

The Impact of Customer Relationship Management (CRM) on Brand Equity (The Case of Nile Insurance Company (S.C.))

*A Research project submitted in partial fulfillment of the requirements
for the award of Master of Arts Degree in Marketing Management
Addis Ababa University School of Commerce
Department of Marketing Management Graduate Program*

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*June, 2016
Addis Ababa, Ethiopia*

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Advisor: Getie Andualem (PhD.)

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Declaration

I Netsanet Shiferaw hereby declare that this research paper with the **title “The Impact of CRM on Brand Equity: the case of Nile Insurance Company S.C.”** is my own original work and has not been presented in for award of any degree in any university. I also declare that all the materials used in the study are duly acknowledged.

Signed: _____

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Netsanet Shiferaw GSE/0849/06

Statement of Certification

This is to certify that Netsanet Shiferaw Tessema has carried out her research work on the topic **“The Impact of CRM on Brand Equity: the case of Nile Insurance Company S.C”**. The work is an original and has been submitted for examination with my approval as an advisor.

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Table of Contents

List of Tables	viii
Abstract	ix
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Overview of the Insurance Industry in Ethiopia	2
1.2.1 Insurance in Ethiopia	2
1.2.2 Background of Nile Insurance Company (S.C)	4
1.3 Statement of the Problem.....	4
1.4 Research Questions.....	6
1.5 Objective of the Study	6
1.5.1 General Objective	6
1.5.2 Specific Objectives	6
1.6 Definition of Key Terms.....	7
1.7 Significance of the Study	8
1.8 Scope and Delimitation of the Study	8
1.9 Organization of the Study	9
CHAPTER TWO	10
LITERATURE REVIEW	10
2.1 Theoretical Framework.....	10
2.1.1 Overview of Brand.....	11
2.1.2 Brand Value	13
2.1.3 Service Branding.....	13
2.1.4 Insurance Branding	14
2.1.5 Brand Equity	16
2.1.6 Dimensions of Brand Equity.....	17
2.1.7 Customer Relationship Management (CRM).....	19
2.1.8 Types of CRM.....	21
2.1.9 Importance of CRM	21
2.1.10 Barriers to CRM Success	22
2.1.11 Advantages of CRM for Insurance Companies	23

2.1.12 Factors Affecting CRM.....	23
2.2 Empirical Review.....	24
2.2.1 Customer Relationship Management and Organizational Performance	24
2.2.2 CRM in Financial Services	26
2.2.3 Brand Equity and Customer Loyalty	26
2.3 Conceptual Framework and Hypotheses.....	27
2.3.1 Conceptual Framework	27
2.3.2 Hypotheses of the Study	28
CHAPTER 3	30
RESEARCH DESIGN AND METHODOLOGY	30
3.1 Research Approach	30
3.2 Research Design.....	31
3.3 Population and Sampling Design.....	31
3.3.1 Target Population.....	31
3.3.2 Sampling Frame	32
3.3.3. Sample Size.....	32
3.3.4 Sampling Technique	32
3.4 Sources of Data.....	34
3.5 Data collection Instrument.....	34
3.6 Data Analysis Method.....	35
3.7 Validity and Reliability.....	35
3.7.1 Validity	35
3.7.2 Reliability.....	36
CHAPTER FOUR.....	38
DATA ANALYSIS AND INTERPRETATION	38
4.1 Response Rate.....	38
4.2 Respondents' Profile.....	38
4.2.1 Gender of respondents	38
4.2.2 Age of respondents	39
4.2.3 Education	39
4.2.4 Occupation.....	40
4.2.5 Monthly income	40

4.2.6 Year of stay with Nile	41
4.3 Descriptive Analysis	42
4.3.1 Top Management	42
4.3.2 Information Technology	43
4.3.3 Organizational Culture	43
4.3.4 Customers' Perceptions of Nile as a Brand.....	45
4.4 Principal Component Analysis (PCA)	46
4.5 Multiple Regression Analysis	47
4.5.1 Results of the Regression Analysis.....	48
4.6 Hypotheses Testing	49
4.7 Qualitative Analysis.....	49
CHAPTER FIVE	53
5.1 Summary of Findings.....	53
5.2 Conclusion	53
5.3 Recommendations.....	55
5.4 Limitations and Direction for Further Research	55
REFERENCES	56
APPENDICES	61

List of Tables

Table 3.1	Sample size allocation for branches.....	33
Table 3.2	Cronbach's Alpha.....	36
Table 4.1	Survey response.....	38
Table 4.2	Gender Frequency.....	39
Table 4.3	Age Frequency.....	39
Table 4.4	Education Frequency.....	40
Table 4.5	Occupation Frequency.....	40
Table 4.6	Monthly income Frequency.....	41
Table 4.7	Year of stay with Nile Frequency.....	41
Table 4.8	Descriptive analysis Top Management.....	42
Table 4.9	Descriptive analysis Information Technology.....	43
Table 4.10	Descriptive analysis Organizational Culture.....	43
Table 4.11	Descriptive analysis Brand equity	44
Table 4.12	Summary of Hypotheses Testing.....	49

Abstract

The main objective of the study is to examine the impact of Customer relationship management on brand equity in one of the private insurance companies in Ethiopia Nile Insurance share Company. The research is descriptive and correlational and done using both qualitative and quantitative data collected through self administered questionnaire and interview. The research is conducted on 348 respondents drawn from Nile Insurance S.C clients who reside in Addis Ababa and interview is conducted with five management staffs of the company. Both descriptive and inferential statistics was used to analyze the data collected through questionnaire descriptive statistics was used to summarize demographic data of respondents, Principal component analysis was used to extract components and multiple regression analysis is used to examine the impact of CRM components on brand equity. The result of the study reveals that CRM has a positive and significant impact on brand equity. Therefore it is recommended that insurance companies should give emphasis to Customer relationship management as a strategic tool to enhance their brand equity which helps to gain value from customers.

CHAPTER ONE

INTRODUCTION

This chapter is the blue print of the entire research. The chapter consists of brief introduction of the research topic, what to be studied or statement of the problem, research questions to be addressed, definition of terms, scope and delimitation of the study and organization of the research paper.

1.1 Background of the Study

Today's market is characterized by intense competition. Therefore companies are forced to develop a strategy to overcome this problem and stay being competitive in a crowded market. The constantly changing working environment force companies to change the way they do business (Kostojohn et al., 2011).

Kotler and Keller (2012) identified 12 societal forces that have created new marketing opportunities and challenges. These factors are; technology, globalization, deregulation, privatization, intense competition, industry convergence, power of retailers, disintermediation, customer buying power, consumer information, and consumer participation and consumer resistance.

Therefore companies need to work intensively and come up with a strategy to work and stay profitable in such a highly competitive environment. One means to do so is through managing customer relationship with the help of Customer Relationship Management (CRM) (Lingavel, 2015).

Since tangible benefits of products and services can easily be duplicated, many business firms focus to excel in intangible benefits to gain competitive advantage. One way companies can achieve competitive advantage is through building a strong brand. Brands are powerful assets that must be carefully developed and managed (Kotler & Armstrong, 2012).

The intangible nature of services hinders customers from making a choice decision than products. Hence, branding plays a vital role in service businesses. It will increase customers' trust and confidence in choosing a particular brand (Keller, 2013).

One means to develop a strong brand for companies like insurance companies where there is high interaction with customers is through managing their relationship with their customers in an ongoing basis.

Knowing customer expectation, preference and behavior becomes very important to build a strong brand. A brand with high brand equity will have the advantage of building customers' trust and reduce purchase risk for customers.

1.2 Overview of the Insurance Industry in Ethiopia

In this topic first the insurance industry in Ethiopia as a whole how it is started and its current status is discussed and then brief description of the insurance company under study is presented.

1.2.1 Insurance in Ethiopia

Insurance business was started in Ethiopia around 1905 with the establishment of the first bank that is, Bank of Abyssinia. During that time the bank was working as an agent to foreign insurance companies and provides fire and marine insurance coverage (Sambasivam & Gashaw, 2013).

According to (Hailu, 2007) there were around 33 private insurance companies in Ethiopia in the 1960's. In 1974 when Derg came to power, all private insurance companies are merged as one and only one Government owned insurance company The Ethiopian Insurance Company was formed. The deregulation in 1991 allows establishing or forming private insurance companies. Since 1994 private insurance companies began to form. Currently there are 16 private insurance companies which are established as Share Companies and one Government owned Company established as public enterprise.

List of Insurance Companies Performing in Ethiopia as on 2015.

S/N	Name	Type of insurance	Year of establishment
1	Ethiopian Insurance Corporation	Life and General Insurance	1975
2	National Insurance Company S.C	Life and General Insurance	23/09/1994
3	Wash Insurance Company S.C	Life and General Insurance	1/10/1994
4	Africa Insurance Company S.C	Life and General Insurance	1/12/1994
5	Nyala Insurance Company S.C	Life and General Insurance	6/1/1995
6	Nile Insurance Company S.C	Life and General Insurance	11/4/1995
7	Global Insurance Company S.C	Life and General Insurance	11/1/1997
8	The united Insurance Company S.C	Life and General Insurance	1/4/1997
9	Nib Insurance Company S.C	Life and General Insurance	1/5/2002
10	Lion Insurance Company S.C	Life and General Insurance	1/7/2007
11	Ethio life and General insurance	Life and General Insurance	23/10/2008
12	Oromia Insurance Company S.C	Life and General Insurance	26/01/2009
13	Abay Insurance Company S.C	Life and General Insurance	26/07/2010
14	Birhan Insurance Company S.C	Life and General Insurance	24/5/2011
15	Tsehay Insurance Company S.C	Life and General Insurance	28/03/2012
16	Lucy Insurance Company S.C	Life and General Insurance	01/10/2012
17	Buna Insurance Company S.C	Life and General Insurance	21/05/2013

Source: <http://www.nbe.gov.et/financial/insurer.htm>

The insurance business in Ethiopia still found in an infancy stage. Most of the insurance businesses still work traditionally without implementing insurance software and their basis of competition is price. There is a price war between the insurance companies to the extent that they are charging a premium that is not commensurate to the risk they are taking. There is a high tendency of customers switching from one insurance company to the other. Many customers even don't know the difference between one insurance company and the other and often confuse them. Most insurance companies do not have detail data about their customers and their history and the attention they give to customers is minimal. If the country's financial sector is going to be open to the World Trade, it will be tough to stand strong for local insurance companies. Therefore developing a strong brand and achieving a widespread top of mind awareness by customers is very crucial for insurance Companies. Since insurance companies are very customer centric they can maintain their brand equity through implementing CRM.

1.2.2 Background of Nile Insurance Company (S.C)

Nile Insurance Company (S.C.) is one of the pioneer private insurers established on April, 1995 with a capital of birr 12.5 million. Over the past years, the company has grown from birr 12.5 million to birr 200 million, from 26 to 122 shareholders, from 4 to 36 branches both in the capital and regional cities and has more than 28,500 customers across the country. The total asset of the company has reached birr 650 million.

1.3 Statement of the Problem

In order to satisfy customers' needs proactively than reactively, businesses need to better understand their customers (Amoako et al., 2012). To compete effectively and enhance long term customer loyalty, firms are working towards creating and maintaining long term relationship with their customers through the implementation of customer relationship management (Chen & Popovich, 2003).

CRM creates a bond between new technologies and new marketing thoughts and work towards developing profitable long term relationship (Payne, 2005).

CRM help companies to maintain competitiveness through managing customer interaction (Lingavel, 2015). There is soaring competition between insurance companies to attract

customers. The existence of many similar competitive companies will force insurance companies to be responsive to customer needs and expectation. Hence being customer oriented is very important for insurance companies.

Insurance business is considered as a business of trust. Insurance companies sell promises which will be committed in the future (Moradi, 2015). Customers or policy holders are unable to assess the promise unless an accident happened and their claim is settled by insurance companies as early as possible. This makes insurance as the most complex service where it is difficult to understand its nature prior to purchasing insurance coverage.

Due to this complex nature and because there are numerous insurance companies that give almost identical coverage, customers are often confused to choose one insurance company from the other. Therefore in order to tackle these problems insurance companies need to work on building and, managing their brand equity. One means for insurance companies to build a strong brand is through managing their relationship with their customers. This can be achieved through focusing on customers that is, through the implementation of Customer Relationship Management (CRM) as their strategic focus.

Insurance companies need to have a close relationship even to the extent a one to one relationship with their customers. Insurance firms need to identify their profitable customers. They should know their customers' needs, their perception about the company, and their expectation very closely. In this way insurance companies can create loyal customers who are even willing to recommend the brand to others. This in turn gives them a competitive leverage.

Even if private insurance companies began to form after the 1991 deregulation and most of the early established insurance companies have been in the market for more than two decades, the insurance industry is still in its infancy stage. Insurance companies are not yet working towards building their brand and gain a strong place in the customers mind or build an ongoing relationship with their customers. The competition in the insurance industry is becoming very intense as more and more insurance companies enter in to the market. Therefore insurance

companies need to become customer focused. Insurance companies should give CRM due consideration as a strategic tool to gain customers, retain them and making them loyal.

Hence the study assesses the impact of CRM on brand equity in insurance companies. The research paper tried to show that insurance companies which are very customer centric can maintain their brand equity through implementing CRM.

1.4 Research Questions

The study tried to answer the following research questions.

1. How does customer relationship management affect brand equity?
2. What are the challenges insurance companies face in building brand equity?
3. What are determinants of good CRM strategy?
4. What are the dimensions of brand equity?

1.5 Objective of the Study

1.5.1 General Objective

The main objective of the study is to examine the impact of customer relationship management on brand equity in Nile Insurance Share Company.

1.5.2 Specific Objectives

Specifically the study has the following sets of objectives:

- To examine components of CRM on insurance business
- To examine dimensions of brand equity.
- To examine the individual effect of CRM components on Brand equity.

1.6 Definition of Key Terms

Customer relationship management: Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value (Parvatiyar & Sheth, 2001,p.5).

Brand equity: Brand equity is a set of brand asset and liabilities linked to the brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customer (Aaker, 1991,p.49).

Top Management: Management of the company who support and committed to take initiative to show strategic direction and alignment of company vision with the CRM project (Chen & Popovich, 2003,p.13).

Information Technology: Information Technology (IT) refers to a system for acquiring and managing valuable data from customers (Ali et al., 2013, p.2).

Organizational Culture: Organizational culture refers to employees' beliefs, expectations, attitude and common value (Siripasoetsin & Tuamsku, 2011,p.280).

Brand loyalty: Brand loyalty is strong commitment to superior services or goods repurchase in future to acquire the same brand despite of marketing efforts by potential rivals and their impacts (Jandaghi et al., 2011,p.3).

Perceived quality: Perceived quality is the overall perception of quality customer has towards a particular brand based on its ability to perform the intended purpose as compared to other competing brands (Aaker, 1991,p.59).

Brand awareness: Brand awareness is the strength of brands to reside in the consumers' mind (Aaker, 1996,p.22).

Brand association: Brand association refers to specific associations linked to a brand to other information in the mind (Aaker, 1991,p.61).

1.7 Significance of the Study

The researcher while conducting this research anticipated that the findings of the study will benefit the company under study, the insurance industry, customers and other researchers.

The research will inspire executives of Nile insurance company to bring a strategic change in the organization to be customer focused to build their brand equity. The findings also help other insurance companies as well that are struggling to stay profitable in the market to scrutinize their business strategy carefully to stay competent in the market.

The research will reduce for insurance users the confusion they get to choose from available service providers and they will have a ground to choose one based on the attention and recognition they get from the insurance company.

The research paper can also be an input to other researchers who want to study insurance branding or significance of customer relationship management to financial services in general and insurance business in particular.

1.8 Scope and Delimitation of the Study

Currently there are 16 private insurance companies which are established as Share Companies and one Government owned company established as a public enterprise. From these insurance companies this research is conducted on one of the early established private insurance companies that is, Nile Insurance S.C. Since More than 90% of the annual written premium or production came from general insurance (non-life insurance), the study is delimited to general insurance. The study is also delimited to be conducted on branches in Addis Ababa. Even if there are many determinant factors that might have an impact in building an insurance brand, the research is delimited to showing the impact of Customer relationship Management in building brand equity.

1.9 Organization of the Study

The research paper has five chapters. The first chapter consists of introduction, problem statement, objective, significance and scope of the study .Chapter two deals with literature review which assess various books, publications and journals written on customer relationship management, brand, brand equity, service and insurance. This chapter gives a profound view of the research to be conducted. The research design, methodology employed to conduct the research, sampling techniques used and data collection and analysis methods are discussed in detail in chapter three. The fourth chapter deals with interpretation of the research findings and results based on the collected data. It tried to create a bridge between the literature review done in the second chapter and the actual finding. The fifth, which is the final chapter, consists of summary, conclusion and recommendation.

CHAPTER TWO LITERATURE REVIEW

This chapter consists of theoretical frame work, empirical review, developing a conceptual framework for the research and hypotheses formulation. Theoretical framework deals with thorough assessment of various books, other researchers conducted on the subject area in order to give a good picture about the subject area under study. Empirical review deals with assessment of prior empirical studies conducted on the subject area and the conceptual frame work for the study is designed and hypotheses are formulated in line with the objective of the study.

2.1 Theoretical Framework

Many changes in the environment and the market place force many businesses to give due attention for their customers and to become customer oriented. Thus Customer relationship management becomes a major corporate strategy (Payne, 2005).

Some of the reasons identified by Payne (2005) for businesses to be more customer oriented specially for businesses with large customer base are:

- Increasing power and decreasing cost of computers
- Increase in storage capacity of computers
- The rise of e commerce
- Availability of sophisticated tools to analyze, retrieve and visualize data
- An increase in recognition of customer retention and life time value.

Customer relationship management (CRM) involves tracking each customer behavior over a period of time and come up with tailor made solution to the customer's need (Kamakura et al., 2005).

In a highly competitive market ability to reside in the customers mind will help the organization to acquire loyal customers. One means to gain such a position in the consumers' mind is through building brand equity (Parsa et al., 2013).

Customers often view different service providers of a certain service as one and they tend to focus on the price than the service provider. Therefore service companies need to come up with a differentiation strategy to overcome price competition. One means of doing this is through branding (Kotler & Armstrong, 2012).

Services differentiation can be achieved through differentiated offer, service delivery mechanism and building image. From these three factors image created through building strong brand is very important because it cannot be easily copied by competitors (Kotler, 2001).

In order to stay competent in a highly competitive market, insurance companies need to manage their brands as a strategic asset (Smith, 2012). Strong brand increases customer confidence and enable customers to understand services and make them tangible (Moradi, 2015).

Therefore developing a strong brand and achieving a widespread top of mind awareness by customers is very crucial for insurance Companies. Since insurance companies are very customer centric they can maintain their brand equity through implementing CRM. If customers find out that their relationship with their insurance provider is satisfactory they will stay loyal and do not intend to switch to other competing companies.

2.1.1 Overview of Brand

Aaker (1991) defined brand as:

A distinguishing name and or symbol (such as logo, trademark or package design) intended to identify the goods or services of either a seller or a group of sellers and to differentiate those goods or services from those of competitor (p.54-55).

From this definition we can infer that a brand will help organizations to uniquely identify themselves or their products and it is one means of differentiation to gain competitive advantage.

It is difficult to build a brand today than few decades ago. Some of the reasons according to Aaker (1996) are:

- High cost of advertising
- Due to brand proliferation(mushrooming of brands)
- High cost of distribution
- Customers are equipped with the necessary information and they can easily get access to information about various competing brands to make their purchase decision.

The concept of a brand goes way back to the 16th century, shippers used to burn the barrel used to transport goods to identify the name of the producer or the shipper (Keller, 2013).But brand becomes a focal point in business and brand name becomes so powerful from the twentieth century onwards (Aaker, 1991).

Brand is different from a product in that a product has tangible and rational characteristics where as a brand has intangible and emotional characteristics (Keller, 2013).

According to Aaker (1991) the two main driving forces for companies that forces them to give due consideration to branding are;

- I. Firms willingness to pay substantial premium for brand names due to the complexity and the cost to build new brand and
- II. The turning of many businesses and industry in to commodity due to excessive use of price promotions.

Brand has so many benefits to the customer as well as to the manufacturer or service provider. (Keller, 2013) identifies some of the benefits or role that a brand plays to customers and Manufacturers or service providers. Some of the benefits identified by Keller are:

To the customer

- It helps to identify sources of the product
- Helps to assign responsibility if something goes wrong
- Reduce searching cost, time and effort and help to make choice decision based on past experience of a particular brand.
- Signifies quality.

To the manufacturer or service provider

- It gives legal protection through registering the brand.
- Gives competitive leverage
- Help to charge premium price

2.1.2 Brand Value

Many business persons and marketers ask why it is so important to give due consideration to a brand. Kotler and Armstrong (2012) describe brand as a powerful asset that needs to be managed and developed carefully.

In order to show the power of a brand once former CEO of Mc Donald's declared and quoted from kotler and Armstrong (2012, p.243) that:

"... if every asset we own, every building and every pieces of equipment were destroyed... we would be able to borrow all the money to replace it very quickly because of the value of the brand"

Aaker (1991) identified five approaches to assess the value of a brand. These are:

- Premium price
- The impact of the brand name on customer preference
- Replacement value of the brand
- Stock price and
- Earning power of a brand.

2.1.3 Service Branding

The service industry is growing all over the world and become the major contributor to the economy.

Kotler (2001) defined service as "any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything"(p.200).

Services have some distinguishing characteristics than products. Kotler and Armstrong (2012) identified four special characteristics that uniquely identified a service from a product. These are intangibility, inseparability, variability and perishability.

Intangibility refers to the difficulty to feel or test a service prior to purchase. Because of the intangibility nature of services customers often look for a clue that shows the quality of the service such as the people who served, the price, the ambiance and so on (Kotler & Armstrong, 2012). Therefore the marketers' task is to work in these signals and convince customers to believe that the service they get is the best.

Service inseparability refers to the difficulty to separate the service from the service provider. The service provider's attitude, personality or interaction will directly affect the service quality (Kotler & Armstrong, 2012).

Service variability refers to the quality of the service which varies from one service provider to the other. Therefore the overall perception of the customer about the service quality varies depending on the person who served (Kotler & Armstrong, 2012). Service perishability refers to the inability to keep services for later use.

It becomes difficult to differentiate one service from that of competitors. Customers often view different service providers of a certain service as one and they tend to focus on the price than the service provider (Kotler & Armstrong, 2012).

Therefore branding plays a distinctive role in service companies. This is due to the fact that strong brands help customers to visualize the intangible and boost their trust on the brand and reduce their anxiety (Simoes & Dibb, 2001).

2.1.4 Insurance Branding

Insurance is one of the most complex services where it is difficult to understand its nature prior to purchase. Due to this complex nature policy holders (insurance service buyers) find it difficult to distinguish one insurance company from the other (Moradi, 2015).

The insurance industry is highly fragmented and only few insurance brands achieve top of the mind awareness by customers. Only few insurance companies in the world are aggressively claiming relevant differentiation benefits in consumer communication.

Even if behavioral loyalty is higher, attitudinal loyalty is very low between insurance companies and their customers. Hence there is always a tendency to switch to other insurance companies very easily.

One means by which insurance companies can alleviate this problem is through managing their brand equity (Moradi, 2015).

Even if most insurance companies keep a pile of records on their customers, premium, claim history and cost, these information are kept isolated or as islands of data and they are not able use it as a competitive weapon (Peppard, 2000).

One powerful means to build brand equity and gain differentiating benefit for insurance companies is by creating close relationship with customers. Since the business is customer centric very close interaction with customers is very important.

Companies need to have a good understanding of the magnitude of the customer relationship with the company, the brand, employees or other customers. When there is a strong tie between the customer and an employee there is a tendency to lose the customer if the employee left the company and employed with other competing firm (Ambler, 2002).

Hence establishing a strong customer-brand tie is important. The customer asset achieved through customer relationship management provides an in depth understanding of the customers' past history which will help to meet his/her current needs. The brand equity on the other hand will give the customer guarantee to get what they want and the marketer to design new marketing strategies in creative way (Ambler 2002).

2.1.5 Brand Equity

According to Aaker (1991);

“Brand equity is a set of brand asset and liabilities linked to the brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customer”(p.49).

In accordance with this definition brand equity is directly related with the brand name or symbol and any change on one of the two or both will have an impact on brand asset and/or liability.

Kotler and Armstrong (2012) defined brand equity as “the measure of the brands ability to capture consumer preference and loyalty”(p.243). When customers react favorably to a particular brand this shows that it has positive brand equity and when customers react less favorably than other competing brand it has negative brand equity.

Gaining a sustainable place in the customer’s mind is crucial to gain a competitive advantage. That is why many firms today focus on building their brand equity (Parsa et al., 2013). Brand equity has a strategic role to achieve competitive advantage. High brand equity will increase customer preference and buying intention (Moradi, 2015).

To better understand the brand equity concept discussing the brand value chain process is important.

The value creation process of the brand begins at the company’s marketing program investment. This investment is expected to affect the customers mind set or their feeling towards the brand. Whether or not positive feeling about the brand is crated can be known by measuring customer brand awareness level, brand association, brand attitude, brand attachment and brand activity level. Then customer mind set will be created. This can be seen in customer’s willingness to pay premium price for the brand and being price inelastic (Ambler et al. 2002).

2.1.6 Dimensions of Brand Equity

Aaker (1991) identified five basis of brand equity. Many marketing researchers who have done research on brand and brand equity use these brand equity dimensions identified by Aaker. These are:

1. Brand loyalty
2. Brand name awareness
3. Perceived quality
4. Brand association
5. Other proprietary brand assets

Brand Loyalty

Brand loyalty is strong commitment to superior services or goods repurchase in future to acquire the same brand despite of marketing efforts by potential rivals and their impacts (Jandaghi et al., 2011,p.3).

It is very much expensive to gain new customers as compared to the effort to keep and satisfy existing ones. Therefore keeping existing customers is very important. First it will create competitive advantage and help to defend the market share. Second it will help to attract new customers through word of mouth. A well satisfied and loyal customer will tell others to use that brand. Third it will discourage competitors not to try to invest to take these loyal customers (Aaker, 1991).

Customers can be loyal to a brand, a specific store or a company as a whole (Kotler & Armstrong, 2012).

One of the manifestations of brand loyalty is customers recommending a service provider to others and repeatedly patronizing the provider (Roy, 2012).

There are two approaches to define and measure loyalty. These are behavioral loyalty and attitudinal loyalty (Buttle, 2009).

Behavioral loyalty measures customer preferences to purchase. It is expressed in customers continuous buying and support of the brand or the product without feeling or an attitude of devoted attachment (Hirvonen & Ify, 2011).

Attitudinal loyalty measures customers' beliefs, feeling and purchase intention. Here there is commitment and preference to a particular brand or service (Hirvonen & Ify, 2011).

Kotler and Keller (2012) identified three marketing activities that will help companies to improve loyalty. These are:

1. Interacting with customers: get customer feedback and keep in touch with them all the time.
2. Develop loyalty programs: design a marketing program to reward or recognize customers who buy frequently.
3. Create institutional ties: with the help of technology try to provide some communication facilities for customers that will help them to easily contact with the company.

Brand awareness

Brand awareness is the strength of brands to reside in the consumers' mind (Aaker, 1996,p.22). Customers usually prefer to buy a brand whose name is well known in the market place or the one they are familiar with. This is because of the assumption that a known brand is relatively of excel quality than others (Aaker, 1991).

Customers' purchase decision is related with their familiarity with the brand (Parsa et al., 2013).

Brand awareness can be measured using recognition: prior exposure and recall: top of mind placement of the brand (Aaker, 1996).

Since almost all competing firms are trying to get a place in the consumers mind, customers are exposed to numerous marketing messages hence recall and recognition are important to struggle in such a market (Aaker, 1996).

Perceived quality

Perceived quality is the overall perception of quality customer has towards a particular brand based on its ability to perform the intended purpose as compared to other competing brands. Perceived quality of a product differs for different companies and their product. Customers' perception of the quality of a particular brand has an impact on customer loyalty and purchase decision (Aaker, 1991).

Brand association

Brand association refers to specific associations linked to a brand to other information in the mind. An association of a brand to someone or some uses or benefit can create a reason to buy the brand. Strong brand association will create higher positive brand equity. Associations related to products such as credibility, feeling, usage, life style or personality will help to build strong brand or high brand equity (Aaker, 1991).

Other proprietary brand assets

This include patent, trade mark, channel relationship etc. proprietary brand assets will give a brand legal protection and help to keep their customer base. It will also reduce confusion that competitors crate by trying to mimic known brand names or logos. A well established channel relationship is important to get more access to customers. When a new product line is on the market it will reduce the effort to get to customers (Aaker, 1991).

2.1.7 Customer Relationship Management (CRM)

Many marketers and companies are now a day's focusing on to be more close to customers and satisfy their needs rather than spending huge sum of money on advertising and other marketing activities (Kotler, 2001).

In today's highly competitive market where customers are more sophisticated, demanding and less loyal, customer interaction and gaining their experience is important as a differentiator (Kostojohn et al., 2011).

Kotler and Armstrong (2012) describe CRM as "the most important concept of modern marketing"(p.12).

In order to excel in performance than competitors information is very important. Information about the business, competitors, customers etc is very important. Many businesses focus on examining their customers and their perspective so that they can deliver customer satisfaction and in turn get value from the customer.

CRM is defined in different way by different authors. Some define it narrowly and others broadly as a strategic tool.

“Customer relationship management is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. It deals with all aspects of acquiring, keeping, and growing customers” (Kotler & Armstrong, 2012,p.12).

“Customer relationship Management (CRM) is the process of carefully managing detailed information about individual customers and all customers ‘touch points’ to maximize loyalty” (Kotler & keller, 2012,p.135).

Richards and Jones (2008) define CRM as “a set of business activities supported by both technology and process that is directed by strategy and is designed to improve business performance in an area of customer management”(p.121-122).

A broader definition is the one given by Parvatiyar and Sheth (2001). They defined CRM as:

Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value (p.5).

CRM will help to make every customer feel that they have a one to one relationship with an organization and help the organization to recognize and understand customers (Lingavel, 2015).

The two fundamental questions that any CRM program wants to address are:

1. Who are my customers?
2. How can I serve them better than my competitors?

In today's market excelling in service is very crucial to be competent in the market and it is also a means of differentiation. Hence in order to provide excellent service companies need to have an ongoing relationship and interaction with customers (Parsa et al., 2013).

The base for CRM is the principle of relationship marketing. The two building blocks of relationship marketing identified by Kotler and Armstrong (2012) are Customer perceived value and satisfaction.

The overall goal of CRM implementation is to create customer satisfaction, trust, loyalty and retention (Siripasoetsin & Tuamsku, 2011).

2.1.8 Types of CRM

Payne (2005) classified Customer relationship Management in to three. These are:

1. Operational CRM: concerned with automation of the business process
2. Analytical CRM : concerned with the capture, storage, organization, analysis, interpretation and usage of data created from operation
3. Collaborative CRM: concerned with collaboration of services and infrastructure to make interaction between a company and its multiple channels.

In some literature we will find another classification that includes Strategic CRM as one of the classification which is concerned with winning and keeping profitable customer (Buttle, 2009).

2.1.9 Importance of CRM

The value creation process in CRM is mutual. That is, the company delivers to its customers and the value the organization gets from its customers. In doing so, the company will maximize life time value of desirable customers and segments and the customer will get satisfaction (Lingavel, 2015).

According to Kostojohn et al. (2011) some of the values that a customer relationship management will rate to an organization are:

1. Create a data driven learning organization: Things will not be done haphazardly rather what the customer needs and think about the company is supported by a concrete evidence of information gathered through CRM system.
2. Pinpoint inefficiencies and increase employee productivity: Using data collected from CRM database it will be easier to locate where inefficiency lies in the organization and enable to find out employees productivity.
3. Create Customer satisfaction: Using CRM system companies can meet customer expectation which leads to customer loyalty.
4. Helps to make important decisions: Using the data collected through the CRM system over a period of time organizations can make a better forecast for the future.

Richards and Jones (2008) had also identified seven core benefits of CRM through an extensive review of many literatures written on CRM. These benefits are:

1. Improved ability to target profitable customers
2. Integrated offerings across channels
3. Improved sales force efficiency and effectiveness
4. Individualized marketing messages
5. Customized products and services
6. Improved customer service efficiency and effectiveness
7. Improved pricing

2.1.10 Barriers to CRM Success

CRM implementation might not be successful all the time. There are some organizational factors that will hinder a CRM strategy to be successful. Buttle (2009) identified some of the impediments for CRM success. These are:

- The need for huge investment creates negative feeling within the company about its implementation.

- Inadequate focus on objective and ignoring overall business strategy. That is losing sight away from CRM implementation specially during hard times.
- Insufficient resource deployed for CRM implementation.
- Lack of customer focus and misunderstanding of customer needs or employee reluctance to be customer oriented.

2.1.11 Advantages of CRM for Insurance Companies

Sikarwar (2012) identified the following advantages of implementing CRM in an insurance company.

- Help the company to know the customer's buying behavior and pattern on different insurance coverage.
- Since the CRM system supports an ongoing product development, it will reduce the cycle time for introducing new services.
- Allows faster communication with brokers and agents and reduce cost of communication.
- Help the company to provide better service for the customer.
- Claim status of clients can easily be checked and used for future decision.
- Assist Accurate forecasting on customer behavior and better territory management.
- Develop a definitive return on investment (ROI) strategy using data such as customer satisfaction rating, number of customer compliant and customer attrition level.

2.1.12 Factors Affecting CRM

Factors affecting CRM are those factors that have an impact on its success when implemented (Siriprasoetsin & Tuamsuck, 2011). If we see some of them;

Buttle (2009) identified four important factors that have an impact on the success of CRM. These are leadership and organizational culture, People, Data and information technology and process. Chen and Popovich (2003) and Kostojohn et al. (2011) identified people, technology and process as CRM success factors.

Combe (2004) proposed culture, customer focus, leadership, people and technology as determinants of CRM success factors.

Lingavel (2015) identified four indicators of Customer relationship management. These are information technology, human capital, organizational architectural framework and quality of service.

Ali et al. (2013) identified top management, information technology and organizational culture as the three domains of CRM.

From all the Determinant factors for success of the CRM identified by many researchers, factors identified by Ali et al (2013) in their study on a healthcare service setting is done after extensive review of literatures and take those factors that are commonly identified by many researchers.

These factors are:

- Top Management
- Information Technology
- Organizational culture

2.2 Empirical Review

Many empirical researches have been done on CRM and brand equity. Some try to show Importance of CRM, key success factors for CRM implementation, the relationship between CRM, loyalty, brand equity or other marketing factors. We will try to see some of these researches done on those areas.

2.2.1 Customer Relationship Management and Organizational Performance

Chen and Popovich (2003) in their article on “Understanding CRM” try to show broader view of customer relationship management. In their article rather than viewing CRM as a technology only solution they show CRM in a broader view that integrates technology, People and process. They designed a CRM implementation model which integrates People, process and technology as critical components that enable or hinder the CRM implementation. The technology factor

includes network infrastructure, data warehouse technologies and the internet. Process encompasses Customer profitability and life time value achieved through business process management or re-engineering of core business processes from the customer perspective. People include change in organizational culture to be customer centric and top management commitment for successful CRM implementation.

Richards and Johns (2008) tried to show CRM benefit to increase firm's value, brand equity and relationship equity or the value a relationship will bring to a firm. After an in depth survey on various studies on CRM they had identified seven core benefits of CRM. Taking these seven CRM value drivers they had developed a model that relates these CRM value drivers to customer equity through value, brand and relationship equity.

Verhoef (2003) in his study tried to show the impact of CRM strategies on customer retention and customer share development. He tried to describe CRM strategies from the perspective of Customers' Relationship perception and Relationship marketing instruments such as loyalty programs.

Ali et al. (2013) in their study on CRM and organizational performance they tried to show what CRM contributes to organizational performance in a health care service setting. They have investigated key success factors in CRM implementation identified by other researchers. These success factors identified by prior researches are Top Management support, Technology, Organizational Culture and Customer involvement. From these four factors since customer involvement is not considered by many researchers as a factor, they took only Top Management, information technology and organizational culture. Using these factors they designed a model for the relationship between CRM and Organizational performance. Their research findings show that CRM plays crucial role for the health care service industry in Malaysia.

Amoako et al. (2011) in their empirical research show the impact of CRM on repurchase or customer loyalty in the hotel industry. They had adopted the model done by Richards & Jones (2008) which identified seven CRM value drivers and link them with customer equity. Their research finding showed that effectively implemented CRM has an impact on customer loyalty.

2.2.2 CRM in Financial Services

Peppard (2000) in his article on “Customer Relationship Management in Financial Services” has designed a framework to show interdependent of e-business, relationship management channel management, and enterprise integration in becoming customer focused. He argued that the central aim of CRM is to form closer and deeper relationship with the aim of maximizing life time value of the customer to the firm.

Rangriz et al. (2012) in their article on factors affecting CRM in the banking service they have identified organizational culture and communication, channels for banking services and communication, knowledge of CRM and leadership, customer management process and technology as major factors that have an impact on CRM practice in banking service.

Rani (2012) in his article on “CRM in insurance services” showed how insurance companies can achieve optimal result while implementing CRM with the use information technology. His research focuses on showing the role of information technology to get an optimum result in implementing CRM.

Lingavel (2015) in his article tried to show the impact of CRM on brand equity in hospitals. In his research he has designed a conceptual framework to show the relationship between CRM and brand equity. He identified information technology infrastructure, human capital, organizational architectural frame work and service quality as determinant factors on CRM and Brand association, brand awareness, service quality, brand satisfaction and brand loyalty as determinants for brand equity. His research finding showed that information technology, organizational architecture and quality of service has a significant impact on brand equity.

2.2.3 Brand Equity and Customer Loyalty

Various researches have been done on brand equity and its impact on loyalty, profitability, competitive advantage etc. on services, manufacturing firms and business to business contexts. We will see some of the empirical studies conducted on brand equity.

Roy (2012) in his article on “Brand Loyalty in insurance companies” showed the effect of customer perception of a brand on loyalty towards insurance companies. The research finding

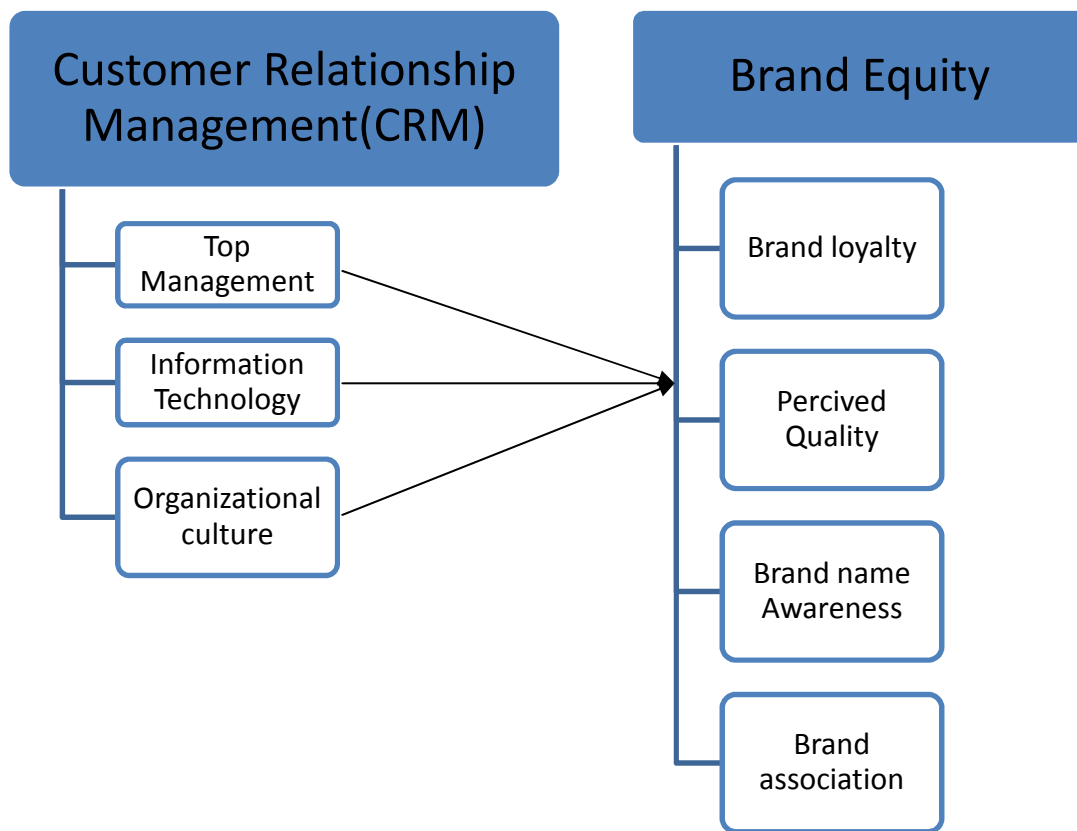
shows how the brand –customer bond increases when customer commitment and emotional attachment increases. He had suggested that insurance companies should focus on providing value oriented service with the help of information technology so that loyalty will be formed.

Moradi (2015) in his study on an insurance company he finds out empirically that there is a positive relationship between brand equity and customer preferences, buying intention and willingness to pay premium price.

2.3 Conceptual Framework and Hypotheses

2.3.1 Conceptual Framework

The research adopts the four dimensions of brand equity identified by Aaker (1991) and the three success factors of CRM identified by Ali et al. (2013) and the conceptual framework is developed for the study in order to examine the impact of Customer Relationship Management on Brand equity.



Conceptual framework of the study

2.3.2 Hypotheses of the Study

Top Management

Top management refers to executives of the company who are the policy makers and strategists who design the company's vision and mission and work towards the accomplishment of the company's success. Therefore if a CRM strategy is implemented their positive and inspirational attitude is important to its success.

Implementation of a CRM strategy requires a huge investment and hence it should get acceptance by management (Kotler & Keller, 2012).

Executives' support is very important to make a CRM system successful. They should be fully involved and communicate the vision of the CRM implementation and intended benefits (Kostojohn et al., 2011).

CRM focused approach should start from top management of the company (Sikarwar, 2012).

Top management support and commitment to take initiative to show strategic direction and alignment of vision with the CRM project is the key success factor in CRM implementation (Chen & Popovich, 2003).

H1: Top management commitment has significant impact on brand equity.

Information Technology

Technology is the enablers that will support the company to easily collect, analyze, and interpret customer related data (Kostojohn et al., 2011).

Information technology has contributed a lot in service businesses. Computers, the internet, and telecommunication help companies to create customer database and all their transaction and help companies to mine information from the database for future opportunities or to tap new market opportunities (Lovelock, 1999).

The Information technology revolution interest creates an opportunity for companies to better interact with their customers and the availability of interactive technologies help companies to create, nurture and sustain long term customer relationship (Winer, 2001).

Information and communication technology makes it easier for service companies to use refined information about their current and potential customers and respond to their needs. That is to say it helps them to practice CRM in an effective way (Peppard, 2000).

Today there are a number of databases or data warehousing technologies that help to gather customer data and customer feedback (Payne, 2005).

H2: Information technology has significant impact on brand equity.

Organizational Culture

Organizational culture refers to employees' beliefs, expectations, attitude and common value (Siriprasoetsin & Tuamsku, 2011).

Employees as well as management attitude towards customers is very important. Hence if the company is not customer oriented, there should be a change in the culture of the organization and work towards to become customer centric.

“Investing in a CRM technology without a customer oriented cultural mind set is like throwing money in to a black hole” (Chen & Popovich, 2003).

Organizational culture is the most difficult factor to achieve and management is expected to put a lot of effort to bring organizational change to customer oriented culture (Siriprasoetsin & Tuamsku, 2011).

H3: Organizational culture has significant impact on brand equity.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

The purpose of this chapter is to describe the methodology used in carrying out the research. Yin (2003) defined research design as the logic that links the data to be collected and the conclusion to be drawn to the initial questions of study. In another way research design is the “blueprint” of the research. In this chapter methodology used in the research is discussed. All the steps to be taken in doing the research such as research approach, sampling design, the research instrument, and data collection procedure and data analysis methods are discussed.

3.1 Research Approach

There are three types of research approaches namely, quantitative, qualitative and mixed methods approach. Researchers can use qualitative, quantitative or can use combination (mixed method) to achieve their research objective. Quantitative, qualitative approaches basically differ in some areas such as types of questions posed or data collection methods and data produced (Creswell, 2009).

Qualitative approach to research aims at subjective assessment of opinions, behavior and attitude (Kothari, 2004). Qualitative approach is a means to understand the meaning individuals or groups assign to a particular problem (Creswell, 2009).

Quantitative approach to a research aims at generating quantitative data that can be analyzed rigorously (Kothari, 2004). In quantitative research theories will be tested by examining the relationship between variables and measuring variables using statistical procedures (Creswell, 2009).

Mixed method aims at generating both qualitative data by gathering opinions, behaviors and attitudes and quantitative data that can be analyzed rigorously. Mixed method approach strengthens the overall outcome of the research (Creswell, 2009).

In this study in the process of answering the research questions both qualitative and quantitative (mixed method) research approaches are used.

3.2 Research Design

Research design is the master plan or the blue print that denotes the methods and procedures for collecting and analyzing the needed information in a research. Research design provides a framework for the collection and analysis of data and subsequently indicates which research methods are appropriate (Walliman, 2006).

The study followed descriptive and correlational research design. The aim of descriptive research is to describe, a phenomenon, characteristics or function of a single variable or two or more variables (Springer, 2011). Correlational research will look in to the relationship between two or more variables (Trochim, 2000). In a correlational research the researcher first describes the variables to be related (Trochim, 2000). In this study first the variables of customer relationship management and brand equity are discussed in detail prior to showing the relationship between them. With regards to time, the research is conducted at a single point in time and hence it is a Cross-Sectional study.

3.3 Population and Sampling Design

Sampling design includes all the procedure to be followed in order to obtain a sample from a given population. The design process includes defining the target population, choose a sampling frame and finally choose a sample from the sampling frame using a well defined sampling technique (Bhattacharjee, 2012).

3.3.1 Target Population

A population is all people or items with the characteristics that one wishes to study. A population can be a person, individual, organization, country, object or any other entity that a researcher wishes to draw scientific inference about (Kothari, 2004).

The population of interest in the study is clients (general insurance service clients) of Nile Insurance S.C. who reside in Addis Ababa. Life insurance clients are excluded from the population because in the current situation more than 90% of the annual premium income is collected from general insurance (non-life) business. According to the data gathered by the IT department of the company form 01/07/2014 to 30/06/2015, from the total of 20,500 customers,

around 18,700 (91%) general insurance customers reside in Addis Ababa which represents the target research population. The rationale of selecting these respondents was that significant number of the population is located in Addis Ababa.

3.3.2 Sampling Frame

Once the target population is determined, the next step is to choose the sampling frame. Sampling frame is an accessible section of the target population where a sample can be drawn, (Bhattacharjee, 2012). In this study, sampling frame is general insurance clients of 14 branches of Nile Insurance S.C. found in Addis Ababa.

3.3.3. Sample Size

The sample size was selected from the total population of 18,700 using the following simplified equation given by Yamane (1967) based on A 95% confidence level and Margin of error of= 0.5

$$n = \frac{N}{1 + N * (e^2)}$$

Where:

n - The sample size

N - The population size

e - The acceptable sampling error (Margin of error)

Therefore the appropriate sample size will be

$$n = \frac{18700}{1 + 18700 * (0.05^2)}$$

Therefore n=392

3.3.4 Sampling Technique

Stratified sampling which is a probability sampling technique is used to select the 392 respondents to participate in filling the questionnaire. The questionnaire is distributed to 14 branches in Addis Ababa who give general insurance service and filled by clients who came to these branches to renew their policy. The sample size allocation for each branch is presented in

Table 3.1. Once the sample size for each branch is determined convenience sampling is used to select respondents. Customers who have stayed with the company at least for one year and came to renew their policy are selected to participate in the study.

The interview is conducted face to face. In selecting respondents for interview purposive sampling which is a non probability sampling technique is used. In this technique respondents were selected based on their knowledge on the subject under study. The interview is conducted with the CEO, Deputy CEO Operations, the marketing manager, the branch operations department manager and two senior branch managers at Addis Ababa.

Table 3.1 Sample size allocation for Branches in Addis Ababa

S/NO	List of Branches in Addis Ababa	No of Customers	No. of sample taken
1	Legehar main Branch	2151	45
2	Kirkos Branch	1964	41
3	Tewodros Branch	1533	32
4	Addis Ketema Branch	1066	22
5	Beklo Bet Branch	1384	29
6	Gerji Branch	1346	28
7	Kality Branch	1029	22
8	Abakoran Branch	1571	33
9	Bole Branch	1234	26
10	Megenagena Branch	1403	29
11	Gotera Branch	1459	31
12	Lideta Branch	888	19
13	Tele Medhanialem Branch	888	19
14	CMC Branch	785	16
	Total	18700	392

3.4 Sources of Data

The source and nature of the data has an important implication on the reliability of the study as well as method to be employed in the analysis. Data observed and recorded closer to the event is called primary data. Data collected from written sources is called secondary data (Williams, 2006).

Primary data is very much closer to the truth under investigation (Williams, 2006). There are many ways of collecting primary data. Some commonly used are questionnaire, interview, direct observation, focus group discussion etc.

In this study primary data is collected using questionnaire and interview.

3.5 Data collection Instrument

The research instrument used in gathering information is using questionnaire and interview. Close-ended questions were administered in the questionnaire. The items included in the questionnaire to measure brand equity are adopted with some minor modification from the items used by (Chirsodulides et al., 2015) in their research on consumer-Based brand equity measurement: lesson learned from an international study. The questionnaire consists of three parts. Part I consist of demographic information of respondents. Part II consists of ten statements that are used to measure customer relationship management. Part III consists of fifteen statements to measure brand equity. The questionnaire is prepared with five point Likert- Scale, ranging from strongly agree to strongly disagree. The interview conducted is unstructured. 13 interview questions were prepared to guide interviewees but questions for interviews were open questions with no possible answer to be chosen so that interviewees expressed their ideas on the subject matter freely.

3.6 Data Analysis Method

Both qualitative and quantitative data analysis methods were used to analyze all the data gathered on the research. Data collected using questionnaire was analyzed quantitatively. Here gathered data through questionnaire was coded numerically and statistical analytical tools; SPSS (Statistical Package for Social Science) version 22 software is used to conduct the analysis. Principal component analysis (PCA) is used to reduce the items and Multiple Regression analysis were done to determine the relationship. The findings of the qualitative data gathered from interview is summarized and presented.

3.7 Validity and Reliability

The quality of an instrument to be used in a study can be analyzed by measuring its validity and reliability.

3.7.1 Validity

Validity measures whether or not an instrument measures what it is supposed to measure (Bhattacharjee, 2012).

The main purpose of measuring validity is to increase accuracy and usefulness of a research finding (Marczyk et al., 2005).

The four distinct types of validity researchers use to assess validity are internal validity, External validity, construct validity and statistical validity (Marczyk et al. 2005). Internal validity measures whether the observed change in the dependent variable is caused by change in the independent variables rather than caused by other uncontrolled or extraneous variables (Marczyk et al., 2005). External validity or generalizability examines the degree to which research results generalize to other population, setting and circumstances, (Marczyk et al., 2005). Construct validity examines how well a given measurement scale is measuring the theoretical construct that it is expected to measure. It refers to the resemblance between the study's results and the theoretical support guiding the research. Construct validity can be achieved by accurate operational definitions of the study variables and through developing a strong conceptual basis for the underline theory of the study (Marczyk et al., 2005). Statistical validity examines the

extent to which conclusions derived using a statistical procedure is valid. Statistical validity examines whether the statistical conclusions drawn from the results of a study are reasonable (Marczyk et al., 2005).

In order to assure construct validity of the variables, different empirical studies were thoroughly assessed. External validity or generalizability of the study was assured through large sample size.

3.7.2 Reliability

Reliability measures the consistency or dependability of an instrument (Bhattacharjee, 2012). It measures whether an instrument can be interpreted across different situations

Reliability of the questionnaire is tested using Cronbach’s Alpha which is the most commonly used reliability measurement. A Pilot study was conducted on 30 respondents who have stayed with the company for more than 5 years. The result of the study as shown in the table below showed reliability of the items for top management 0.72, information technology 0.70, organizational culture 0.83, brand awareness 0.73, brand association 0.70, perceived quality 0.82, brand loyalty 0.8 and overall brand equity 0.88.

Table 3.2 Cronbach’s Alpha

Measurement scale	Cronbach’s Alpha	Number of items
Top Management	0.72	3
Information Technology	0.70	3
Organizational Culture	0.83	4
Brand awareness	0.73	3
Brand association	0.70	3
Perceived quality	0.82	3
Brand loyalty	0.80	3
Overall Brand equity	0.88	3

3.8 Ethical Considerations

Ethical consideration is very important in writing a research. Research participants need to be protected. In addition to following ethical guidelines, researchers are expected to anticipate any ethical issues that may arise in the process of conducting a research (Creswell, 2009).

The data collected in this study will be used only for academic purpose. Therefore all the collected data used in the study and anonymity of all the participants in the research will be kept confidential.

The researcher did not interfere while respondents fill the questionnaire or answer interview questions unless clarification is required from the participants so that the research didnot loss its credibility.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

In this chapter data collected using questionnaire is analyzed using SPSS software version 22 and data collected through interview is summarized and presented. First demographic data of respondents is summarized and presented. Furthermore, descriptive analysis, Principal Component analysis (PCA), multiple regression analysis and hypotheses testing was undertaken.

4.1 Response Rate

The questionnaires were physically distributed to clients (general insurance service clients) of Nile Insurance S.C. who reside in Addis Ababa. With the assumption of a 90% response rate 435 questionnaires were distributed and only 348 properly filled and workable questionnaires are collected which makes the response rate 89%.

Table 4.1: Survey response

Sample Size	392
Distributed questionnaires	435
Completed and returned questionnaires	348
Response Rate	89%

4.2 Respondents' Profile

In this section demographic profile of the respondents is summarized and presented.

4.2.1 Gender of respondents

The majority of the respondents are male which cover 62.6% of the total respondents, while the rest 37.4% respondents are female.

Table 4.2 Gender frequency

	Frequency	Percent
MALE	218	62.6
FEMALE	130	37.4
Total	348	100.0

Survey outcome (2016)

4.2.2 Age of respondents

As indicated in the following table 4.3, among the total research participants, 46% of the respondents were found in the age category of 26-35 years. The rest of the respondents composes of 33.3%, 14.1% and 6.6% are in the age categories of 35-45, >45 and 18-25 respectively.

Table 4.3: Age Frequency

	Frequency	Percent
18-25	23	6.6
26-35	160	46.00
35-45	116	33.3
>45	49	14.1
	348	100

Survey outcome (2016)

4.2.3 Education

Majority of the respondents were grouped under the educational level of Diploma covering 37.6% of the total respondents. The rest of the respondents were categorized under the educational level of High school completed, Bachelors Degree, primary school and masters covering 25.6%, 25%, 9.2 and 2.6% respectively.

Table 4.4: Education Frequency

	Frequency	Percent
Primary level	32	9.2
Secondary level	89	25.6
Diploma	131	37.6
First degree	87	25.0
Master and above	9	2.6
Total	348	100

Survey outcome (2016)

4.2.4 Occupation

With regards to occupation of the respondents, 48.3% are self employed, 31.9% government employees and 19.8% are private company employees.

Table 4.5: Occupation Frequency

	Frequency	Percent
Private Employee	69	19.8
Self employee	168	48.3
Government Employee	111	31.9
Total	348	100

Survey outcome (2016)

4.2.5 Monthly income

Majority of the respondents' monthly income fall between ETB 10000-25000 covering 41.7%. The rest of the respondents were categorized under monthly income of ETB 5001-10000, ETB greater than 25,000 and less than ETB 5,000 with covering 38.8%, 10.9% and 8.6% respectively.

Table 4.6: Monthly Income Frequency

	Frequency	Percent
less than 5000	30	8.6
5001-10000	135	38.8
10000-25000	145	41.7
above 25000	38	10.9
Total	348	100

Survey outcome (2016)

4.2.6 Year of stay with Nile

The highest score for respondents stayed with Nile is 2-5years which comprises 39.1% of the respondents. Next to it 33.6% of the respondents stayed as clients of Nile for 5 to 10 years.14.7% and 12.6% of the respondents were clients of Nile insurance for 1-2 years and above10years respectively.

Table 4.7 Year of stay with Nile Frequency

	Frequency	Percent
1-2 year	51	14.7
2-5years	136	39.1
5-10years	117	33.6
above10 years	44	12.6
Total	348	100

Survey outcome (2016)

4.3 Descriptive Analysis

This part of analysis of the study is done using descriptive statistics by computing the mean scores and standard deviations. The purpose of using these parameters is to interpret the average responses of respondents for each question that was stated under each item. The study used five point Likert –scales to measure each item where 1 is used for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree.

Mean and standard deviation is used to interpret the questions. The mean will tell us which direction the average answer is and the standard deviation gives us average distance from the mean. High standard deviation shows that there is a lot of variation in the answer and low standard deviation shows that most observations are clustered around the mean.

4.3.1 Top Management

Responds were asked to reflect their opinion on top management or executives of the company and respondents agree that executives of the company are inspirational, who are willing to satisfy customers with good problem solving capability. In addition the low standard deviation signifies that variability from the mean is low as summarized in the table 4.8.

Table 4.8: Top Management

	N	Mean	Standard Deviation
1 There is an inspirational leadership at Nile	348	3.64	0.99
2 It is easy to get access to top management as required	348	3.18	0.99
3 The top management involves in decision making whenever there is a disagreement between employees and customers	348	3.62	0.99

Survey outcome (2016)

4.3.2 Information Technology

As showed in table 4.9 most respondents agree that the company uses information technology to deliver service and there is low variability from the mean.

Table 4.9: Information Technology

	N	Mean	Standard Deviation
1 The company uses information technology to deliver service	348	3.61	0.93
2 The company interacts with me often with the use of modern communication technologies such as Email, SMS	348	3.56	0.89
3 I got fast service delivery due to the company's IT infrastructure	348	3.69	0.81

Survey outcome (2016)

4.3.3 Organizational Culture

As shown in table 4.10 most respondents agrees that employees' attitude towards customer is positive, employees of Nile serve customers with great enthusiasm and there is a smooth communication plat form in the company. The value of the standard deviation is low which shows low variability from the mean.

Table 4.10: Organizational Culture

	N	Mean	Standard Deviation
1 Employees are very much concerned to satisfy customer needs	348	4.00	0.79
2 Employees serve customers with greater enthusiasm	348	4.12	0.75
3 Customer compliant is quickly addressed	348	3.71	0.94
4 There is a good communication mechanism between employees, management and customers	348	3.82	0.98

Survey outcome (2016)

Table 4.11: Brand equity

Brand awareness			
	N	Mean	Standard Deviation
1 I am familiar with Nile insurance	348	4.04	0.74
2 I have heard of Nile insurance company	348	3.87	1.16
3 I can recognize /Nile insurance company from other insurance companies	348	4.05	0.83
Average		3.99	0.91
Brand association			
1 Nile insurance company is reliable	348	4.10	1.04
2 I trust Nile Insurance company	348	3.95	1.10
3 I feel safe with Nile Insurance Company	348	4.19	0.92
Average		4.08	1.02
Perceived quality			
1 I am satisfied with the service I get from Nile Insurance	348	4.22	0.89
2 The quality of service is persistent	348	4.02	1.06
3 I think Nile insurance has good reputation	348	4.08	1.09
Average		4.11	1.01
Brand loyalty			
1 Nile insurance is my first choice	348	4.08	1.10
2 I will be loyal to Nile insurance	348	3.84	1.17
3 I will recommend others to buy insurance from Nile	348	3.92	1.11
Average		3.95	1.13
Overall brand equity			
1 I am willing to pay higher premium for the service I get from Nile	348	3.86	1.16
2 Even if another insurance company offered me the same service I will continue to be Nile's Customer	348	4.01	1.08
3 Nile is more than an insurance company to me	348	4.15	0.99
Average		4.0	1.08

Survey outcome (2016)

4.3.4 Customers' Perceptions of Nile as a Brand

Customers overall knowledge of Nile as an insurance brand is measured using four brand equity dimensions (brand awareness, brand association, perceived quality, and brand loyalty). Interpretation of table 4.11 is discussed as follows.

When we see brand awareness of respondents, whether or not respondents heard about Nile prior to their being customer has low mean 3.87 and high standard deviation 1.16 which shows that there is variation in the answer given by respondents.

Similarly in brand association dimension respondents trust on Nile insurance company vary with low mean score of 3.95 and standard deviation of 1.1. When we see respondents' perception of quality of the brand they agree on persistency of the service quality they get, their satisfaction on the service and the company's good reputation. There is also low variation from the mean.

The dimension used to measure loyalty of respondents reveals that respondents choose Nile insurance for their insurance service need and also stay loyal to the company.

Overall brand equity perception of the respondents show an average mean of 4.0 and standard deviation of 1.08 that is, respondents agree to stay with Nile insurance company, their attachment with Nile is high and being price inelastic. However for the item willingness to pay premium price for the service they get from Nile their response vary with low mean and high standard deviation (mean=3.86, Std deviation=1.16).

4.4 Principal Component Analysis (PCA)

Principal component analysis is a data reduction technique used to reduce large number of variables in to smaller number which still reflects the total population. In order for PCA to give a valid result certain assumptions must be fulfilled.

The first assumption to be checked is adequacy of sample size which expects the minimum sample size to be 150 or more. The sample size 348 which is more than the minimum requirement is enough to conduct the analysis. In addition to that, the KMO value of 0.713 for CRM in Appendix I and 0.672 for brand equity in Appendix II confirms sample adequacy. KMO value ranges between 0 and 1 and the closer to 1, the better it indicates sample adequacy.

The second assumption to be fulfilled is that all variables used for principal component analysis should be correlated. By looking at the Bartlett's Test of Sphericity (364.383, $p < 0.05$) and 171.631, $p < 0.05$), we can conclude the existence of correlation between variables. Moreover, as a rule of thumb if the correlation coefficient for variables is greater than 0.33 it indicates existence of correlation. (See Appendix I and II).

The third assumption is that 60% of the variation must be explained with a new set of data. As can be seen from Annex I and II, 67.5% and 63.2 % attributed to the first three components of CRM and five components of brand equity.

Rotated component matrix will help us to identify variables with loading coefficient of 0.33 or more and use these variables for further analysis. (See Appendix I and II).

4.5 Multiple Regression Analysis

Subsequent to PCA, regression analysis can be performed using the new sets of variables. Three new sets of independent variables are used for the analysis. With regards to the five variables for the dependent variable it needs further analysis in order to come up with a single variable. Hence the five variables are transformed in to a single variable by calculating their mean to be used for the analysis.

Regression analysis is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the values of dependent variables given the values of the independent, Kothari (2004). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predicts the value of the dependent variable. Multiple regression analysis which is the extension of liner regression is conducted to identify the relationship between CRM and brand equity and to determine the most dominant variables in CRM that influence brand equity of Nile Insurance S.C.

In order to conduct regression analysis there are some assumptions that need to be checked first.

First the sample size should be large enough as a rule of thumb 20:1(twenty cases for one independent variable). The number of cases used in the study 348 is more than the minimum requirement.

Second dependent variable should be normally distributed. This can be checked by looking at the histogram graph and normal P-Plot graphs on Appendix III.

Third there should be a linear relationship between the dependent variable and each of the independent variables collectively. This can be checked by looking at the scatter plots. Imagine drawing a straight line through the dots, if more points are clustered around this line it shows existence of relationship (see Appendix IV).

Fourth there should be no significant relationship between independent variables. Multicollinearity between independent variable will lead to overlapping of their predictive power and hence the regression model will not fit the data well. (Ho, 2006). Multicollinearity can be checked by conducting a Multicollinearity test. Tolerance /VIF (Variance Inflation Factor) values

of the independent variables (predictors) will determine whether or not there is a multicollinearity problem. A tolerance value less than 0.1 and VIF greater than 10 indicate existence of multicollinearity. As can be seen in the coefficient table (appendix V) of Collinearity Statistics, all the tolerance values of predictors is greater than 0.1 and VIF values are less than 10. Hence there is no multicollinearity problem.

4.5.1 Results of the Regression Analysis

The three most important tables to interpret the regression analysis are the model summary table, the ANOVA table and the coefficient table.

The model summary table provides R, R Square, adjusted R Square and standard error of estimate which shows how well a regression model fits the data. The “R” column measures quality of prediction of dependent variable. R Square represents coefficient of determination which is the proportion of variance in the dependent variable that can be explained by the independent variable. R Square 0.438 shown in Appendix V signifies that 43.8% of the variability of dependent variable (brand equity) is explained by the independent variables in the model.

Analysis of Variance (ANOVA) shows significance of the model. It tells whether or not the models explain the deviations in the dependent variables. The F value (89.254) in Appendix V shows that the model best fit the data. The “sig” value 0.000 determined that the null hypothesis that is, there is no liner relationship between the dependent variable (brand equity) and the independent variable is rejected. As a rule of thumb if $P < 0.05$, we can conclude that the model best fit the data.

The regression equation is derived from the coefficient table (Appendix V). The regression equation for the model is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where Y= Brand Equity with its dimensions

X1 = Top Management, X2= Information Technology, X3= Organizational Culture

Therefore, the regression equation model developed was:-

$$Y = 0.137X_1 + 0.559X_2 + 0.540X_3 + 3.479$$

All the three dimensions of CRM (top management, information technology and organizational culture) have an impact on brand equity. Organizational culture has the highest effect with coefficient of 0.54 followed by top management with coefficient of 0.137. Information technology has impact on brand equity ($B=-0.559$, $p<0.05$). The t value showed the significance of the coefficients of the independent variables. For top management $t=3.731$ indicates that the impact of top management on brand equity is significant. $t=12.135$ also shows that the impact of organizational culture on brand equity is significant. $t=-12.331$ for information technology shows that the relationship between information technology and brand equity is significant.

4.6 Hypotheses Testing

There were three hypotheses constructed for this study to answer the research questions. Hence, regression analysis was used to test the impact of the independent variables (top management information technology and organizational culture) on the dependent variable (brand equity).

Table 4.12: Summary of Hypotheses Testing

Hypotheses	Result	Reason
H1: Top Management has significant impact on brand equity	H1 Accepted	$\beta=-0.151, P<0.05$
H2: Information technology has significant impact on brand equity	H2: accepted	$\beta=-0.507, P<0.05$
H3: Organization culture has significant impact on brand equity	H3: Accepted	$\beta=0.499, P<0.05$

4.7 Qualitative Analysis

This part discusses data gathered from participants of the interview. The aim of the interview was to get overall view of the company regarding Customer relationship management and brand equity.

Management view of CRM

There is a positive attitude towards CRM. The company is considering CRM as a strategic tool. Nile insurance believes that companies need to have a good understanding of their customers.

Interviewees believe that the human element is the nucleus of the business. This attitude and common understanding between management will have a positive impact on the implementation of CRM.

Communication mechanism with customers

The company gives more focus to face to face communication. The management of the company often visit corporate customers and delighting customers occasionally such as on holidays. This will create a very close bond between customers and management so that customers feel that Nile is part of their family. But as the number of customers becomes larger, it will be difficult and more expensive to reach more customers. Therefore other communication mechanisms that will help to reach more customers at once need to be considered by the company.

View about customer

There is a shared attitude among interviewees regarding their view of customers. The management of the company considers customers as the life blood of the company. They consider customers as their purpose of existence. “No customer no business or no Nile at all” is their motto. If such an attitude can be shared with all employees of the company this will be an input while CRM is being implemented.

Technology to keep customers record

Unlike many insurance companies Nile insurance company is the pioneer to use insurance software eleven years back. All the nonlife branches of the company both in Addis Ababa and upcountry branches are fully automated and networked using software called PREMIA. This software also keep each customers record. Therefore with some upgrading of the software with the latest version, the company can integrate it with CRM software which will reduce some of the cost of implementing CRM and data migration.

Relationship of the company with internal and external customers

Inseparability of a service from the service provider is one of the characteristics of a service business. Insurance as service business will also share this characteristics. Employees’ attitude and perception of customers is the reflection of their relationship with the management of the

company. A well satisfied employee will strive to keep customers as satisfied as possible. With regards to corporate culture of the company to have close relationship with employees the company need to work a lot to have smooth and strong relationship otherwise the realization of CRM implementation will be tampered. Due to lack of smooth relationship of management and employees their might be resistance from employees when CRM is implemented. With regards to the relationship between management and customers, the company has an open door policy. Customers are allowed to get in touch with top management any time they want to but there is no proper plat form to communicate employees with management.

Mechanism to handle customer compliant

There is a separate department to handle customer compliant. If customers specially during claim handling process are not happy or not satisfied with the service they get from the claims department they can appeal to the compliant department manager and will handle the case till the customer is convinced and satisfied with the service he/she gets.

Information technology infrastructure

Other than the insurance software mentioned earlier the information technology infrastructure of the company is poor. Even if there is internet access to run the insurance software the internet access is not used for other communication purpose. Traditional means of communications such as mail, fax and telephone are the major communication mechanisms used by the company. Recently the company is working towards better use of information technology to communicate with customers such as email and SMS.

Mechanism to serve key accounts

The company considers key accounts as “Corporate customers”. Usually when the branch is big such customers are handled by senior officers and branch managers. They will have a privilege to get discounts when they become customers and during claim there is a separate desk to handle their case as quick as possible.

Assessment of customer satisfaction

Management of the company conducts occasional visit of corporate customers in order to evaluate whether the customer is satisfied with the service he/she gets from the company. But this is not enough to assess customer satisfaction and the interaction between the company and customers need to be ongoing.

Customers need assessment

Unless the customer requested a special kind of cover other than the ones commonly available in the market, the company does not conduct timely survey to know customers' need. If the company is going to implement CRM as a strategy, the detail knowledge of their profitable customers will help the company to know what the customer wants.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This is the final chapter and it presents the findings of the study, conclusion and recommendation of the study. In the first section of the chapter brief summary of findings of the study are presented followed by conclusion drawn from it. Lastly, recommendation for further studies is presented.

5.1 Summary of Findings

- Demographic result of the respondents revealed that majority of the respondents are Male (62.6%), with the age group of 26-35(46%) ,educational level of diploma(37.6%), who are self employed(48.3%), monthly income of ETB10,000 to 25,000 (41.7%) and being customers of Nile Insurance from 2 to 5 years (39.10%).
- The regression result revealed that all the three determinants of CRM top management ($\beta=0.151$, $P<0.05$), organizational culture ($\beta=0.499$, $P<0.05$) and information technology ($\beta=-0.507$, $p<0.05$) have significant impact on brand equity.
- The strongest predictor is organizational culture with $\beta=0.499$
- R Square represents coefficient of determination which is the proportion of variance in the dependent variable that can be explained by the independent variable. R Square 0.438 shown in table 4.15 signifies that 43.8% of the variability of dependent variable (brand equity) is explained by the independent variables. This showed that brand equity is affected by top management, information technology and organizational culture of the company.

5.2 Conclusion

The main objective of the study is to examine the impact of customer relationship management on brand equity on Nile Insurance Share Company using data obtained through structured questionnaires distributed to Nile Insurance S.C customers who reside in Addis Ababa. After

analyzing the collected data from 348 respondents, the study concluded that customer relationship management factors had an impact on brand equity of Nile Insurance S.C.

As compared to other imperial studies discussed in the second chapter, on the research done by Lingavel(2006), which is done to determine the impact of CRM on brand equity in a hospital context the result of the regression analysis shows that CRM contributes significantly to brand equity($F=67.642$, $P<0.05$). From the four determinant factors of CRM (human capita, IT, quality of service and organizational architecture), all factors have a positive trend towards brand equity except human capital.

Empirical research done by Rangriz et al.(2012) conducted to find out factors affecting CRM practice in a banking service the research finding reveals that organizational culture and communication yields the highest impact (55.9%) followed by channels for bank services and communications (51.4%) , customer management process(49.5%), Knowledge and understanding of bank staff(43.5%) and technology found to have the least impact(33.1%).

Rani(2012), in his study on CRM in insurance services done on Indian insurance companies find out that IT has an insignificant impact on CRM as well as profitability of insurance companies. The justification given by the researcher is that most of the insurance companies are not fully automated and transactions are not performed online.

Siripasoetsin & Tuamsku (2011) in their research "Factors Affecting Customer Relationship Management Practices in Thai Academic Libraries", factors that have significant impact on CRM from the highest to the lowest were; (1) knowledge and understanding of management and staff($\text{Beta}=0.762$), (2) organizational culture and communication($\text{Beta}=0.323$), (3) customer management process($\text{Beta}=0.318$), (4) technology support ($\text{Beta}=0.208$) and (5) channel for services and communications($\text{Beta}=0.150$).

The study concluded that with top management commitment and through developing an organizational culture that give more concern to customer satisfaction, Nile insurance can enhance brand equity of the company.

As the outcome of the research reveals, organizational culture is the major factor affecting CRM in Nile Insurance.

Customer relationship management is considered to be essential for building long-term relationship with customers that intern results in customer loyalty. Moreover it is one of the vital strategies for Nile Insurance to make close relationship with customers in business value chain for mutual benefit, to proactively solve problems aroused in the business and to enhance brand equity of the company.

5.3 Recommendations

After close examination and analysis of the research findings, the following recommendations are suggested:

Nile insurance company should give due consideration to CRM and it should be included in the company's strategic plan. CRM should be taken as a key success factor for the company to build its brand and as a competitive weapon for the company.

Executives of the company should commit themselves for the implementation of CRM. The company should also invest on human capital development that would encompass training and development in capacitating employees on customer handling and communication. Moreover, the company should also work in developing capabilities on customer service, information system management pertaining to service and efficiency that would enhance brand equity.

5.4 Limitations and Direction for Further Research

Other researchers are appreciated to conduct further detailed researches taking this research as a stepping stone to their best for generalization.

Since this study is conducted only on one insurance company from the available 16 private insurance companies the output might be a good indicator for other researchers who want to conduct the research on the industry.

Other researchers can use the outcome of the demographic information of respondents specially education and income level and their impact on the outcome of the research. Researchers can also repeat this study by adding other observed factors that can affect CRM.

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APPENDICES

Appendix I- Principal Component Analysis for CRM

KMO and Bartlett's Test for CRM

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	364.383
	Df	45
	Sig.	.000

Survey outcome (2016)

Total Variance Explained for CRM

component	Initial Eigenvalues			Extraction Sums of Squared		
	Total	% of	Cumulative	Total	% of	Cumulative
1	2.484	24.841	24.841	2.484	24.841	24.841
2	2.248	22.475	47.316	2.248	22.475	47.316
3	2.019	20.184	67.5	2.019	20.184	67.5
4	0.411	4.11				
5	0.822	8.221				
6	0.487	4.871				
7	0.387	3.873				
8	0.351	3.512				
9	0.301	3.012				
10	0.49	4.901				

Survey outcome (2016)

Rotated Component Matrix for CRM

	Component		
	Factor 1	Factor 2	Factor 3
Intiatetoowork	.745	.234	.212
Easlyleader	.567	.272	.233
Conflictresolution	.754	.212	.310
Infotech	.310	.766	.272
Sms	.308	..839	.159
Fasttech	.219	.562	.279
Customersatsfy	.223	.301	.810
Respectedcustomer	.216	.322	.623
Complain	.229	.322	.869
Goodcomm	.161	.221	.683

Survey outcome (2016)

Correlation Matrix for CRM

	Intiatetoo work	easlyle ader	Conflictre solution	infotech	sms	fasttech	Customer satsfy	respectedcu stomer	complain	Good comm
Correlation	Intiatetoo work	.408	.334	.540	.328	.338	.541	.112	.532	.427
	Easlyleader	1.000	.364	.355	.361	.589	.619	.187	.591	.433
	Conflictresolution	.334	1.000	.405	.404	.423	.541	.105	.543	.538
	Infotech	.540	.355	1.000	.330	.791	.653	.197	.512	.675
	Sms	.628	.661	.604	1.000	.794	.465	.029	.718	.714
	Fasttech	.338	.689	.623	.591	1.000	.136	.164	.711	.775
	Customersatsfy	.441	.719	.541	.553	.636	1.000	.193	.822	.766
	Respectedcustomer	.712	.587	.705	.597	.664	.493	1.000	.837	.732
	Complain	.332	.591	.743	.522	.418	.422	.007	1.000	.768
	Goodcomm	.427	.533	.738	.775	.714	.566	.132	.168	1.000

Survey outcome (2016)

Appendix II- Principal Component Analysis for Brand Equity

KMO and Bartlett's Test for Brand Equity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.672
Bartlett's Test of Sphericity	Approx. Chi-Square	171.631
	Df	105
	Sig.	.000

Survey outcome (2016)

Total Variance Explained for Brand Equity

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.703	18.017	18.017	2.703	18.017	18.017
2	2.267	15.781	33.798	2.267	15.781	33.798
3	2.089	14.591	48.389	2.089	14.591	48.389
4	1.175	7.833	56.222	1.175	7.833	56.222
5	1.046	6.974	63.196	1.046	6.974	63.196
6	.799	5.757	68.953			
7	.768	4.455	73.408			
8	.719	4.125	77.533			
9	.704	4.025	81.558			
10	.571	3.804	85.362			
11	.544	3.625	88.987			
12	.506	3.373	92.36			
13	.423	2.665	95.025			
14	.352	2.547	97.572			
15	.334	2.428	100.000			

Survey outcome (2016)

Rotated Component Matrix for Brand Equity

	Components				
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
BRANDNAMENILE	.609				
highpreum	.601				
qualitySERVICE	.589			-.317	
iknowNILE		.720			
firstchoice		.711			
IHEARDnile		.698			
MYNILE			.609		
permanntcustomer			.740		
guarantedNILE			.627		
differentiateNILE				.670	
continunILE	.357			.618	
trustedNILE				.548	
happyNILE		.374			.539
selectNILE	.310				.527
other					.521

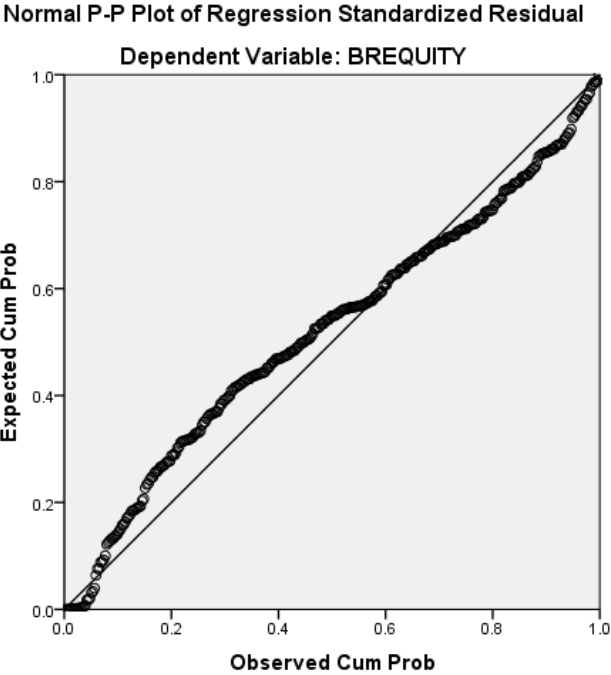
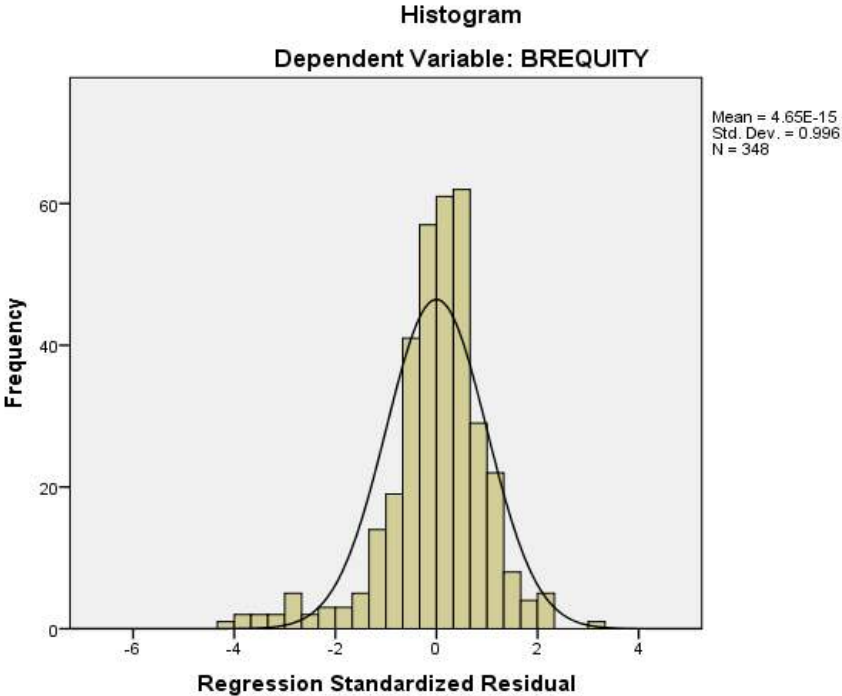
Survey outcome (2016)

Correlation Matrix for Brand Equity

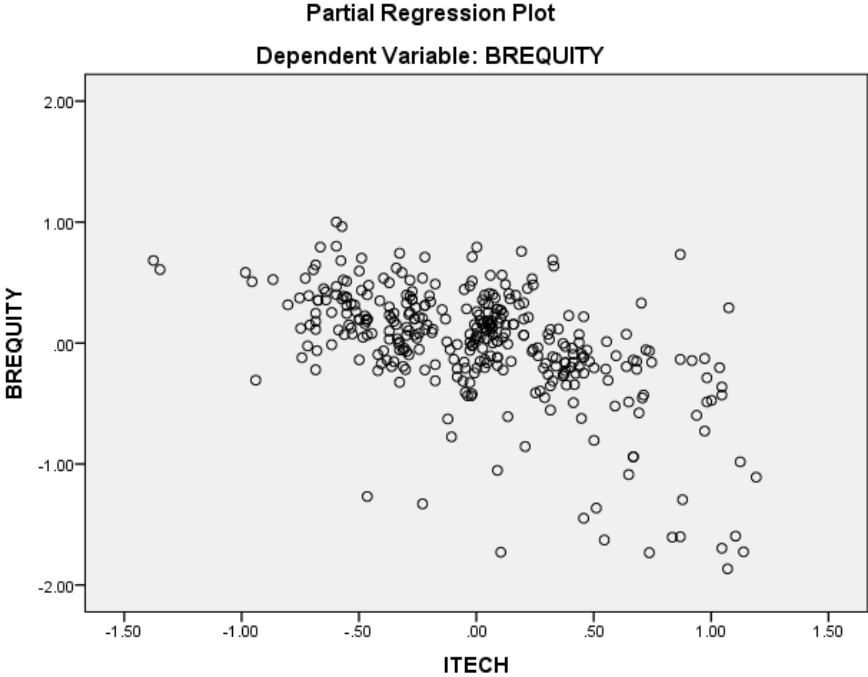
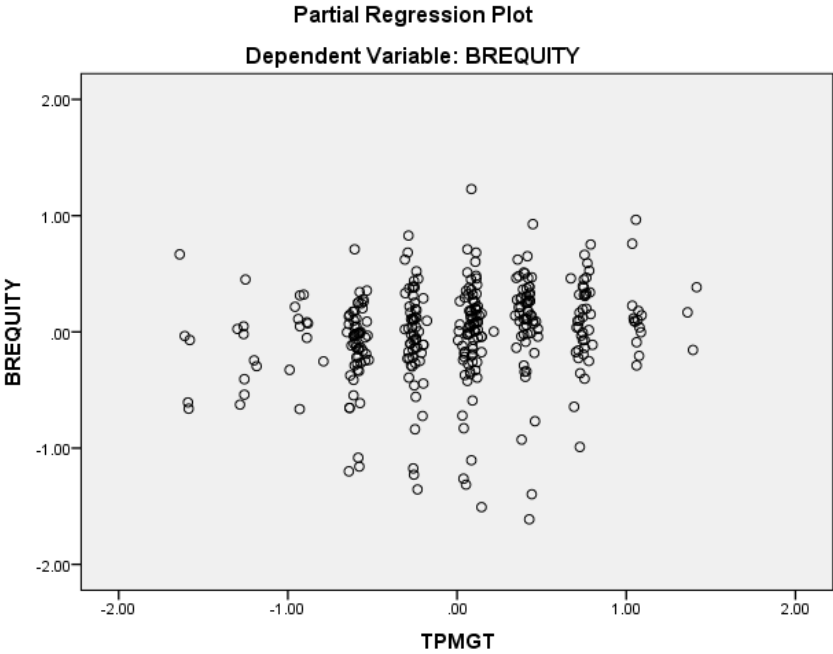
	iknow NILE	IHEA RDnile	differen tiateNILE	trusted NILE	guarant edNILE	select NILE	happy NILE	Quality SERV ICE	BRAN DNAM ENILE	firstc hoice	Perman ntcusto mer	other	High premu m	contin NILE	MY NILE
Correlation	1.000	.760	.771	.887	.859	.746	6.15	.610	.731	.785	.705	.719	.668	.446	.553
IHEARD nile	.660	1.000	.442	.429	.425	.770	.690	.660	.692	.558	.458	.666	.515	.778	.734
differentiate NILE	.771	.442	1.000	.414	.440	.444	.338	.417	.778	.727	.794	.732	.823	.611	.747
Trusted NILE	.871	.529	.514	1.000	.732	.670	.720	.720	.705	.716	.748	.769	.736	.750	.769
guaranteed NILE	.591	.725	7.40	.732	1.000	.729	.743	.741	.761	.713	.730	.847	.821	.838	.841
selectNILE	.546	.670	.744	.770	.729	1.000	.659	.682	.667	.618	.634	.644	.788	.714	.828
Happy NILE	.415	.590	.538	.520	.543	.659	1.000	.762	.592	.557	.576	.524	.523	.605	.415
Quality SERVICE	.410	.560	.617	.620	.641	.682	.662	1.000	.522	.681	.630	.664	.620	.611	.508
BRANDN AMENILE	.431	.492	.478	.405	.661	.567	.492	.422	1.000	.0531	.406	.441	-.460	.419	.542
firstchoice	.485	.558	.527	.516	.513	.518	.557	.681	.431	1.000	.417	.457	.416	.433	.448
permannt customer	.405	.358	.394	.348	.330	.334	.376	.330	.406	.417	1.000	.406	.415	.451	.551
other	.419	.566	.332	.369	.447	.344	.424	.414	.541	.557	.506	1.000	.472	.470	.445
highpremu m	.068	.615	.523	.536	.521	.788	.623	.620	.660	.716	.715	.672	1.000	.889	.739
Continu NILE	.046	.678	.411	.550	.438	.414	.605	.711	.719	.733	.751	.770	.789	1.000	.885
MYNILE	.553	.434	.447	.669	.541	.428	.415	.508	.552	.548	.551	.545	.539	.585	1.000

Survey outcome (2016)

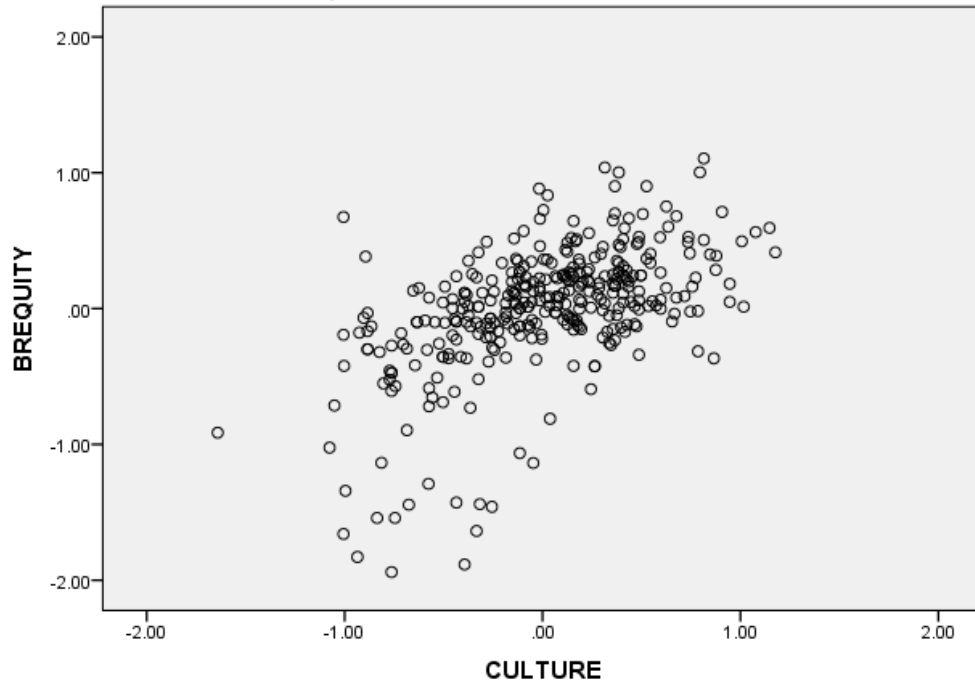
Appendix III- Histogram and P-plot Graphs



Appendix IV-Scatter plots



Partial Regression Plot
Dependent Variable: BREQUITY



Appendix V- Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.662 ^a	.438	.433	.39586

a. Predictors: (Constant), CULTURE, TPMGT, ITECH

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.959	3	13.986	89.254	.000 ^b
	Residual	53.906	344	.157		
	Total	95.865	347			

a. Dependent Variable: BREQUITY

b. Predictors: (Constant), CULTURE, TPMGT, ITECH

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.479	.247		14.065	.000	2.993	3.966		
	TPMGT	.137	.037	.151	3.731	.000	.065	.210	.997	1.003
	ITECH	-.559	.045	-.507	-12.331	.000	-.648	-.470	.966	1.035
	CULTURE	.540	.045	.499	12.137	.000	.453	.628	.966	1.035

a. Dependent Variable: BREQUITY

Part II Questions to measure CRM

This section is designed to gather information on factors affecting customer relationship management.

Please put “ ✓ ” mark in the answer box that reflects your rating

1. Strongly disagree (SD) 2. Disagree (D) 3. Neutral (N)

4. Agree (A) 5. Strongly agree (SA)

S/N	Statements	Level of Agreement				
		SD	D	N	A	SA
I	Top Management	1	2	3	4	5
1.1	There is an inspirational leadership at Nile					
1.2	It is easy to get access to top management as required					
1.3	the top management involves in decision making whenever there is a disagreement between employees and customers					
II	Information technology	1	2	3	4	5
2.1	The company uses information technology to deliver service					
2.2	The company interacts with me often with the use of modern communication technologies such as Email, SMS					
2.3	I got fast service delivery due to the company's IT infrastructure					
III	Organizational Culture	1	2	3	4	5
3.1	Employees are very much concerned to satisfy customer needs					
3.2	Employees serve customers with greater enthusiasm					
3.3	Customer complaint is quickly addressed					
3.4	There is a good communication mechanism between employees, management and customers					

Part III questions to measure brand equity variables

This section is designed to gather information on variables that measure brand equity.

Please put “✓” mark in the answer box that reflects your rating

1. Strongly disagree (SD) 2. Disagree (D) 3. Neutral (N)

4. Agree (A) 5. Strongly agree (SA)

S/N	Statements	Level of Agreement				
	Statement	SD	D	N	A	SA
I	1. Brand Awareness	1	2	3	4	5
1.1	I am familiar with Nile insurance					
1.2	I have heard of Nile insurance company					
1.3	I can recognize /Nile insurance company from other insurance companies					
II	Brand association	1	2	3	4	5
2.1	Nile insurance company is reliable					
2.2	I trust Nile Insurance company					
2.3	I feel safe with Nile Insurance Company					
III	Perceived quality	1	2	3	4	5
3.1	I am satisfied with the service I get from Nile Insurance					
3.2	The quality of service is persistent					
3.3	I think Nile insurance has good reputation					
IV	Brand Loyalty	1	2	3	4	5
4.1	Nile insurance is my first choice					
4.2	I will be loyal to Nile insurance					
4.3	I will recommend others to buy insurance from Nile					
V	Overall brand equity	1	2	3	4	5
5.1	I am willing to pay higher premium for the service I get from Nile					
5.2	Even if another insurance company offered me the same service I will continue to be Nile's Customer					
5.3	Nile is more than an insurance company to me					

ክፍል 2

የደንበኞች ግንኙነት አገልግሎት ሳይ መረጃ ለመሰብሰብ የተዘጋጀ መጠይቅ

ሰሚመርጡት ምርጫ የ “✓” ምልክት በሳፕኖች ውስጥ ያኑሩ

1. ሀሳቡን እቃወማሰቡ 2. አልስማማም 3. አስተያየት የሰኝም 4. እስማማሰቡ 5. በጣም እስማማሰቡ

		ሀሳቡን እቃወማሰቡ	አልስማማም	አስተያየት የሰኝም	እስማማሰቡ	በጣም እስማማሰቡ
1	የበላይ ሃሳፊዎች	1	2	3	4	5
1.1	በናይል ውስጥ ስስራ የሚያነሳሳ አመራር አስ					
1.2	የበላይ ሀሳፊዎችን በቀላሉ ለማግኘት ይቻላል					
1.3	በሰራተኞችና በደንበኞች መካከል አስመግባት ሲኖር የበላይ ሃሳፊዎች ውሳኔ ለመስጠት ጣልቃ ይገባሉ					
2	ኢንፎርሜሽን ቴክኖሎጂ	1	2	3	4	5
2.1	ድርጅቱ አገልግሎቱን ለማቀሳጠፍ የኢንፎርሜሽን ቴክኖሎጂ ይጠቀማል					
2.2	ድርጅቱ ዘመናዊ የኢንተርኔት ግንኙነቶች ኢ-ሜል፣ የጽሁፍ መልዕክት(SMS) በመጠቀም ከደንበኞች ጋር ግንኙነት ያደርጋል					
2.3	ድርጅቱ በሚጠቀመው የኢንፎርሜሽን ቴክኖሎጂ አማካይነት ፈጣን የሆነ መስተንገዶ አግኝቻለሁ					
3	የድርጅቱ የስራ ባህሪ	1	2	3	4	5
3.1	የኩባንያው ሰራተኞች የደንበኞችን ፍላጎት ለማሟላት ይጥራሉ					
3.2	የኩባንያው ሰራተኞች ደንበኞችን በላቀ አክብሮትና ትጋት ያገለግላሉ					
3.3	የደንበኞች ቅሬታ በፍጥነት ይስተናገዳል					
3.4	በሰራተኞች በደንበኞችና በበላይ አመራሮች መካከል ጥሩ የሆነ የመግቢያ መንገድ አስ					

ክፍል 3 ስለ ናይል ኢንፎርግሽን ያለዎትን እውቀት ስመገምገም የተዘጋጀ መጠይቅ

ሰሚመርጡት ምርጫ የ “✓” ምልክት በሳፕኖቹ ውስጥ ያኑሩ

1. ሀሳቡን እቃውማሰሁ 2. አልሰማማም 3. አስተያየት የሰኝም 4. እስማማሰሁ 5. በጣም እስማማሰሁ

		ሀሳቡን እቃውማሰሁ	አልሰማማም	አስተያየት የሰኝም	እስማማሰሁ	በጣም እስማማሰሁ
1	ስለድርጅቱ ማንነት ያለዎት እውቀት	1	2	3	4	5
1.1	ናይል ኢንፎርግሽን በደንብ አውቀዋለሁ					
1.2	ስለ ናይል ኢንፎርግሽን ሰዎች አውቃለሁ					
1.3	ናይል ኢንፎርግሽን ከሌሎች ኢንፎርግሽን ኩባንያዎች መሰየት እችላለሁ					
2	ደንበኞች ድርጅቱን ከምን ጋር ያደይዙታል	1	2	3	4	5
2.1	ናይል ኢንፎርግሽን ተሰማኒነት ያለው ድርጅት ነው					
2.2	ከናይል ኢንፎርግሽን በማገኘው አገልግሎት እምነት አለኝ					
2.3	ናይል ኢንፎርግሽን በመምረጤ ደህንነት ይሰማኛል					
3	ደንበኞች የተረዱት የአገልግሎት ጥራት	1	2	3	4	5
3.1	ከናይል ኢንፎርግሽን በማገኘው አገልግሎት ደስተኛ ነኝ					
3.2	የናይል ኢንፎርግሽን የአገልግሎት ጥራት የማይዋክቅ ነው					
3.3	ናይል ኢንፎርግሽን መልካም ስም አለው ብዬ አምናለሁ					
4	ለናይል ኢንፎርግሽን ያለዎት ታማኝነት	1	2	3	4	5
4.1	ናይል ኢንፎርግሽን የመጀመሪያ ምርጫዬ ነው					
4.2	የናይል ኢንፎርግሽን ቋሚ ደንበኛ ሆኜ እቀጥላለሁ					
4.3	ሌሎችም የናይል ኢንፎርግሽን ደንበኛ እንዲሆኑ እመክራለሁ					
5	ናይል ኢንፎርግሽን ሳይ ያለዎት አጠቃላይ እይታ	1	2	3	4	5
5.1	ከናይል ኢንፎርግሽን ሰማገኘው አገልግሎት ከፍ ያለ አረቦን ብክፍል ቅር አይሰኝም					
5.2	ሌሎች ኩባንያዎች ከናይል ኢንፎርግሽን ጋር ተመሳሳይ አገልግሎት ሲሰጡኝ ቢያገባቸውም የናይል ደንበኛ ሆኜ መቀጠል እፈልጋለሁ					
5.3	ናይል ኢንፎርግሽን ፍላጎቴን ከማሟላትም በላይ የኔ የምሰው የኢንፎርግሽን ኩባንያ ነው					

Appendix VII- Interview Questions

1. What does the management think of customer relationship management?
2. to what extent would the management strive to implement CRM”
3. What mechanisms do you use to communicate with customers?
4. What do you think of your customers?
5. What technology do you use to keep customers’ record?
6. How do you explain the relationship between management and employees?
7. How do you explain the relationship between management and customers?
8. What mechanisms do you use to handle customer compliant?
9. What kind of information technology infrastructure is available in the organization?
10. What are you planning in the future to make your relationship with your customers ongoing?
11. How do you serve your key accounts?
12. How do you assess customer satisfaction?
13. How do you assess customers’ needs?