British Journal of Marketing Studies
Vol. 10, Issue 6, pp.,37-54, 2022
Print ISSN: 2053-4043(Print),
Online ISSN: 2053-4051(Online)

The Influence of Relationship Marketing on Customer Perception of Insurance in Lagos State, Nigeria

Oluwabiyi, O. E.
Department of Business Administration and Marketing Babcock University, Ilishan-Remo, Ogun State
Asikhia, O. U.
Department of Business Administration and Marketing Babcock University, Ilishan-Remo, Ogun State
Egwuonwu, T. K.
Department of Business Administration and Marketing Babcock University, Ilishan-Remo, Ogun State

Citation: Oluwabiyi, O. E., Asikhia, O. U., and Egwuonwu, T. K. (2022) The Influence of Relationship Marketing on Customer Perception of Insurance in Lagos State, Nigeria, *British Journal of Marketing Studies*, Vol. 10, Issue 6, pp.,37-54

ABSTRACT: *The public perception of insurance all over the world is central to the patronage and consumption of insurance services. Notwithstanding the huge population of over 190 million people in Nigeria, the insurance premium penetration rate of 0.7% of GDP is very low in comparison with other markets around the world. While customer perception of insurance is an expression of attitude, extant studies has shown that relationship marketing is a strategic tool that can be used to influence consumer behavior. Hence, this study examine the influence of relationship marketing on customer perception of insurance in Lagos State, Nigeria. The objective is to provide possible solutions to the problem of low patronage of insurance in Lagos State, Nigeria. A survey research design was adopted for the study. The population of study consisted of 375,000 estimated consumers of insurance service in Lagos State, Nigeria. A sample size of 1,650 consumers were drawn from selected Local Government Areas of Lagos State through non-probability sampling technique. A questionnaire titled influence of relationship marketing and customer perception of insurance was adapted and validated. 1,650 copies of the questionnaire were administered, with a response rate of 80%. The Cronbach's Alpha coefficient for the constructs ranged between 0.76 and 0.90. The data were analyzed using descriptive and inferential (multiple linear regression analysis) statistics. The finding shows that relationship marketing has significant effect on customer perception of insurance in Lagos State, Nigeria (Adj. $R^2 = 0.301$; $F_{5/1306} = 113.510$, $p<0.05$). The value of Adjusted R^2 of 0.301 suggests that 30.1% of the variations in customer perception of insurance are accounted for by relationship marketing leaving 69.9% to be predicted by other factors. The study concluded that relationship marketing is a predictor of customer perception of insurance in Lagos State, Nigeria. The study recommended that Insurance companies should adopt relationship marketing as a tool to influence customer perception of insurance, through the application of customer awareness, customer trust, customer service quality, product innovation and customization, and customer satisfaction.*

KEY WORDS: relationship marketing, customer perception, customer awareness, customer trust customer service quality, product innovation and customization, customer satisfaction

INTRODUCTION

The benefits of insurance as a risk management mechanism for the protection of a nation's assets is enormous. Notwithstanding, customer patronage and growth of insurance industry is a function of the perception of the public to insurance services (Delozier, 1976; Robertson, Ziehinsk and Ward, 1984; Okwandu, 2004). In a global context, the total African insurance market only accounted for 1.52% of the global premiums in 2013, at $69.938billion compared to the world total premiums of $4.6 trillion. Insurance penetration, measured as a percentage of premiums to GDP was 3% for Africa (Swiss Re, 2014; Nigeria Bureau of Statistics, 2014). This is relatively higher than the average emerging markets average of 6.13%. These numbers show the low level of patronage in the African insurance market, but also the huge potential to grow the market (August & Co, 2015). South Africa is the largest insurance market on the continent with premiums of $51.6 billion and is ranked 17th in the world. On the other hand, Nigeria is ranked 62nd in the world and has a total premium volumes of $1.64 billion. Insurance premium penetration rate of 0.7% of GDP, ranked 87th in world, this is very low in comparison with other markets around the world. Approximately only 1.5% of all Nigerian adults are covered by insurance (Swiss Re, 2014). Insurance experts are of the opinion that the negative perception and the resulting low penetration of insurance in Nigeria is, in part, occasioned by lack of trust, poor service quality, lack of innovative products and service varieties amongst other factors (Okumagba, 2010; Apere, 2015; Augusto & Co, 2015; Bawa, 2016). A contributor to this negative market perception is the limited knowledge of insurance among the people (Oluoma, 2014; Swiss Re, 2014).

Okwandu (2004) opined that the problem of maintaining a favourable customer perception of insurance services is a worldwide one. However, it is more in the developing countries where the level of poverty in the society is higher, and the level of education of an average citizen is lower, thereby inhibiting the level of comprehension of the various policy wordings of the insurance contracts. Ighomirenghian (2010) identified the challenges confronting the country's insurance industry as poor channels of distribution system induced by brokers interference and excessive influence, poor public perception, delayed claims payment, inability to attract and retain skilled talent, lack of required skill, knowledge and capacity to underwrite and partake in highly specialized businesses particularly in high risk segments such as aviation, marine, oil and gas inability to adopt new information and communication technology, poor regulatory functions, and low investment and asset management capabilities.

Bolarinwa (2011) observed that one strong and long existed problem of the Insurance industry is that of ignorance of the people regarding the benefits of insurance products. Majority of the people lack the knowledge of what insurance is all about, even the so-called educated ones. Some erroneously believe insurance is a clever way of extracting money from people. Cases of dishonest practitioners who collect premium without remitting it to the company's cofer has not helped the industry. Furthermore, Bolarinwa (2011) opined that the long held belief of the people that God is their insurance is yet another contributing factor. While it is a fact that God is the best insurance, it is equally true that insurance is God's design through man to meet a wide range of human needs, particularly at critical times.

Although some of the challenges confronting the insurance industry are relational in nature, studies on relationship marketing and customer perception are scanty in literature. Tabasum et al. (2014) study on the impact of the Salesmen personality on customer perception and sales did not consider the relationship between trust, service quality and its impact on customer perception. While Recklies (2015) study discovered that customer perception is influenced by a variety of factors, such as meeting the needs of the customers, fulfilling promises made, effective communication with customers, service quality and satisfaction with the distribution channels; customer trust as a possible influencing factor was not considered. Therefore, a study on the multiple perspectives of customer perception is essential in literature. Similarly, Yusuf et.al. (2009) study on Nigerians attitudes towards the insurance institution exclude relationship marketing dimensions and customer perception of the Nigerian insurance industry. Moreover, no study has considered the variables of customer awareness, trust, service quality, product innovation and customization, and customer satisfaction as relationship marketing dimensions to solve the lingering problem of negative customer perception of the industry and its effect on market patronage in Lagos State, Nigeria.

LITERATURE REVIEW

Conceptual Review

Relationship Marketing

In today's business practice, relationships have become an integral part of marketing (Gummerus, Catherina and Christian, 2017). Jobber and Fahy (2006) defined relationship marketing as the technique for developing, building and improving rapport with consumers and the stakeholders. Relationship marketing as a fundamental paradigm shift in the marketing literature (Sheth & Parvatiyar, 2002) has to do with the advancement, expansion, preservation of established, cost-efficient bargain connection with customers, staff, shareholders, suppliers and other stakeholders for mutual benefit (Boone and Kurtz, 2007). Gronroos (2006) defined relationship marketing as a mutually valuable exchanges and satisfaction of pledges by the two parties in chains of relations above the lifespan of relationship that exist between them. Building and maintaining lasting customer relationships through relationship marketing tactics is one of most definitive ways to build a sustainable competitive advantage in most industries (Barlow, 2000). The focus of relationship marketing is that the parties involved in the relationship both apply effort to make the relationship mutually beneficial for both the organization and the consumer (Berry, 2002; Morgan & Hunt, 1994; Sheth & Parvatiyar, 2002).

Fruchter and Sigue (2005) pointed out that companies must transit from short-term transaction oriented goals to long-term business relationship oriented goals. Relationship marketing, however, just offers firms the opportunities to realize this goal and to build long term sustainable relationships with their customers and other stakeholders. These relationships are also considered as an important marketing asset (Forbes, 2008). Both academics and insurance experts showed that relationship Marketing (RM) is evidently good for business and yields better business performance (Izquierdo, Cillan, & Gutierrez, 2005; Vieira, Winklhofer & Ennew, 2014). Since it has become an acceptable principle in marketing that retaining customers is more beneficial and profitable than acquiring new customers (Ogechukwu, Umukoro & Oboreh, 2013). Also, several marketing organizations have embraced customers' relationship marketing (Al-Laymoun, 2016). In customer's relationship marketing, marketing executives and managers endeavour to cultivate and sustain positive customer relationships (Herington, Johnson & Scott, 2006).

Customer relationship marketing has become a key strategic tool for organisations irrespective of its size to retain customers. In particular, Insurers consider customer retention as a determining factor of economic success. This is because the selling cost of an insurance policy is not recoupled unless the policy is renewed for a minimum period three or four years (Zeithaml Berry, & Parasuraman, 1996). In non-life insurance for example, the longer customers continue (customer retention) with an underwriting company, the less likely they are to report claims (Peppers & Rogers, 2004).

Customer Perception

Customer perception is a marketing concept that encompasses a customer's impression, awareness and or consciousness about a company or its offerings. As pointed out in www.businessdictionary.com, perception is typically affected by advertising, reviews, public relations, social media, personal experiences and other factors. Customer perception of insurance service serves as a key determinant and driver of market patronage. In the case of the Nigerian insurance industry, the public image and perception of the consumer is negative. Apere (2015) noted that company's perception is the consumer's opinion about the ability of the company's products (and/or services) to fulfil his or her expectations. The insurance industry has poor public image, negative perception or lack of consumer trust due to companies' inability to provide adequate services (poor claims management). The industry is perceived as being quick to collect premium but slow/unwilling to respond to claims, a demonstration of lack of professionalism by some insurers, agents and brokers. Traditional practices (cultural issues) can make consumers averse to insurance, leading to negative perception of the insurance industry.

Studies by Siddiqui and Sharma (2011); Singh and Singh (2016); Rajkumar and Kannan (2014) has revealed more robust findings about customer perception of insurance service. The authors noted that customers regard insurance companies as alien, large and impersonal entities. This perception is worsened by customer experience of the haphazard nature of the control and settlement of claim; recognition of the purpose of insurance and of the limits of its norms have become ambiguous as the sense of security which insurance brings is no longer sufficient value for the premiums that have been paid; customers blame insurance companies for haggling over payment of full claims on dubious grounds; marketing of insurance products have failed to check whether the object being insured actually exists and insurers' bid to avoid the reputation of being a stingy and suspicious contracting partner result in laxity of control and relaxation of terms of insurance terms.

Tom, Ibok, and Awok (2012) looked at perception in terms of image. The image of any object therefore can be described as the mental representation of that thing or being. Hence, corporate image of an underwriting firm is related to insurance consumption. It is a fact that the better the image of an organization, the more the possibility of people who will like or prefer to be identified or to do business with the organization. The public image or perception of an individual organization or an in insurance company is therefore, the character of the person or company as perceived by the public. Since the business thrives on assurance, confidence and honesty, its perception by the public is essential to its development. However, the continuous enhancement of the image and of practitioners is principally a call for greater professionalism.

Theoretical Review

Morgan and Hunt (1994) in "The Commitment-Trust Theory of Relationship Marketing" (which is perhaps considered the most influential RM paper to date), suggest that the existence of relationship commitment and trust is vital to successful relationship marketing, not just power. Leveraging on research in social exchange theory, marriage, and organizational behaviour, they reasoned that relationship commitment is a continuing or lasting desire to maintain a valued relationship. Social exchange suggests that it is the valuing of the benefits and costs of each relationship that determine whether or not we choose to continue a social association. (Cherry, 2018), and that trust which is confidence in the reliability and integrity of an exchange partner (Morgan & Hunt 1994), represent the basic elements that describe the impact of relationship on performance.

Supporters of this theory advanced that partners in relationship who are committed, spend extra effort and work to keep and fortify relational bonds, which certainly influences cooperation, financial performance, and other optimistic outcomes. Moreover, trust has a direct influence on relationship outcomes and an indirect influence through its impact on commitment (Hibbard et al., 2001). Although this theory offers strong empirical support for the grave role of commitment and trust, it also reveals two major weaknesses. First, relationship investments have a positive direct influence on objective performance, above and beyond the indirect effect mediated by trust and commitment, across both interpersonal and inter-firm relationships. This finding suggests that any model must take into account other performance-enhancing mediators if it wants to achieve the desired financial effect of Relationship Marketing (RM) wholly. Secondly, contrary to traditional wisdom, relationship quality, a combined construct that incorporates multiple aspects or dimensions of a relationship (e.g., trust, commitment, relationship satisfaction), has a stronger influence on objective performance than any single dimension. As a result, Palmatier et al, (2007,) posited that different dimensions of a relationship may be synergistic, and higher performance may be possible only when the relationship is adequately strong on all critical aspects.

The theory explain the broader perspective of this study that considers the multiple dimensions of relationship marketing and its combined effect on the market patronage performance of the Nigerian insurance industry. Fundamentally, the insurer-insured relationship is built on trust and the theory emphasized relationship trust as a basic element that determines performance. Therefore, relationship investment of an insurer in creating customers' awareness, building customer trust, ensuring relationship service quality, developing innovative and customized products and customer satisfaction combined together will result in a holistic and robust market patronage performance.

Empirical Review

Vikas (2011)**,** conducted a study on the service quality perceptions of customers about the public sector and private sector insurance companies. The study seeks to find the relevant dimensions of the SERVQUAL/SERVPERF Results of overall service quality perceptions show that public insurance companies are rated high as compared to private insurance sector companies. The correlation analysis results show that all the five dimensions are highly relevant for service quality perceptions in insurance sector, as correlation coefficient values for all the dimensions range from 0.945 to 0.973. Regression results show that except tangibility dimension, coefficient values for other four dimensions of service quality namely; empathy, reliability, assurance, responsiveness are higher in case of public sector insurance companies. Statistically the coefficient values for reliability, assurance dimensions are higher in case of public sector life insurance companies as compared to private sector life insurance companies. Whereas only one dimension tangibility got statistically higher beta coefficient value for private sector life insurance companies. The result led to the inference that there is significant difference in the service quality perceptions of public and private sector insurance companies. In all, the study arrived at a conclusion that customers perceive better quality of service for public sector insurance companies as compared to private sector insurance. Bhat (2005) concluded that Indian banks fall much below the perceptions of their customers on all the five dimensions of service quality, where as in case of foreign banks, these banks are exceeding the perceptions of their customers on two dimensions of service quality namely; tangibility and reliability. This finding revealed the notion that Indian banks in terms of service quality do not meet the expectations of their customers. In case of foreign banks perceptions and expectations of the customers about service quality offered by the banks do not have a big gap.

Bala et al. (2011) examined the dimensionality of SERVQUAL instrument in the life insurance sector with a sample of 337 customers. They observed certain deficiencies in the core areas of service quality that call for improvement through concerted efforts. Also, the findings shows that the gap scores did not unite into five dimensions of service quality but that the perception scores fuse into three dimensions. Ahmad and Sungip (2008) evaluated customer’s general expectation and perception of insurers in terms of services offered at the insurance service counter and also examine the relationship between the demographic factor and SERVQUAL mean score. Result revealed that reliability emerged as the most critical determinant of SERVQUAL measure for service quality.

Aslan, Nazneen and Mubeen (2015) conducted an assessment of service quality in insurance industry based on SERVQUAL model using seven parameters- tangibility, reliability, responsiveness, assurance, empathy, price and technical quality. The results indicated that there is a huge gap between customer’s expectation and perception in price. Also, it was revealed that there is a relationship between demographic factors and customer’s expectation and perception of service quality dimensions.

Dinesh.et al. (2011) assessed the service offered by the Reliance Life Insurance Company Limited in South Tamilnadu to compare key service dimensions with their perception and satisfaction and found that the respondents have high perception level in servicing aspect of timely reminder of dues and have high satisfaction level of claim admissibility and claim settlement. Professional category respondents have high perception level with regards to the financial credential of the company. This finding substantiate the study of Murthy and Mohamed (2013) who analysed the quality level provided by Life Insurance companies to its customers using a well-developed, valid and reliable instrument to determine the extent of customer perceived service quality in the insurance industry. The result provided a good framework for private insurers to improve their competitive position especially relating to ethical working as high satisfaction with Life Insurance companies is likely to be a barrier for private players.

Hosseini and Jayashree (2014) examined store image and its effect on customer perception of retail stores. The authors investigated the various aspects of store image, which affect the impression and preferences of shoppers, argues that the levels of customer preferences determine the influence of the setting of the store on its image. Results indicated that the perceptions of customers integrate all of the cues and messages they have received and experienced in the store, in addition to their own perceptions of the importance of store image dimensions. The result align with the suggestion of Porter and Claycomb (1997) that customers associate their feelings, thoughts, and impressions with the stores, and these factors affect their patronage and purchase behavior. This premise is line with that of Stern et al. (2001), who asserted that the purchase choices of customers are influenced by the store image. Kim, et al. (2009) reported that the repurchase intention and the satisfaction derived from shopping at a store are induced during the initial purchasing stage in which the customers associate their emotions with the store image. Moreover, studies on image indicated the influence of stakeholder perceptions on the main features of the firm, and the firm could use this information in formulating management strategies (Markwick & Fill, 1995). Therefore, to develop and build the level of customer patronage, these criteria should be incorporated into the marketing strategy (Osman, 1993). To enhance customer perception of insurance service, all of the channels used to reflect the corporate image should be standardized while meeting customer needs. Osman (1993) pointed out that managers should optimize the features that they deem to be critical to increase the patronage of customers.

Chikodiri (2011) whose research work was centered on exploring the public relations strategies for enhancing the Image of Insurance companies in Nigeria, with Enugu Urban as a case study. The findings revealed that the level of insurance awareness and knowledge in Enugu urban is very low due to the distrust arising from poor reputation of insurance companies and their agents, which has led to the tarnishing of the image of insurance companies in Enugu Urban. Moreover, it was discovered that awarding scholarships to outstanding students, sponsoring of both sporting and non-sporting activities, organizing seminars and workshops and advert placement on radio and television are some of the public relations strategies that can help enhance the image of insurance companies. In line with this result, Nworgu (2002) noted that public relations programmes have become important and fascinating area of the management of image which most business and non-business organizations use for their continued existence. It is now an inheritable instrument for image building and reputation management which are situation based and problem specific. So the insurance companies should fashion out the kind of public relations activities that will suite it based on available funds, interest and time. Some of the Public Relations progammes available to the insurance companies according to Nworgu (2002) include sponsorships, workshops, trade fairs, seminars, scholarship awards, and advertisements.

Harun, Rokonuzzaman, Prybutok, and Prybutok (2018) examined a theoretical framework that evaluates the effectiveness of service recovery strategies in influencing post-complaint consumer mindset. Using partial least squares structural equation modeling, the results indicated that through effective execution of service recovery strategies, it is possible to create a strong sense of justice in a consumer's mind, which can be leveraged on by service industry practitioners through loyalty to create more impact on post- purchase complaint consumer mindset.

Yusuf, Gbadamosi, and Hamadu (2009) conducted a study on Nigerians attitudes towards the insurance institution. Drawing from theoretical foundation, an empirical survey was conducted among 392 members of the public—insuring and non-insuring—to gauge their awareness level and general attitudes towards insurance companies and their operations. The findings present different demographical factors and their attitudes towards insurance companies and their services. The attitudes, most negative, were mirrored through low patronage of insurance services. The findings of this study suggest some major implications for marketing of insurances services in Nigerian businesses environment. Given that attitude is strongly linked to behaviour, marketers of insurance services targeting Nigerians are confronted with the challenge of encouraging people to embrace insurance institution and its associated benefits. Based on the findings, these authors confirms negative attitudes of Nigerians to insurance services further. The findings serve as inputs to marketers of insurance services on how they formulate and implement relevant marketing strategies towards addressing the nonchalant attitude of Nigerians to insurance. For instance, specific marketing strategies are required to encourage the young generation below 46 year of age, the divorced/separated, and the less educated to embrace and appreciate the role of insurance. Since, the basic issue associated with this lack of interest rests mainly in their lack of appreciation of the roles of benefits of insurance services; it is recommended that significant marketing communication activities be targeted more at this set of people highlighted. This will help to kindle their interest in the business and brings the insurance institution to the highly exalted position it belongs in their perception. The findings support Omar (2007) who assesses consumers' attitudes towards life insurance patronage in Nigeria and called for a renewed marketing communication strategy on creating awareness and informing the consumers of the benefits inherent in insurance so as to change their negative perception about insurance and ultimately reinforce their purchasing decision.

Shakeel and Khan (2011) in their study of the impact of Guerilla marketing on the consumer perception seeks to find the significant effect of the Guerilla marketing on the consumer perception. This study designed on quantitative analysis with the use of simple regression model to examine in what way celebrity marketing which is used in advertisement industry effectively impact on the perception of the consumer in reaching buying decision. The findings shows that celebrity marketing has a significant effect on consumer perception. Moreover, the study shows positive relationship between trustworthiness and attractiveness and consumer perception. Hence, trustworthiness and attractiveness are potential strategies to enhancing consumer percept in to facilitate purchased behavior. In addition, recognizing the right celebrity endorser for a brand will impact on the corporate image and brand equity of a company. In support of the findings, Assael (1992) argued that in the buyer seller relationship, media played a dominate role in the field of consumer marketing and this role is unspoken and it is used as a marketing strategy by the seller in promoting the positive changing in the consumer perceptions of a product. Keane (1991), points out that in the case of important events the media due to its uncertain authenticity and vague lines of responsibility may influence the position of the companies negatively or positively at the same time. The media can play according to the demand of business players and effect a positive change in the behavior of the society when advertising are relaying news. It can take a neutral position when broadcasting the news, and can create the impression of an impending crises in changing the negative perception the public might have of a company or product into a positive one (Kaptalan-Nagy, Ljungren, Hadjikhane & Seyed- Muhammad,1998 in Shakeel and Khan, 2011).

Recklies (2015) who discovered that customer perception is influenced by a variety of factors. Such factors include meeting the needs of the customers, fulfilling promises made, degree of communication with customers, service quality and satisfaction with the distribution channels. The researcher noted that customer perception of a company or its products varies with respect to customer relationship factors and that it is the result of total consumption experience of a customer. The study by Chikodiri (2011) on public relations strategies for enhancing the Image of Insurance companies in Nigeria, with Enugu Urban as a case study shows that the level of insurance awareness and knowledge in Enugu urban is very low due to the distrust arising from poor reputation of insurance companies and their agents which has led to the tarnishing of the image of insurance companies in Enugu Urban.

Oluoma (2014) stated that perhaps amongst the financial institutions in Nigeria, the insurance sector has a very poor public image. Some of the reasons that accounted for this could be summarized as: low level of insurance awareness due to the inability of insurers to properly educate the general public on the benefits and operations of insurance; inability to settle genuine claims promptly and equitably; and poor quality of insurance salesmen (especially life assurance) who lack proper education, possess little skill, lack product knowledge and have poor attitude to work. These have given rise to misunderstanding, disagreements and loss of confidence in the insurance industry by the insured and the public generally. Although insurers have recently started to address these issues positively, the methods adopted are still at snail pace and lacks tact and aggression. Until these issues are properly handled the insurance companies are still regarded by some segments of the public as 'cheats' and 'dupes' creating a big problem in the effective marketing of insurance services and the overall growth of the industry. Mordi (1990) study on managing insurance industry towards a better public image highlighted various issues that boarders on the misconceptions and perceptions of the public about insurance practice in Nigeria and how to mitigate them. However, this study lacks empirical confirmation. As noted by Okwandu (2004), empirical studies on changing consumer perception of insurance services and patronage of insurance services in Nigeria, are inadequate. As a result, the need to fill this gap by examining appropriate strategies for the insurance industry that will assist in changing the present, apparent, consumer negative perception of insurance services to a positive one, further necessitate this study. Consequently, this study hypothesized that:

H_0: Relationship marketing has no significant influence on customer perception of insurance in Lagos State, Nigeria

METHODOLOGY

A survey research design was adopted for this study. The target population of this study are the consumers of insurance products in Lagos State, Nigeria. The total population of Lagos State is estimated to be 21 million. (National Population Commission, 2014). Of this number, 357,000 (1.7%) is estimated to be the population of study, and it represents the insurance consumers in Lagos State. The 1.7% is the ratio of insurance policy holders to the total population (Augusto& Co, 2015). To determine the sample size of the respondents, the researcher applied a normal approximation with 97.5% confidence level and 2.5% error tolerance. The research study therefore, used the statistical formula recommended by Yamane (1967). Using a population of 357,000 insurance consumers with an error limit of 2.5%, a sample size of 1,593 is considered suitable as calculated, but approximated to 1650 to create room for more representations and to make up for instruments that may not be returned by respondents.

This study used a non-probability purposeful sampling technique in the choice of population sample of 5 out of 20 Local Government Areas in Lagos State. In addition, a snowball sampling technique was used to choose participants from each of the selected Local Government Areas. The researcher administered the questionnaire on the sampled population with the use of insurance Agents and referrals who knew and had access to the insurance consumers in the selected Local Government Areas in Lagos State. The five Local Government areas selected based on their population size and concentration of insurance activities are: Alimosho, Agege, Oshodi-Isolo, Ikeja and Lagos Island Local Government Areas.

The study used primary source of data which was collected through a well- structured, tested and validated questionnaire and administered on consumers of insurance products in the five randomly selected local government areas in Lagos. The instrument used a 6-point summated Likert type rating scale for all sections (except section A on respondents' biographic data) with calibration of Strongly Agree (SA), Agree (A), Partially Agree (PA), Partially Disagree (PD), Disagree (D), and Strongly Disagree (SD). Corresponding values of 5, 4, 3, 2, 1 and 0 respectively were allocated in a decreasing order to each calibration point in evaluating the responses. The study adopted the statistical procedures of frequency distribution, descriptive statistics, and multiple linear regressions to answer the research questions and test the hypothesis stated.

To assess the research instrument's internal consistency, a Cronbach's alpha was used. The instrument was found to be reliable in both variables (relationship marketing and customer perception) with Cronbach alpha values of Customer Awareness (0.76), Customer Trust (0.88), Customer Service Quality (0.90), Product Innovation & Customization (0.76), Customer Satisfaction (0.80) and Customer Purchase Decision (0.84). Multiple regression analysis was used to determine the influence of relationship marketing on customer perception of insurance in Lagos State, Nigeria with the support of SPSS version 26 for windows.

Data Analysis and Result

A total of 1650 copies of the research instrument were distributed, out of which 1312, representing 80% response rate, were returned and found suitable for analysis. This response was good and enough representative of the population, and conformed to Mugenda and Mugenda (2003) stipulation that a response rate of 70% and above is excellent. The demographics characteristics of the respondents considered included gender of respondents, age of the respondents, marital status, highest educational qualification, class of insurance, and number of years of doing business with the insurance companies. This information was

considered necessary to prepare the ground for the understanding of relationship marketing practices adopted by the insurance companies and their impact on customer perception.
The objective of the study disagree to statements relating to relationship marketing proxy by customer awareness, customer trust, customer service quality, product innovation and customization, and customer satisfaction on one hand; and customer perception of Insurance. Mean scores and standard deviation were computed for each statement and variable. The data findings are presented below:

Table 4.1: Descriptive Analysis of Relationship Marketing

S/N	Description	Mean	SD
RM1	Customer awareness	4.42	1.104
RM2	Customer trust	4.85	0.842
RM3	Customer Service Quality	4.59	0.909
RM4	Product Innovation and Customization	*4.34*	1.065
RM5	Customers Satisfaction	4.65	0.943

Source: Field Survey, 2017

Table 4.1 presents descriptive analysis of respondents' opinions about relationship marketing. The data findings revealed that the respondents agreed with all the statements on relationship marketing as the mean scores and standard deviation were: customer awareness (Mean= 4.42, SD=1.104); customer trust (Mean=4.85, SD=0.842), customer service quality (Mean=4.59, SD=0.879); product innovation and customization (Mean=4.34, SD=1.065), customer satisfaction (Mean=4.65, SD=0.943).

Table 4.2: Descriptive Analysis of Customer Perception

S/N	Description	Mean	SD
CP1	Insurance education and awareness	5.26	0.837
CP2	Impact of service quality on company's image	4.77	0.969
CP3	Insurance companies are reliable and trustworthy	4.55	0.954
CP4	The quality of salesmen affect the perception of insurance.S	4.99	0.826
CP5	The better the image of insurance, the more the patronage	5.32	0.738
	Average Mean	*4.96*	*.865*

Source: Field Survey, 2017

Table 4.2 presents descriptive analysis of respondents' opinions concerning customer perception of insurance. The findings revealed that the respondents agreed with all the statements on customer perception as the mean scores were in the range of 4.5 – 5.99. The data findings revealed that majority of the respondents agreed that insurance education and awareness can change the negative perception of insurance in Nigeria (Mean = 5.26, S.D = .837). The respondents also agreed that service quality has greatly improved the image of insurance in Nigeria (Mean = 4.77, S.D = .969). Further, the respondents agreed that in their opinion about insurance industry in Nigeria is that they are reliable and trustworthy (Mean = 4.55, S.D = .954). In addition, respondents agreed that the quality of insurance salesmen (Agents) can improve the perception of insurance in Nigeria (Mean = 4.99, S.D = .826). Finally, the respondents agreed that the better the image of insurance industry in Nigeria, the more the patronage (Mean = 5.32, S.D = .738). The average mean was 4.96 indicating agreements with statements in the customers perception scale and overall standard deviation was .865 demonstrating that there were no significant variations in the responses. The findings indicate that customer perception of insurance in Lagos State, Nigeria is positive.

The findings in Tables 4.1 and 4.2 shows positive perception of relationship marketing measures and customer perception of insurance in Lagos State, Nigeria. Findings revealed that the level of insurance awareness among the public in Lagos State is moderate; the level of consumer trust of insurance companies in Nigeria for claims and other benefits is strong; customer service quality is high; there is continuous product innovation and customization; customer satisfaction is also high; and customer perception of insurance in Lagos State, Nigeria is positive. This implies that application of the various tools of relationship marketing (customer relationship awareness, relationship trust, relationship service quality, relationship customization and product innovation, and relationship satisfaction) can change the negative perception of customers about insurance service and the industry as a whole. Similarly, judging from the customers' responses, the finding showed that positive perception of insurance is as a result of the relationship marketing factors.

Table 4.3: Summary of Multiple Linear Regression Analysis of the Influence of Relationship Marketing on Customer Perception of Insurance in Lagos State, Nigeria

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	(Constant)	11.97	.580		20.545	.000		
	Customer Awareness	.036	.013	.072	2.746	.006	.768	1.302
	Customer Trust	.088	.019	.152	4.702	.000	.512	1.955
	Customer Service Quality	.105	.017	.239	6.134	.000	.353	2.835
	Product Innovation & Customization	-.057	.025	-.078	-2.303	.021	.462	2.166
	Customer Satisfaction	.142	.023	.245	6.120	.000	.334	2.994
R = 0.551; R^2 = 0.304; Adj. R^2 = 0.301; $F_{5/1306}$ = 113.510, p = 0.000								

Dependent Variable: Customer Perception

Table 4.3 presents summary results of multiple regression analysis on the effect of relationship marketing on customer perception of insurance in Lagos State, Nigeria. The finding shows that relationship marketing has significant effect on consumer perception of insurance in Lagos State, Nigeria (Adj. R^2 = 0.301; $F_{5/1306}$ = 113.510, $p<0.05$). The value of Adjusted R^2 of 0.301

suggests that 30.1% of the variations in customer perception of insurance are accounted for by relationship marketing leaving 69.9% to be predicted by other factors. Further, the significance value (p-value) was 0.000 which is less than 0.05 adopted for this study. The result therefore implies that customer awareness, customer trust, customer service quality, product innovation and customization, and customer satisfaction are predictors of customer perception of insurance in Lagos Nigeria. Therefore, the null hypothesis (H_0) which states that relationship marketing has no significant influence on customer perception of insurance in Lagos State, Nigeria is hereby rejected. The fitted model explaining the variation in customer perception of insurance due to relationship marketing was stated as follows:

$$y_4 = 11.907 + 0.036x_1 + 0.088x_2 + 0.105x_3 - 0.057x_4 + 0.142x_5 \quad \ldots\ldots\ldots\ldots\ldots\ldots (4)$$

Where: y_4 = Customer Perception
x_1= Customer Awareness
x_2= Customer Trust
x_3= Customer Service Quality
x_4= Product innovation and Customization
x_5= Customer Satisfaction

The regression equation above revealed that taking all factors into account (customer awareness, customer trust, customer service quality, product innovation and customization, and customer satisfaction) constant at zero, customer perception of insurance in Lagos State, Nigeria will be 11.097. rception of insurance in Lagos State, Nigeria.

DISCUSSION

The finding of this study revealed that relationship marketing has a significant influence on customer perception of insurance in Lagos State, Nigeria. The analysis shows that taking all other independent variables at zero, a unit increase in customer awareness will lead to a 0.036 unit increase in customer perception of insurance in Lagos State, Nigeria. Moreover, a unit increase in customer trust will lead to 0.088 unit increase in customer perception of insurance in Lagos State, Nigeria. While a unit increase in customer service quality will lead to 0.105 unit increase in customer perception of insurance in Lagos State, Nigeria; a unit increase in product innovation and customization will lead to a 0.057 reduction in customer perception of insurance in Lagos State, Nigeria. In addition, a unit increase in customer satisfaction will lead to 0.142 unit increase in customer perception of insurance in Lagos State, Nigeria. The result infers that customer satisfaction contributes most to customer perception of insurance in Lagos State, Nigeria followed by customer service quality, and product innovation and customization negatively contributes to customer perception of insurance in Lagos State, Nigeria.

The finding of this study supported empirical findings from literature on the effect of relationship marketing on customer perception of insurance. Tom et al. (2012) who looked at perception in terms of image described the image of any object as the mental representation of that thing or being. Consequently, the corporate image of an underwriting firm is related to insurance consumption. The better the image of an organization therefore, the more the possibility of getting more people who are willing to do business with the organization.

The result of this study substantiates the findings of Chikodiri (2011) whose research work was centered on exploring the public relations strategies for enhancing the Image of Insurance companies in Nigeria, with Enugu Urban as a case study. The findings revealed that the level of insurance awareness and knowledge in Enugu urban is very low due to the distrust arising from poor reputation of insurance companies and their agents which has led to the tarnishing of the image of insurance companies in Enugu Urban. Moreover, it was discovered that awarding scholarships to outstanding students, sponsoring of both sporting and non-sporting activities, organizing seminars and workshops and advert placement on radio and television are some of the public relations strategies that can help enhance the image of insurance companies.

The finding agrees with the submission of Recklies (2015), who discovered that customer perception is influenced by a variety of factors. Such factors include meeting the needs of the customers, fulfilling promises made, degree of communication with customers, service quality and satisfaction with the distribution channels. The researcher noted that customer perception of a company or its products varies with respect of customer relationship factors and that it is the result of total consumption experience of a customer. The finding is also in consonance with the finding of Yusuf, Gbadamosi, and Hamadu (2009) who conducted a study on Nigerians attitudes towards the insurance institution and found that customer relationship factors has a significant effect on customer perception of insurance in Nigeria. The findings further present different demographical factors and their attitudes towards insurance companies and their services.

The finding also conforms to the findings of Tabasum et al. (2014) who studied the impact of the salesmen personality on customer perception and sales. The study which described the relationships among salesperson personality traits, salesperson personality and customer's relation with customer perception and sales, found that salesmen personality have positively significant impact on customer perception. The customer expression of gratitude and reciprocity postulated by Becker (1986) on the theory of interpersonal relationship marketing is in accordance with this finding. Positive perception about a company's and its offering through the impact of relationship marketing efforts is a manifestation of gratitude and reciprocity.

The finding concurs with the study of Hosseini, Jayashree, Malarvizhi (2014) who examined store image and its effect on customer perception of retail stores. The paper which investigates the various aspects of store image, which affect the impression and preferences of shopper discovered that perceptions of customers integrate all of the cues and messages they have received and experienced in the store, in addition to their own perceptions of the importance of store image dimensions. Moreover, studying customer perceptions on store image further enhances the knowledge of marketers which can be used by the marketers in acquiring more loyal customers and meeting their requirements in terms of store image.

Hess, Singh, Metcalf, and Danes (2014) investigated the impact of product package quality on consumption satisfaction, brand perceptions, consumer investment and behavior. The research examined the role of bottle quality in bottled-water consumption satisfaction and its subsequent impact on brand attribute perceptions, consumer-brand relationship investment and behavioral intentions. It was discovered that thicker water bottles are perceived to be of higher quality than thinner bottles, and that these perceptual differences impact how customers view a brand on aspects such as reliability and value offered by the brand's products and ultimately intentions to re-purchase the brand's products.

CONCLUSION AND RECOMMENDATIONS

The finding of this study supported by the findings from the previous studies shows that relationship marketing has a significant influence on customer perception of insurance in Lagos State, Nigeria. Furthermore, the findings revealed that customer satisfaction contributes most to customer perception of insurance in Lagos State, Nigeria; followed by customer service quality. Based on the findings and its supporting literature, the study therefore rejects the null hypothesis (H_0) that relationship marketing has no significant influence on customer perception of insurance in Lagos State, Nigeria, with a p-value of 0.000, which is less than 0.05. Theoretically, the result of this study align with "The Commitment-Trust Theory of Relationship Marketing" (Morgan & Hunt, 1994). Organisation's commitment to relationship marketing factors will guarantee a continuing relationship benefits that impact performance. The study concluded that relationship marketing is a predictor of customer perception of insurance in Lagos State, Nigeria. The study recommended that Insurance companies should adopt relationship marketing as a tool to influence customer perception of insurance. While the outcome of this study is of primary application to the insurance industry, further studies can be carried out to examine the application of this tool in other service-oriented organizations such as banking, telecommunication and transportation sectors.

REFERENCES

Ahmad, A., & Sungip, Z. (2008). An assessment of service quality in Malaysia insurance industry. *Communications of the IBIMA., 1*, 3-26.

Al-Laymoun, M.R. (2016). The Impact of customer relationship management on tourist satisfaction in Movenpick. *European Scientific Journal*, 12(11).

Apere, P. (2015). Challenges of insurance industry in Nigeria. Nigeria: Thisday newspaper.

Assael, H. (1992). *Consumer behaviour and marketing action* (4th ed.). PWS-Kent Publishing: Boston, MA.

Augusto & Co. (2015). *Insurance industry report.*

Augusto & Co. (2016). *Insurance industry report.*

Bala, N., Sandhu, H. S., Nadpal, N. (2011). Measuring life insurance service quality: An empirical assessment of SERVQUAL instrument,. *International Business Research, 4*(4), 176-190.

Barlow, R.(2000). Frequency Marketing- What's Next? Direct Marketing, 62(9), 2-4

Bawa, L.L (2016). New regulations, penetration rates, and consolidation of the insurance market. Retrieved from **https://www.thebusinessyear.com/ghana-2016/by-the-book/vip-interview.**

Becker, L. C. (1986). *Reciprocity. New York, N.Y.* New York, N.Y: Routledge & Kegan Paul.

Berry, L. L. (2002). Relationship marketing of services — Perspectives from 1983 and 2000. *Journal of Relationship Marketing*, 1(1), 59–77.

Bhat, M. A (2005). Service quality perceptions in banks: A comparative analysis. *Journal of Business Perspective*, 9(1), 11-20.

Bolarinwa, Y. (2011). Challenges of insurance brokerage in Nigeria. *Vanguard Newspaper*. Retrieved July 4, 2015.

Boone, L. E. & Kurtz, D. L. (2007). Contemporary Marketing. Philadelphia: Harcourt College Publishers.

Chikodiri, E. R. (2011). *Public relations strategies for enhancing the image of insurance companies*. A study of Enugu urban. A Master's Research Project Presented to Department of Marketing, Faculty of Business Admission, University of Nigeria, Enugu.

Delozier, M. W. (1976) The Marketing Communications Process. New York: Met-Raw-Hill Book Company, *Journal of Advertising*: Vol. 5, No. 3, pp. 41-42.

Dinesh, S., Arivazhagan, R., Moorthy, N. (2011). Assessment of perceived service quality in Reliance Life Insurance Company Limited at south Tamilnadu. *Indian Journal of commerce and management studies, 2*(2), 127-137.

Forbes, T., (2008). Valuing customers. *Journal of Database Marketing &Customer Strategy Management*, 15(1), 4–10.

Fruchter, G. E., & Sigue, S. P. (2005). Transactions vs. relationships: What should the company emphasize? *Journal of Service Research*, 8(1), 18-36.

Harun, A., Rokonuzzaman, Prybutok, & Prybutok (2018). How to influence consumer mindset: A perspective from service recovery. *Journal of Retailing and Consumer Services*, 42, 65-77.

Herington, C., Johnson, L.W., & Scott, D. (2006). Internal relationships: Linking practitioner literature and relationship marketing theory, *European Business Review*, 18(5)364-381.

Hess, J., Singh, J., Metcalf, L., E., & Danes, J. (2014). The impact of consumer product package quality on consumption satisfaction, brand perceptions, consumer investment and behavior. *Journal of Applied Packaging Research*, *6*(1), 21-35.

Hibbard, J. D., Nirmalya, K., & Louis, W. S. (2001).). Examining the impact of destructive acts in marketing channels relationship. *Journal of Marketing Research*, *38*, 25–61.

Hosseini, Z., & Jayashree, M. C. (2014). Store image and its effect on customer perception of retail stores. *Asian Social Science,* 10(2), 1-15.

Ighomirenghian, K. (2010). Experts suggest ways to boost Nigerian Insurance Industry, Editorial. Daily independent Newspaper 15th January.

Izquierdo, C. C., Cillian, J. G., & Gutierrez, S. S. (2005). The impact of customer relationship marketing on the firm performance. *Journal of Services Marketing*, *19*(4), 23-39.

Jobber, D., & Fahy, J. (2006). Foundations of Marketing. New York: McGraw Hill Education

Keane, J., (1991). *The Media and democracy*. London: Polity Press and Basil Blackwell Inc.

Kim, J., Jin, B., & Swinney, J. L. (2009). The role of etail quality, e-satisfaction and e-trust in online loyalty development process. Journal of Retailing and Consumer Services, 16(4), 239-247.

Markwick, N., & Fill, C. (1997). Towards a framework for managing corporate identity. *European Journal of Marketing*, 31(5/6), 396-409.

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, *58*, 20-38.

Murthy, G. R., & Mohamed, C. P. (2013). A study on level of service quality of life insurance corporation of India- with special reference to Chennai district. *Global research Analysis*, *2*(4), 28 -33.

Ogechukwu, A.D., Umukoro, F. G., & Oboreh, J.S. (2013). The effective use of relationship marketing strategy for customer satisfaction and retention by IGBO SMES in Nigeria. *Global Journal of Management and Business Research Marketing*. 13(6), 1-6.

Okumagba, A. (2010). Challenges of Insurance in Nigeria. *Vanguard newspaper*. Vanguard.

Okwandu, G. A (2004). Public Perception of Insurance Services: A Survey of Insurance Consumers and Non- Consumers in Portharcourt, Nigeria. https://www.researchgate.net/publication/280243959

Oluoma, R. (2014). Impact of insurance market activity on economic growth in Nigeria. *http://www.unn.edu.ng/publications/files/OLUOMA%20REMIGIUS%20O.pdf*

Omar, O. E. (2007). The retailing of life insurance in Nigeria: an assessment of consumers'

Palmatier, R. W., Rajiv, P., Dant, F. G., & Dhruv, G. (2007). A comparative longitudinal analysis of theoretical perspectives of interorganizational relationship performance. *Journal of Marketing, 71*, 172–94.

Peppers, D., & Rogers, M. (2004). *Managing customer relationships: A strategic framework.* Wiley, New York.

Porter, S., & Claycomb, C. (1997). The influence of brand recognition on retail store image. *Journal of Product and Brand Management,* 6(6), 373-387.

Rajkumar. M., & Kannan. N. 2014. Factors affecting customer's preferences for selection of life insurance companies. An empirical study with reference to Tamilnadu. *International Journal of Accounting and Business Management,* 2(2), 19-27.

Recklies, D. (2015). Understanding customer perception. Retrieved on 15th October, 2017 *from www.themanager.org/2015/01/customer-perception/*

Robertson, T.S.; Ziehinsk and Ward (1984).*Consumer Behavior,* Library of Congress, New York.

Sheth, J.N., & Parvatiyar, A. N.. (2002). Evolving relationship marketing into a discipline. *Journal of Relationship Marketing*, 1(1).

Shakeel, M., & Khan, M.M (2011). Impact of guerrilla marketing on consumer perception. *Global Journal of Management and Business Research,* 11(7), 47-53.

Siddiqui, M. J., & Sharma, G. (2011). Analyzing customer satisfaction with service quality in life insurance services. *Journal of Targeting, Measurement and Analysis for Marketing,*18(4), 221–238.

Singh, D., & Singh, H. (2016). Market penetration by Indian banks: Motives and motivators. *Indian Journal of Finance,* 10 (3), 45-67.

Stern, B., Zinkhan, G. M., & Jaju, A. (2001). Marketing images: Construct definition, measurement issues, and theory development. *Marketing Theory, 2*(1), 201-224.

SWISS Re (2014). World Insurance Report

Swiss, R. (2013). *World insurance report.* Retrieved from http://www.swissre.com/library/32014_World_insurance_in_2013_steering_towards_recovery.html.

Tabasum, F., Ibrahim, M., Rabbani, M., & Asif, M. (2014). Impact of salesmen personality on customer perception and sales. *Global Journal of Management and Business Research,* 14(8), 67-79.

Tom, E. E., Ibok, N. I., & Awok, M. P. (2012). Factors affecting insurance consumption in Akwa Ibom state, Nigeria. *Journal of Research in International Business and Management, 2*(12), 323-328.

Vieira, A, I., Winklhofer, H., Ennew, C. (2014).The effects of relationship marketing on share of business: A synthesis and comparison of models.. *Journal of Business-to-Business Marketing*, 21(2)

Vikas, G. (2011). Service quality perceptions of customers about insurance companies: An empirical study. *Indian Journal of Marketing*, Volume 41, Number 3, pp. 8-20

Yamane, T. (1967). *Statistics: An introductory analysis*. 2nd Edition, New York: Harper and Row.

Yusuf, T.O., Gbadamosi, A., & Hamadu, D. (2009). Attitudes of Nigerians towards insurance services: An empirical study. *African Journal of Accounting, Eco nomics, Finance and Banking Research, 4*(4), 34-47.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioural consequences of service quality. *Journal of Marketing, 60*(2), 31-46.