

Institute of Insurance Economics



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# **DRIVERS OF SATISFACTION AND LOYALTY IN THE INSURANCE INDUSTRY – A MULTINA- TIONAL ANALYSIS**

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# DRIVERS OF SATISFACTION AND LOYALTY IN THE INSURANCE INDUSTRY – A MULTINATIONAL ANALYSIS

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## Structured Abstract

**Purpose:** This paper examines the crucial antecedents of satisfaction and loyalty for the insurance industry and discusses how customer satisfaction and loyalty can be increased.

**Design/methodology/approach:** A large-scale global survey is conducted among 11,736 insurance customers. To analyze the data, structural equation modeling is used to estimate the influence of the identified antecedents of satisfaction and loyalty.

**Findings:** The results reveal a positive relationship between satisfaction and attitudinal loyalty for the insurance industry. In addition, the individual cognitive-based dimensions of anticipated regret and product category knowledge significantly affect satisfaction. Furthermore, co-production and trust both positively affect satisfaction and attitudinal loyalty.

**Research limitations/implications:** This study identifies relevant antecedents of satisfaction and attitudinal loyalty for the emerging literature of insurance marketing. Future studies in this domain should examine the influence of additional dimensions which were not part of the present work, such as perceived price fairness, service quality, and switching costs.

**Practical implications:** By installing and maintaining efficient two-way communication channels, insurers can decrease customers' anticipated regret and enhance product category knowledge, which in turn can increase customer satisfaction. In addition, frequent and honest communication should be used to build up trust and induce co-production, which positively affect satisfaction and attitudinal loyalty.

**Originality/value:** This paper identifies crucial antecedents of satisfaction and attitudinal loyalty for insurance companies. This research is timely, as previous works have largely neglected the idiosyncrasies of the insurance sector.