

## **COMMITMENT AND CUSTOMER RETENTION OF INSURANCE FIRMS OPERATING IN RIVERS STATE, NIGERIA**

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### **Abstract**

This study examined the relationship between commitment and customer retention in insurance companies in Rivers State, Nigeria, focusing on customer satisfaction, repeat purchase rate, customer lifetime value, and customer advocacy as measures of retention. Utilizing a quantitative approach, the research distributed 184 copies of questionnaire, and yielded 98 usable responses. The analysis employed Spearman's rho correlation to assess the relationships among the variables. The findings revealed significant positive correlations between commitment and customer satisfaction ( $\rho = 0.552$ ,  $p < 0.05$ ), repeat purchase rate ( $\rho = 0.641$ ,  $p < 0.05$ ), customer lifetime value ( $\rho = 0.561$ ,  $p < 0.01$ ), and customer advocacy ( $\rho = 0.421$ ,  $p < 0.05$ ). These results indicate that higher levels of commitment are associated with increased customer satisfaction, repeat purchase rates, lifetime value, and advocacy, suggesting that commitment plays a crucial role in enhancing customer retention within the insurance sector. The study's insights are supported by relationship marketing theory and social exchange theory, which emphasize the importance of commitment in fostering strong customer relationships. This research contributes to the understanding of customer retention dynamics in Nigeria's insurance industry, highlighting the need for companies to prioritize commitment in their strategies to cultivate enduring customer relationships and improve overall retention rates.

**Keywords:** Commitment, customer retention, customer satisfaction, repeat purchase rate, customer lifetime value, customer advocacy

### **Introduction**

Nigeria's insurance sector play a crucial role in maintaining financial stability, providing indispensable risk management and financial security solutions to individuals, businesses and institutions. Rivers State's diverse economic landscape and strategic geographical location foster vigorous competition among 48 insurance companies, underscoring the industry's vast growth potential. Adenuga (2020) confirms Nigeria's insurance market expansion due to rising demand for specialized risk management services, driven by economic growth and increasing awareness.

The insurance industry confronts formidable sustainability challenges, including low insurance penetration rates, elevated claims ratios and inefficient claims settlement processes. These factors erode customer trust, fuel churn and emphasize the imperative for effective retention strategies. NAICOM's 2021 Insurance Industry Report highlights these challenges, stressing their detrimental impact on industry growth, profitability and long-term viability.

Commitment underpins customer loyalty through reciprocal pledges, fostering relationship stability and cooperation. Extant research underscores commitment's profound influence on customer retention, satisfaction and loyalty. Studies by Akhtar et al. (2022), Kumar et al. (2020) and Morgan and Hunt (1994) demonstrate commitment's pivotal role in insurance services, while Ganesan (1994) emphasizes long-term orientation in buyer-seller relationships.

Rivers State's unique environment characterized by delayed claims processing, predominantly offline services and pronounced consumer skepticism amplifies commitment's significance. Effective commitment strategies mitigate churn, enhance satisfaction and fortify competitiveness. The study of Sirdeshmukh et al. (2019) on consumer trust, value and loyalty underscores exploring commitment's impact.

Nigeria's insurance growth trajectory, marked by significant premium expansion reported by NAICOM (2022), contrasts sharply with persistent retention challenges. This disparity underscores insurers' urgent need for adaptable, commitment-driven approaches addressing local socio-economic and geographical realities.

A significant knowledge gap persists regarding commitment's influence on customer retention outcomes within Rivers State's unique socio-economic and geographical context. This gap arises from existing research predominantly focusing on developed markets or broader national contexts, neglecting Rivers State's distinct characteristics. Furthermore, limited context-specific analysis exploring the interplay between commitment, local consumer behavior and insurance industry dynamics exacerbates this gap.

This knowledge gap underscores the imperative for targeted research, providing actionable insights for insurers operating in Rivers State. By addressing this void, this study contributes to developing effective commitment-driven strategies enhancing customer satisfaction, loyalty and competitiveness. Findings will inform insurers on how commitment enhances customer satisfaction, loyalty and competitiveness; and provide actionable insights for practitioners, policymakers and scholars to guide data-driven decision-making.

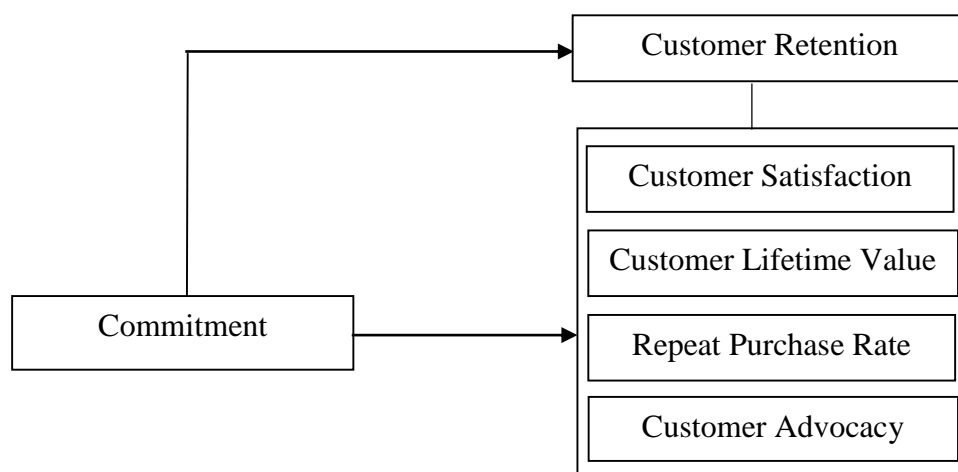


Fig. 1: Conceptual frameworks of relationship between commitment and customer retention.

**Source:** Kumari, V. (2017). Relationship marketing dimensions on customer satisfaction and customer loyalty: A Review. *Journal of Advance Research in Business Management and Accounting*, 3(9), 1-8.

### **Theoretical Framework**

This study is grounded on social exchange (Blau, 1964; Homans, 1958), relationship marketing theory (Gummesson, 1994; Morgan & Hunt, 1994) and service-dominant logic (Vargo & Lusch, 2004). Social exchange theory view relationships as reciprocal exchanges of rewards and costs. Individuals assess relationships based on perceived benefits versus sacrifices. In insurance contexts, commitment fosters mutual benefits, enhancing customer loyalty through timely claims settlement, personalized services and transparent communication. This theory's emphasis on reciprocity underscores insurers' need to demonstrate tangible commitment.

Relationship marketing theory emphasizes building, maintaining and enhancing customer relationships. Commitment and trust form the theory's core, highlighting the importance of consistent, reliable interactions. Effective commitment strategies strengthen customer ties, mitigating churn. Rivers State insurers can leverage relationship marketing principles to cultivate loyalty by prioritizing customer-centric approaches.

Service-dominant logic redefines services as core to economic exchange, emphasizing intangible benefits and customer experiences. Insurance companies applying service-dominant logic integrate technological advancements and personalized services, fostering commitment, satisfaction and loyalty. This perspective underscores the significance of customer-centric services in commitment formation.

Synthesizing these theories provides comprehensive insight. Social Exchange Theory highlights reciprocal benefits, Relationship Marketing Theory emphasizes commitment and trust, and Service-Dominant Logic prioritizes customer-centric services. This integrative framework illuminates commitment's pivotal role in customer retention within Rivers State's insurance industry, guiding insurers toward targeted strategies enhancing loyalty and competitiveness.

### **Concept of Commitment**

Commitment in relationship marketing represent a deep psychological state characterized by a desire to maintain relationships despite difficulties or alternatives. Morgan and Hunt (2023) underscore commitment's emotional attachment aspect, emphasizing building connections beyond economic benefits. Sheth and Mittal (2022) propose a multi-dimensional approach, distinguishing affective (emotional), continuance (economic) and normative (moral obligation) commitments.

Affective commitment fosters emotional attachment through trust, positive experiences and brand identification. Continuance commitment considers switching costs, convenience and satisfaction. Normative commitment stems from shared values, social norms or community membership. Anderson and Narus (2020) highlight investments made by both parties, such as time, effort or resources, deepening commitment through interdependence.

Trust, satisfaction and value creation are pivotal antecedents. Trust fosters confidence and security (McKnight et al., 2022), while satisfaction fuels positive expectations (Echeverri & Mavarez, 2020). Value creation exceeds customer expectations, delivering genuine benefits (Kumar and Reinartz, 2023). Cultivating commitment requires authentic relationship building, transparency, ethical behavior and consistent delivery.

Effective strategies involve personalized communications, loyalty programs and community engagement, fostering belonging and shared values. Commitment yields loyal customers,

repeat purchases and positive word-of-mouth recommendations (Echeverri & Mavarez, 2020). However, overly aggressive tactics can erode trust and backfire (Morgan & Hunt, 2023). Recognizing commitment's complexities and prioritizing authentic engagement allows brands to weave enduring customer connections.

### **Customer Retention**

Customer retention is pivotal in today's competitive landscape, as acquiring new customers is five to ten times more expensive than retaining existing ones (Reichheld & Scheffer, 2000). Customer retention encompasses encouraging existing customers to repurchase or continue using company offerings, focusing on behavioral aspects (Eggert & Ulaga, 2020). It's also conceptualized as keeping customers loyal over time, emphasizing emotional dimensions and attachment (Verhoef & Lemon, 2016).

In insurance, customer retention is the ongoing process of fostering loyalty and encouraging continued policyholding among existing clients. This entails building positive relationships, exceeding expectations and delivering value throughout the customer journey (Gronroos, 2022). Relationship marketing emphasizes developing long-term, mutually beneficial relationships, recognizing trust, commitment and satisfaction as crucial (Gronroos, 2022). Service-dominant logic highlights co-created value between customers and businesses, fostering ownership and retention (Vargo & Lusch, 2008).

Customer satisfaction significantly influences retention. Higher satisfaction levels increase retention likelihood (Homburg et al., 2021). Perceived value also drives retention, as customers remain loyal when value exceeds costs (Sweeney et al., 2020). Trust, fostered through transparent communication, ethical practices and promise fulfillment, enhances retention (Gefen et al., 2020). Commitment, nurtured through personalized interactions, loyalty programmes and exceptional service, strengthens customer relationships (Yang et al., 2021). Active engagement through multiple channels also boosts retention (Chen et al., 2019).

The evolving business landscape necessitates adapting retention strategies. Personalization fosters loyalty through tailored interactions (Hollebeek et al., 2019). Seamless interactions across touchpoints ensure continuity (Chen et al., 2019). Prompt responses enhance retention, necessitating robust customer service systems (Verhoef et al., 2015). Effective online review responses demonstrate customer satisfaction commitment, impacting reputation (Cheung et al., 2019).

Customer retention is a concept with multiple indicators, including customer satisfaction, customer lifetime value, repeat purchase rate and customer advocacy. To succeed in today's markets, insurers must prioritize these metrics of customer retention by leveraging customer data, integrating systems and actively monitoring online reviews. By adapting to evolving customer expectations, insurers foster lasting relationships and long-term success.

### **Customer satisfaction**

Customer satisfaction is customers' positive assessment of the value they receive from the purchase and consumption of products (Amangala & Ateke, 2018). Customer satisfaction is also conceptualized as an emotional response to the customer journey, resulting from fulfilled expectations across all touchpoints (Verhoef & Lemon, 2016). It encompasses the value-based aspect, where customers assess satisfaction based on perceived trade-offs between benefits received and costs incurred (Hellier & Hult, 2021).

The perception of satisfaction is influenced by ideal, expected and promised standards, as well as perceived value of competitor's offerings (Agarwal et al., 2007, as cited in Amangala & Ateke, 2018); and may be shaped by past interactions and relationships (Van Noortwijk et al., 2021). Customer satisfaction significantly influence a company's ability to retain customers, cultivate brand loyalty and drive sustainable growth. It reflects the degree to which a customer's expectations are met or exceeded after interacting with a company's products, services or brand (Oliver, 1997). Effective customer satisfaction strategies foster positive customer experiences, achieving long-term business success.

Multiple factors influence customer satisfaction. Product attributes such as quality, functionality, design and reliability significantly impact satisfaction (Homburg et al., 2017; Zhang et al., 2019). Service quality, including responsiveness, reliability, assurance, empathy and tangibles, shapes perceptions (Santos, 2019; Parasuraman et al., 2015). Price fairness, perceived value for money and trade-offs between price and quality also influence satisfaction (Zeithaml, 2018; Sirdeshmukh et al., 2016). Brand reputation, customer expectations, perceptions, emotions and experiences further impact satisfaction levels.

Customer satisfaction strongly impacts customer loyalty, advocacy and financial performance. Satisfied customers exhibit higher loyalty and repurchase intentions (Liu et al., 2016; Verhoef et al., 2015). Positive word-of-mouth recommendations significantly influence potential customers (Hennig-Thurau et al., 2017; Keiningham et al., 2017). Companies with higher customer satisfaction achieve better financial results, including revenue growth and profitability (Morgan & Rego, 2016; Anderson et al., 2017).

### **Repeat purchase rate**

Repeat purchase rate measures the proportion of customers who engage in multiple purchases from a specific company or brand within a defined timeframe (Gronroos, 2022). It serves as a fundamental indicator of customer loyalty, repurchase behavior and customer satisfaction (Verhoef et al., 2021). Effective repeat purchase rate strategies foster sustained business growth, stable revenue streams and higher profits (Reinartz et al., 2018).

Repeat purchase rate quantifies customers who make multiple transactions within a defined timeframe, typically a year (Schmidt and Mende, 2021). It reflects customer loyalty, repurchase behavior and customer satisfaction, indicating the effectiveness of customer retention strategies (Verhoef *et al.*, 2015). Repeat customers generate stable revenue, possess higher lifetime value and contribute to business growth (Gupta & Lehmann, 2019).

The significance of repeat purchase rate lies in its impact on business sustainability. Satisfied customers who become repeat purchasers engage in positive word-of-mouth, attracting new customers and expanding market reach (Verhoef *et al.*, 2021). Improving repeat purchase rate reduces customer acquisition costs, fosters customer engagement and strengthens brand affinity (Lemon and Verhoef, 2016).

Factors influencing repeat purchase rate include customer satisfaction, loyalty, perceived value and trust (Gronroos, 2022). Customer satisfaction and loyalty encourage repeat purchases (Storyly, 2023). Perceived value and trust foster customer confidence (Schmidt and Mende, 2021). External factors such as competitive offerings, pricing and promotions also impact repeat purchase behavior (Verhoef et al., 2017).

To enhance repeat purchase rate, businesses leverage exceptional customer experiences, personalized marketing and effective customer relationship management (Grönroos, 2015). Delivering seamless interactions, personalized support and convenient purchasing processes creates positive impressions (Verhoef et al., 2015). Personalized marketing tailors messages and offers to individual preferences, enhancing engagement (Bolton et al., 2018). Effective customer relationship management fosters trust and loyalty through personalized communication and proactive customer service (Morgan and Hunt, 2019).

### **Customer lifetime value**

Customer Lifetime Value (CLV) captures the long-term value customers bring to a business, encompassing initial and subsequent transactions (Chen et al., 2018; Gupta et al., 2021; Kumar & Reinartz, 2016). CLV indicates customer profitability, guiding marketing strategies, resource allocation and profitability optimization. It shifts focus from short-term transactions to long-term relationships, emphasizing cumulative customer value (Kumar & Reinartz, 2016; Lemon et al., 2002).

CLV enable companies to identify high-value customers, prioritizing them through targeted marketing, enhancing customer experiences and relationships (Venkatesan & Kumar, 2004). By recognizing customer long-term value, companies invest in relationship-building initiatives, customer service enhancements and loyalty programs, fostering a customer-centric culture (Peppers & Rogers, 2016). This perspective allows businesses to allocate resources effectively, focusing on customers likely to yield greater returns (Huang & Rust, 2021).

Calculating CLV involves estimating future revenue streams, considering purchase frequency, average order value, customer lifespan and retention rates (Gupta et al., 2021). Customer Acquisition Cost (CAC) represents expenses incurred acquiring customers, including marketing and sales costs (Reinartz & Kumar, 2022). Understanding CAC is essential for assessing profitability. Businesses must ensure the investment in acquiring customers yields a CLV that justifies the cost (Homburg et al., 2017).

CLV guides businesses in optimizing marketing effectiveness by segmenting customers based on lifetime value. Companies tailor marketing efforts, resource allocation and retention strategies to high-value segments (Kumar & Sethi, 2019). By focusing on CLV, businesses shift from transactional mindsets to relational ones, recognizing retaining existing customers is often more cost-effective (Reinartz & Kumar, 2022). Research indicates increasing customer retention rates by 5% can lead to 25-95% profit increases (Deloitte, 2020).

### **Customer advocacy**

Customer advocacy represents a strategic partnership between brands and vocal supporters who actively promote offerings through positive word-of-mouth and enthusiastic engagement (Kim et al., 2020; Muniz & O'Guinn, 2001). Transcending customer satisfaction, it reflects voluntary and emotional connections between satisfied customers and brands (Hennig-Thurau et al., 2010). This phenomenon holds immense value, especially in risk-averse markets like insurance, where positive recommendations boost trust, credibility and brand awareness (Nielsen, 2020).

Brand advocacy influences purchasing decisions, customer acquisition and retention by fostering loyalty, trust and credibility (McKenna et al., 2002). Advocates act as organic ambassadors, extending the company's reach beyond traditional marketing (Van den Bulte &

Lilien, 2001). Leveraging positive experiences reduces reliance on advertising, fostering long-term growth through consistent promotion, repeat purchases and increased customer lifetime value (Reinartz & Kumar, 2020).

Businesses cultivate advocacy by delivering exceptional customer experiences, exceeding expectations to foster positive emotional connections and loyalty (Lemon & Verhoef, 2016). Building strong brand communities creates passionate advocates through shared values and two-way communication (McAlexander *et al.*, 2002). Empowering employee ambassadors with authentic voices builds trust and credibility (Van der Meer *et al.*, 2020).

Recognizing and rewarding advocacy maintains engagement and motivation (Kumar *et al.*, 2018). Actively listening to customer feedback addresses concerns, building trust and loyalty (Gupta *et al.*, 2018). Consumer-based brand equity underscores advocacy's importance, emphasizing strong associations, positive image and loyal advocacy (Keller, 2020). Businesses benefit from advocacy through increased customer acquisition and retention, cost-effective marketing and long-term growth. By understanding advocacy's power and impact, businesses cultivate loyal customers, enhance brand awareness and achieve sustainable growth.

### **Commitment and Customer Retention**

Literature hold sufficient evidence of the link between commitment and customer retention. In a study conducted in 2023 by Kumar and Reinartz which assessed customer relationship profitability, it was shown that commitment has positive impact on customer lifetime value.

Schmidt and Mende (2021) conducted an integrative review on customer lifetime value by examining 50 studies. The review highlighted interrelations between commitment, satisfaction and trust, with commitment emerging as a central precursor to satisfaction and trust in customer relationships.

Relatedly, in a systematic review conducted by Echeverri and Mavarez (2020), it was confirmed that satisfaction is critical to commitment-loyalty relationships. Their analysis of 120 studies demonstrated satisfaction's positive influence on commitment and loyalty.

Also, Hollebeek and Chen (2019) surveyed 500 customers to explore the impact of engagement on commitment and loyalty. The findings showed that engagement enhances commitment and loyalty. Furthermore, Anderson and Narus (2020) illustrated the significance of interdependence on commitment development. Partnering fosters commitment through mutual reliance; while Verhoef and Lemon (2021) in a longitudinal customer journey mapping, emphasized personalization and service quality as drivers of commitment.

### **Methodology**

This study adhered to a positive philosophical stance, emphasizing objective measurement and analysis to uncover generalizable truths about the world. This stance aligns with the study's aim to quantitatively assess relationships between variables and draw conclusions applicable to the broader insurance industry within the chosen research context. The research maintains objectivity, relies on empirical observations and measurements, focuses on empirical data and assumes the social world operates according to causal laws.

Thus, a quantitative research approach was employed. This approach utilizes structured data collection methods to gather quantifiable information for statistical analysis. The quantitative approach allows for hypothesis testing and identifying patterns and relationships between

variables. A correlational research design was adopted in the study. This design assesses relationship strength and direction without implying causation.

The study's time horizon was set as cross-sectional, collecting data at a single point in time. The unit of analysis focused on the organizational level, targeting insurance companies in Rivers State, Nigeria. A survey research strategy was employed due to its effectiveness in gathering data anonymously and cost-effectively. The survey facilitated quantitative data collection from a broad sample for robust statistical analysis.

The target population comprised 118 insurance companies in Rivers State. The Krejcie and Morgan sample size determination formula yielded a sample size of 92 companies. Two senior staff members from each company were targeted, resulting in 184 distributed questionnaires. The selected individuals included operations and marketing managers, chosen for their insights into relationship marketing, customer retention strategies and internal processes.

A structured questionnaire with four sections was used: demographics, commitment, customer retention measures and customer loyalty programs. Each item consisted of four questions with 5-point Likert scale response choices. Questionnaires were distributed through direct contact, email, phone and collaboration with company representatives. A pilot test ensured validity and reliability.

To ensure validity, the questionnaire underwent scrutiny by marketing scholars and pilot testing with 10 insurance company employees. Reliability was confirmed through Cronbach's alpha values ( $\geq 0.7$ ). Results indicated high reliability across variables. Data analysis employed Spearman Rank Order Correlation statistical techniques using SPSS within a 0.05 significance level. Descriptive analysis utilized mean scores, standard deviations and percentages. Bivariate analysis assessed relationships between variables.

Data was analyzed to determine mean scores, standard deviations, percentages and correlation coefficients. The Spearman Rank Order Correlation Coefficient measured relationships between ranked observations, assessing degree of relatedness among ordinal variables. The study's findings contribute to existing knowledge by providing objective, empirically grounded insights applicable to the insurance industry.

Of the 184 copies of questionnaire distributed, 119 (64.7%) were retrieved while 65 copies were (35.3%) unrecovered. Upon examining the retrieved copies of questionnaire, 21 (17.7% of retrieved) were found incomplete and excluded from analysis. The remaining 98 copies of questionnaire (82.3% of retrieved) were adequately completed and suitable for data analysis.



## Results and interpretation

**Table 1: Relationship between commitment and customer satisfaction**

			Commitment	Customer Satisfaction
Spearman's rho	Commitment	Correlation Coefficient	1.000	.552*
		Sig. (2-tailed)	.	.012
		N	98	98
	Customer Satisfaction	Correlation Coefficient	.552*	1.000
		Sig. (2-tailed)	.012	.
		N	98	98

\*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS output of data analysis on commitment and customer retention (2024).

Table 1 presents the Spearman's rho correlation analysis between commitment and customer satisfaction among insurance companies in Rivers State, Nigeria. The results indicate a significant positive correlation between commitment and customer satisfaction ( $\rho = 0.552$ ,  $p < 0.05$ ). This suggests that as commitment increases, customer satisfaction also tends to increase. The correlation is significant at the 0.05 level (2-tailed), indicating that the relationship observed is statistically significant and not due to random chance. The positive correlation coefficient implies that higher levels of commitment are associated with higher levels of customer satisfaction.

**Table 2: Relationship between commitment and repeat purchase rate**

			Commitment	Repeat Purchase Rate
Spearman's rho	Commitment	Correlation Coefficient	1.000	.641
		Sig. (2-tailed)	.	.002
		N	98	98
	Repeat Purchase Rate	Correlation Coefficient	.641	1.000
		Sig. (2-tailed)	.002	.
		N	98	98

\*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS output of data analysis on commitment and customer retention (2024).

Table 2 presents the Spearman's rho correlation analysis between commitment and repeat purchase rate among insurance companies in Rivers State, Nigeria. The results indicate a significant positive correlation between commitment and repeat purchase rate ( $\rho = 0.641$ ,  $p < 0.05$ ). This suggests that as commitment increases, the repeat purchase rate also tends to increase. The correlation is significant at the 0.05 level (2-tailed), indicating that the relationship observed is statistically significant and not due to random chance. The positive correlation coefficient implies that higher levels of commitment are associated with higher repeat purchase rates.

**Table 3: Relationship between commitment and customer lifetime value**

			Commitment	Customer lifetime value
Spearman's rho	Commitment	Correlation Coefficient	1.000	.561**
		Sig. (2-tailed)	.	.009
		N	98	98
	Customer lifetime value	Correlation Coefficient	.561**	1.000
		Sig. (2-tailed)	.009	.
		N	98	98

\*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS output of data analysis on commitment and customer retention (2024).

Table 3 presents the Spearman's rho correlation analysis between commitment and customer lifetime value among insurance companies in Rivers State, Nigeria. The results indicate a significant positive correlation between commitment and customer lifetime value ( $\rho = 0.561$ ,  $p < 0.01$ ). This suggests that as commitment increases, customer lifetime value also tends to increase. The correlation is significant at the 0.01 level (2-tailed), indicating that the relationship observed is statistically significant and not due to random chance. The positive correlation coefficient implies that higher levels of commitment are associated with higher customer lifetime value.

**Table 4: Relationship between commitment and customer advocacy**

			Commitment	Customer Advocacy
Spearman's rho	Commitment	Correlation Coefficient	1.000	.421
		Sig. (2-tailed)	.	.037
		N	98	98
	Customer Advocacy	Correlation Coefficient	.421	1.000
		Sig. (2-tailed)	.037	.
		N	98	98

\*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS output of data analysis on commitment and customer retention (2024).

Table 4 presents the Spearman's rho correlation analysis between commitment and customer advocacy among insurance companies in Rivers State, Nigeria. The results indicate a significant positive correlation between commitment and customer advocacy ( $\rho = 0.421$ ,  $p < 0.05$ ). This suggests that as commitment increases, customer advocacy also tends to increase. The correlation is significant at the 0.05 level (2-tailed), indicating that the relationship observed is statistically significant and not due to random chance. The positive correlation coefficient implies that higher levels of commitment are associated with higher levels of customer advocacy.

### Discussion of Findings

Commitment significantly influences customer retention in Nigeria's insurance industry. Statistical analysis reveals positive correlations between commitment and customer retention measures. The strong correlation between commitment and repeat purchase rate ( $\rho = 0.641$ ,  $p < 0.05$ ) resonates with Kumar and Reinartz's (2023) commitment-driven loyalty findings. Moderate correlations exist with customer satisfaction (0.552,  $p < 0.05$ ), customer lifetime value (0.561,  $p < 0.01$ ) and customer advocacy (0.421,  $p < 0.05$ ), supporting Morgan and Hunt's (1994) commitment-trust theory.

Scholarly research reinforces commitment's significance. Studies by Schmidt and Mende (2021), Echeverri and Mavarez (2020), Hollebeek and Chen (2019) and Anderson and Narus (2020) emphasize commitment's impact on customer loyalty, satisfaction and retention. Social Exchange Theory (Emerson, 1976), Relationship Marketing Theory (Berry, 1983) and Commitment-Trust Theory (Morgan & Hunt, 1994) provide theoretical foundations.

Insurance companies in Rivers State should prioritize commitment-driven strategies: transparent policies, customer-centric services, effective communication and satisfaction monitoring. Research by Verhoef and Lemon (2021), Sirdeshmukh *et al.* (2019) and Garbarino and Johnson (2019) underscores commitment's role in customer loyalty, retention and advocacy. Implementing commitment-driven approaches strengthen customer relationships, foster satisfaction, loyalty and growth. Recognizing commitment's importance, insurers adjust strategies to enhance customer perceptions, satisfaction and loyalty.

### **Conclusion**

This study establishes commitment's pivotal role in enhancing customer retention in Nigeria's insurance industry. Statistical analyses reveal significant positive correlations between commitment and key customer retention metrics: customer satisfaction, repeat purchase rate, customer lifetime value and customer advocacy.

Commitment's influence on these metrics resonates with theoretical frameworks, social exchange, relationship marketing and commitment-trust theories emphasizing its significance. Findings indicate insurers prioritizing commitment-driven strategies: transparent policies, customer-centric services, effective communication and satisfaction monitoring. By embracing commitment, insurers foster satisfaction, loyalty and growth. This study provides actionable insights for strengthening customer relationships. Recognizing commitment's importance, insurers can differentiate themselves and drive sustainable business growth. Commitment remains crucial for successful insurers as Nigeria's industry evolves. Dedicated commitment initiatives ensure resilient, customer-centric insurance sectors.

### **Recommendations**

To enhance customer retention and strengthen relationships, the study recommends that:

1. Insurance companies should implement transparent policy documentation and claims processing.
2. Companies should ensure effective communication through regular policy updates.
3. Insurers should invest in employee training for exceptional service delivery.
4. Insurance firms should streamline claims processing for timely payouts.
5. Companies should offer personalized customer support through designated managers.

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