg, 2001:17).



2.4 2.4 Types of CRM

Buttle (2015:5) states that there are three types of CRM, namely strategic, operational and analytical CRM. Strategic CRM is focused on the growth of a client centric business culture, committed to gaining and maintaining clients by generating and distributing better value than their competition. Strategic CRM is a core client-centric business strategy with the objective of acquiring and retaining profitable clientele. Operational CRM is defined as services that permit a business to care for their clients. It provides support for sales, marketing and service. Operational CRM is focused on the computerisation of client-facing transactions such as selling, marketing and client service. Analytical CRM is focused on capturing, storing, extracting, integrating, processing, analysing, distributing and reporting client-faced data to improve client and organisational value. Analytical CRM is focused on the innovative-mining of client data for the purposes of strategic direction.

The terms CRM and relationship marketing (RM) are sometimes used interchangeably (Gummesson, 2003:3). CRM is the practical implementation of RM. RM shares many similarities with other marketing domains, mainly CRM (Palmatier, 2008:3). RM focuses on improving performance by changing relationships and creating better relationships that are more effective for increasing performance among services than among products. CRM is a frequently used concept in the

foundation of IT solutions and is defined as information-enabled relationship marketing (Ryals & Payne, 2001:3).

Zablah, Beuenger and Johnston (2003:116) contend that CRM is connected to relationship marketing from a theoretical point of view which is not recognized in the reviewed literature and they recommend that further investigation of CRM is required.

Relationship marketing is commonly contrasted with 'traditional marketing'. The table below by Rashidi (2010:4) provides a comparison between traditional marketing methods and CRM methods.

Table 1.1 Comparison between traditional marketing method and CRM method

Marketing by traditional method	Marketing by CRM method
Based on the discount	Based on the relationships
Manages the products	Manages the client relationships
Distinguishes between products	Distinguishes between clients
Competes for contribution of market	Competes for contribution of each client
Speaks with clients, talks and sales	Involves clients in a conversation
Believes that similar practices should be implemented equally by clients	Believes that practices should be implemented independently by customers

Source: Rashidi, (2010:4)

A number of financial industries, such as banking and insurance, grasp the significance of CRM and its value in assisting them attain new clientele, keep current clients and increase their lifetime value (Rashidi, 2010:4). A good relationship with clientele will need synchronization of IT and marketing business units to deliver long-term relationships of profitable clientele (Read, 2009:27). Sikarwar (2012:1) argues that CRM is used by insurers to manage their relationship with clients, including the capture, storage and analysis of client information. He argues that CRM systems need to consider client privacy and data security, as clients want the assurance that their data is not shared with third parties. However, Sikarwar (2012:1) argues further that clients also want their data stored by insurers to provide a benefit for them.

2.5 CRM as a technology

Nikhashemi, et al. (2013:80) provide an argument associated with the acceptance that the internet has been changing so rapidly and has been providing many advanced technologies for conducting business that manages client relationships in a proper and organised manner. It is essential to continuously improve client support to ensure sustainable relationships with existing clientele, therefore, internet technology plays a crucial role by enhancing CRM which has companies replying faster to client needs and affording clients the opportunity to help themselves (Nikhashemi, et al., 2013:80).

For Chen and Popovich (2003:675) incorporating CRM based technology refers to the extent to which a business includes vital IT to develop, manage client relationships with their potential and existing clients. Bose (2002:90) agrees by asserting that incorporating CRM based technology enables companies to strengthen the ability of the database of the clients through IT-enabled communications which may be IT-assisted (manual) whereby employees will work as the intermediary between the CRM process and the client and the final one is an automated interaction which empowers the client for the direct interaction with the company.

IT has a substantial impact on CRM practices by linking front-desk, for instance sales, and back-office activities that ultimately ensure effective and efficient client management through different ways such as the Internet, direct mail, sales calls and so forth (Chen & Popovich, 2003:675). Greenberg (2001:59) agrees that IT needed in CRM includes front-office processes supporting sales, marketing and service; and back-office processes enabling the amalgamation and analysis of data. For Ryals (2005:255) the CRM front-office applications facilitate the handover of data from the company to the client by directing the data to appropriate staff working in relevant departments including marketing, sales and service. CRM application permits the channel of client knowledge within a company that could result in improved decision making.

Bharami, Gorbani and Arabzad (2012:61) argue that, although CRM is not new, considering advances in IT, it has been designed practically. They explain that this wide-ranging strategy attempts to acquire knowledge by client's data collection and analyse this through the effective utilisation of IT and, thereby, establish effective relationships with clients and eventually assist businesses to achieve long-term

profits. CRM is a designed process to gather data linked to clients, to comprehend features of clients and to apply it to specific marketing activities.

Buttle (2004:110) lists a number of CRM technologies:

- Upselling and cross-selling companies in single and multiple communication channels is possible through the use of campaign management software.
- Upselling and cross-selling activities are frequently related to event-based marketing.
- Cross-selling and up-selling operations are commonly based on mining data. What clients bought in the past has already been recorded.
- Customisation. Cross-selling and up-selling activities can be customised at exclusive client level, constructed upon what the client purchased in the past.
- Client generating activities can be cohesive across channels.
- Organisations prefer that messages sent to clientele are the same across all channels.
- Marketing optimisation. Optimisation permits organisations to enjoy growth from up-selling and cross-selling operations across different channels taking into consideration issues such as budget limitations and communication prices.

In established markets, in which client procurement is challenging, the progress of retained clients is vital for additional revenues (Buttle, 2004:111).

2.6 Customer retention

The primary objective of marketing is to preserve clients from a long-term point of view, to deliver competitive advantage and maintain organisational survival for the foreseeable future (Anabila & Awunyor-Vitor, 2013:11). In the evolving world it has become common to use internet-based technology to connect businesses and their target markets. The internet has been welcomed by organisations, which has created undeniable business opportunities in order to enhance CR (Nikhashemi, et al., 2013:79).

Cant and van Heerden (2004:191) describes CR as providing a service after the sale, failure to do so will lead to more lost sales. Buttle (2004:298) notes that money and time are consumed on acquiring new clients, but less resources are focused on keeping them. The price of appealing to a new client is frequently higher than the client's lifetime value with the company (Kotler, 1997:47).

Oketch (2014:1) asserts that the insurance industry is unique with demand for products and services that need to be managed efficiently so as to ensure that clients who have been difficult to win do not defect to competitors. He found that increased competition and little differentiation on product offerings, has created an increasing challenge for insurance companies to retain clientele. Epetimehin (2011:62) agrees that existing clientele are already aware of a company's products and services, the focus, therefore, is on individual clients instead of traditional market share. Coviello and Trapani (2013:586), similarly argue that CR still has an influence on insurers' profit margins. CR for insurance companies, therefore, is crucial for any organisation, the loss of key clients can be detrimental, because companies lose premium revenue.

Reichheld and Sasser (1990:106) argue that returns in service trades increase in proportion to the term of a client's relationship. A relationship with a customer and CR starts when a potential client interacts with the service provider.

Insurance products have become largely commoditised, leaving clients with little to base their choices upon other than purely on the basis of price (Waithaka, 2014:12). With little differentiation between products, it is difficult for insurers to retain clientele, which commonly results in poor loyalty levels and higher administration costs.

The findings below materialised from a research study conducted on the influence of CRM on customer loyalty at an insurance company in South Africa, the study was conducted at five client walk-in centres in Johannesburg, Pretoria, Durban and Cape Town in 2010.

The study by du Plessis (2010) pointed to the following influence of CRM on customer loyalty:

- If the insurer effectively sustains relationships with its clients, intended customer loyalty will increase.
- Most clients strongly agree that trust is a significant aspect that reinforces CRM.
- Clients regard personalised services as an indicator of commitment.
- Most clients strongly agree that commitment is a significant aspect that reinforces CRM.
- The level of CRM can be improved if managers propose personalised solutions to clients that match the clients need via the utilisation of client information.

A study by Madubanya (2015:45) indicated that a most clients agreed that CRM influences them towards a life insurance company. This finding means that good relationships between clients and the insurer have resulted in loyal clients and general improvement in relationships, which increases the number of loyal clients and vice versa. Madubanya (2015:45) argued that an insurer should improve current CRM initiatives, resulting in an improvement in customer loyalty, satisfaction and retention. While most clients who participated in the study stated that CRM does exist at the insurer, it is recommended that their CRM initiatives and processes be reviewed, and all staff and employees should be educated about CRM. The research study concluded that there is concern among South African insurance companies about the high number of policies that lapse or are surrendered. The question posed is how can insurers use CRM to improve customer loyalty and retention.

2.7 Customer retention in the insurance industry

Kotler (2003:53) argues that more organisations are realising the value of sustaining and retaining clients, because they form part of the organisation's relationship capital. CR always starts with the lure of the client via the retention process.

Organisations looking to increase their profit margins and sales must spend resources probing for new business for mutual relationship, unfortunately, most marketing literature and practice focuses on the attraction of new clientele as opposed to retaining existing ones (Kotler & Keller, 2008:23). Pilecki (2007:2) agrees that insurers are concentrating on retaining their existing customers, but with little victory, they need to apply a proactive approach instead of a reactive one. He contends that mergers and acquisitions cause customers to rethink loyalty and switching insurers is more convenient than in the past. In addition, Pilecki argues, insurers address CR as a project, rather than a process, as a result, firstly, there is no common definition or measurement for attrition. Secondly, retention strategies address products, not clients. Finally, employees do not have relevant offers to make and insurers are trying to retain all clientele, not just profitable customers. Consequently, the urgency to retain customers is growing because insurers are facing broader competition than before.

Gunther, et al. (2014:59) argues that insurers can no longer depend on a steady client base. They explain that in recent years, clients in many countries have switched their insurance provider. They highlight that a large number of market

competitors and increasingly conscious clients, it is crucial for insurers to retain clients, hence CR is a vital aspect of CRM. It is crucial, Guillen, Neilsen and Perez-Marin (2008:209) [Not in Reference List] argue, for insurers to monitor customer loyalty due to reasons such as the efficient tackling of client recruitment and client retention strategies, assessment of market's competitiveness in the insurance industry and the insurer's position in the marketplace. According to Lombardi (2005:29), retaining clientele is crucial for insurers because an ongoing relationship with clients yields improved opportunities of cross-selling and successful endorsement intentions. Moore and Santomero (1999:23), similarly argue that increased retention rates are related to improved financial performance.

While the need for retaining customers is acknowledged it is not necessarily practiced. A research study on the trials of CR by an insurer in Kenya Oketch (2014:35) found that:

- The insurer does not have a dedicated business unit handling CR initiatives, rather the responsibility is dispersed to employees in the marketing and underwriting department.
- Competition has been cited by all participants as being a challenge to the retention of clientele.
- Administration of large data base of clientele with inadequate human resources has also been difficult for insurers.
- Managing client expectations and fulfilment is a challenge that was highlighted, as noted by the participants, client expectations are complicated.
- Securing a sense of trust between clientele and the insurer has been proven difficult.

Oketch (2014:35) concludes that a programme monitoring retention efficiency is crucial. Although client loyalty and retention are not new concepts, there is an augmented emphasis on managing effective tactics around them. The out-dated means of creating loyalty and client retention are weakening returns. Oketch (2014:35) notes that clients are becoming desensitized to loyalty programmes, insurers need to be pioneers in delivering exceptional value to protect existing clientele and grow their revenue stream. Finally, Oketch (2014:35) argues that unless client retention is taken as serious business objective, simply concentrating on acquiring new clients will not succeed to effectively achieve the primary goal of sustained profitability by insurers. Based on this research, not only is CR an economical and profitable strategy, but is also a necessity for business sustainability. CR has attracted attention from both practitioners and academics in

the field of marketing. A balance should be found between winning new customers and retaining old ones.

2.8 Information and Communication Technology

Mennati (2010:28) defines ICT as technology utilised to manage processing, gathering, delivery and usage of information. Jahani (2010: 33) argues that ICTs are an assorted set of high-tech tools and resources used for generating, storing, facilitating and communicating information. ICTs provide the opportunity for insurers to select how they want to interact with its clientele (Al-Khaffaf & Abdellatif, 2011:67). ICTs have enhanced every aspect of human behaviour (Fadun, 2012:83). The worldwide business setting, Fadun argues, has been revolutionised by originality, innovation and the advancement of technology, thereby, growing client responsiveness and accessibility of a wider variety of speciality services and products. New technologies, he continues, have profoundly enabled companies to overwhelm barriers such as price, time and geographic location to worldwide operations.

ICT has a significant effect on the societal lives of individuals as well as the financial structure of any business, country or nation (Sapa, Phunde & Godbole, 2014:311). Fadun (2012:83) argues further that ICT improves the function of management predicting and forecasting, systematising and the type of products and services offered in the industry. It has significantly enhanced functionality universally in view of the existing innovation to increase quality service. It improves the process needed to achieve the goals of the organisation. The use of ICT in the insurance sector is pertinent and valuable considering the role of insurance and how it impacts the economy. Razaq (2010:74) argues that many benefits have been consequent from the embracing and usage of ICTs: two significant benefits include quicker communication methods and more efficient operational times, technology makes it simple to process claims and maintain policies and clients. Technology has made live interaction with stakeholders, clients and associates located outside their head office a reality (Razaq,2010:7). Technology has provided an opportunity for feedback and engagement with clientele and potential policyholders and important documentation, information and resources can be shared and distributed effortlessly online.

Research conducted by Oghojafor, Aduloju and Olowokudejo (2011:23) argues that the use of ICTs in CRM within selected insurance companies in Nigeria found that:

- In most insurance companies, clients could not complete key transactions online without face-to-face interaction, as a result of IT not being completely integrated with CRM.
- The majority of insurers have a comprehensive database with the aid of IT.
- An effective amalgamation of CRM and IT will increase the extent of client business and the companies' profitability.
- CRM with sufficient IT services should be deeply rooted in all operational areas in the insurance industry.
- To improve the effective operation of CRM, management should implement a more systematic method regarding the involvement of staff with essential knowledge of client relations within the organisations to meet client needs.

The study by Ogbojafor, Aduloju and Olowokudejo (2011:35) concluded that the significance of combining IT with CRM cannot be overemphasised. They argued further that CRM can be improved using ICT and this fact is being accepted steadily by the insurers in Nigeria. To summarise, these researchers found that CRM and ICT, if effectively amalgamated in service delivery, would decrease the time in client service delivery and inevitably improve an organisation's profitability.

Thakur and Patri (2010:3) argue that technology has become an important tool for enhancing insurer's client relations. They assert that clients are comfortable with technology and are convincing insurance companies to adjust technology to their needs. Ogbojafor, Aduloju and Olowokudejo (2011:453) affirm that more service orientated industries, such as banks and insurance companies, are providing ICT based service options to their clientele. They argue that these services will add advantages such as improved client satisfaction, higher productivity and improved financial performance. According to Coviello (2015:4) new technology encourages and supports insurance companies to try and attain competitive advantage. The author emphasises that being able to overcome this hurdle is intricate and costly if the insurance company is not equipped with an integrated CRM system.

Abu-Shanab and Anegrah (2015:225) found that recent progress in ICT and the acceptance of new media has resulted in business opportunities becoming more attainable for clientele. This fact has caused an increase in pressure and opportunities of competition among organisations to achieve satisfaction from demanding clientele, hence long-term CRM is becoming more essential. Close relationships with clients will cause strong co-ordination between marketing and IT departments to deliver long-term relationships with clientele. Choudhuri (2016:54) state that insurers are trying to change their focus from product orientation to customer orientation and including IT investment in their organisation to achieve

competitive advantage over competition through the use of IT and IT enabled services. The evolution of IT has been the cause of significant changes in the way insurers operate and in terms of relationship management, resulting in the changes of marketing roles, particularly with regards to CRM. Relationships and IT are interdependent issues (Brito & Ramos, 2003:2). Continuous advances in ICT play a crucial role because it has allowed organisations to collect client data at a reduced cost, simultaneously, these improvements have paved the way for organisations to generate skills to save, share, evaluate and transfer information from this data (Estrella-Ramon, et al., 2013:47).

Coviello and Trapani (2013:588) contend that CRM is primarily a cultural and organisational changeover of the company. They assert that it is a guideline that needs an integrated cross functional collaboration of the insurer, whereby management must create the preconditions for transformation. The emergence of IT has greatly transformed consumer's socio-economic culture and human exchanges are being replaced by the interactions of human technology. (Choudhuri, 2016:53).

2.9 Overview of competitive advantage

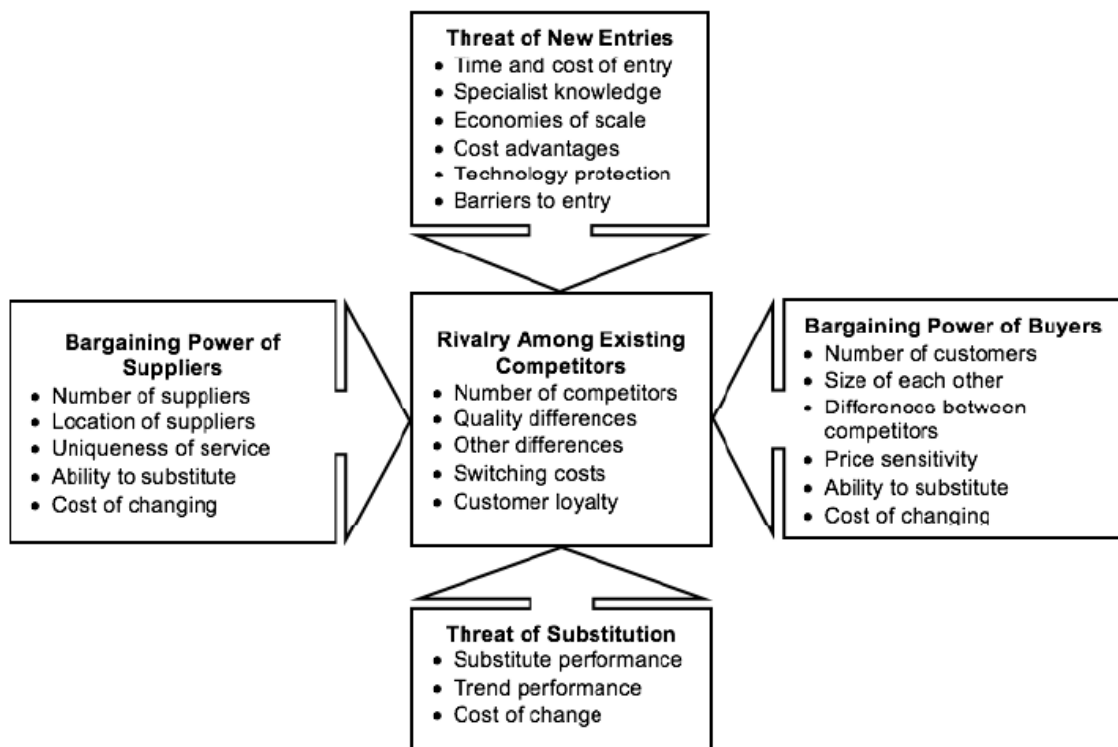
Porter (1980:33) describes competitive advantage as an organisation's capacity to perform in various methods that competitors would not and cannot match and/or beat and is realised by the organisation's strategic plan, the employment of this strategic plan and the way in which competition unfolds. Porter (1979) established his Porter's Five Forces model which is regarded as a primary foundation of strategic planning management for business and organisations. Porter (1980:37) contends competitive advantage occurs when an organisation is able to market similar goods and services as the competition but at a cheaper price or to deliver goods and services with an increased quality than competitors. Hence, a competitive advantage permits an organisation to enhance value for its clients and increase profits for itself. There are many methods and models for analysing a competitive environment, the researcher chose Porter's Five Forces model due to the role played by these five forces in the South African insurance industry. Porter's Five Forces model has stood the test of time and is considered and perceived as the best by various industry experts and academics.

2.10 Porter's Five Forces Model

Porter's Five Forces model on competitive advantage provides a clear background and understanding on competitive advantage and, thus, is significant for evaluating the nature of competition in an industry. This model assists in analysing the organisation's environment

and understanding the position of its competition. Jaradat, Almomani and Bataineh (2013:458) argue that Porter's Five Forces model helps in analysing an organisation's environment and understanding the position of its competition, while a successful strategic plan permits an organisation to enhance its competitive advantage. ICT is a crucial factor when supporting strategic goals of an organisation that enhances competitive advantage over the forces of competition within a given market environment (Laudon & Laudon, 1996:23).

Figure 1.2: Porter's Five Forces Model (Porter, 1985:22)



In terms of the above model, competition in business is defined by five forces namely: rivalry of industry competitors, threat of new entrants, bargaining power of consumers, bargaining power of suppliers and the threat of substitute products (Porter, 1980:23). Porter explains that the threat of new entrants to an environment can increase competition levels, hence decreasing the appeal. The threat of new entrants relies on the barriers of entry that exist. Certain industries have high entry barriers whilst in other environments such barriers are limited. The greatest barriers of entry in the South African insurance sector include licensing laws, capital requirements and access to financing and regulatory compliance. Porter (1980:137) contends further that organisations may face differing levels of exposure to competition from substitutes, even though these organisations are all in the same industry. Bruijl (2018:5) argues that bargaining power of suppliers could have a negative impact on an industry's bottom-line because suppliers can threaten organisations with rising costs of goods and services, when organisations are unable to recover these, the cost increases are

reflected in its own prices. Porter (1980:37) argues that with regard to bargaining power, when buyers are influential, sellers can create behaviours whereby buyers are ready to pay an increased sum for certain products. Sellers need to accept that there is an inequality of influence and that viability will be reduced, or even to take a rate of return that is nearer to the cost of capital. Furthermore, sellers can discover various methods for inflating the price that buyers must bear when transferring from one seller to another seller.

2.11 Criticism of Porter's model

Bruijl (2018:1) argues that advancing technology and dissimilar methods of tactical thinking, such as determining the future engagement levels with clientele and building long-term relationships, using pioneering methods, have changed Porter's model rational from challenging in a current competitive environment to looking for openings in new environments. He argues further that, in today's highly competitive market economy, organisations are apprehensive about looking for full engagement in the five forces process. Bruijl (2018:16) lists the following criticisms of Porter's model:

- The model is abstract and too analytical.
- The model clarifies the principles for examining the five competitive forces individually in the dialect of microeconomic theories, as opposed to in terms of practicality.
- The model is rigid and not advanced in how to apply the model.

According to Aktouf (2005:92), however, Porter's model validates and justifies three regular trends essential to the central financial capitalism:

- Control by large organisations.
- The absorption of capital.
- Extreme centralisation on 'pecking order'

Furthermore, Porter's model does not help smaller businesses within a specific environment, nor organisations that want to acquire more from their employees' knowledge and field experiences in explaining their strategies (Aktouf, 2005:92). Similarly, Brandenburger (2002:58) argues that Porter's five forces model is more applicable to large organisations that dominate many markets with regard to monopoly or oligopoly. Grundy (2006:215) also argues there are several limitations to Porter's (1980) model, such as:

- It overemphasises macro examination, i.e. at the sector level, as opposed to the analysis of more detailed product market segments at a micro level.
- It overemphasises sector value chains.
- It does not link directly to potential management action.
- It is filled with financial jargon, it does not relate to a real business situation.

Grundy (2006:215) concludes that Porter's five forces model although initially regarded as a respected and practical conception, it is an idea that had setbacks.

2.12 The competitive advantage of ICT in the insurance industry

Hesse (2018:2) asserts that the insurance industry has undergone many innovations and that with the help of technology, start-up insurers seriously began to compete with established insurers in the market because these start-ups are investing heavily in the ICT space. He further argues that this practice interprets into both good and bad news for clientele, the good news being that new products are generally less rigid and more user-friendly, and offer decreased prices due to increased competition. The bad news is that there are many insurers and products entering the market which could result in clientele being overwhelmed by too many options.

The 2019 KPMG insurance survey (2019:34) likewise agrees that despite the challenges faced in the South African life insurance industry, many entrants are launching new propositions into the market. These new entrants reflect that the industry is not sufficiently protected, existing proposals need improving (a fact that is apparent from the increased lapses in the market), and that the price of servicing clientele is too expensive. The new entrants are confident that they can action these issues quicker than the existing insurers or by partnering with the existing insurers to help them improve their point of execution. The 2019 PWC insurance survey (2019:11) argues that many insurers are reinventing their primary markets and product lines in order to find the right clientele, using the right channels, and making the right offers, all at the right time. The report states that insurers are focusing on knowing their clientele, staff and intermediaries and using the most relevant available data to improve the user experience and create and maintain stronger relationships with their clientele. Moreover, while a personalised approach is new in insurance, insurers that are able to offer this service will have lowered acquisition costs, increased client loyalty and would have gained competitive advantage.

Wangechi (2010:2) explains that in the current business environment, competitive advantage applies to organisations that are more capable of mobilising data and creating technology to use information effectively. Moreover, precisely timed data access allows organisations to evaluate progress and take action accordingly. Coviello (2015:1) argues that in the evolving competitive environment of the insurance industry, the primary focus is on gaining more control over the relationship with the client, it is fundamental to always improve the insurer/insured relationship. He also states that growing competition in the insurance industry results from frequent reminders, and continuous offers made to clients by third party operators. Coviello (2015:1) further argues that due to increased competition, insurance products are technically similar, therefore, insurers are aware that if clientele are dissatisfied with the relationship, they could find another supplier easily.

Mihalic and Buhalis (2013:33) content that in global markets, service companies must recognise the significant resources that can produce a competitive advantage. They argue further that ICT can be seen as a fairly new competitive resource to gain competitive advantage within an organisation. According to Fadun (2013:1), the global business market has been impacted by originality, imagination and technological innovation, hence improving clients' access to a broader variety of products and services. He argues further that new technology has significantly enabled businesses to conquer the barriers – cost, time and geographical location – to global operations. Fadun (2013:1) also states that organisations, including insurers, operate in a complicated, dynamic and competitive environment, ICT involves the use of electronic devices for storing, processing, interpreting and distributing data. ICT improves the management functions of planning, organising and the nature of services offered in the insurance sector (Fadun, 2013:1). He concludes that ICT has greatly improved insurance operations globally and has enhanced the process and procurement activities required to attain competitive advantage in the insurance industry.

Epetimehin (2011:18) argues that the insurance industry has seen many changes through financial reforms, progress of ICT, globalisation of financial services and economic development. He further states that the ever-increasing competitive environment in the insurance industry has placed companies under pressure to create different delivery channels. Insurers are experiencing difficulties in the current competitive environment because the changes and new services became the base of marketing and, in order to meet these challenges, insurers began moving towards marketing innovation and creativity. Epetimehin (2011:18) thus, contends that delivering insurance services to clients at the right time and place has become fundamental in the insurance sector, a practice that relies on innovation in this competitive environment to distribute superior products and services to attain competitive advantage and ensure client retention and loyalty.

Jaradat, Almomani and Bataineh (2013:458) argue that organisations are attempting to enhance their effectiveness and maximise their profitability by optimising the openings available in the market and addressing the challenges. They further argue that to acquire these goals, insurance organisations should realise that they exist in a complex and dynamic external and internal environment with many variables affecting organisations and their market value. Boafo, Kraa and Webu (2018:15) claim that it is imperative that management analyses all internal and external factors influencing the organisation and impacting their survival and success.

Bazini and Madani (2015:307) contend that retaining a client has become a difficult task in the insurance industry and positions the need for the formation of the competitive advantage. They further argue that the creation of competitive advantage is a tough challenge, thus, insurers attempting to describe the margin of their competitive area, must take into consideration the number of competitors.

Bazini and Madani (2015:307) state further that the progress in ICT has emerged as a means to enable the development of the competitive advantage by utilising evidence which can enable the organisation to build upon its existing knowledge. According to these researchers getting to know the clients' needs enables the insurer to serve its clientele more efficiently compared to its competitors. Bazini and Madani (2015:307) conclude that new technologies are considered a significant tool to provoke and support insurers to look for new sources of competitive advantage. Coviello and Trapani (2013:585) argue that insurers that seek to become competitive are required to implement and observe their cultural, technological and information activities. In today's changed competitive environment, the insurers priority is to advance more control on their relationship with the client. Hence, getting to know clients and anticipating and satisfying their needs becomes a significant factor towards gaining a sustainable competitive advantage over competitors. Coviello and Trapani (2015:587) list the issues related to poor service levels that are common at insurance companies and, thus, undermine their chance of gaining competitive advantage:

- The services offered tend to be standardised. Clients who generate less value for the insurer, enjoy the same services as those who are profitable to the company.
- The loyal client who is more profitable does not receive any special service.
- The problems reported by clients are not resolved.
- Clients speak with different people and get disparate answers.

All of the above issues encourage clientele to take their business to the competition, often without the original insurer understanding the reasons for their desertion. Coviello and Trapani (2015:587) argue that innovative technologies impel and support insurers to look for new sources of competitive advantage and that accomplishing this goal will be difficult without an integrated CRM and ICT tool.

CHAPTER THREE

RESEARCH DESIGN

3.1 Introduction

In this chapter the research design and methods are presented upon which the study is based.

The research methodology is introduced together with the advantages and disadvantages of the research methods.

3.2 Research objective

According to Nayak & Singh (2015:275), the research objective is defined statement of the precise intent of the research study, which indicates the significant study variables and their potential and possible interrelationships and the nature of the population of interest. Nayak & Singh (2015:275) further claim that this statement clarifies the research objectives by asking a question. It is the first part of the research process which guides the remainder of the research design process.

The primary focus of this research is to examine the role and value of CRM ICT potential on CR in the life insurance sector in South Africa's Western Cape Province.

The secondary objectives are:

The research aims to uncover the level of clientele's receptiveness and willingness to adopt CRM related ICT.

3.3 Research design

Kumar (2005:95) defines a research design as a strategy of examination that is utilised to find answers to a research question or research problems.

In this study, a quantitative approach will be utilised to answer the research questions.

3.4 Quantitative research methods

A questionnaire served as the only data collection instrument for this research project. The researcher made use of existing questionnaires obtained from previous studies and dissertations.

This research study made use of a structured questionnaire, participants were required to respond to questions from a given set of choices provided by the researcher. Nayak & Singh (2015:98) deem this method appropriate because the study is interested in acquiring numerical data in response to certain questions (How many? How often? How satisfied?). Kothari (2004:141) asserts that questionnaires are appropriate when the study population is spread across different geographical areas.

As the research is an employee of the chosen insurance company, random sampling eliminated bias. This simple random sampling method was also selected because it allows the researcher to make generalisations about the population founded on the results of the data. As the clientele of this insurance company was selected at random, it was reasonable to rationalise that the selected clientele will be a fair representative of the larger population pertaining to the research problem.

3.5 Reliability of Data

Walliman (2011:54) contends that in research, evidence is often generated by new data, so the dependability of references and the data collection methods need to be defined and validated. Walliman (2011:54) notes further that more data usually means reliability. Reliability involves consistency throughout the research process, thus, if a participant provides a response, he/she is expected to give the same answer regardless of how many times the question is asked. In this study the primary data was collected because it is the most significant representation of a situation.

3.6 Methodology

Nayak & Singh (2015:12) assert that the research methodology chosen by the researcher will depend upon the research paradigm that guides and directs the research activity - more accurately -the theories, opinions and beliefs of the concept of reality and ontology, the theory of knowledge that informs the research, and how that knowledge may be attained.

The researcher performed a questionnaire to investigate the research problem and answer the research questions. This study applies a quantitative methodology, Walliman (2011:113) contends that quantitative research is focused and utilise precis calculations to investigate these properties. The primary objective of quantitative data analysis being to test hypothesis and examine relationships.

3.7 Research Methods

A questionnaire served as the only data collection instrument for the research study. The data collected with the completed questionnaires was analysed by means of the Statistical Package for the Social Sciences (SPSS). As required by the Cape Peninsula University of Technology (CPUT), the researcher observed all ethical considerations and procedures before distributing the questionnaires.

3.8 Ethical Considerations

A number of ethical considerations were taken into consideration before and during the process of conducting and performing this research study. in doing so, the participants were protected and fairness of the researcher's institution was ensured.

Kumar (2011:366) affirms that a few issues that need to be considered with regards to research participants:

Collecting information: the researcher must be able to validate the significance of the study being conducted if the researcher cannot do so, the participants time will be wasted.

Seeking consent: The researcher cannot collect data without the eagerness of participants and their permission informed consent, such behaviour would be considered unethical.

Providing incentives: Some researchers consider the practice of providing incentives to participants for their participation in research as ethical.

Looking for sensitive information: Some data should be understood as private information. Requesting for this information could possibly cause discomfort to a participant, however, if the question is not asked, the researcher might not be able to contribute to the body of knowledge, thus such situations must be handled with empathy and integrity.

The probability of triggering harm to participants: When collecting data from participants the researcher needs to evaluate if their participation is likely to cause them harm. The researcher must have an ethical strategy in place to prevent such a situation.

To comply with the ethical policies and guidelines of CPUT for research and to ensure that all ethical considerations were adhered to the researcher sought ethical clearance from its Ethical Committee. The researcher obtained permission from the organisation to perform research on the 19th of February 2019 and a formal request was sent to participants informing them of the nature and content of the research study. The consent letter from the organisation was submitted to the Faculty of Business Ethics Committee, who awarded and ethics clearance certificate to the researcher on the 19th February 2019.

Participants were informed that their participation was voluntary and they had the right not to take part in the study. Participants were also assured of the anonymity of their data and confidentiality of their identity. Participants signed a letter of consent acknowledging their knowledge of the nature of the study and their voluntary participation, both of which helped to provide reliable data because questionnaires were only completed by the intended participants. The researcher, who maintained a visible presence during the completion of the research instrument, clarified any uncertainties with participants.

3.9 Significance of the research

This research study was identified as significant after reading previous research studies, also very little research has been conducted on the role and value of CRM systems on CR in a life insurance organisation in the Western Cape, South Africa. The researcher had many conversations with employees in different positions in the company and realising that every person has a different understanding of the topic, the significance of the research study was confirmed.

After all the preliminary investigations about CRM and the importance of CR, this highlighted the need to explore the role and value of CRM in the workplace.

This research can help managers identify factors that influence the successful implementation of CRM systems and being proactive in dealing with them in future CRM projects.

Furthermore, this research could potentially afford understanding to determine whether CRM related ICT will garner the above mentioned so that the findings of this research may be recommended to other insurance companies and service-related industries.

3.10 Limitations to the study

The research conducted in this study was only concerned with one corporate organisation in the financial services sector. The research was limited to the clients of this one company based in Bellville, Cape Town. Members of staff based at the company in Bellville were not included in the study, which is a limitation to the research study and the research findings.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

In this chapter the researcher presents and discusses the findings of the quantitative research. The data was collected from clients from a large insurance organisation based in Bellville, Cape Town, South Africa. The clients of which had different age groups, ethnicity and different genders. The research methods discussed in Chapter 3 formed the basis for the presentation and discussion.

4.2 Data analysis

The analysis of data is discussed in this section.

4.2.1 Questionnaire

Kothari (2004:141) asserts that a questionnaire is inexpensive to administer and in certain circumstances, such as when delicate questions need to be answered, it improves the probability of procuring precise information from participants as a result of them being anonymous.

The questionnaire used in this research study has been developed from existing questionnaires from previous research projects.

The first set of questions focused on the demographic information of the participants as well as behavioural information. The next set of questions used a five point Likert Scale as measurement, by which 1 = strongly agree, 2 = agree, 3 - neither agree or disagree, 4 = disagree or 5 = strongly disagree. There was also a set of questions that required the selection of either 'yes' or 'no' as an answer.

4.2.2 Statistics

The researcher captured the results of the questionnaires in a Microsoft Excel file in order to transform answers into a numerical format.

4.2.3 Reliability

Walliman (2011:22) argues that if the proper research method is used, the researcher should be able to present a valid argument and conclusion to readers of the research study.

In accordance with the research stipulations, made by the Cape Peninsula University of Technology (CPUT), the researcher observed all ethical considerations and procedures

before distributing the questionnaires. The questionnaire was pre-tested for validity and reliability via a pilot study with the client care consultants at one of the walk in centres of the chosen insurance company. Kothari (2004:17) states that a pilot study is used for testing for any weaknesses in the questionnaire. The author points out that questionnaires need to be prepared carefully to ensure that they will collect relevant information from the participants.

Kumar (2011:68) argues that if a research method is consistent and stable and hence, predictable and precise, it is said to be reliable. The higher the level of consistency and stability in an instrument, the greater the reliability.

4.2.4 Sampling

This research study provides a detailed focus on one major South African life insurer and thus, the research findings provide significant insight regarding the influence of CRM ICT in the life insurance industry as a whole. One hundred clients from one walk in centre of this major life insurance company serve as the study sample.

All clients were requested to complete a questionnaire and those who indicated their willingness to do so were included in the study sample.

There was no preselection of participants thus simple random sampling was applied because this method complies with Pandey & Pandey (2015:47) argument that each participant of the universe must have a fair and equal opportunity of being selected as part of the sample. The population for this study comprises clients of a life insurance company and thus is homogenous because all cases are similar.

4.5 Presentation and analysis of results

Each of the sections discussed follows chronologically according to the research objectives, outlined in Chapter 3. The first section is a presentation of the demographic information of the participants of the insurer selected for the study.

4.5.1 Results of demographic information

The demographic information referred to in this section are the clients age, gender, ethnicity, marital status, length of time as policyholder, type of insurance product purchased and contact with the insurer during the past 24 months.

Table 4.1 Age of participants

Age	Participants	Answers
<20	2	2%
20 – 30	27	27%
31 – 40	29	29%
41 – 50	25	25%
51 – 60	15	15%
>60	2	2%
Total number of participants	100	100%

Participants age categories shown in Table 4.1 above indicate that 2% of participants are located in the age category <20, 27% of participants are located in the 20–30 age category, 29% of participants are located in the 31–40 age category, 25% of participants are located on the 41–50 age category, 15% of participants are located in the 51–60 age category and 2% of participants are located in the >60 age category. The least number of participants fell within the <20 and >60 age categories. The greatest number of participants (29%) are in the 31–40 age category. It is evident that the majority of participants are young and, therefore, may be more likely to accept and embrace CRM related technology. Members of this particular age group generally consider ICT an everyday norm.

Table 4.2 Gender of participants

Gender	Participants	Answers
Male	48	48%
Female	52	52%
Total number of participants	100	100%

Table 4.2 above indicates that 48% of participants are male and 52% are female. This depicts that males and females were almost equally represented, although females constituted the majority of participants by 4%. It is evident that there is no significant statistical difference between males and females in terms of how they perceive the role and value of CRM ICT on CR in the life insurance industry. This fact will reduce the number of interventions the insurer has to design to link CRM ICT and CR, because these mediations will work for both males and females. This fact should result in a decrease in the cost of CRM ICT.

Table 4.3 Ethnicity of participants

Ethnicity	Participants	Answers
White	15	15%
Black	35	35%
Coloured	34	34%
Indian	14	14%
Other	2	2%
Total number of participants	100	100%

Table 4.3 above indicates that 15% of the participants are White, 35% of them are Black, 34% are Coloured, 14% are Indian and 2% of the participants are represented as 'Other'. Of all the ethnic groups that participated in the study, the majority group is Black (35%).

Table 4.4 Marital status of participants

Marital status	Participants	Answers
Married	48	48%
Divorced	13	13%
Single	39	39%
Other	0	0%
Total number of participants	100	100%

Table 4.4 above indicated that 48% of the participants are married, 13% of them are divorced, 39% are single and 0% represented the 'Other' bracket. Divorced participants are the lowest at 13%. The majority (48%) of the participants are married.

Table 4.5 Length of time as a policyholder

Length of time as a policyholder	Participants	Answers
<1 year	11	11%
1 – 2 years	13	13%
3 – 5 years	23	23%
6 – 10 years	24	24%
10 – 20 years	20	20%
>20 years	9	9%
Total number of participants	100	100%

Table 4.5 above indicates that 11% of the participants have been policyholders for less than one year, 13% of them have been policyholders for 1–2 years, 23% have been policyholders for 3–5 years, 24% have been policyholders for 6–10 years, 20% have been policyholders for

10–20 years and 9% of them have been policyholders for >20 years. The questionnaires indicate that the majority of the participants (24%) have been policy holders for 6-10 years.

Table 4.6 Type of insurance product purchased

Type of insurance product purchased	
Risk product, e.g. Life, Disability or Severe Illness	45%
Investment product, e.g. Collective investment, Endowment, Tax free investment	17%
Pre-retirement product, e.g. Retirement Annuity, Preservation Fund	31%
Post-retirement product, e.g. Living annuity, Life annuity	7%
Total number of participants	100

Table 4.6 above indicates that 45% of the participants are risk product owners, 17% of them are investment product owners, 31% of them are pre-retirement product owners, 7% of them are post-retirement product owners.

Table 4.7 Contact with insurer during the past 24 months

Contact with insurer during the past 24 months	
Yes	39%
No	61%
Total number of participants	100

Table 4.7 indicates that 39% of the participants did have contact with their insurer during the past 24 months, 61% of them did not have contact with their insurer during the past 24 months. This indicates that there is room for improvement in terms of insurers making regular contact with clientele.

4.3.1.2 Willingness to receive communication via technology

This category presented statements related to the participants' responses to receive communication via technology, namely, communication on new product information, promotional campaigns, being able to respond as a client and special occasions such as birthdays and anniversaries.

Table 4.8 Willingness to receive communication via technology

Question	Definitely not willing	Not willing	Maybe	Willing	More than willing	Total approached
New product information	13%	21%	7%	25%	34%	100
Promotional campaigns	11%	22%	17%	31%	19%	100
Being able to respond to Insurer	15%	13%	12%	33%	27%	100
Special occasions, eg. Birthdays	9%	15%	5%	28%	43%	100

Table 4.8 above indicates that an average of 12% of the participants were definitely not willing to receive communication via technology, an average of 18% of them were not willing, an average of 10% maybe wanted to receive communication via technology, an average of 29% are willing and an average of 31% are more than willing to receive communication via technology. It is evident from these statistics that an average of 60% of the participants are willing to receive communication via technology.

4.3.1.3 The role and value of CRM ICT on CR in the life insurance industry in South Africa's Western Cape Province

All the questions in Figure 4.9 below were designed to test the opinions of participants regarding the role and value of CRM ICT on CR in the life insurance industry.

Table 4.9 The role and value of CRM ICT on CR in the life insurance industry in South Africa's Western Cape Province

Question	More than disagree	Disagree	Neither agree or disagree	Agree	More than agree	Total approached
My preservation as a client depends upon my relationship with insurer.	2%	9%	17%	35%	37%	100
I will be a satisfied client of insurer, if I have extensive relationships with insurer.	14%	35%	19%	21%	11%	100
I will be more inclined to remain a client of insurer if its interactions with me increased.	3%	9%	16%	41%	31%	100
It is important for me that insurer measures customer service on a regular basis.	12%	22%	11%	31%	24%	100
I'm satisfied with my relationship with insurer and will remain in the relationship	17%	8%	39%	21%	15%	100
I will continue to do more business with insurer as a result of my good relationship with insurer.	5%	19%	33%	23%	20%	100

Table 4.9 above indicates that an average of 9% of the participants more than disagree on the role and value of CRM ICT on CR, an average 17% of them disagree, an average of 23% of them neither agree or disagree, an average of 29% of them agree and an average of 23% of them more than agree on the role and value of CRM ICT on CR. It is evident that the majority of participants agree on the role and value of CRM ICT on CR in the life insurance industry.

4.3.1.4 Level of clientele's receptiveness and willingness to adopt CRM related ICT technology.

This category presented statements relating to the participants' receptiveness and willingness to adopt CRM related ICT technology.

Table 4.10 Level of clientele’s receptiveness and willingness to adopt CRM related ICT technology

Question	More than disagree	Disagree	Neither agree or disagree	Agree	More than agree	Total approached
Having increased interactions via technology with insurer will make me a more loyal client.	14%	21%	5%	22%	18%	100
I’m comfortable if insurer uses technology to correspond with me.	3%	7%	25%	41%	24%	100
Technology is sufficiently advanced to correspond with me.	6%	10%	15%	39%	30%	100
My electronic device has the technology and capabilities for insurer to communicate with me	5%	3%	14%	37%	41%	100
There must be clear time frames when electronic communications are used. Eg. Business hours only.	12%	18%	12%	25%	33%	100
I believe that regular contact via technology from insurer is a method for building a good relationship with me.	17%	14%	20%	33%	16%	100
Regular correspondence via technology from insurer will result in an increased chance that I remain a client of insurer.	8%	12%	15%	43%	22%	100
My relationship with insurer can improve if I regularly receive correspondence on new products and services via technology sources.	5%	17%	25%	37%	16%	100

Table 4.10 above indicates that an average of 9% of participants more than disagree with the statements relating to their willingness and receptiveness to adopt CRM related ICT technology, an average of 13% of them disagree, an average of 16% of them nether agree or disagree, an average of 35% of them agree and an average of 25% of the participants more than agree with the statements relating to willingness and receptiveness to adopt CRM related ICT technology. It is evident that the majority of participants agree that they are willing and receptive to adopt CRM related ICT technology.

4.3.1.5 How CRM related ICT can improve clientele receptiveness and satisfaction

This category presented statements relating to improving clientele receptiveness and satisfaction.

Table 4.11 How CRM related ICT can improve clientele receptiveness and satisfaction

Question	More than disagree	Disagree	Neither agree or disagree	Agree	More than agree	Total approached
I'm aware of the technology services from insurer.	23%	25%	12%	21%	19%	100
I'm satisfied with the technology services from insurer.	19%	25%	39%	11%	6%	100
Insurer interacts with me regularly via technology.	4%	21%	29%	33%	13%	100
Insurer addresses my primary needs adequately from a technology point of view.	7%	25%	18%	27%	23%	100
Insurer recommends products and services via technology that matches my profile.	6%	39%	44%	2%	9%	100
Insurer interacts with me with personalised messages and communication.	23%	29%	19%	15%	14%	100
Insurer manages client information to facilitate easy interaction when dealing with my queries	2%	6%	51%	20%	21%	100

Table 4.11 above indicates that an average of 12% of participants more than disagree with the statements relating to how CRM related ICT can improve client receptiveness and satisfaction. An average of 24% of them disagree, an average of 30% of them nether agree or disagree, an average of 18% of them agree and an average of 15% of them more than agree with the statements relating to how CRM related ICT can improve client receptiveness and satisfaction. It is evident that the majority of participants agree that CRM related ICT can improve client receptiveness and satisfaction.

4.3.1.6 How increased responsiveness caused by CRM related ICT influences profitability among existing clientele

This category presented statements relating to increased responsiveness caused by CRM related ICT influences profitability among existing clientele.

Table 4.12 How increased responsiveness caused by CRM related ICT influences profitability among existing clientele

Question	More than disagree	Disagree	Neither agree or disagree	Agree	More than agree	Total approached
The adoption of CRM related ICT will increase the chance of me buying more products from insurer.	13%	15%	24%	27%	21%	100
CRM related ICT facilitates the timely distribution of insurer's products and services.	19%	17%	31%	22%	11%	100
CRM related ICT enables insurer to deliver quality services to its existing clientele.	13%	34%	41%	5%	7%	100
CRM related ICT enhances the speed of insurer's service delivery.	15%	23%	11%	32%	19%	100
There is a positive relationship between CRM related ICT and insurer's profitability.	8%	17%	39%	24%	12%	100
The adoption of CRM related ICT will increase the chance of me remaining a client of insurer.	7%	14%	7%	43%	29%	100
The adoption of CRM related ICT will increase my satisfaction and loyalty.	10%	9%	16%	53%	12%	100
The application of CRM related ICT can increase insurance sales and profitability.	3%	14%	18%	44%	21%	100

Table 4.12 above indicates that an average of 11% of participants more than disagree with the statements relating to how increased responsiveness caused by CRM related ICT influences profitability among existing clientele. An average of 18% of them disagree, an average of 23% of them neither agree or disagree, an average of 31% of them agree and an average of 17% of them more than agree with the statements listed in Table 4.12 above. It is

evident that the majority of participants agree that increased responsiveness caused by CRM related ICT can influence profitability among existing clientele.

4.3.1.7 To determine if customer loyalty exists among clientele

This category presented statements to determine if customer loyalty exists among clientele.

Table 4.13 To determine if customer loyalty exists among clientele

Question	More than disagree	Disagree	Neither agree or disagree	Agree	More than agree	Total approached
I consider insurer my first choice among other long term insurance companies	9%	19%	35%	23%	14%	100
Insurer is the first company that comes to mind when I make a purchase decision on long term insurance products.	9%	8%	18%	37%	28%	100
I intend to stay in a loyal relationship with insurer.	12%	25%	17%	27%	19%	100
The relationship between insurer and I is mutually beneficial.	10%	13%	21%	32%	24%	100
I will definitely buy long-term insurance products from insurer in the future.	2%	4%	20%	43%	31%	100
I will recommend insurer to friends.	3%	6%	41%	39%	11%	100
I have encouraged other people to do business with insurer	1%	3%	32%	45%	19%	100

Table 4.13 above indicates that an average of 7% of participants more than disagree with the statements determining if customer loyalty exists among clientele. An average of 11% of them disagree, an average of 26% of them neither agree or disagree, an average of 35% of them agree and an average of 21% of them more than agree with the statements listed in Table 4.13 above. It is evident that the majority of participants agree that customer loyalty exists among clientele.

4.4 Discussion

The researcher can conclude that clients from different age groups have different views and perceptions on CRM ICT in an insurance organisation. They perceived CRM ICT on CR differently and had various preferences on the willingness to receive communication via technology. From the above results of the research it is evident that participants from younger age groups are more willing to receive communication via technology.

These findings are consistent with the findings of a study by du Plessis and Roberts-Lombard (2013:1),. The majority of clients strongly agreed that interactive communication is a critical factor that underlines CRM and their relationship with a long term insurance organisation.

The results from the study indicate that interacting more with clientele via technology could improve customer retention. The researcher assumes that the participants believe that by applying CRM related ICT, the possibility of creating profitable relationships increases which in turn increases the probability of clients remaining with the insurer.

The research also found that the majority of participants are willing to adopt CRM related ICT and to use it to receive and send messages. This finding infers that the adoption of CRM related ICT will have a positive effect on CR and implies that if the insurer successfully maintains relationships with its clientele, CR at the insurer will increase.

The research also found that the majority of participants agreed that the application of CRM related ICT can increase insurance sales and profitability. These findings mean that CRM related ICT can positively impact marketing methods and result in a lower cost of acquisition, improvement communication, increased client satisfaction and loyalty, all of which could result in increased CR.

CHAPTER FIVE: FINDINGS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter addressed the results and analysis of the quantitative research results. In this chapter the researcher links the results of the questionnaire and discusses the findings and makes recommendations based on the research completely. The researcher analyses whether the research objectives have been met and the limitations associated to the research study.

5.2 Research questions revisited

As mentioned in Chapter 1 and 3 of this paper, the primary research question of this research study is as follows:

What is the role and value of CRM ICT on CR in the long-term insurance sector in South Africa's Western Cape Province?

The secondary research questions of this research study is as follows:

What is the level of clientele's receptiveness and willingness to adopt CRM related ICT?
If and to what extent can CRM related ICT improve clientele receptiveness and satisfaction?
To evaluate if and the extent to which increased responsiveness caused by CRM related ICT can influence profitability among existing clientele?
if and to what extent customer loyalty exists among existing clientele?

The researcher, in this chapter evaluates whether the results of the research methods used in the study, answer the research questions and met the research objectives of the study.

5.3 Summary of Findings

This section summarises the findings of the quantitative research conducted in the form of a questionnaire. The researcher asked 100 employees to complete the research questionnaire of 100 responded with completed questionnaires. The questionnaire is attached to the paper as appendix A.

5.3.1 Primary Research Objective

The perception on preservation as a client depends on the relationship with their insurer. Most participants are not currently satisfied and might not remain as clientele. Participants will be more inclined to remain clientele if its interactions with them are increased.

5.3.2 Secondary Research Objectives

Most participants own an electronic device that has the capacity for their insurer to communicate with them. Participants felt that regular correspondence via technology would result in an increased chance of them remaining clientele of the insurer. Loyalty among participants will improve if their insurer has increased interaction with them. Participants are comfortable if their insurer utilises technology to correspond with them.

The majority of participants are not satisfied with the technology services from the insurer. The participants insurer does not recommend products and services via technology that matches their profile. The insurer does not interact with most of the participants with personalised messages and communication.

Most participants agreed that the adoption of CRM related ICT will increase the chance of participants buying more products. Most participants agreed that the adoption of CRM related ICT will increase the chance of them remaining clientele. Most participants also agreed that the application of CRM related ICT can increase sales and profitability.

Most participants consider their insurer as their first choice among other long term insurance companies. The majority of participants intend to stay in a loyal relationship with their insurer. The relationship between the insurer and the participants is mutually beneficial.

5.3 Recommendations

This study only focused on 100 clients and, therefore, cannot be seen as a representative of all the clients of the researched insurer. This study focused on identifying the role and value of CRM systems on CR in an insurance organisation in South Africa's Western Cape Province. The study specifically focused on CRM and CR at the client walk-in centres at the offices of the insurer in Bellville, Cape Town, therefore, this study cannot be seen as representative of the long term insurance industry. This study only focused on one major city in South Africa, thus, a more inclusive study of all areas in South Africa is recommended. A

comparative study with one or more of the other major long-term insurers in South Africa can also be considered.

This study is only quantitative in nature, a qualitative mixed-method research approach will be able to provide a more comprehensive analysis of the research findings. This study has considered the responses of the clients of only one long-term insurance company in South Africa who visited one customer walk-in centre, this fact limits the generalisability of any results. This study does not include the entire insurance industry (only long term insurance) thus limiting the generalisability of its results.

5.4 Conclusion

A study conducted by Madubanya (2015:65) indicates that insurers are concerned about the number of policies being cancelled and lapsed. Similarly, a survey by KPMG (2018:70) notes that lapse rates remain a challenge for insurers, difficult economic conditions continue to strain clientele, which results in higher lapse and cancellation rates. Most insurers have some form of CR programme in place, but the increasing nature of lapse rates suggests that these programmes have little effect. This research study posed the question: What is the role and value of CRM ICT on CR in the life insurance industry in South Africa's Western Cape Province? The study followed a quantitative approach to research in the form of questionnaires containing statements to which participants had to indicate whether they strongly agreed, agreed, neither agreed or disagreed, strongly disagreed or disagreed.

The study found that CRM ICT influences CR at an insurer in South Africa's Western Cape Province, that clientele are likely to remain loyal if CRM ICT is utilised as a tool to improve CR.

In view of these findings a number of recommendations are made. Firstly, it is recommended that management should be reminded that clients attach a high value of CRM ICT. Secondly, that management should be advised to utilise CRM ICT to collect client feedback for input in creating and developing a strategy for CR and growth. In the pursuit of future studies, it is recommended that the research findings should be subjected to a qualitative research study with a view of acquiring more comprehensive data on CRM ICT in a constantly evolving environment.

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APPENDICES

APPENDIX A: SAMPLE OF THE QUANTITATIVE DATA COLLECTION INSTRUMENT



PARTICIPANT #



The role and value of customer relationship management systems on customer retention in a life insurance organisation in the Western Cape, South Africa

In line with the above mentioned title, you have been selected to participate in a study conducted by Mr R. Abrahams from the Faculty of Business and Management Sciences at the Cape Peninsula University of Technology. As a student of CPUT the results disclosed will contribute to the fulfilment of Mr R. Abrahams' Master's Degree in Business Administration. Your eligibility as a client of a life insurance company in the Western Cape, South Africa has led to your selection as a possible participant.

Survey Duration: 10-15 minutes (4 pages)

ACCEPTANCE TO PARTICIPATE IN THE RESEARCH

I hereby understand and accept participation in the research study conducted by Mr R. Abrahams. I acknowledge that the purpose of the study and outcomes were explained to me, and that all information will be handled with confidentiality with none of my personal details being made public.

Signed aton the day of20.....

Participant signature: _____

COMMITMENT BY RESEARCHER

I, Raafiq Abrahams, hereby confirm that I will place your best interests and well-being before the study. I will protect your identity and treat you with respect. I will not divulge your information or personal details to any other person, and only use the information for my research purpose.

Signed at on the day of20.....

Researcher signature: _____

Kindly complete below by making a cross over your chosen block.

Demographic information

Gender

Male	Female
------	--------

Please indicate your language preference

English	Afrikaans	Xhosa	Other (specify)
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Race/ethnic group, as determined by the state

White	Black	Coloured	Indian	Other (specify)
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Age

< 20	20 – 30	31 – 40	41 – 50	51 – 60	> 60
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Marital status

Married	Divorced	Single	Other
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Length of time as a the insurer's client?

< 1 year	1 – 2 years	3 – 5 years	6 – 10 years	10 – 20 years	>20 years
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Type of insurance product used?

Risk Product, eg. Life, Disability or Severe illness policy	
Investment Product, eg. Collective investment, Endowment, Tax free investment	
Pre-Retirement Product, eg. Retirement annuity, Preservation fund	
Post-Retirement Product, eg. Living annuity, Life annuity	

Did you have any contact with Insurer during the past 24 months?

Yes (Specify)	No
------------------	----

Rate your willingness to receive communication and information via technology on the following areas

Scale: 1 2 3 4 5

- 1. = Definitely not willing
- 2. = Not willing
- 3. = Maybe
- 4. = Willing
- 5. = More than willing

1. New product information	1	2	3	4	5
2. Promotional campaigns	1	2	3	4	5
3. Being able to communicate/respond to Insurer	1	2	3	4	5
4. Special occasions, eg. Birthdays	1	2	3	4	5

The following statements refer to the role and value of CRM ICT on CR in the life insurance industry. Please indicate the extent to which you agree with each statement on a scale of 1 to 5. (Mark with an X the appropriate number)

Scale: 1 2 3 4 5

- 1 = More than disagree
- 2 = Disagree
- 3 = Neither agree or disagree
- 4 = Agree
- 5 = More than agree

1. My preservation as insurer's client depends on my relationship with insurer.	1	2	3	4	5
2. I will be a satisfied client of Insurer, if I have extensive relationships with insurer.	1	2	3	4	5
3. I will be more inclined to remain a client of insurer if its interactions with me increased.	1	2	3	4	5
4. It is important for me that insurer measures customer service on a regular basis.	1	2	3	4	5
5. I'm satisfied with my relationship with insurer and will remain in the relationship.	1	2	3	4	5
6. I will continue to do more business with insurer as a result of my good relationship with Insurer.	1	2	3	4	5

The following statements refer to the level of clientele's receptiveness and willingness to adopt CRM related ICT technology.

1. Having increased interactions via technology with insurer will make me a more loyal client.	1	2	3	4	5
2. I'm comfortable if insurer uses technology to correspond with me.	1	2	3	4	5
3. Technology is sufficiently advanced to correspond with me.	1	2	3	4	5
4. My electronic device has the technology and capabilities for insurer to communicate with me	1	2	3	4	5
5. There must be clear time frames when electronic communications are used. eg. business hours only.	1	2	3	4	5
6. I believe that regular contact via technology from insurer is a method for building a good relationship with me.	1	2	3	4	5
7. Regular correspondence via technology from insurer will result in an increased chance that I remain a client of Insurer.	1	2	3	4	5
8. My relationship with insurer can improve if I regularly receive correspondence on new products and services via technology sources.	1	2	3	4	5

The following statements refers to how CRM related ICT can improve clientele receptiveness and satisfaction.

1. I'm aware of the technology services from insurer.	1	2	3	4	5
2. I'm satisfied with the technology services from insurer.	1	2	3	4	5
3. Insurer interacts with me regularly via technology.	1	2	3	4	5
4. Insurer addresses my primary needs adequately from a technology point of view.	1	2	3	4	5
5. Insurer recommends products or services via technology that matches my profile.	1	2	3	4	5
6. Insurer interacts with me with personalised messages and communication.	1	2	3	4	5
7. Insurer manages client information to facilitate easy interaction when dealing with my queries.	1	2	3	4	5

The following statements refers to how increased responsiveness caused by CRM related ICT influence profitability among existing clientele

1. The adoption of CRM related ICT will increase the chance of me buying more products from insurer.	1	2	3	4	5
2. CRM related ICT facilitates the timely distribution of insurer's products and services.	1	2	3	4	5

3. CRM related ICT enables insurer to deliver quality services to its existing clientele.	1	2	3	4	5
4. CRM related ICT enhances the speed of inservice delivery.	1	2	3	4	5
5. There is a positive relationship between CRM related ICT and insurer's profitability.	1	2	3	4	5
6. The adoption of CRM related ICT will increase the chance of me remaining insurer's client.	1	2	3	4	5
7. The adoption of CRM related ICT will increase my satisfaction and loyalty.	1	2	3	4	5
8. The application of CRM related ICT can increase insurance sales and profitability.	1	2	3	4	5

The following statements refer to customer loyalty and to measure if it exists among Insurer clientele.

1. I consider insurer my first choice among other long-term insurance companies	1	2	3	4	5
2. Insurer is the first company that comes to mind when I make a purchase decision on long-term insurance products.	1	2	3	4	5
3. I intend to stay in a loyal relationship with insurer.	1	2	3	4	5
4. The relationship between insurer and I is mutually beneficial.	1	2	3	4	5
5. I will definitely buy long-term insurance products from insurer in the future.	1	2	3	4	5
6. I will recommend insurer to friends.	1	2	3	4	5
7. I have encouraged other people to do business with insurer	1	2	3	4	5

Thank you for your participation. Kindly note that your identity will remain confidential and information only used for research and reporting purposes.

**APPENDIX B: CAPE PENINSULA UNIVERSITY OF TECHNOLOGY ETHICS COMMITTEE
RESEARCH APPROVAL**

P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 4603291 • Email: fbmsethics@cput.ac.za
Symphony Road Bellville 7535


Office of the Chairperson Research Ethics Committee	Faculty: BUSINESS AND MANAGEMENT SCIENCES
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At a meeting of the Faculty's Research Ethics Committee on **19 February 2019**, Ethics **Approval** was granted to **Raafiq Abrahams (204121086)** for research activities of **MTech: Business Admin** at Cape Peninsula University of Technology in Cape Town.

Title of dissertation/thesis/project:	<p style="text-align: center;">THE ROLE AND VALUE OF CUSTOMER RELATIONSHIP MANAGEMENT SYSTEMS ON CUSTOMER RETENTION IN AN INSURANCE ORGANIZATION IN THE WESTERN CAPE, SOUTH AFRICA</p> <p style="text-align: center;">Lead Researcher/Supervisor: Dr Andre Van der Bijl</p>
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Comments:

Decision: Approved

	19 February 2019
Signed: Chairperson: Research Ethics Committee	Date

Clearance Certificate No | 2019FBREC612

APPENDIX C: INSURER'S RESEARCH PERMISSION

12 December 2018

I, Andries Fourie, in my capacity as Senior Manager Client Care at Sanlam Personal Finances give consent in principle to allow Mr. Raafiq Abrahams, a student at the Cape Peninsula University of Technology (CPUT), to collect data in this company as part of his Master of Technology research. The student has explained to me the nature of his research and the nature of the data to be collected.

This consent in no way commits any individual staff member nor any visiting client to my business to participate in the research, and it is expected that the student will get explicit consent from any participants. I reserve the right to withdraw this permission at any time in the future.

In addition, the company's name may not be used in any publication of:

1. a thesis,
2. conference paper,
3. journal articles,
4. research poster, or
5. any publication relating to, or reflecting research results pertaining to the research conducted in my Client Care business.



ANDRIES FOURIE

Senior Manager Client Care: Sanlam Personal Finance

