



Bournemouth University

Business School

**A Qualitative Inquiry into the Relationship
Marketing Practice of UK Insurance Brokers**

By

Haomin Simon Ning

A dissertation submitted

In partial fulfilment of the requirements for the degree of

MPhil Research Programme

Statement of declaration

I declare that this dissertation is my own work, and that where materials obtained from other published or unpublished works have been fully acknowledged in the reference

A handwritten signature in black ink, appearing to read 'Simon', with a vertical line extending downwards from the end of the signature.

Simon Haomin Ning

6th May 2011

Acknowledgement

This dissertation concludes my MPhil. Research, which is initially planned as a Doctoral research, prolonged four years and sadly pre-matured for a number of reasons.

Many thanks to my parents, who have been supporting me with deep-hearted love. Even in such a difficult situation they faced ever since, they still gave me a peace of mind which enabled me to complete this research.

Many thanks to Dr. Julie Robson and Dr. Yasmin Sekhon, who encouraged, supervised and guided me throughout the whole research journey. Without your help, this dissertation would have never been done.

Many thanks to all the friends and colleagues, especially those who accepted my interviews. You have given me insightful views about the research topic. Taking an interpretivism-constructivist position, by bracketing my personal value in the interview process, I constructed the “reality” in this research jointly with you, my interviewees.

Many, many thanks to all those who greeted and encouraged me, loved and helped me, taught and guided me, challenged and criticized me, worked with and tolerated me, and walked along with me during this journey.

Thank you all!

Abstract

Significant changes in the UK insurance broking market in recent years have forced insurance brokers to ask: How can we retain our clients? What is the nature of our relationship with our clients? What are the key components in these relationships? How should we manage such relationships? Existing theories in the relationship marketing domain do not provide an answer to these questions.

This research aims to form a framework reflecting the nature of broker-client relationship as a development process with key components influencing the quality of relationship attached to each stage of the process. Hence three research objectives are derived: 1) Form a development stage framework reflecting the nature of broker-client relationship; 2) Identify key components influencing relationship quality in each stages of the relationship; and 3) Discuss the model's implication towards marketing practice.

In this research the author takes an interpretivism-constructivist position, by bracketing the author's value in the interview process, the interviewer (author) constructs the "reality" jointly with the interviewees (broker account executives). The qualitative approach is adopted so that the nature and meaning of broker-client relationships can be investigated in-depth. An abduction analytical approach is taken, which sits between induction and deduction, closer to an inductive perspective. The following data analysis process is then followed: organize data, immerse into data, generate categories and codes, coding data, generate themes, generate frameworks, and search for deviant cases and alternative understandings.

Through the analysis of 5 in-depth qualitative interviews, the author reaches the following conclusions:

A relationship typically has four stages: initiating, growing, maintaining and terminating. However, a relationship may not necessarily have all four stages, nor might it follow the same sequence.

The key components affecting relationship quality in each stage of a relationship varies. In the initiating stage, the most critical components are trustworthiness, professionalism and communication. In the growing stage, they are trustworthiness, commitment, professionalism and calculative trust. In the maintaining stage, the most critical components are heuristic trust, communication, dependence, satisfaction and interaction and in the terminating stage, they are trustworthiness, professionalism and communication.

The cost of maintaining a relationship increases whilst the relationship becomes closer. Customer's expectation in a "too close" relationship can be excessively high. From the broker's perspective, a balance must be maintained between both the total costs (the cost to the company plus social costs to the broker himself/herself) and the total benefits (benefit to the company and the broker himself/herself). The "tipping point" for the broker (the sole agent of the broker company) is the moment when such total costs overweigh total benefits.

The above conclusion has three managerial implications for UK insurance brokers: 1) A relationship can be lost at any development stage of a relationship hence broker needs to be prepared to cope with such relationship. 2) Different strategy must be adopted for different stages of relationship. 3) Avoid the pitfalls of being "too close" in a relationship to keep relationship marketing efforts cost effective.