

**ASSESSING CHALLENGES IN CUSTOMER RETENTION IN THE INSURANCE
INDUSTRY: A CASE STUDY OF OLD MUTUAL THOHOYANDOU**

By

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ABSTRACT

The insurance industry is presently facing many challenges and across this sector, competition remains intense. The present study seeks to assess some of the challenges it faces in customer retention. In today's highly competitive marketplace, customer retention is a critical success factor. Insurance products are complex in nature and may be considered confusing to customers. Consequently, customers in this industry are often at the mercy of the insurance financial advisor's ethical behaviour in selling of products. It is therefore very crucial for customers to understand what they are purchasing from inception. Failure to this leads to life insurance policies being cancelled or surrendered before they can reach maturity stages.

It is against this background that this study assessed the challenges in customer retention to determine the impact of these challenges to both the customers and the industry. Qualitative and Quantitative methods are used in this study. Both methods have advantages and disadvantages, and clearly, none of them can, by itself, capture, describe and explain reality adequately. Therefore, a balance between the two methods is needed in order to achieve the desired results.

The findings of this study are based on the three themes which arose from the objectives of the study and are Challenges of Retention of Customers, Surrenders and Cancellations of Life insurance policies based on relationship between the insurer and the customers and lastly, Strategies which can be used to improve customer Retention in the insurance industry.

Based on what has been summed up in this research, the study recommends the following: As challenges affects both the industry and the customers, the insurance industry should be in best practices in order to retain customers, secondly surrenders and cancellations should be addressed by educating customers before the buy the life insurance products and lastly the industry should have strategies in place to encourage customer retention in the industry.