

Effect of Relationship Marketing on Word of Mouth in Life Insurance with the Approach of Trust and Commitment: Case Study of Karafarin Insurance Agents in Mashhad

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Abstract

Word of mouth is of critical importance for marketers and many scholars believe that word of mouth is one of the most effective and efficient advertising ways. Moreover, relationship marketing causes the costs of attracting new customers through long-term relationships with current customers and in this way increases firm profitability. Indeed, relationship marketing leads to customer satisfaction and loyalty through creating commitment and trust. Loyal customer also influences company's word of mouth. Thus, this research conducted focused on studying the effect of relationship marketing on life insurance word of mouth. This is an applied research; and is a descriptive, filed study. Research statistical population was life insurance clients of Karafarin Insurance Agents in Mashhad. 384 individuals selected as research sample through simple random sampling method. Data collected through questionnaire. Questionnaire reliability measured through using Cronbach alpha. Research hypotheses also were tested by structural equation modeling (SEM). The results of analyzing research hypotheses indicated that relationship marketing directly influences life insurance word of mouth. In addition, customers' trust also influences their satisfaction of buying life insurance. Customers' commitment influences their satisfaction of buying life insurance; furthermore, customers' satisfaction influences customers' loyalty to buy life insurance. And finally, customers' loyalty influences life insurance word of mouth.

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Introduction

New age of marketing focuses on establishing long-term and interactive relationships with interested groups, particularly the customer so that larger customers maintain, some interests attained in long-term; thus, market share and profitability increased. Since satisfied customer is a proper advertising source. In other word, marketing experts offered many advantages for loyalty, the most significant of which are as follows: reduced costs of attracting new customers, reduced sensitivity of customers to changes and prices, benefits of customer's lifetime value, positive performance through predictability, as well as increased barriers to new competitors (Gee et al, 2008).

Therefore, it is necessary for all of us that wherever we are and in whatever business, adopt the market-oriented and customer-based culture as business theoretical infrastructure, as soon as possible, and design executive operations; particularly, domestic changing market requires action-oriented scholars committed to relationship marketing, attracting and maintain customer through sustained bilateral relations with customer (Hosseini, 2009). The researcher, in this study, tries to study the effect of relationship marketing on life insurance customers' word of mouth. In this regard, the effect of two relationship marketing (trust and commitment) investigated through satisfaction and customers' loyalty on word of mouth.

Research background and theoretical basics

Life insurance is one of critical economic tools in the present world, which is used for many functions. Further, life insurance founds considered huge investment sources such that life insurance companies regarded as world investment poles. However, no considerable advances seen in this industry in Iran since its initiation. Therefore, it is necessary to study effective factors on developing life insurance industry in Iran (Mehrra and Rajabiyani, 2005).

In spite of comprehensive development of this insurance in developed countries and even many developing countries, positive effects of life insurance, which is the necessity of today's life, are still absent in Iranian consumer basket. Existing statistics and comparing indicators such as premium production, premium per capita, and its share of gross domestic production(GDP) with similar level countries reveal that unfortunately despite almost 80 years of life insurance history in Iran, it is yet obsolete and less requested comparing other insurances (Mahdavi and Majed, 2011).

One of the major tendencies is that market as business context is increasingly changing into a setting in which trust level decreases. Nowadays, trust is mostly seen in horizontal relationships rather than vertical ones. Consumers most trust each other rather than economic companies and enterprises; therefore, emergence and extending of social

widespread media is the clear clue of changing consumers' trust from enterprises to each other and develops it through word of mouth. Thus, companies willing to converge with this new approach require understanding this new need of consumers to help them interact in the form of communities, and to provide it in communities and word of mouth through their brand empowerment (Fournier and Lee, 2009).

As mentioned, this industry in Iran lacks considerable progress within the years of foundation. Therefore, research main problem is that why life insurance is so less requested in Iran comparing other insurance. Whether good relationship with customers and building trust and commitment influence life insurance purchase. Whether good relationship with customers leads to life insurance loyalty. And finally, whether these factors lead to customer word of mouth in favor of company's interest and life insurance purchase or not.

Since remarkable merits of relationship marketing, companies move toward selecting this method. As in this case, former marketing methods are not efficient enough and are less profitable. Many matured and highly competitive markets faced with larger supply than demand. In this condition, new customers hardly found; therefore, maintain current customers are highly necessary in companies and enterprises. Regarding these changes, organizations require to be equipped in advance and prepared for dealing with competitors. In this regard, relationship marketing tried to decrease cost of attracting new customers by creating and maintaining long-term relations with current customers whereby increases company's profitability. Thus, relationship marketing and its widespread dimensions is the necessary factor for maintaining and increasing companies' competitive potential (Hayeri et al, 2011).

Overviewing relationship marketing literature shows that relationship marketing scholars extensively concentrated on trust and commitment. Trust is a complex notion widely used in various fields including marketing, management, psychology, sociology, and economy. These studies largely introduced the necessity of trust in successfully constructing of relationships among different channels (Yeh and Li, 2009).

Commitment is the other base of relationship marketing meaning that the motivation of staying with a provider over time. Indeed, commitment refers to a limit (level) in which customers emotionally committed to an organization, brand or product, which appears through continuous tendency of membership in organization or using the product (Ogba and Tan, 2009).

Advertisement considered one critical promotion means due to the two following reasons indicating its spread potential. Firstly, advertising is a useful, efficient way of interacting with many audiences. Secondly, advertising can be useful in creating brand mental image and symbolic attractions for a company or brand. However, despite this significance, unfortunately, advertising is not adequately studied in terms of academic and aesthetic in Iran; further, since it is thought structurally simple, any unskilled individual tries it (Sehat et al, 2011).

Nowadays, word of mouth is highly important to marketers. Many studies demonstrated word of mouth significance in forming attitudes including purchase

decision making, reduced purchase risk, etc. Many scholars believe that word of mouth is of the most effective and efficient ways of advertising (Wangeheim and Bayon, 2004). According to aforementioned, maintaining and keeping current customers are highly critical for companies and enterprises. In this regard, relationship marketing caused decreased cost of attracting new customers through creating and keeping long-term relationships with current customers and whereby helps company's profitability. Relationship marketing causes satisfaction and loyalty by creating commitment and trust in customers; further, loyal customer also plays an effective role in company's word of mouth. Since advertising may help company in short-term increased sale, long-term market share achievement, keeping former customers and or attracting new customers, this research sought for studying the effect of relationship marketing on life insurance word of mouth.

Relationship marketing in life insurance industry

Relationship marketing defined as follows:

“It is a process embracing several aspects in which parties' common objectives achieved through interaction and parties' realized promises; therefore, trust viewed as a critical dimension of relationship marketing”.

Today, organizations try to maintain current customers and create sustained relationships in addition to formulating strategies for new customer attraction and contraction. Relationship marketing considered as creating, maintaining and improving strong relationships with customers and other beneficiaries (Kotler and Armestrang, 2011).

Relationship marketing introduced as a strategy to overcome service intangibility. Particularly for services (like insurance service) that customers have difficulty in evaluation even after purchase and using. Creating, developing and maintaining successful communication relationships play a significant role in selling all insurance types, in particular life insurance. It is commonly accepted that applying marketing principles in insurance industry is an extremely new phenomenon. Companies, traditionally, were product-based and their marketing activities included window presentation or communication for gathering information of brochure and catalog. Due to mandatory changes in context, insurance companies studied and reevaluated marketing methods (Khak rangin, 2013).

Experimental studies in some American insurance companies revealed that market-based companies competitively succeeded in attracting and maintaining customers. Nowadays, many insurance companies face totally dynamic environments. All insurance companies whether small or large, private or governmental prioritized attracting and maintaining business customers, regarding rapid changes in competitive situations and market conditions as it is undoubtedly the best way of profitability. Insurance companies seek for designing and implementing strategies to continuously improve their relationships with customers (policy holders) in order to be assured of sustained relationships with customers. Therefore, insurance companies require to focus on customers' requirement and to provide a setting concentrating on customer satisfaction.

It is undeniable that lack of creative relations among customers (clients) and insurance organizations and without high quality servicing, a clear future is impossible for insurance companies. Therefore, insurance companies require adequate information of customer and developed relationships to be efficient (Khak rangin, 2013).

Trust in relationship marketing

Trust is an integral element of creating, developing and maintaining long-term relationships between buyers and providers. Trust is the performance (visible) key dimension developed in inter-organizational relationships once inter-organization exchanges created by individuals of any organization (Keller and Scott, 2006).

Trust is like a bridge between the two goals of developing moral behavior in marketing and the tendency to create a new way of developed marketing named as relationship marketing. Moreover, trust regarded as a moral value; and trust-based relationships viewed as value relationships. Trust introduced and known as a mediatory in the interaction between produced and provider; in addition, it is also an effective variable of marketing managers considered in analyses (Murphy et al, 2007).

Trust and confidence are key mediatory variables, which create the necessity of success in relationship marketing. If trust and confidence are absent, customers seek for other competitors providing their required services, which reduced customers' loyalty to services. Not only trust indirectly influences loyalty concept, but also indirectly influences loyalty through customer perceived value (Nayebzade and Shahbazi, 2013).

In fact, trust is the main element of establishing and sustaining a relationship, which defined as follows: one party belief in the authenticity of the other party words and commitments. Business trust increased through common values as well as avoiding opportunistic behaviors. The relationship characterized with trust, is so valuable to the business parties that committed them to the relationship. Moreover, high trust between seller and buyer may increase the probability of sustained relationships (Hassan gholipour et al, 2012).

Thus, the more the customer trusts a company, the higher the value and tendency of using services. They positively talked about company's services. Trust in brand defined as customers' mean tendencies to trust in the brand ability. Furthermore, since the need to rust created in high risky settings, the customers try to perform distrust and complex purchase process through intellectual shortcuts. Trust is one of these intellectual shortcuts, which applied as the mechanism of reducing complexities and guidance where people must take measure by distrust (Nayebzade and Shahbazi, 2013).

Commitment in relationship

Kalafatis and Miller in 1998, Beaton and Beaton (1995), and Russbult and Buunk (1993), believing in commitment significance, claimed that commitment show stability (consistence) and achievement in relationship, and finally is necessary for long-term relations. Commitment in relationship marketing indicates both creating promises and fulfilling the pledges. Scanzoni (1979) identified some steps that two organizations may

experience within a good relationship. Commitment placed at the top of relationship level; it is a point in which both organizations try to make the relationship stronger and keep it on as far as it is useful. Carr (1992) and Lamming (1992) figured out that exchanging information (bilateral information procedure) between organizations is recurrent and critically important. It concluded that if any relationship supposed to meet the objective, trust and commitment, long-term horizon and facilitated information exchange are important, whatever the business is. Successful businesses continuously look for increased customer satisfaction and other beneficiaries and regard ethical criteria the way of achieving. In other word, a good marketer in the present decade is an ethical committed marketer (Jalili et al, 2014).

Developing long-term relationships requires commitment, which is a significant indicator of purpose and a relationship performance. Moreover, relationship commitment distinguishes prospering and unsuccessful relationships. Providers, in a committed relationship, more access to market data enabling them to select a much customer-oriented classification (category); on the other side, they receive product and new market information, which causes benefiting of both parties and higher motivation for making, keeping and developing relationship through anew committed efforts (Keller & Scott, 2006).

Word of mouth

Word of mouth means the level that a customer makes its friends, colleagues, and relatives aware of a product, which created a particular satisfaction level. According to the relation between satisfaction and word of mouth, some scholars mention that the form and type of this relationship may vary at different levels of satisfaction. Hart et al believe that customers with bad experiences talked of it to about 11 individuals; whereas, those with good experience, only talk to six. In addition, according to Fortune report, individuals talked with eight individuals about their positive experience. One interpretation of this issue is presented by the theory of asymmetric effects of positive and negative events. It is said that negative events under specific conditions (negative bias) probably response stronger than positive events. As Taylor believe that negative emotions show a measure to be taken; while, it is not true about positive emotions. Since customer satisfaction is largely an emotional response, it can be stated that satisfaction indirectly influences the tendency of brand changing through increased level of loyal commitment. Therefore, high level of customer satisfaction reflects positive response to meet customer requirements over time, which leads to customer loyalty. Therefore, increased customer satisfaction causes increased loyalty and decreased tendency to brand changing. According to the role satisfaction plays in reducing brand change tendency, satisfied customers also participate in word of mouth behaviors. If positive, orally behaviors properly controlled by the company, it works as a key promotional mean. Thus, increased customer satisfaction causes increased supportive activities of orally, word of mouth recommendation (Sweeny and Sweait, 2008).

Researchers in recent years found the effect of word of mouth on customers' decisions. Scholars agree that word of mouth is critically important to service providers. Once customers experience high-quality services, they take word of mouth through sharing experiences. Word of mouth (verbal advertising) is an important factor of evaluating

consumer prior to service purchase decision. Face-to-face word of mouth is much convincing than printed advertisements (Cheng et al, 2013).

The significance of word of mouth relationships is evidently shown in service sector. Word of mouth provides critical information of a company to customers, which often help customers in making decision about company and its products meaning that word of mouth may be useful in brand transferring; therefore, aids the company attaining new customers. It is inferred from justice theory that companies may regain consumers' tendency to propagate positive recommendations through fair responsibility to failure of unfair services. Similarly, some scholars expressed that consumers are highly susceptible to propagating negative word of mouth when they recognize an unfair response to service failure. Others indicate a positive relation between improved services and word of mouth. In general, trying to improve company's services may have important functions at satisfaction level, purchase tendency, as well as word of mouth (Haji karimi, 2013).

Research variables

Research variables are as follows:

- **Independent variables:** relationship marketing, commitment, trust.
- **Intervening variable:** satisfaction and loyalty.
- **Dependent variable:** word of mouth.

Relationship marketing: is a process embracing multi dimensions whereby common objectives of the considered parties achieved through interaction and realizing of parties' promises; thus, trust considered as the significant aspect of relationship marketing (Gordon, 2006).

Word of mouth: it is talking about products and services among individuals independent of product or service. These conversations may be in the form of reciprocal dialogues or merely unilateral recommendations. However, the main point is that these dialogues occur among individuals that supposed to take small advantage of persuading others in using the product (Sweeny et al, 2007).

Trust: strong or consistent belief of customer in seller indicating how the seller makes the customer be assured of its long-term benefits (Chen and Mau, 2009).

Commitment: commitment is one of important variables for perceiving marketing power; moreover, it is also a useful mean of measuring probability of customer loyalty and predicting customers' future purchases. It claimed that commitment is the most common dependent variable used in the studies of seller-buyer relation (Moorman et al, 1992).

Loyalty: loyalty is a deep, internal commitment leading to repurchasing or reusing a particular service or product. Situational effects and marketing recommendations potentially influence customer behavior. This is largely discussed that whether companies and institutions require investing on creating the relationship and intimacy for loyal

buyers. Creating such relationship and intimacy also leads to peak loyalty (Ndubisi, 2007).

Research conceptual framework

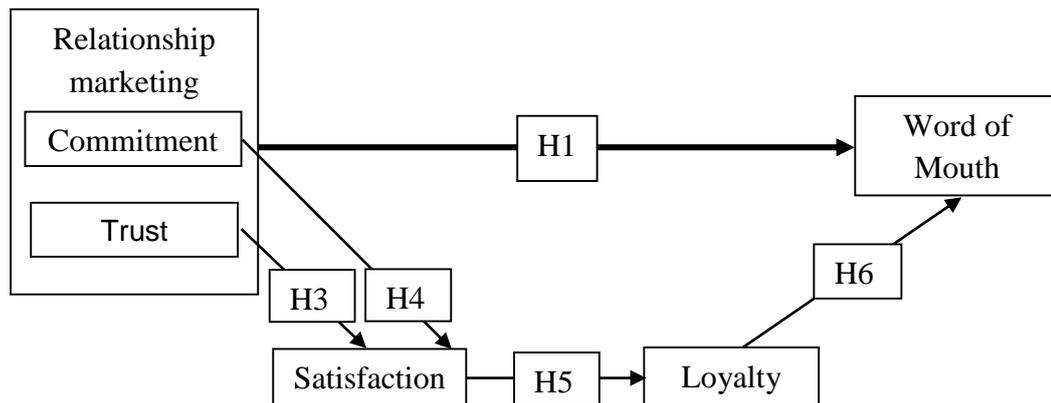


Figure 1: Research conceptual model

Source: Kordnaeij et al (2013) and Gaurav & Mohammad Khan (2013)

As research conceptual model clearly shows, the present research tried to study the effect of independent variable of relationship marketing and its dimensions on the dependent variable of word of mouth through intervening variables of satisfaction and loyalty.

Formulating hypotheses

Research objectives attained using the following hypotheses:

According to Gaurav & Mohammad Khan (2013), relationship marketing and its dimensions influence customers' satisfaction and loyalty. Moreover, according to Kordnaeij et al (2013), customer satisfaction influences word of mouth. On the other hand, Almani et al (2012) referred to indirect effect of relationship marketing on word of mouth. Ibrahim and Mansouri (2013) also showed the effect of relationship marketing (regarding trust and commitment dimensions) on word of mouth.

Thus, according to mentioned earlier, research hypotheses defined as follows:

H₁: Relationship marketing influences life insurance word of mouth.

Ranjbaran and Barari (2009) considered relationship marketing foundations including trust and commitment the effective factor influencing customers' satisfaction and loyalty. Kazemi and Khojaste (2010), Ndubisi (2007), Lages (2008), many other researchers also showed that relationship marketing influences customers' satisfaction and loyalty. Thus, the following alternative hypotheses claimed:

H₂: First alternative hypothesis: Customers' trust influences their satisfaction in life insurance purchase.

H₃: Second alternative hypothesis: Customers' commitment influences their satisfaction in life insurance purchase.

High level of customer satisfaction may positively influence customer loyalty (Zhaohua et al, 2010). Increased customer satisfaction leads to behaviors such as loyalty, efficient reciprocal relationships between service deliverer and receiver, increased customer tolerance threshold of service probable deficiencies, as well as positive word of mouth (Pourzandi and Najafi, 2011). Thus, the following hypothesis defined:

H₄: Third alternative hypothesis: Customers' satisfaction influences life insurance loyalty.

A strong commitment is frequently defined for transaction with a particular organization, purchasing goods and services (Berli et al, 2004). Customers who are loyal to brand, recommend it to their friends and families (Dennis and Duffy, 2005). Word of mouth is the basic and outcome of customers' maintaining; loyal customers show more tendencies toward positive word of mouth and operate as organization's brand fan (Pyne, 1994). Therefore, it expressed that

H₅: Customers' loyalty influence life insurance word of mouth.

Research methodology

The research is an applied study in term of goal and a descriptive-survey of field study in term of method. Research theoretical basics including books, journals, papers, theses, Internet, and scholars' experiences were formulated through library method and questionnaire. In addition, research population was life insurance customers in Karafarin insurance agents in Mashhad. S83 individuals selected and studied through simple random sampling method by Cochran sampling formula.

Questionnaire validity verified at accepted level regarding significant factor weights. Questionnaire reliability determined using Cronbach alpha. In this regard, initially, the questionnaires piloted for 30 customers; then, questionnaire's Cronbach alpha coefficient measured using SPSS software. Evidences showed that Cronbach alpha coefficient was larger than 0.7 for all variables and for total variables was 0.88 indicating desired reliability of research instrumentations.

Research findings

Data normality distribution of variables initially studied using Kolmogorov-Smirnov test. The results seen in Table 1. Regarding that test significance level of all variables is larger than 0.05, research variables' normality maintained and likelihood ratio method may be used in structural equation modeling.

Table 1: Results of Kolmogorov-Smirnov test

Variables	Number of data	Test statistics	Significance level
Commitment	384	1.281	0.243
Trust	384	1.188	0.161
Satisfaction	384	0.5950	0.834
Loyalty	384	0.656	0.165
Word of mouth	384	1.157	0.152

Then, research hypotheses studied using structural modeling of structural equations. The present research includes four alternative hypotheses and one main hypothesis. Table 2 illustrates the results. According to Table 2, path coefficient of all measured variables is a positive value, and t statistic is higher than 1.96. Thus, there is seen a direct, positive relation between marketing relationship and word of mouth at confidence level of 95%; therefore, all research hypotheses maintained.

Table 2: Path coefficient and T statistics of all hypotheses

Hypothesis	Path coefficient	T statistics	Standard error	Result
Relationship marketing influences life insurance word of mouth.	0.19	2.89	0.065	Accepted
Customers' trust influences life insurance satisfaction.	0.58	31.81	0.018	Accepted
Customers' commitment influences life insurance satisfaction.	0.68	8.71	0.078	Accepted
Customers' satisfaction influences life insurance loyalty.	0.77	14.33	0.054	Accepted
Customers' loyalty influences life insurance word of mouth.	0.59	6.98	0.084	Accepted

Conclusion

To test hypotheses and their normality, initially, Kolmogorov-Smirnov test was used. Test result showed that all research variables are normal and likelihood ratio method can be used in structural equation modeling.

According to Table 2, path coefficient of customers' trust and life insurance purchase satisfaction is 0.58, which is a positive value. Moreover, t statistic value equals 31.81, which is larger than 1.96. Thus, it can be stated that there is seen a positive, significant effect between customer trust and life insurance purchase satisfaction. Therefore, research first alternative hypothesis maintained. It means that customers trust in Karafarin

insurance company and staff, Karafarin company's reliability in function and fulfilling the commitments, protecting customers' personal information in Karafarin insurance company, as well as fairly executing Karafarin insurance company promises. This trust influences customer satisfaction of Karafarin insurance company. Ranjabariyan and Barari (2009), in a study, concluded that trust has a positive, significant effect on bank clients' satisfaction. Dehdashti shahrokh et al (2010) also stated that brand trustability (reliability) plays a critical key role in improving customers' behavioral tendencies, i.e. increased customer satisfaction makes customer recommend its bank to others and also reduces the tendency of changing the bank. Other researchers studied the effect of trust variable on satisfaction variable include Abdul Mauhmin (2002), Terawatanavong et al (2007) and Zhaohua et al (2010).

According to Table 2, path coefficient of the effect of customers' commitment on satisfaction is 0.68 ($t=8.71$) in which t statistics is larger than 1.96. As a result, there is a positive, significant effect between customers' commitment and life insurance purchase satisfaction at the confidence level of 95%. Therefore, second alternative hypothesis maintained. This means that Karafarin insurance companies are responsible to their commitments; it is honest toward its commitments; Karafarin insurance company is loyal and transparent in recording its commitments. These commitments and fulfilling them influence customers' satisfaction. Studies of Ranjabariyan and Barari (2009), Terawatanavong et al (2007), Mohammad and Alhamadani (2011) are consistent studies demonstrated the effect of customers' satisfaction on commitment. Moreover, Dehdashti shahrokh et al (2010) expressed that customers' permanent (continuous) increased commitment causes reduced tendency of changing their bank.

According to Table 2, customers' satisfaction path coefficient and loyalty to life insurance purchase equals 0.77, which is a positive value. T -statistic is 14.33, which is larger than 1.96. Thus, it stated that customers' satisfaction has a positive, significant effect on life insurance purchase satisfaction at 95%. Therefore, third alternative hypothesis also maintained. Regarding result of this hypothesis, customers are satisfied at rapid policy issuance in Karafarin life insurance Company, proportion of physical facilities with the typical service, conformity of insurance policies with company's advertisement as well as information presented about policy rate. Hypothesis test claimed that customers' satisfaction of Karafarin insurance company influences their loyalty. Some of scholars studied the effective role of satisfaction factor on loyalty are as follows: Hamidzade et al (2009), Dehdashti shahrokh et al (2010), Heydarzade et al (2011), Abdul-Mauhmin (2002), Zhaohua et al (2010), Sahin et al (2011), Mohammad and Alhamadani (2011).

According to Table 2, the effect of customers' commitment path coefficient on satisfaction is 0.59 ($t=6.98$) in which t -statistics is larger than 1.96. Thus, it may be stated that customers' satisfaction has a positive, significant effect on life insurance purchase word of mouth at confidence level of 95%. Therefore, it concluded that Karafarin insurance company's credit and reputation, the quality of services delivered by Karafarin insurance company, and defined advantages of Karafarin life insurance and investment cause customers' loyalty to this company. Since customers select Karafarin insurance company according to measuring the respondees under the light of promotion and others' recommendations, and purchase life insurance due to word of mouth influenced by others'

negative and positive experiences, and even orally advertise the company if satisfied; thus, it concluded that customers' loyalty takes the advantage of word of mouth. Dehdashti shahrokh et al (2010), Akbari (2012), Kim et al (2009), Mohammad and Alhamadani (2011) are consistent with this study.

According to Table 2, the value of relationship marketing path coefficient and word of mouth is 0.19, which is a positive value. T statistics is 2.89, which is larger than 1.96. Consequently, relationship marketing has a positive, significant effect on life insurance word of mouth, at 95%. Therefore, main hypothesis maintained. This indicates that relationship marketing causes reduced cost of attracting new customers through creating and maintaining long-term relations with current customers whereby increases firm profitability. Indeed, relationship marketing causes customers' satisfaction and loyalty by creating commitment and trust in customers; in return, loyal customer also influences company's word of mouth since advertisement may help in increased sale in short-term, attaining market share in long-term, maintaining former customers, and or attracting new customers. Mohammad and Alhamadani (2011), Almani (2012), and Kordnaeij et al (2013) are consistent studies.

Applicatory recommendations

Insurance industry, particularly, life insurance is almost young comparing other services and production industries. In this regard, insurance managers can develop their market in long-term through utilizing relationship marketing variables. Thus, according to obtained results, further recommendations are as follows:

- Since commitment to Karafarin insurance company pledges influences customers' satisfaction, loyalty and word of mouth; thus, it is necessary for Karafarin insurance company agents take some measures to improve commitment effect. Some of these measures are as follows:

- ✓ Fulfill commitments as soon as possible;
- ✓ Analyzing and explaining general and specific requirements of insurance contracts in detail;
- ✓ Determining contracts' exact dimensions including any contract merit and demerit and restrictions.

- Regarding research findings, Karafarin agents require specific attention to brand reliability, consider its critical role in relationship marketing, and to design much proper strategies and programs for developing loyal customers. Karafarin insurance agents must mainly focus on avoiding activities reducing their credit. For instance, they are not allowed to promise without support,

Since it directly and negatively influences customers' satisfaction, trust and loyalty. Furthermore, they may increase the reliability by personal privacy through encrypted servers and enhance their credit and reputation through providing required and precise information to customers; and finally, increase customers' trust.

- On the other hand, since customers' satisfaction, in general, formed by service evaluation, Karafarin insurance agents require to consider improving the quality of delivered services (how it is delivered, rate of service delivery, etc.) so that customers are satisfied. In addition, timely offering of useful and proper information to customers as well as giving information of new, emerging services are preliminaries of customer satisfaction. In this regard, some technologies may be used such as SMS system for sending required information to customer through short messages.

- Customers increase their satisfaction and loyalty by perceived service quality and provide the opportunities of word of mouth. In this regard, Karafarin insurance company using up to date and efficient services, proper staff behavior, timely delivering promised services, trust and proper information, well responding to customers' request, etc. not only achieves organization's quality goals, but also attracts and maintains larger customers through enhanced performance in the present competitive context.

- According to the effect of word of mouth variable on customers' life insurance purchase word of mouth, it is suggested that Karafarin insurance agents concentrate on improved service quality and fair, reasonable, and competitive prices in order to increase customers' satisfaction of received services and perceived value and make customers propagate positive word of mouth. It is worth notifying that, in many cases, satisfied customers are loyal to company and help in forming a desired image of the company through promoting and positive word of mouth; on the contrary, customers' dissatisfaction may lead to harmful effects in short-term followed by negative word of mouth for company.

- Finally, it is recommended that staffs trained proper ways of interacting with customers (in related seminars). Customer perception of the first relationship with organization critically influences its keeping from customer point of view. The proper interaction of staffs with organization key property i.e. the customer requires training. The organization requires calling for the experts and holding training seminars in order to empower staff interaction with customers.

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