

**FEAR APPEAL STRATEGY AND CUSTOMER PATRONAGE OF INSURANCE FIRMS IN PORT-HARCOURT.**

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**ABSTRACT**

This work studied the relationship between fear appeal strategy and customer patronage of insurance firms in Port Harcourt. The study adopted a cross-sectional survey design. The population of the study consists of all customers of the 18 registered insurance firms in Port Harcourt making the study population an infinite one. Adopting the Krejcie and Morgan sample determination table, we arrive at a sample size of 384 for the study since the population is above one million. Thus, 384 customers of the 18 registered insurance firms constituted the sample size. Structured questionnaire was used as the instrument for data collection to elicit responses from respondents. The instrument was structured in a 5-point Likert scale ranging from strongly agree, agree, undecided, strongly disagree, and disagree. The study instrument was subjected to content validity and reliability test. The reliability test was done using the Cronbach's Alpha test using a bench mark of 0.70 as the acceptable threshold. A test result of 0.84 confirms the reliability of the instrument. Simple regression analysis was used to test the hypotheses and the findings was that there is a significant positive relationship between fear appeal strategy and customer patronage of insurance firms in Port- Harcourt. Base on the findings, the study recommend amongst others, the sustained use of fear appeal by insurance firms to attract customers patronage in Port Harcourt. To this extent, an aggressive use of fear appeal strategy in advertisement in the electronic media and the social media is highly recommended to attract customer patronage.

***Keywords: Fear Appeal, Customer Patronage, Customer Purchase Intention and Customer Referral and Repeat purchase.***

**INTRODUCTION**

The insurance industry in Nigeria, has evolved over the years. Insurance business in Nigeria commenced with the establishment of Royal Exchange Assurance Company in 1921. Initially, the major insurance policies focused on marine trade and life insurance. Over time, the industry expanded to include various other types of insurance like fire, motor, and general accident.

However, with particularly reference to the practice of insurance in Port-Harcourt, the sector is characterized by low patronage rates despite the growing need for risk management (Onyeji & Nwakoby, 2017). One potential strategy that has been identified as very potent in increasing patronage of insurances services is the use of fear appeal in marketing communications (Witte & Allen, 2000). Fear appeal aim to arouse fear or anxiety in individuals, motivating them to adopt a recommended behaviour or purchase a product, ot service such as purchasing insurance policies.

Fear Appeal strategy is a message structured with the intention to trigger fear in the mind of the recipients or targeted audiences. It usually carries with it an emphasis on the consequences and or likely repercussions that are likely to come upon anyone who refused to adopt the message and its recommendations (Malanie, Justin, Rick, Lindsey, Samatha, Kristina and Doloren, 2015).

According to Tannenbaum et al, (2015) fear appeal is a form of persuasive message that attempt to arouse fear by emphasizing the potential dangers and harm that will befall individuals if they do not adopt the messages or recommendation. The persuasion highlights in a rather subtle but strong manner the emphasis placed on the obvious danger to the individual who refuses to heed to the advice of the message. For instance, a marketing message that emphasizes the danger of not

signing up for a comprehensive insurance policy exposes you to danger of losing your property or business in the event of a fire outbreak or accident is a form of fear appeal strategy.

Consumers in Port Harcourt are daily confronted by different choices in a bid to meeting their needs and wants, this is largely because of the assortment of products and services available to them, insurance services inclusive. These consumers purchase decisions are influenced by factors such as the understanding of the marketer of the particular product, services, brand or organization, availability of competitors, previous experience with similar product or service etc. It is therefore incumbent on managers of insurance firms in Port Harcourt to realise this and tailor the appropriate communication strategies to convince both prospective and actual customers to continue patronizing insurance services.

Research have shown that fear appeals strategy can be effective in influencing consumer behaviour, particularly when customers perceived the threat for not complying as severe and the individual feels susceptible (Rogers, 1975). However, the effectiveness of fear appeals strategy also depends on the perceived efficacy of the recommended response and the individual's confidence in their ability to take action (Witte, 1992).

Proponents of Fear appeal strategy have a strong conviction in its ability in shaping customers decisions to the desired outcomes of the messages (CDC, 2014, XU et al, 2015). Conversely, much as Fear Appeal strategy sounds as an effective persuasive tool to positively influence target audience, some scholar's like Ruiters et al, 2014) have paid zero attention to the usage of fear appeal strategy believing that it is an ineffective tool and often times counter-productive. Previous authors on the subject matter of fear appeal have touched on the health and some other sectors but none have focused on the insurance sector despite its importance in risk mitigation. This no doubt created a study gap which this work hope to fill.

This study seeks to explore the relationship between fear appeal strategies and customer patronage of Insurance Companies in Port-Harcourt. Understanding how fear appeals strategies influence consumer behaviour in this context can provide valuable insights for insurance marketers.

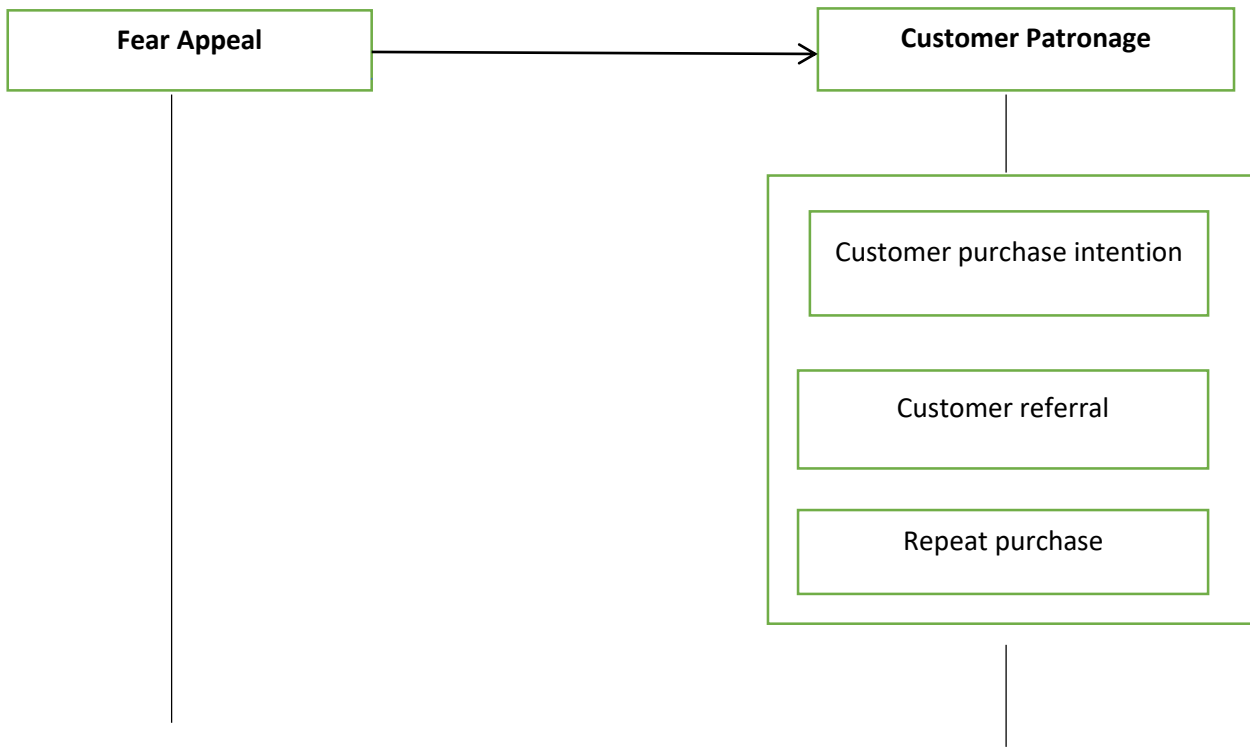
### **Statement of the Problem**

The insurance sector in Nigeria faces a daunting challenge in attracting customers to patronize its services despite the growing need for risk management. This is largely due to lack of awareness of the benefits and issues around trust. One potent strategy employed by insurance firms is the use of fear appeal strategy to persuade customers and potential customers to take insurance policies on their properties and businesses.

As a sales strategy, fear Appeal have been employed in various types of marketing communication, for marketing of products, services, social causes, and ideas (Kaylene, 2012). Sadly, Fear Appeal as a marketing strategy, have witnessed higher criticisms for being unethical, manipulative, and exploitative. Some people sees it as generating negative and unhealthy feedbacks from the audience, as well as exposing audience to offensive images which could be against their will.

Recently during the Covid-19 Pandemic in 2019, people were strongly advised to use face mask in public places to avoid getting infected by the covid-19 virus. This is a typical use of fear appeal strategy the same way, the tobacco companies will usually add a caveat to their advertisements that smokers are likely to die young or Drivers have been appealed to not to drink and drive for their safety and that of their passengers. Insurance companies on their part, are also making effort to use fear appeal strategy to persuade customers patronage. However, in spite of these efforts, insurance firms in Port-Harcourt, continue to record low patronage. This has become a problem that needs to be addressed. Hence, this study, aim to investigate the relationship between Fear Appeals and Customer Patronage of insurance firms in Port Harcourt.

### Conceptual framework



**Figure 1.1** Conceptual framework for Fear Appeal and Customer Patronage of Insurance Firms in Port Harcourt

**Source:** Researchers' Desk 2025.

### Aim and Objectives of the Study

The aim of this study is to examine the relationship between Fear Appeal strategy and Customer Patronage of Insurance firms in Port Harcourt, while the specific objectives of the study are to:

- i. Evaluate the relationship between Fear Appeal strategy and Customer Purchase Intention in Insurance Firms in Port Harcourt.
- ii. Evaluate the influence of Fear Appeal strategy on Customer Repeat Purchase of Insurance Firms in Port Harcourt.
- iii. Evaluate relationships between Fear Appeal strategies and referral of customers of Insurance Firms in Port Harcourt.

### Research Questions

1. Does fear appeal strategy have relationship with customer purchase intention?
2. Does fear appeal strategy have relationship with repeat purchase?
3. Does fear appeal strategy have relationships with purchase referral?

### Literature Review

#### Theoretical Framework

Protection motivation theory (PMT) is used to underpin this study. The protection motivation theory (PMT), unravels the cognitive processes involved in how fear impacts persuasion. According to Roger, (1975, 1983) and Tanner, Hunt, and Eppright, (1991) PMT is borrowed from psychology and has been adapted to predict people's behavioural intentions. The premise of PMT is that people are motivated to protect themselves from physical, psychological, and social threats. Igwe, (2014)

noted that response to a threat is based on two cognitive processes: (1) threat appraisal (assessment of the individual's personal risk of harm and severity of harm) and (2) coping appraisal (individual's perceptions of the recommended response's efficacy and an assessment of his or her ability to carry out this response). Protection Motivation Theory simply focuses on the cognitive/rational reactions or coping responses to fear appeals and points out that "fear may be considered a relational construct, aroused in response to a situation that is judged as dangerous and toward which protective action is taken"(Rogers, 1983). That is, the fearful component of the message usually triggers the individual to think about ways of protecting himself (Roser & Thompson, 1995). Accordingly, PMT postulates that a fear/threat appeal initiates two cognitive processes: threat appraisal and coping appraisal wherein four stimulus variables are evaluated: (1) severity of the threat, (2) probability that the event will occur if no adaptive behavior is performed, (3) availability and effectiveness of a coping response that might reduce the threat, and (4) self-efficacy or the individual's perceived ability to carry out the coping behavior.

Self-efficacy may be the most important dimension (Leventhal, Watts, and Pagano, 1967). Additionally, Bandura (1977) has proposed that three factors influence one's feeling of self-efficacy: actual experience, vicarious experience, and verbal persuasion. However, ads typically do little to enhance one's self-efficacy (Hunt, Fransway, Reed, Miller, Jones, Swanson, and Yunginger, 1995). As such, PMT theorizes that a fear appeal will provide an impetus for the individual to assess the severity of the event, probability of the event's occurrence, and belief in the efficacy of the message's recommendations. These three factors arouse "protect motivation" which then provides the incentive for change. (Keller, 1999).

Accordingly, PMT does help to explain the boomerang effect. That is, if individuals are threatened but have no effective way to protect themselves, then persuasion and intentions to change behavior are expected to be very low. In this case, the individual will resort to denial, avoidance, and wishful thinking. (Roser and Thompson, 1995). Tanner, Hunt, and Eppright (1991) have further developed the role of social context on implications of the coping response to a fear or threat communication. The authors note that responses may be due to factors other than the communication itself and emphasize the role of emotion. That is, while Roger (1983) has assumed that coping responses are derived from the fear communication itself, Tanner, Hunt, and Eppright (1991) have added the premise that individuals may have knowledge or prior experience that gives them coping responses.

## **Conceptual Review**

### **Concept of Fear Appeal Strategy**

Marketers use different marketing strategies to persuade their potential and actual customers. Fear Appeal strategy is one communication strategy that has been effectively used by marketers in sectors such as the health, tobacco etc globally.

Tannenbaum et al. (2015) defined "fear appeals as persuasive messages that attempt to arouse fear by emphasizing the potential danger and harm that will befall individuals if they do not adopt the messages' recommendation." Such messages are usually crafted in such a way that it subtly but strongly emphasis the harm to the individual who refuses to heed the advice of the message. On his part, Witte (1992) defined fear appeals as "persuasive messages that arouse fear by depicting a personally relevant and significant threat, followed by a description of feasible recommendations for deterring the threat". Meanwhile, Xu et al. (2015) argues that "Fear Appeal has the power to persuade audiences." Xu et al, argued that fear appeal strategy is strong enough to trigger action on the part of the audience. Other authors have argued that "Fear Appeal strategy is one of the most frequently used motivators to get people to help make a purchase decision, especially insurance policies.

Corroborating this position, Williams (2011) agreed that fear appeals strategy is built on using fear to secure a purchase decision from the customer. This position was however rejected by Carrera et al. (2010) who maintained that negative emotional appeals do not always help to reduce risky

behaviour. They stated that a mixed approach (a blend of negative & positive) emotional message generated lower post-message discomfort than the negative one. This does not take away the fact that use of fear appeal strategy has been effective as it has seen to be used to increase advertising effect on consumer interest, recall, persuasiveness, and behaviour change.

Mathur & Tripathi, 2014) have noted that patronage of insurance firms is a function of the understanding of risk management by the consumers and its commitment to safeguarding the future against unanticipated disasters. It is therefore imperative for Insurance firms to be able to know customer's level of understanding of risk management as this will determine to a large extent the level of patronage they will enjoy from the market. The customer's level of patronage of insurance services can be hinged by factors like religion, income, awareness, technology, friendly policies, subjective norms, perceived behavioural control, among others.

Economic conditions may directly hinder the customer's willingness to invest in insurance policies, this may be cause by an unstable economy which lead to weak purchasing power of the customers. When the purchasing power of the customers are weak, in turn its lead to little or no insurance subscription (Dankwah et al, 2022).

Awareness and knowledge of insurance products are also critical as customers may not patronize insurance companies for lack of awareness. Effective advertising provide substantial platform to educate and inform potential customers about the benefits of insurance, dispel myths, and address misconceptions, thereby influencing their purchase decisions. Additionally, the availability of tailored insurance products that meet the specific needs of the locals audience can attract more customers (Maseke & Iiping, 2021). Insurance firms that understand and factor in the local context and cultural peculiarities are likely to enjoy greater patronage. Furthermore, the role of religion cannot be overstated. In today's multifaceted religious society, various belief system facilitates acceptance and patronage of insurance products and services in totality (Badru et al, 2022). Understanding these factors is crucial for insurance companies aiming to enhance their market presence and for policymakers striving to foster a thriving insurance sector (Akokuwebe, & Idemudia, 2022).

### **Customer Patronage**

Customer patronage is the heart of any business as it directly affects the success and sustainability of the business or organization. Customer patronage refers to the loyalty and consistent support that customers provide to a particular brand, product, or service (Adiele et al, 2015). In today's complex and hypet dynamic business environment where stiff competition among business organizations is the norm, customer patronage is more important than ever because consumers are well-informed about the numerous options available to them and can switch brands at any time. The place of customer patronage in growth and profitability of business organizations cannot be overemphasis. Nijite et al, (2015) noted that loyal customers are more likely to make repeat purchases, refer others to the business or product, and provide valuable feedback that can help the company improve its products or services.

Customer Patronage refers to the extent to which consumers are emotionally invested in a product or service, and the level of importance they attach to their purchase decisions (Singh & Kohade, 2022). The integrative theory of patronage preference and behaviour is latched on social influence. It holds that consumers are not isolated individuals making decisions in a vacuum, but rather are influenced by their social networks, including family, friends, and peers (Sackmary, 2018). Social norms and values can significantly impact patronage preferences and behaviour, as consumers seek to conform to the expectations of their social group or reference group.

This theory also stresses on the role of situational factors in shaping consumer choices. These could include environmental cues, such as store layout and design, as well as marketing stimuli, such as advertising and promotions. Consumers' choices are often influenced by the context in which they find themselves, as well as their immediate needs and desires (Blut et al, 2018).

Kotler and Keller (2011) highlight the importance of understanding customer patronage. They went ahead to state that understanding the ways customers choose their products and services can be

extremely important for marketers as this provides them with competitive edge over their competitors in several aspects. For example, they may use the knowledge obtained through studying the customer buying behaviour to set their strategies towards offering the right products and services to the right audience of customers reflecting their needs and wants effectively and efficiently. Another valuable argument is provided by Esu and Anyadighibe (2014) on the importance of understanding consumer buying behaviour. Over time, gaining customer patronage has been an underlining issue because most firms fail to strategically win customers.

According to the author, better awareness of consumer buying behaviour is a positive contribution to achieving a goal which is increasing customer patronage. The goal of many firms is to increase the patronage concentration ratio of its customers to 100%. Some firms set different patronage concentration targets for various classes of customers. This reflects the fact that some types of customers are more profitable than others. In addition to efforts of better understanding customer patronage, companies also engage in employing the services of influencers to influence the consumers' purchasing decision (Gownaris, Dimitriadis, & Stathakopoulos, 2010). However, when they are engaging in such types of activities, they need to consider factors such as the level of the influencer's fan base, ability to attract and influence customers, the audience etc. all of which should be taken into cognizance in order to increase patronage (Ganiyu, Uche, & Elizabeth, 2012).

To sum up all the arguments stated above, it is clear that better understanding of the concept of customer patronage through studying and identifying their needs and wants leads to huge long term benefits to businesses (Hair, Black, Babin, & Erson, 2010). However, as stated by Kotler (2005) it is essential to mention that despite the great efforts to learn and understand the buying behaviour of customers, it is very difficult to identify the exact reasons why a customer prefers one product or service over another one. This is because consumers sometimes make purchasing decisions based on their emotional beliefs which they are not well aware of and often time, they patronize a firm because of the influencers used.

### **Customer Purchase Intention**

Customer purchase intention is the customer's willingness or intention to purchase a brand for a long time from same company (Gounaris, Dimitriadis & Stethakopoulos, 2010). Richard & Dubihlela (2014) assert that it is the individual customer's judgment of purchasing a brand that was previously bought from a particular company at a particular place. Hellier, Geursen, Carr and Rickard (2003) defined customer purchase intention as individual customer's decision about purchasing the goods or services from a company or seller after considering current prevailing situation and circumstance. Richard & Dubihela (2014) opined that when a customer decides to purchase a product for first time it serves as a predictive measure of purchase behaviour and the decision to purchase represents the readiness of customer to decide to engage in consistent product consumption. Seiders, Voss, Grewal & Godfrey (2005) assert that purchase intention reflects customer experiences which induces certain behaviour and define satisfaction (Richard & Dubihlela, 2014). Customer satisfaction leads to trust which attract purchase intention (Ganiyu, Uche & Elizabeth, 2013).

Customers act differently depending on how they perceive things; a customer tends to purchase from a firm when they feel satisfied with the particular attributes during their first visit (Ha, John, Janda, & Muthaly, 2009). Although satisfaction with a particular firm appears to be a necessary condition for explaining the intent for visitations, it is not sufficient to explain the phenomenon since many customer reported satisfactory experiences and yet did not return to the same firm. It might also happen that satisfied customer might not return to the same destination because they prefer to discover other firms who offer similar brand within their neighborhood, or due to relationship with another firm or marketer.

On the other hand, less satisfied customer might have different intent to the same firm and eventually become discouraged. Firm that wants to make a customer loyal should endeavour to treat their customer's right by giving them adequate satisfaction especially in their first visit as this

may be used as a strategy to avoid a new decision process for a further destination and reduce the implicit risks of facing another disappointed experience in the future (Ozdemir, & Hewett, 2010). Similarly, what differentiate first-timers and repeat visitors; have been identified as the kind of benefits sought in the buying process. Benefits items include psychological outcomes such as a desire for variety, relaxation, and well-attended to service (Shim, Eastlick, Lotz, & Warrington, 2001). Understanding benefits sought in a consumptive situation provides insight into the consumer's value system as well as illuminating casual factors behind behaviour.

### **Customer Referral**

Referral marketing is the method of promoting products or services to new customers through referrals, usually word of mouth. Such referrals often happen spontaneously but businesses can influence this through appropriate strategies. Simply put, referral marketing is spreading the word about a product or services through a business existing customers, rather than traditional advertising. Word-of-mouth marketing, which occurs when others tell each other about a business, it is also considered a form of referral marketing. Word-of-mouth is the principle behind things that go viral. In the view of Oliver (1997) cited in Amankwe (2013) submitted that positive word of mouth recommendations is an outcome of customer retention which improves customer patronage. He maintained that customers who are satisfied with the service of a company will not only stay with the company but will become apostles as well as advocate of the company, thereby recommending the company to other people.

Referral marketing is a process to encourage and significantly increase from word of mouth, perhaps the oldest and most trusted marketing strategy. This can be accomplished by encouraging and rewarding customers, and a wide variety of other contacts, to recommend products and services from customer and B2B brands, both online and offline, (Jansen Zhang, Sobel and Chowdury, 2009). Online referral marketing is the internet-based or software as a service (SaaS) approach, to traditional referral marketing. By tracking customer behaviour online through the use of web browser cookies and similar technology, online referral marketing can potentially increase brand awareness, referrals and, ultimately, revenue. Many platforms allow organizations to see their referral marketing return on investment (ROI), and to optimize their campaigns to improve results. Many of the newest systems provide users with the same experience whether they are on a desktop or mobile device. Offline referral marketers sometimes use trackable business cards. Trackable business cards typically contain QR codes linking them to online content for sale while providing a way to track that sale back to the person whose card was scanned.

### **Repeat Purchase**

A repeat purchase is when a customer purchases an item or service from the same brand that they previously bought and consumed. These customers are already familiar with a brand and are often driven by the comfort of something that has worked for them in the past. A repeat purchase can be an example of the degree of loyal customers or customer loyalty to a brand. It is also an opportunity for sellers to build long-term relationships with customers. A high number of repeat purchases indicates a satisfied and well-retained customer, which reduces new customer acquisition costs and increases overall profitability. The repeat purchase rate is a metric that determines how many customers buy a product more than once. It is typically expressed as a percentage of total number of customers who have purchased the product.

A company's repeat purchase rate can increase through web and social media promotions, digital loyalty programs, and exceptional customer service. Repeat purchases represent the most profitable way to increase a company's revenue, which is why market researchers consider them a factor in evaluating the business. Studies have shown that successful online stores get almost 50% of repeat sales from existing customers. In addition, repeat customers are the segment that is easiest to target through marketing efforts and promotions, and they are easy to get in touch with due to the contact information and connection that has been previously established due to previous purchases.

These existing customers have a positive relationship with the brand and are more likely to respond to marketing activities and make customer repurchase intentions or decisions. Therefore, encouraging repeat purchases is one of the best strategies to ensure customer retention and brand loyalty.

### **Empirical Review**

Kelikume and Otonne (2022) conducted a literature review that offers valuable insights for the insurance industry in Nigeria. The study specifically examines the determinants of home and property insurance in Lagos Metropolis. The findings indicate that risk attitude and aversion, as well as low levels of education and literacy, have a positive and significant influence on the demand for home and property insurance. On the other hand, the inadequate management of primary risks by insurance companies has a negative and significant effect on insurance demand. Interestingly, factors such as culture, religion, the quality of service provided by insurance operators, and other economic factors were not found to be significant determinants of home and property insurance demand. Therefore, the study suggests that insurers should consider different risk attitudes when designing insurance packages and prioritize accountability and transparency in fulfilling their obligations to reduce concerns about underperformance and mitigate basic risks.

Ishola et al. (2022) conducted a study to explore the impact of socio-economic status, trust in the insurance company, and knowledge/awareness of insurance products on the intention to purchase children's educational insurance policies. The results revealed that customers' socio-economic status, trust in the insurance company, attitude towards children's educational insurance policies, and knowledge/awareness all played a significant role in influencing and predicting the intention to purchase such policies. Socio-economic status, trust, and attitude were found to be strongly associated with behavior. Therefore, marketers targeting Nigerian consumers with insurance services should consider integrating fundamental psychoanalytical factors into their marketing strategies. This approach would facilitate the acceptance of insurance products by the public, highlighting the perceived benefits and rewards associated with them.

Alaka et al. (2021) conducted a study to examine the influence of socio-economic and demographic factors on insurance buying behavior, specifically focusing on the perceptions of selected SMEs in Lagos, Nigeria. The findings underscore the significance of socio-economic and demographic factors in shaping the evaluation of insurance purchases among SMEs in Lagos. The study suggests that insurance providers in Nigeria should customize insurance products in a manner that is both attractive and affordable to SME operators/owners, thereby aligning with their socio-economic and demographic risk attitudes. Additionally, SME operators should consider shifting their inclination towards managing risks on their own to relying on insurance providers for comprehensive business, economic, and financial security. These implications highlight the need for similar studies to be conducted in other industries within the country to gain a broader understanding of the subject.

Adamu (2016) employed Ajzen's theory of planned behavior (TPB) to explore the acceptance and utilization of insurance services in Northern Nigeria. The study revealed that negative attitudes and limited awareness were significant factors contributing to the low patronage of insurance services. However, religious values, subjective norms, and behavioral control did not appear to play a significant role in the low acceptability and patronage, aligning with the findings of Badru et al. (2013). Nevertheless, the study identified different demographic factors and their impact on individuals' attitudes towards insurance companies and services.

Furthermore, Owolabi and Agboola (2018) investigated the influence of consumers' attitudes on the purchase of insurance products in Nigeria. Their findings demonstrated a significant association between customers' attitudes and insurance products, as well as between product awareness and pricing. The study also highlighted the considerable influence of insurance product promotion on consumers' purchasing behavior. The authors recommended that insurance companies prioritize the delivery of reliable and dependable services, streamline bureaucratic procedures, and implement measures to enhance product awareness and patronage.

Banjo et al. (2022) conducted a study to investigate consumers' perceptions regarding the acquisition of life insurance policies in Lagos State. Their research unveiled a robust positive association between culture, religion, and the patronage of life insurance policies. This discovery highlights the influential role of cultural and religious factors in shaping individuals' inclinations towards insurance products. In light of these findings, the authors put forth a recommendation for life insurance advertisements to be more informative and tailored to enhance public awareness and accessibility to life insurance.

Enitilo et al. (2017) conducted a study to examine the impact of promotional activities on consumers' engagement with insurance business in Ado-Ekiti Metropolis, Nigeria. The research utilized a sample of 373 questionnaires collected from a population of 19,998 insurance customers in Ado-Ekiti metropolis. The findings of the study revealed a robust and favorable correlation between media advertising and consumer patronage. Additionally, the research highlighted a significant influence of personal selling on consumer patronage.

Yusuf et al. (2009) examine the perspectives of Nigerians regarding insurance services and investigate the impact of marketing strategies on reshaping these negative perceptions. A comprehensive empirical survey was conducted, involving 392 participants from the general public, including both insured and uninsured individuals. The study reveals the influence of various demographic factors on attitudes towards insurance companies and their services. It emphasizes the significance of these findings for insurers, emphasizing the need to develop effective marketing strategies that can enhance patronage and positively transform the perception of insurance services.

## **METHODOLOGY**

This study on Fear Appeal strategy and Consumer Patronage of Insurance Firms in Port Harcourt adopted the cross sectional survey research design. This approach was considered appropriate because the study aims to establish the strength of relationships between the predictor variable and the criterion variable. The population of the study consists of customers of all 18 registered insurance companies in Port- Harcourt as documented in <https://www.finelib.com>. The Krejcie and Morgan sample size determination table was used to derive a sample size of 384 for the study. Primary data for the study was collected through the administration of questionnaire structured in a f5-point Likert's scale, ranging from "strongly agree" to "strongly disagree". To ensure validity of the instrument it was subjected to review by two senior lecturers in the department of marketing, Ignatius Ajuru University of Education, while the reliability was established using the Cronbach's Alpha using the minimum acceptable threshold as 0.70 which indicate high acceptability. The test produced a result of 0.84 which is above the minimum acceptable threshold making the instrument reliable. The simple regression analysis was adopted in testing of the three null hypotheses formulated in the course of this work.

## **Data Analysis**

**Table 1: Questionnaire Distribution and Response Rate**

| <b>Questionnaire</b> | <b>Frequency</b> | <b>Percent</b> |
|----------------------|------------------|----------------|
| Produced Copies      | 384              | 100%           |
| Distributed Copies   | 384              | 100%           |
| Retrieved Copies     | 342              | 89.1%          |
| Copies not Retrieved | 42               | 10.9%          |
| Valid Copies         | <b>328</b>       | 85.4%          |
| Invalid Copies       | 14               | 3.6%           |

**Table 2: Reliability Statistics (Cronbach Alpha)**

| Construct   | No. of Items | Cronbach's Alpha |
|-------------|--------------|------------------|
| Fear Appeal | 8            | 0.82             |

|                    |    |      |
|--------------------|----|------|
| Purchase Intention | 4  | 0.77 |
| Referral           | 3  | 0.75 |
| Repeat Purchase    | 6  | 0.85 |
| Overall Scale      | 21 | 0.84 |

**Table 3: Correlation Matrix**

| Variables          | Fear Appeal | Purchase Intention | Referral | Repeat Purchase |
|--------------------|-------------|--------------------|----------|-----------------|
| Fear Appeal        | 1.00        | 0.63               | 0.58     | 0.61            |
| Purchase Intention | 0.63        | 1.00               | 0.69     | 0.72            |
| Referral           | 0.58        | 0.69               | 1.00     | 0.74            |
| Repeat Purchase    | 0.61        | 0.72               | 0.74     | 1.00            |

$p < 0.01$

**Table 4: Regression Coefficients (Independent variable = Fear Appeal Strategy)**

| Dependent Variable | B    | Std. Error | Beta | t    | Sig.  |
|--------------------|------|------------|------|------|-------|
| Purchase Intention | 0.55 | 0.04       | 0.63 | 15.1 | 0.000 |
| Referral           | 0.49 | 0.05       | 0.58 | 13.9 | 0.000 |
| Repeat Purchase    | 0.52 | 0.04       | 0.61 | 14.7 | 0.000 |

Interpretation: Fear appeal has a positive and significant influence on all three components of customer patronage

## CONCLUSION

The study evaluated the nexus between fear appeal strategy and customers patronage of insurance companies in Port- Harcourt. The study examined the impact of adopting fear appeal as a communication strategy to market insurance services in Port-Harcourt. While it was expected that using fear appeal can help persuade Port- Harcourt customers to purchase various insurance services, this seems not to be the case as most Port- Harcourt residents are still not conscious about risk management and the benefits derivable from having an insurance policy. This is mainly due to the low level of awareness created by insurance firms in marketing their services.

Again, the attitude of most insurance firms when it comes to payment of indemnity have made so many persons who embraced insurance policy to lose trust in making a repeat purchase and or making a positive referral. Often times, insurance companies will start foot dragging when it is time to make payments to claims by their customers. At such point they start to look for flimsy excuses to avoid payment. This has no doubt caused a serious trust deficit thereby creating doubts in customers from taking up insurance services.

## RECOMMENDATIONS

Based on the conclusions above, it is recommended that:

1. Insurance Companies should device better ways of creating awareness on the the need for risk management and the benefits of taking up insurance policies. Perhaps, utilizing the social media to embark on aggressive campaign will help.
2. Effort should be made to address the sensitive issue around trust. Insurance companies needs to take positive steps in building trust in their customers. This they can do by prompt and accurate payment of claims whenever such payments are required. This way, their customers will be satisfied with their services and in turn make positive referral.
3. They should evolve better marketing strategies that resonate with the 21th century consumer. Finding out the taste, preferences and what appeals to today's consumers is key

to the success of every business. So relying on the traditional approach of marketing their product may no longer be fashionable.

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