

DOCTORAL THESIS

Customer relationship strength in relationship marketing: an investigation with empirical evidence from the insurance industry in China

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**Customer Relationship Strength in Relationship Marketing:
An Investigation with Empirical Evidence from the Insurance Industry in China**

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**A thesis submitted in partial fulfillment of the requirements
for the degree of
Doctor of Philosophy**

Principal Supervisor: Prof. Allan K. K. CHAN

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ABSTRACT

Customer relationship strength and its antecedents and consequences were studied in the context of policyholder and agent relationships in the life insurance industry in China. A three-dimension measurement model for customer relationship strength was proposed involving affective strength, cognitive strength and conative strength. A measurement scale for customer relationship strength was developed and validated based on 207 matched questionnaires (insurance agents and their clients) from a major Chinese insurance company in the provincial city of Qingdao. The instruments administered to the agents and their clients were developed through preliminary focus group interviews with 8 policy holders and a preliminary survey involving a convenience sample of 58 policy holders.

Empirical results indicated acceptable levels of reliability, unidimensionality, convergent validity and discriminant validity for the measures. Results from structural equation modeling suggest that a customer's perceptions of relationship value, termination cost, salesperson likeability, personal selling behavior, and the customer's innovativeness and complaint propensity are significantly correlated with customer relationship strength. The empirical findings further show that customer relationship strength significantly influences sales effectiveness and relationship profitability.

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