EFFECT OF SERVICES QUALITY ON CONSUMER LOYALTY IN THE INSURANCE INDUSTRY

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ABSTRACT

In today's competitive world to have a dominant position in the market, it is important providing higher quality service to customers. This issue especially true for service companies, including insurance industry is important. Meanwhile role and importance of the insurance industry as a productive industry and supporting other industries is known to everybody. Superior quality of service is identified as one of the key issues in gaining customer loyalty. Customer loyalty is one of the components that nowadays relationship marketing, particularly in the insurance industry has a substantial emphasis to it. Firms brand is one factor that plays a role in the formation of loyalty. In this study is examined the effect of service quality on creating loyalty through satisfaction, trust and priorities brand in the Asian insurance industry that in this regard, have been used the research model of Chinomona Richard et al (2013). Statistical population in this study includes customers of Asia insurance branches in Guilan province. In this study, tool of data collection is the questionnaire and Cronbach's alpha is calculated to assess reliability. Research method is applied from type of a descriptive and inferential. This study has seven hypotheses. To analyze the data and to test the hypotheses is used descriptive statistics by SPSS software and structural equation modeling (SEM) to test hypotheses. Result of testing hypotheses show that all of hypotheses are confirmed except relationship between service quality and brand trust that relationship is not significant. Also effect of brand service quality through brand preference and satisfaction is greater than effect of this variable through satisfaction, trust and brand preference

KEYWORDS: Brand Preferences, Brand Trust, Customer Loyalty and Satisfaction, Service Quality.

INTRODUCTION

Increasing competition among different brands, resulting in stimulation of marketers to use various means to maintain customer loyalty towards the brand (Keller, 2008). Today, with more intense competition in the service sector, customer loyalty prominent role than in the past has included developing marketing modern perspective and attention to satisfaction, quality of customer perspective, client loyalty and effective communication is the result of today's organizations are trying to have loyal customers.(Anderson, 2003: 349) The importance of brand loyalty in marketing literature, it has been known for at least three decades today the characteristics of a successful organization is able to attract the loyalty of your customers and due to the demands of our customers and try to improve the quality, stepped and services offer that is accepted (Cemal Zehir , 2011). On the other hand world is rapidly changing and competitive insurance is necessary for progress, and continue to remain at the scene, understand the needs of our customers and satisfy them, philosophy of most organizations and institutions, especially insurance companies for the welfare of mankind, hence, the consumer brand loyalty, customer loyalty and repeat the same brand and are recommended to those who are moved around. The main objective of this study was to evaluate the effect of creating customer loyalty through service quality, satisfaction, trust and priorities in Asia insurance companies, Now the question is whether efforts so that is the standards and attract loyal customers? In this paper aims to achieve this by expressing the need to investigate and provide a conceptual model defines the importance of research on the impact of service quality on loyalty variable pay. It is accepted that insurance companies due to the nature and complexity of tasks and services and also the lack of a clear definition of the customer in this sector, especially given the difficulties in measuring service quality. The company requires the ability to assess the quality of service models are defined by the appropriate criteria to measure the level of customer loyalty has approved the offer. In this paper aims to build on the conceptual model presented the effect of service quality on customer loyalty indirectly through the variables of satisfaction, trust and preferred brand in Asia to evaluate the branches of insurance companies. The hope is that the results are useful in improving the quality of services by this company and a practical model for use in other service sectors to improve and expand their service quality on customer loyalty. In reviewing the literature and research in this field and introduces a

conceptual framework for the development of the theory we have discussed. Then we explain and describe the structure and pay scales and criteria used. The next section presents the analysis results possible. Finally, managerial implications, limitations and directions for future research are presented.

2. The review of research literature:

2-1 Definition of Quality of Service: Quality Brand and behavioral outcomes, the literature and research has been faced with insufficient attention (Bolton and Kenneth Miller, 2006). For example, some researchers have commercial impact on customer satisfaction and service quality have been studied (Hiyung Koo and Wang, 2002; Kelems, 2011). The relationship between customer satisfaction and service quality is an issue in the literature and research in this area has received enough attention and good (Sheppard and Thorpe, 2000). In addition, a significant number of authors have argued that the quality of brand loyalty brand is one of the most important factors. According to research themes (2000) Quality brand has a significant impact on confidence in the brand. In this study quality brand as the quality of services provided by a particular brand is acceptable in relation to customer expectations or slightly exceeding customer expectations have been described (Wang Hyung, and Coe, 2002).

1-2-2 Brand Relationship Quality: satisfaction and trust, various studies have been done in the field of conceptual and empirical evidence confirms the positive relationship between service quality and customer satisfaction provide, for example, Oliver (1993) showed that service quality, consumer satisfaction and positively associated with customer satisfaction, other studies after Oliver (1993), this finding is also acknowledged. These studies include those by Dabolkar, Sheppard and Thorpe (2000), Hyung, Wang, Wacko (2002) Themes (2000) was done that all positive relationship between service quality and consumer satisfaction in the insurance industry confirmed. Similarly, the Sultan and Moraj (2001), Chen and colleagues (2002) and Harris and Goode (2004) are a positive relationship between the number of confirmed quality of service and reliability. In the present study are based on quality of service features, customers develop a positive attitude towards certain brands which ultimately leads to satisfaction and trust. Therefore, the present study is based on empirical evidence for the hypothesis that:

 1. Between quality of service and customer satisfaction is positive relationship exists.

2. Between Asia Insurance Company Quality insurance company brands in Asia with confidence, positive relationship exists.

2-2: brand satisfaction: satisfaction with the brand concepts is one of the most widely researched and studied in the marketing literature (e.g. Jones and Sue, 2000; Pupo and Koyester, 2006; Koyenzel and Halide, 2008; Tsai, 2011). Among some of the consequences of behavior defined in terms of satisfaction to brand the output as an attachment and devotion to the brand, confidence in the brand (Raynham, Johnson, and Sprang, 1994, Ericsson and Vagehot 2000; Bennett et al., 2005), brand preference (Bennett, 2001; Jones and Sue, 2000) and brand loyalty (Pupo and Koyester, 2006) are considered. Hey, Lee and Harris (2012) found that satisfaction occurs when the performance of a brand in the buyer's expectations. So, if the client does not have much expectations, disapproval can occur, which can lead to customer dissatisfaction (Peterson, Johnson and sprang, 1997). In this regard, Nam, Ekinchy and Wyatt (2011) Satisfaction of the brand as a summary assessment of direct use to describe their experience, based on the difference between prior expectations and actual performance are received after consumption (Koyenzel and Halide, 2008).

2. Relationship Satisfaction and Trust Brand: Trust brand purchased may be a leverage of consumers willing to be considered, it is possible to repeat purchasing behavior of consumers lead (Augustine Wising, 2005; Zehir et al., 2011). Satisfactions into the Brand shows that consumer with the quality of service provided by the brands or are convinced that the quality is beyond their expectations. On the other hand, suggests that this is likely to lead to a lot of confidence in the long run will lead to a trusted brand (Harris and Goode, 2004). The argument by previous studies in the literature and empirical research has been approved brand (Shahin et al., 2011; Augustine and Singh, 2005). Thus, the higher the degree of customer satisfaction, positive brand realizes that they can more brand trust. Therefore, the higher the degree of customer satisfaction, positive brand realizes that they can more brand trust.

Based on previous experience, this hypothesis is given below:

3. Between customer satisfaction and trust there is positively associated with the brand in Asia insurance company.

2-3 Brand preferences: preferred brand set of brand assets and liabilities linked to a brand and subjective and intangible assessment of the client's brand, and understand that it is beyond the objective value. Much of the existing literature on brand preference preferred brand focused on records (Barth et al., 2005). Among some of the assumptions and definitions known in the context of Brand preference on the positive experience of the brand, trust and satisfaction from brand to brand as positive factors are considered (Chinomona, 2013). Shankar, December, and Fuller (2008) showed that consumer preferences towards a brand relative to the brand in the market help.

2-3-3 Brand satisfying relationships: confidence, brand and brand preferences of customers with different brands compare their satisfaction level among different brands of their choice (Chiu and Dreg, 2006; Chinomona, 2013, Shankar, December, Vefoler, 2008). However, those who are not satisfied with the quality of a brand are more likely to find a replacement for it, while those who are satisfied tend to be the same brand as the primary choice (Chen et al., 2002). The brand has been reported in the literature that when the customer to develop a specific brand, more likely to repurchase the same brand again occur, leading to the brand preferences (Sheth and Protyar 1995, Zuhair et al., 2011). The brand is based on empirical evidence, this hypothesis assumes the following:

4. Customer satisfaction and brand preference insurance company brand in Asia there is a positive correlation between .

5. Rather than facing the trusted brand in Asia insurance company there is a positive relationship.

4-2 : Brand loyalty: Giddens (2002) argues that brand loyalty exists when consumers are willing to pay a high price for a specific brand in the same group And also to the people around you recommend this particular brand. Some scholars brand loyalty as a deep commitment to reuse or keep a job to constantly consider, resulting in repeat purchase of the brand (Oliver, 1999; Knox and Walker, 2001; Randal-oil and Mackay, 2001). On the other hand, argued in the literature that moved into brand loyalty results in a major impact on sales revenue, market share, profitability of the company, and help them to grow or at least keep the company in the market (Keller, 2008; Acer 1991; Kapferer, 1997). Furthermore, brand loyalty is a prerequisite for competitiveness and profitability (Chadory and Holbrook, 2001). For this reason, the company calls "brand loyalty" high in relation to their own brands (Morrison and Kern, 2007)

4-2-1: Brand preference and brand loyalty: consumers are willing to improve and maintain the emotional bond with the brand, which makes them feel warm and have some fun (Chen and Chang, 2008). At the same time, consumers have a strong attachment to the brand are top brand preference (which, et al., 2007). Previous studies showed that a positive relationship between brand preference and brand loyalty is created (Keller, 2008; Moore, Scion and Guerin, 2007; Chadory and Hauberk, 2001). According to this argument, the following hypothesis is assumed:

6. The preferred insurer facing brand loyalty in Asia there is a positive relationship.

3. A researches conceptual model: Based on brand literature review, a conceptual model (Figure 1) has been developed. In this model, the predictor variable is the quality of service brand concept, while the consent of the brand, brand trust and brand preference variables is due. Loyalty to Brand is the results' variable. Conceptual relation of this structure is as follows: The starting point of service quality brand and model directly affects brand trust and brand affects satisfaction. In fact, brand trust and satisfaction, brand preference, brand it affect which ultimately expected to affect brand loyalty. According to this argument, the following hypothesis is assumed:

The main hypothesis: the quality of service and brand loyalty through satisfaction, trust and priorities (preferred) there are in Asia insurance companies.
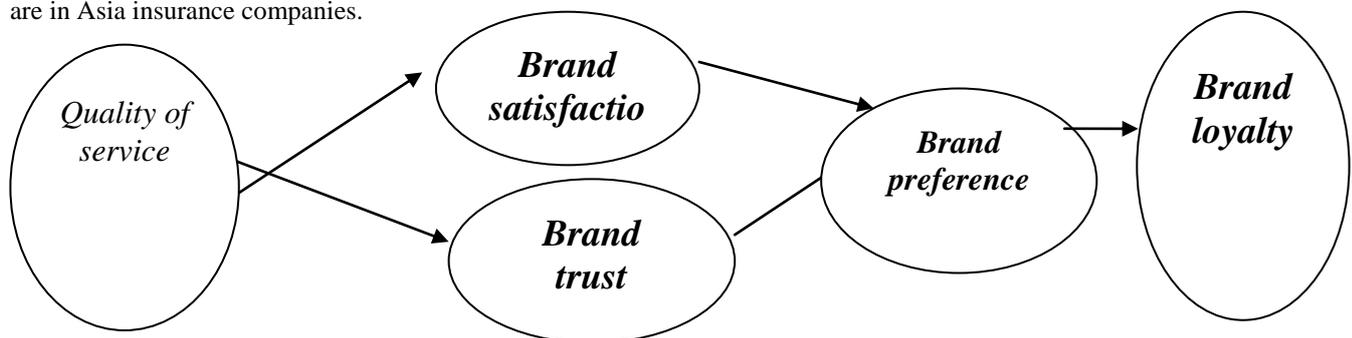
Figure 1 the conceptual model is based on a conceptual model Chinomona Richard et al. 2013,

4-Reseaches Method:
Customers of Asia insurance branches in Guilan province is considered as statistical population in this research. Data collection tool is questionnaire and Cronbach's alpha is used to assess its reliability. Research method is applied from type of descriptive and inferential. This research has seven hypotheses. SPSS software is used to analyze descriptive statistics and structural equation modeling (SEM) is used to test the hypotheses.

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4-1 measurement tools for data collection:
The target population for these study branches of insurance agencies in the province of Asia was. Sampling unit was individual customer. In the present study was to evaluate the impact of service quality on customer loyalty through satisfaction brand, trust and prioritized in the province, the questionnaire was used and 5-point Likert-type response spectrum used at the option of totally agree to totally disagree to measure reliability, Cronbach's alpha was calculated.
A total of 390 questionnaires were distributed, the final data were retrieved for analysis.

4-2 Profile of Respondents: Table 1 contains a description of the customers. Respondents were asked to rate their demographic information about gender, age, marital status and education to explain. Respondents were predominantly male (61%). The average age of respondents 30 to 35 years (40%). 71% of respondents were single. About 37% of respondents had a bachelor's degree.

There were about 23% of the respondents with high school education and above the University level diploma (24%) And Bachelor's degree (37%) and the remainder had their graduate education (14%) or doctoral courses (2%).

**Table 1: Sample Demographic Characteristics**

Gender	Frequency	Percentage
Male	236	61%
Female	154	39%
Total	390	**100%**
Age	**Frequency**	**Percentage**
<30	83	21%
30-35	155	40%
35-50	109	28%
>50	43	11%
Total	**390**	**100%**

Table 1 – 1: Reviews of the research hypothesis

The hypothesis	The path From	TO	Path coefficient	A significant number (t)	Results
First	Quality of service	Brand satisfaction	0.64	8.28	**Confirm**
II	Quality of service	Brand trust	-0.05	-0.68	**Rejection**
III	Brand satisfaction	Brand trust	0.77	7.53	**Confirm**
IV	Brand satisfaction	Brand preference	0.66	5.88	**Confirm**
V	Brand trust	Brand preference	0.17	2.10	**Confirm**
VI	Brand preference	Brand loyalty	0.84	10.12	**Confirm**

4-3 Data Analysis Hypothesis testing: Since the survey data, the sort and enjoy a normal distribution, so Firstly, the Pearson correlation coefficient was used to examine the relationship between variables. The path analysis and structural equation modeling through direct and indirect effects of variables and how this conceptual model is studied. In this study, using structural equation modeling (SEM) was used to test the hypotheses of this conceptual model (Ringel, citizens and Weil, 2005). Applied research is descriptive and inferential hypothesis has seven research is to analyze the data, descriptive statistics SPSS software test hypotheses and to test hypotheses using the structural equation SEM. The table below shows the status of the approval or rejection of each of the hypotheses to be determined:

The overall hypothesis of research reviews:
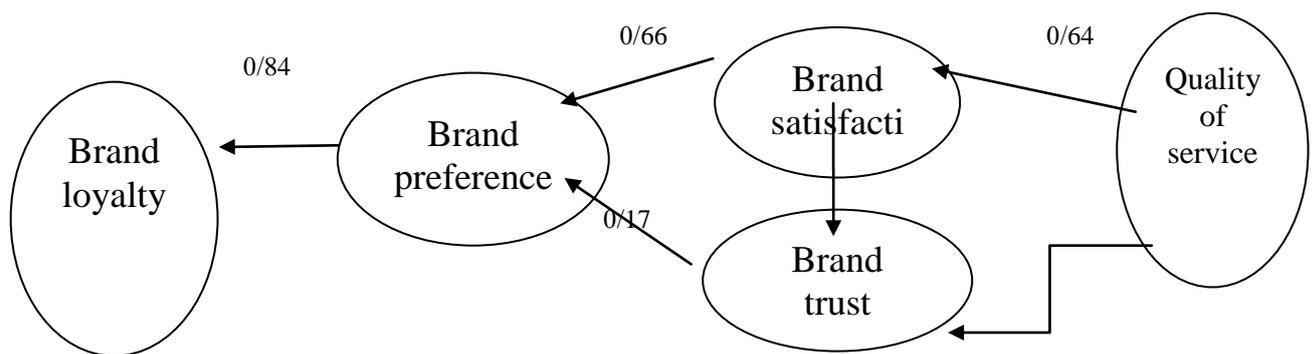
The hypothesis of the research:
Paths effect of the independent variables (the quality of their services) on the dependent variable (brand loyalty):

Route 1	Y1 = Quality of service	Brand satisfaction	Brand preference	Brand loyalty
Route 2	Y2 = Quality of service	Brand trust	Brand satisfaction	Brand loyalty
Route 3	Y3 = Quality of service	Brand satisfaction	Brand trust	Brand satisfaction

$Y_{(1)} = 0.64 * 0.66 * 0.84 = 0.35$
$Y_{(3)} = 0.64 * 0.77 * 0.17 * 0.84 = 0.07$

Can be seen that the direction of the path 1 coefficients greater than route 3. Means that effect of satisfaction and service quality are the most preferred brand of the impact of these variables on the satisfaction, trust and preference for the brand. Because the relationship between service quality and reliability are not a significant relationship, therefore route number 2 is not significant and path coefficients were not calculated.

Between service quality and brand loyalty through satisfaction, trust and priorities there is relationship. Since the correlation coefficient for the path of Route 1 and also t-statistics is ranging from 35/0 to 96/1 + 96/1, therefore for Route 1 at 95% above hypothesis is confirmed. That is, it can be claimed that the quality of services varies from brand to brand loyalty influence satisfaction and preference. And due to the reason that the relationship between service quality and brand trust relationship is not significant, it was not a significant route No. 2 and the path coefficients was not calculated.

And also considering that the path coefficient of 3 to 07/0 and the t-statistics ranging from 96/1 + 96/1 is Therefore 95% above hypothesis for track 3 is confirmed and can be claimed that the quality of service through satisfaction, confidence, dominance have an impact on brand loyalty. Route 1 along is greater coefficient than the path 3. Means effect of satisfaction and service quality are the most preferred brand of the impact of these variables on the satisfaction, trust and preference for the brand. According to previous studies, Mr. Richard Chinomona colleagues during a study of the factors influencing brand preference and brand loyalty was examined conducted in 2013 found similar results.

5. Conclusions and Recommendations: To study the effects on service quality, satisfaction, trust, preferred brand and customer loyalty to the brand as a result, the business world has become increasingly competitive and maintaining brand loyalty is one of the main challenges marketers, many researchers in marketing and insurance industry as well as the quality of service in order to impress the importance of brand image, Brand trust and brand loyalty, ultimately occurs. The present study is an attempt to examine these relationships in the province where most neglected areas. Overall, the findings of this study are expected to provide fruitful concepts among Asia's insurance company. Insurance Asia, specifically impact the quality of their services and the confidence to use interface less plays important role in satisfaction and brand preference and ultimately have a positive impact on customer loyalty to the brand in the province. This study gives marketers and they can benefit from the implications of these findings. For example, by increasing the level of understanding of the preferences, which are in turn influenced by the brand satisfaction, brand marketers will be able to earn customer loyalty. In this case, brand managers need to improve their service quality characteristics that affect the customer satisfaction of your brand, in order to ensure that their customers prefer them to remain loyal to the brand they pay.

The result of this study shows that the effect of satisfaction and service quality Satisfaction and are preferred by most of the impact of these variables on the satisfaction, trust and brand preference in this regard suggest the following is provided.

 - Provide varied and appropriate insurance cover according to the needs and demands of customers in the fire insurance (e.g., lack of insurance stealing coverage for brand Units).

 -Insurance and educational and encouraging staff to deal properly with the client, done respectfully and according to their point because usually consumers are sensitive to the behavior of employees.

- The necessary precautions for handling customer complaints made to abide by them, such complaints are caused by loyalty and willingness to recommend it to others is insured.

 - It is recommended that insurers to maintain customer satisfaction through extensive efforts and should attempt to increase the overall satisfaction and feeling happy and enjoyable experience in the use of their services takes shape that this issue is done by improving the quality of insurance services.

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