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RESEARCH ARTICLE

# An Integrated Model of Customer Loyalty in Automobile Insurance in Thailand

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**Abstract:** Factors influencing customer loyalty toward automobile insurance companies in Thailand were examined, and a structural equation model of variables was analyzed. A questionnaire was employed to gather primary data. Survey participants included 549 customers of automobile insurance companies in Thailand derived from multi-stage sampling. Data were analyzed using confirmatory factor analysis (CFA) and structural equation modeling (SEM). Findings revealed that service quality, brand image, and customer commitment had a positive impact on customer loyalty, with perceived value and customer trust showing a negative impact. Service quality had a strong impact on customer satisfaction, which had no direct effect on customer loyalty. Perceived value could lead to customer satisfaction. No relationship was found between the brand image and customer satisfaction.

**Keywords:** automobile insurance, customer loyalty, customer satisfaction, Thailand

Competition among automobile insurance companies to attract new customers and retain existing customers is high. Insurance companies have adapted to meet these dynamic challenges by changing their marketing strategies. Customer loyalty is the most important goal for an organization (Eakuru & Mat, 2008; Reichheld & Cook, 1996) because it provides competitive advantages and improves company security, market share growth, and financial strengths (Kotler, 2003). Loyal customers make purchasing decisions without hesitation and are not interested in products from other corporate competitors (Jacoby & Kyner, 1973). Hence, many companies with poor customer loyalty are now focusing on improvements (Kuusik & Varblane, 2009) because customer loyalty provides strategically mutual benefits for both the company and its customers (Reichheld & Detrick,

2003). Companies benefit from customer loyalty by gaining higher revenues and market share, whereas loyal customers enjoy extra privileges and feel safe to use the company's products and services. Reichheld and Sasser (1990) supported this argument and stated, "if an organization can increase existing customers by 5%, this will result in a 25-85% increase of benefit" (p. 2). Singh and Imran (2012) determined that it cost more to attract a new customer than to retain an existing one. Customer loyalty can lead to a large increase in purchasing and competitive advantage. In addition, loyal customers' word of mouth advertising is valuable for securing existing customers (Haywood, 1988; Oliver, 1999; Petrick, 2004; Shoemaker & Lewis, 1999; Yoo & Bai, 2013).

Customer loyalty is also beneficial in the service industries like insurance companies because it

enhances corporate success (Rastgoo & Dastranj, 2016) and leads to a dramatic benefit in various aspects such as increasing revenue, reducing cost, gaining higher market share, and minimizing customer's sensitivity toward insurance premiums (Abasnejad, Kafash, & Sehat, 2011). Customers loyal to a particular company will buy products frequently, are willing to try new products and services, tell others about the company's products and services, and sincerely provide suggestions for improvements (Reichheld & Sasser, 1990).

Previous studies indicated that various factors affect customer loyalty, including customer satisfaction (Neal, 1999; Rai & Medha, 2013; Yazdanpanah, Zamani, Hochrainer-Stigler, Monfared, & Yaghoubi, 2013), service quality (Rai & Medha, 2013; Yazdanpanah et al., 2013), trust (Rai & Medha, 2013; van Tonder, 2016), commitment (Rai & Medha, 2013; van Tonder, 2016), switching cost (Rai & Medha, 2013), communication (Rai & Medha, 2013), brand image (Rahi, 2016), customer relationship (Rahi, 2016), public relations perception (Rahi, 2016), and customer value (Rahi, 2016). Previous studies also indicated that customer loyalty was associated with word of mouth advertising (Brown, Barry, Dacin, & Gunst, 2012; Lewis & Soureli, 2006; Zeithaml, Berry, & Parasuraman, 1996), up-selling (Reichheld & Cook, 1996), market share (Chaudhuri & Holbrook, 2001), and profit (Andreassen & Lindestad 1998; Chiou & Droge 2006; Reichheld & Sasser 1990). These findings implied that customer loyalty was the core foundation of competitive advantage and sustainable growth of the manufacturing, service, and retail industries (Dick & Basu, 1994). This study, therefore, examined factors affecting customer loyalty regarding automobile insurance in Thailand and offered suggestions as to how related stakeholders could improve their customer loyalty.

## Literature Review

### *Customer Loyalty*

Customer loyalty refers to repeated purchase behavior based on an individual's knowledge, emotional feeling, assessment, and behavioral elements (Jacoby, 1971). This loyalty is also associated with trust in an organization or service provider (Fournier & Yao, 1997). Zeithaml, Bitner, and Gremler (1996)

noted that a loyal individual would purchase a greater amount of products without hesitation. The individual offers sincere suggestions as to how the company can improve its products. Furthermore, a loyal individual will continuously purchase a company's products without switching to other brands.

Dick and Basu (1994) divided customer loyalty into four types—true loyalty, latent loyalty, spurious loyalty, and no loyalty. On the other hand, Oliver (1999) classified loyalty as cognitive loyalty, affective loyalty, conation loyalty, and action loyalty. Coyles and Gokey (2002) suggested different aspects of loyalty and recognized three categories—emotive, inertial, and deliberative. Some elements and behaviors indicating loyalty to a brand consist of purchase intention (Bloemer & Odekerken-Schroder, 2002; Chiu, Hsieh, & Wang, 2008; Chowdhury, Reardon, & Srivastava, 1998; Cronin, Brady, & Hult, 2000; Dimitriades, 2006; Eakuru & Mat, 2008; Liang & Wang, 2007), positive word-of-mouth communication (Bloemer & Odekerken-Schroder, 2002; Chiu et al., 2008; Chowdhury et al., 1998; Cronin et al., 2000; Dimitriades, 2006; Eakuru & Mat, 2008; Liang & Wang, 2005), complaining behavior (Ibrahim & Najjar, 2008), price insensitivity (Bloemer & Odekerken-Schroder, 2002; Chiu et al., 2008; Dimitriades, 2006; Ibrahim & Najjar, 2008), first choice (Lee & Overby, 2004; Parasuraman, Zeithaml, & Malhotra, 2005; Wong & Sohal, 2006; Zeithaml et al., 1996), and do more business (Parasuraman et al., 2005; Zeithaml et al., 1996). Here, customer loyalty was assessed by repurchase intention, word-of-mouth communication, and recommendation.

### *Customer Satisfaction*

Fornell (1992) defined customer satisfaction as emphasizing the evaluation process of a consumer. On the other hand, Giese and Cote (2002) defined the term as “the response of the end user who may or may not be the purchaser” (p. 3). According to Lombard (2009), customer satisfaction refers to the level of satisfaction with products or services that meet the consumer's expectation. Customer satisfaction can be measured by various parameters: Swedish customer satisfaction barometer, American customer satisfaction index, European customer satisfaction index, Japanese customer satisfaction index, and Thailand customer satisfaction index. Previous studies confirmed the positive relationship between customer satisfaction

and customer loyalty (Neal, 1999; Rai & Medha, 2013; Yazdanpanah et al., 2013). In this study, customer satisfaction was measured using three dimensions: (1) satisfaction with the insurance staff, (2) satisfaction with functional services provided by the automobile insurance sector, and (3) satisfaction with the insurance company. Hence, the first hypothesis is proposed as:

*H<sub>1</sub>*: Customer satisfaction has a positive impact on customer loyalty.

### **Service Quality**

Service quality is a concept which adheres to delivering service without defect to meet and to understand the consumer's needs (Crosby, Evans, and Cowles, 1990). Lewis and Booms (1983) defined service quality as the extent to which a corporation can provide products and services to meet customer expectation. The most well-known tool for measuring service quality is SERVQUAL, developed by Parasuraman et al. (1988). They began with 10 dimensions to measure the quality of service: access, communication, competence, courtesy, credibility, reliability, responsiveness, security, tangibility, and understanding the customer. However, the latest version of SERVQUAL, which was applied in this study, consists of five dimensions: tangibility, reliability, responsiveness, assurance, and empathy which are further divided into 22 items (Parasuraman, Zeithaml, & Berry, 1994). Some studies focused on the relationship between service quality and customer satisfaction (Anderson & Sullivan, 1993; Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Oliver, 1993), and determined a positive relationship between these two variables. In addition, some studies found a positive relationship between service quality and customer loyalty (Cronin & Taylor, 1992; Kheng, Mahamad, Ramayah, & Mosahab, 2010; Oliver, 1999; Rai & Medha, 2013). Hence, the second and third hypotheses are proposed as follows:

*H<sub>2</sub>*: Service quality has a positive impact on customer satisfaction.

*H<sub>3</sub>*: Service quality has a positive impact on customer loyalty.

### **Perceived Value**

Generally, perceived value is defined as the differentiation between total benefits and losses from

purchasing products or services. Benefits arise as a social benefit and psychological benefit (Sweeney & Soutar, 2001). Zeithaml (1988) suggested that benefits refer to the utilities of a product as evaluated by a consumer based on his/her perception. Gounaris, Tzempelikos, and Chatzipanagiotou (2007) divided perceived value into six elements: product value, procedural value, personal value, emotional value, social value, and perceived sacrifice. Perceived value was associated with customer satisfaction (Dodds & Monroe, 1985; Gera, 2011; Schiffman & Kanuk, 2004; Yazdanpanah et al., 2013), and customer loyalty (Bolton & Drew 1991; Rahi, 2016; Sirdeshmukh, Singh, & Sabol, 2002). This study focused on only three dimensions of perceived value: social value, emotional value, and functional value. Based on the literature review, the fourth and fifth hypotheses are proposed as follows:

*H<sub>4</sub>*: Perceived value has an influence on customer satisfaction.

*H<sub>5</sub>*: Perceived value has an influence on customer loyalty.

### **Brand Image**

Brand image is important for creating the value of the brand and its owner (Anaker, 1991), and is associated with the customer's beliefs on a brand, which include functional and symbolic beliefs (Low & Lamb 2000). Keller (1993) defined brand image as a perception of the brand, which reflects a relationship between the brand and a customer's memory. According to Kotler (2001), brand image refers to "the set of beliefs, ideas, and impression that a person holds regarding an object" (p. 273). Advertisement and public relations are employed to display the specific attributes of the brand. Kotler (2003) also noted that various brands from the same or related corporations do not require a similar image. Brand image is specific for each brand, depending on the positioning and differentiation strategies of the company.

In this study, brand image is defined as the set of beliefs, ideas, and impression that a person holds regarding a trademark or brand of an insurance company. Brand image is also associated with a company's reputation, social contribution, positive attitude to staff, and the provision of goods and various services to meet the customer's needs. Based on the studies of Chi, Yeh, and Tsai (2011), Hsieh

and Li (2008), Hung (2008), and Park, Jaworski, and MacInnis (1986), brand image can be measured by three dimensions: functional benefit, symbolic benefit, and experiential benefit. Previous studies indicated that brand image had a positive impact on customer satisfaction (Kapferer, 2011; Palacio, Meneses, & Perez, 2012). Brand image also resulted in customer loyalty (Pimentel & Heckler, 2003; Rahi, 2016). Therefore, the sixth and seventh hypotheses are proposed as follows:

*H<sub>6</sub>*: Brand image has an influence on customer satisfaction.

*H<sub>7</sub>*: Brand image has an influence on customer loyalty.

### **Customer Commitment**

Customer commitment is a major element which enhances the achievement of a long-term relationship between a company and its clients, finally leading to a higher level of corporate benefits (Walter, Mueller, Helfert, & Wilson, 2002). Whenever an individual has positive experiences and attitude toward an object, he/she will repurchase and give word-of-mouth recommendation to others. Finally, the individual will be committed to the brand resulting in sustainable competitive advantage (Hur, Park, & Kim, 2010). Researchers defined customer commitment from different perspectives. According to Wetzels, Ruyter, and Van Birgelen (1998) customer commitment refers to “a psychological sentiment of the mind through which an attitude concerning continuation of a relationship with a business partner is formed” (p. 409). Hence, customer commitment involves a motivation to purchase products and services presented by a corporation (Alabdi & Kang, 2015). In this study, customer commitment was defined as a client’s firm and stable attitude toward an insurance company because the client was impressed by its good customer-oriented service and superior benefit provision. Based on the studies of Alabdi and Kang (2015), Bansal, Irving, and Taylor (2004), Gundlach, Achrol, and Mentzer (1995), Keh and Xie (2009), Meyer and Allen (1991), Shukla, Banerjee, and Singh (2016), and Walter et al. (2002), customer commitment can be measured in three dimensions: affective commitment, calculative commitment, and normative commitment. Rai and Medha (2013) determined a positive relationship between customer commitment

and customer loyalty. Other studies also found similar results (Hennig-Thurau, 2004; Morgan & Hunt, 1994; Rauyruen & Miller, 2007). Thus, the eighth hypothesis is proposed as:

*H<sub>8</sub>*: Customer commitment has an influence on customer loyalty.

### **Customer Trust**

Chaudhuri and Holbrook (2001) defined customer trust as the confidence of an individual toward a brand. Customer trust is also associated with confidence in a sales agent to provide a long-term service (Chi et al., 2011). Yu and Tung (2013) defined customer trust according to the insurance context and stated that trust refers to the confidence of the customer toward the expression of the insurance agents to develop a long-term relationship. Based on the studies of Chi et al. (2011), Crosby et al. (1990), and Wei, Tang, Yu, Wang, and Mason (2014), customer trust can be categorized into three dimensions: credible, honest, and trustworthy. Here, three elements of trust were considered as a trust in a company, trust in agent/staff, and trust in management. Customer trust provides positive consequences for a company, which leads to customer satisfaction (Anderson, Fornell & Rust, 1997). Some previous studies determined that customer trust resulted in customer loyalty (Aziz, Hassan & Jaafar, 2014; Aydin and Ozer, 2005; Chen & Xie, 2007; Doney & Cannon, 1997; Du Plessis, 2010; Morgan & Hunt, 1994). The ninth hypothesis, therefore, is proposed as:

*H<sub>9</sub>*: Customer trust has an influence on customer loyalty.

The literature review suggested that six factors influenced customer loyalty: customer satisfaction, service quality, perceived value, brand image, customer commitment, and customer trust. Hence, the theoretical framework was set up, as illustrated in Figure 1.

## **Methods**

### **Participants**

Participants in this study were 549 customers of insurance companies in Thailand derived from multi-stage sampling. The majority of the respondents were female (52.80%). Most of the respondents were 30–39

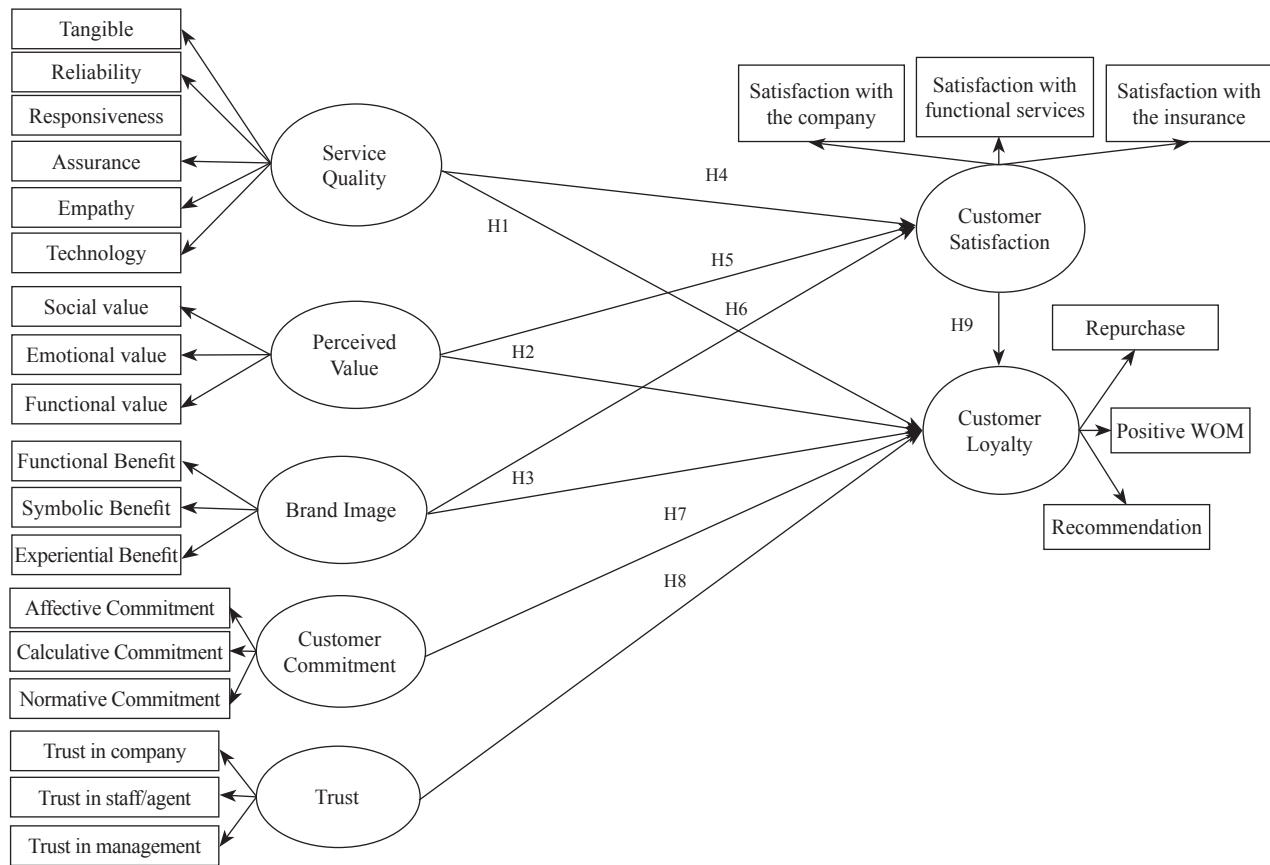


Figure 1. Theoretical framework.

years old, and 57.40% held a bachelor’s degree. Most respondents worked as employees in private companies (41.53%), and 49.36% were single. The majority had an income ranging from 10,001 to 20,000 baht. In addition, 75.41% owned a car.

**Measures**

Seven constructs were employed in this study—customer loyalty, customer satisfaction, service quality, perceived value, brand image, commitment, and trust. These were measured using a 7-point Likert scale anchored by strongly disagree to strongly agree.

Customer loyalty was measured and adapted from the studies of Hsieh and Li (2008), Nasir, (2011), and Yazdanpanah et al. (2013) using three dimensions: repurchase, positive word-of-mouth, and recommendation. Each measure had three items, including “I will purchase the insurance premium from the previous company” and “I will tell other people positive information about the insurance company.”

Customer satisfaction was developed and measured based on the studies of Hadush (2014), Masood and Sharma (2010), and Yazdanpanah et al., (2013). This construct consisted of three dimensions: satisfaction with the company, satisfaction with functional services, and satisfaction with insurance. The measure had four items, including “I am impressed with the service of the insurance agent” and “The insurance agent has a good skill, knowledge, and capability in his/her job.”

Service quality was developed and measured based on the studies of Hadush (2014), Masood and Sharma (2010), and Tsoukatos and Rand (2006) and consisted of six dimensions: tangible, reliability, responsiveness, assurance, empathy, and technology. This construct consisted of eight items, including “the insurance agent provides friendly and polite service” and “I am serviced by an agent who has a good understanding of the work system with the knowledge and capability to perform his/her task.”

Perceived value was measured and adapted from the study of Yazdanpanah et al. (2013) and assessed on social value, emotional value, and functional value. This construct consisted of five items, including “the current insurance company provides protection and follows the conditions of the contract” and “purchasing the insurance premium is valuable in accordance with the feeling of safety and the service quality I have received.”

Brand image was measured and adapted from the study of Kumar (2011). This construct consisted of three dimensions: functional benefit, symbolic benefit, and experiential benefit. There were four items in the construct, including “the insurance company has a good reputation and always participates in social contribution activities” and “the insurance company is well-prepared on various services, e.g., staff and service areas.”

Customer commitment was measured and adapted from the studies of Allen and Meyer (1990), Dambush (2014), and Rai and Medha (2013). This construct consisted of three dimensions: affective commitment, calculative commitment, and normative commitment, with five items, including “I will remain the customer of this current insurance company since I am happy and committed as their customer” and “this insurance company provides good management and places importance on its customers.”

Customer trust was measured and adapted from the studies of Crosby et al. (1990) and Wei et al. (2014) with three dimensions: trust in company, trust in staff/agent, and trust in management. It consisted of five items including “I trust in the service system of my current insurance company” and “I am willing to remain the customer of my current insurance company since comparing advantages/disadvantages with the service of other companies requires time, energy, and effort.”

### **Analysis**

Several statistical techniques were used in this study. Descriptive statistics such as mean, frequency, percentage, and standard deviation were employed to describe the attributes of each variable. Confirmatory factor analysis (CFA) was used to validate the measurement model of each construct. Finally, the full structural model was analyzed using the structural equation modeling technique (SEM) to test the hypothesis and examine the model fit. Nowadays,

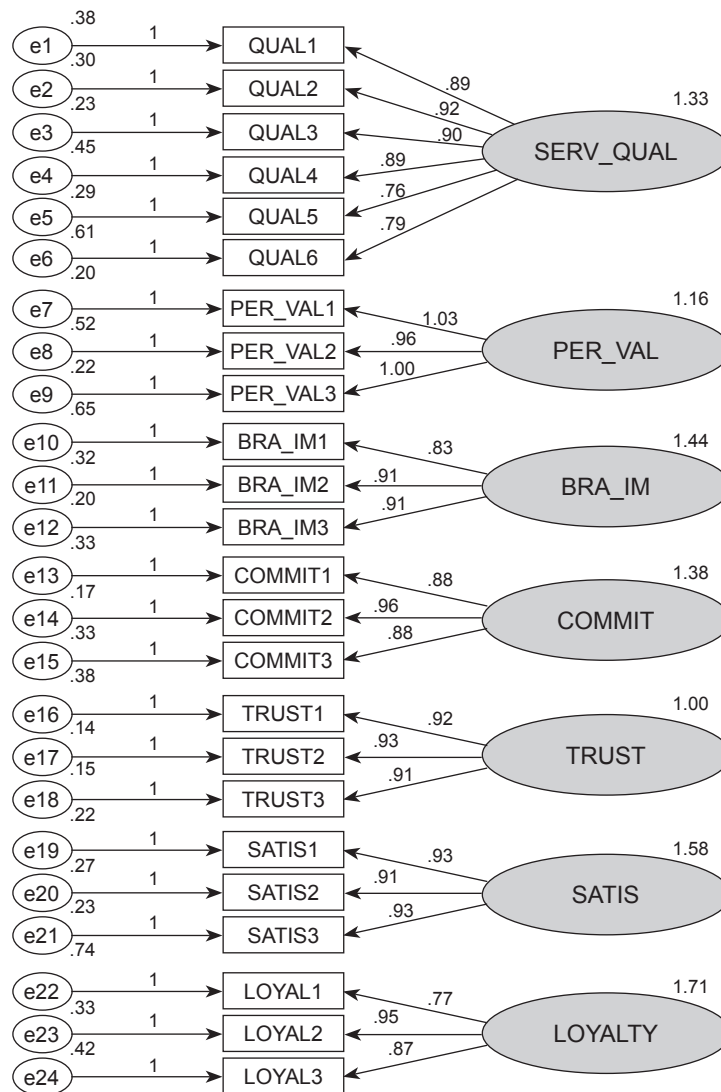
SEM has become very popular among researchers performing quantitative research (Kline, 2011; Ullman, 2006) because it facilitates the analysis of complex relationships between latent variables. There are two aspects of SEM—measurement and structural. Measurement links the observed variables to their latent variables, and the structural aspect links each construct together. Hence, the major role of SEM is to estimate these two aspects in a single model.

## **Results**

### ***Confirmatory Factor Analysis (CFA)***

Firstly, CFA was conducted to test the validity of the measurement models, and the hypothesized factors are referred to as latent variables. A latent variable is defined more accurately to the extent that the measures that define it are strongly related to one another. If, for example, one measure is only weakly correlated with two other measures of the same construct, then that construct will be poorly defined. This technique compares theoretical measurement models against empirical data. Overall model fit and construct validity were examined (Hair, Black, Babin, & Anderson, 2014). The CFA results are selected model-fit-statistics from the output, indicating the overall model chi-square of 591.865 with 171 degrees of freedom. The  $p$ -value associated with the result was .000. This  $p$ -value is significant because this study had a sample size of 549, greater than 250, and 24 observed variables ranging between 12 and 30 (Hair et al., 2014). The RMSEA value was .067, indicating additional support for the model fit. The normed chi-square was 3.461 and considered as an acceptable fit for the CFA model. In addition, the CFI of .975 exceeded the suggested cutoff values, indicating a model fit, as shown in Figure 2.

The CFA results provided good evidence of discriminant validity. The average variance extracted (AVE) should be greater than the squared correlation estimate. According to the CFA results, most AVE estimates were greater than the corresponding inter-construct squared correlation. However, some squared correlation estimates were greater than AVEs, indicating moderate discriminant validity which could result in moderate CFA model fit.



Chi-square = 501.865, DF = 171, P-value = .000, Relative Chi-square = 3.461, GFI = .926, AGFI = .871, CFI = .975, RMSEA = .067, RMR = .151, NFI = .965

Figure 2. The CFA model.

**SEM Analysis**

Model fit and structural relationships were examined according to the SEM analysis. Table 1 shows the overall fit statistics after testing the variables influencing customer loyalty of the automobile insurance in Thailand model. The chi-square was 1515.680 with 233 degrees of freedom ( $p < .05$ ), and normed chi-square was 6.505. The model CFI was .924 with an RMSEA of .100. Overall model fit changed slightly from the CFA model (see Table 1). Some measures were within the range, indicating an

acceptable good fit. We examined the path coefficients and loading estimates to ensure that they had not changed substantially from the CFA results.

Based on the residuals and modification indices from the initial SEM model, we examined a re-specification of our hypothesized SEM model. Hence, the model was re-estimated, and revised model fit statistics are shown in Table 1. The re-specification of overall fit revealed a chi-square value of 288.049 with 155 degrees of freedom ( $p < .05$ ) and normed chi-square value of 1.858. Revised model CFI was .992



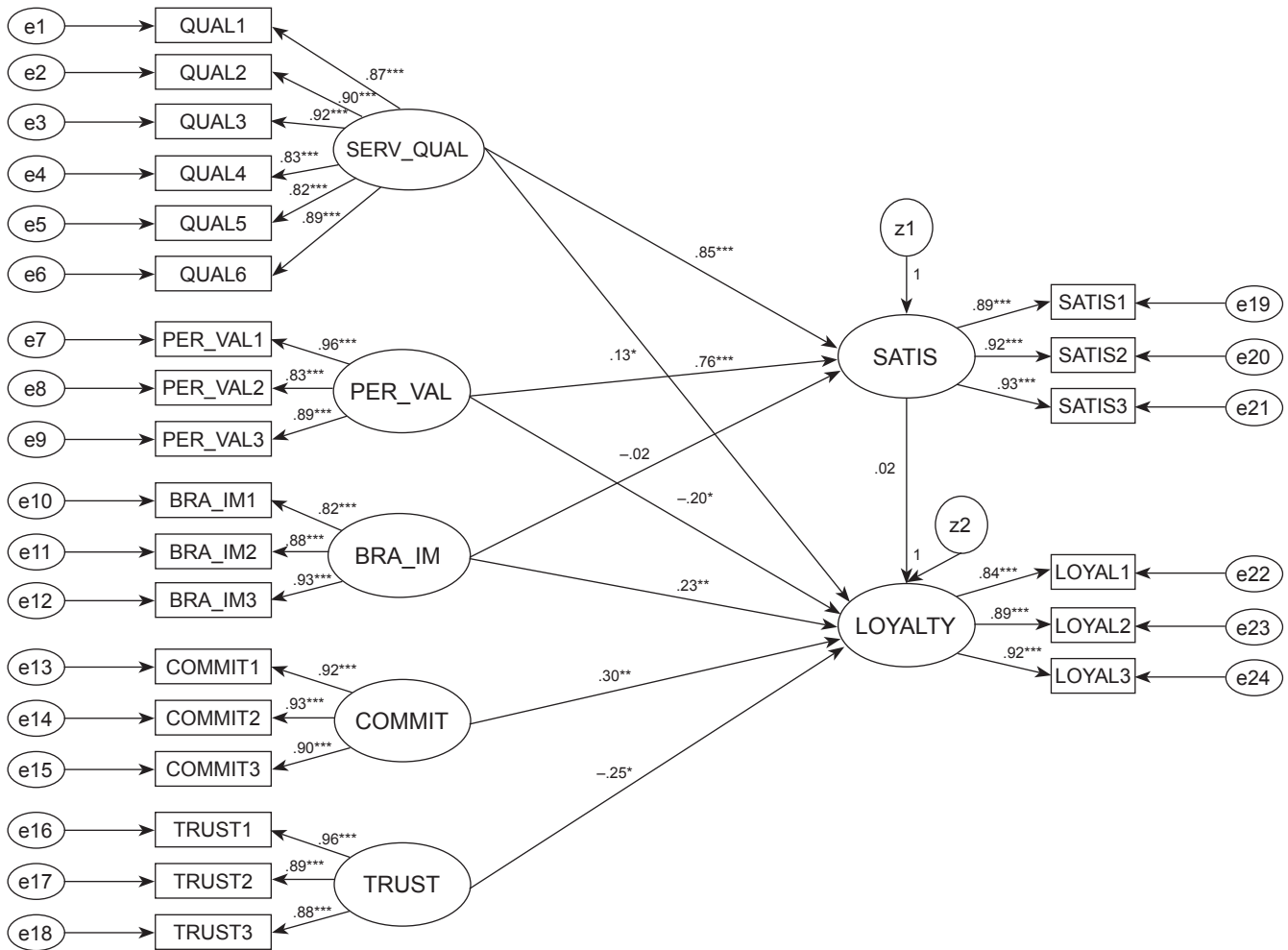
with RMSEA of .040. In addition, the GFI value was .960. All these measures were within a range associated with a good fit and suggested that the model provided an overall good fit, which changed substantially from the hypothesized model. Standardized path coefficients are shown in Figure 3.

Results in Table 2 show that several estimates from the original model changed as would be expected. Most notably, PER\_VAL→LOYALTY, BRA\_IM→LOYALTY, and TRUST→LOYALTY relationships were significant. In addition, SERV\_QUAL→SATIS, SERV\_QUAL→LOYALTY, PER\_VAL→SATIS, and COMMIT→LOYALTY relationships remained

significant but slightly less than before, except for the SERV\_QUAL→LOYALTY relationship, which was substantially greater than before. Furthermore, SATIS→LOYALTY and BRA\_IM→SATIS relationships remained insignificant.

**Hypothesis Testing**

According to the SEM analysis, the revised model fitted with the empirical data. Relationships between each variable are illustrated in Table 2. Results of hypothesis testing show that seven hypotheses were supported ( $H_2, H_3, H_4, H_5, H_7, H_8,$  and  $H_9$ ) and two were not supported ( $H_1$  and  $H_6$ ) as illustrated in Table 3.



Chi-square = 288.049, df = 155, Chi-square/df = 1.858, p = .000, GFI = .960, AGFI = .923, CFI = .992, RMSEA = .040, RMR = .031, NFI = .983

Figure 3. Standardized path estimates for the revised SEM model.

**Table 1***Comparison of Goodness-of-Fit Measures Between the Hypothesized SEM and Revised SEM Models*

<b>Goodness-of-Fit Statistics</b>	<b>SEM Model</b>	<b>Revised SEM Model</b>
<b>Absolute fit measures</b>		
Chi-square	1515.680	288.049
Degree of freedom	233	155
<i>p</i> -value	.000	.000
GFI	.812	.960
RMSEA	.100	.040
RMR	.051	.031
Normed chi-square	6.505	1.858
<b>Incremental fit indices</b>		
NFI	.911	.983
CFI	.924	.992
RFI	.895	.970
<b>Parsimony fit indices</b>		
AGFI	.758	.923
PNFI	.769	.552

**Table 2***Comparison of Structural Relationships for the Hypothesized and Revised Models*

<b>Hypothesized Model</b>		<b>Revised Model</b>	
<b>Structural Relationship</b>	<b>Std. Parameter Estimated</b>	<b>Structural Relationship</b>	<b>Std. Parameter Estimated</b>
$H_1$ : SATIS→LOYALTY	.101	$H_1$ : SATIS→LOYALTY	.021
$H_2$ : SERV_QUAL→SATIS	.878***	$H_2$ : SERV_QUAL→SATIS	.849***
$H_3$ : SERV_QUAL→LOYALTY	.508**	$H_3$ : SERV_QUAL→LOYALTY	.761***
$H_4$ : PER_VAL→SATIS	.142*	$H_4$ : PER_VAL→SATIS	.130*
$H_5$ : PER_VAL→LOYALTY	-.108	$H_5$ : PER_VAL→LOYALTY	-.196*
$H_6$ : BRA_IM→SATIS	-.065	$H_6$ : BRA_IM→SATIS	-.018
$H_7$ : BRA_IM→LOYALTY	.155	$H_7$ : BRA_IM→LOYALTY	.232**
$H_8$ : COMMIT→LOYALTY	.314*	$H_8$ : COMMIT→LOYALTY	.297**
$H_9$ : TRUST→LOYALTY	-.103	$H_9$ : TRUST→LOYALTY	-.247*

\**p*-value < .05, \*\**p*-value < .01, \*\*\**p*-value < .001

**Table 3***Results of Hypothesis Testing*

<b>Hypothesis</b>	<b>Hypothesis testing</b>
$H_1$ : Customer satisfaction has an influence on customer loyalty	Not supported
$H_2$ : Service quality has an influence on customer satisfaction	Supported
$H_3$ : Service quality has an influence on customer loyalty	Supported
$H_4$ : Perceived value has an influence on customer satisfaction	Supported
$H_5$ : Perceived value has an influence on customer loyalty	Supported
$H_6$ : Brand image has an influence on customer satisfaction	Not supported
$H_7$ : Brand image has an influence on customer loyalty	Supported
$H_8$ : Customer commitment has an influence on customer loyalty	Supported
$H_9$ : Customer trust has an influence on customer loyalty	Supported

## Discussion

This study extends current knowledge related to the interrelationship between selected variables (customer satisfaction, service quality, perceived value, brand image, customer commitment, and customer trust) and customer loyalty. We found no association between customer satisfaction and customer loyalty, which did not support previous studies (Neal, 1999; Rai & Medha, 2013; Yazdanpanah et al., 2013) that confirmed a strong relationship between customer satisfaction and customer loyalty. Hence, this issue should be examined in more detail for different cultural contexts to obtain a better understanding of clients' attitudes toward insurance products and services.

Findings also revealed a positive relationship between service quality and customer satisfaction, which supported the results of previous studies (Anderson & Sullivan, 1993; Fornell et al., 1996; Oliver, 1993; Spreng & Mackoy, 1996). Thus, individuals who experience good service from an insurance company will be satisfied. We also found a positive relationship between service quality and customer loyalty, which supported previous findings (Cronin & Taylor, 1992; Kheng et al., 2010; Oliver, 1999; Rai & Medha, 2013).

Perceived value was found to positively influence customer satisfaction, in line with previous studies (Dodds & Monroe, 1985; Gera, 2011; Schiffman &

Kanuk, 2004; Yazdanpanah et al., 2013). However, findings revealed a negative relationship between perceived value and customer loyalty in contrast with other studies (Bolton & Drew 1991; Rahi, 2016; Sirdeshmukh et al., 2002). Notably, the social value was determined as the most important indicator explaining the perceived value, which might lead to different findings compared to research in Western countries. More in-depth studies should be conducted to compare Thailand and other social contexts to obtain a better understanding.

Various researchers suggested brand image as an important factor leading to customer satisfaction (Kapferer, 2011; Palacio et al., 2012). However, there was no association between brand image and customer satisfaction in the Thai insurance context. This might be because Thais are more concerned about the quality of service rather than the brand reputation and image. Hence, providing clients with good quality of service will result in satisfaction.

Previous studies found a strong positive relationship between brand image and customer loyalty (Pimentel & Heckler, 2003; Rahi, 2016), and our results concurred with this. An increasing positive attitude toward brand image also increases customer loyalty toward an insurance company. In addition, our study determined a positive relationship between customer commitment and customer loyalty, which supported previous results (Hennig-Thurau, 2004; Morgan &

Hunt, 1994; Rai & Medha, 2013; Rauyruen & Miller, 2007).

Customer commitment occurs when an individual has a good experience and attitude toward insurance products and services. The individual, then, will gradually commit to company products, services, and the company itself. An individual who commits to a company and its brand will maintain customer loyalty as supported by previous studies. Hence, an individual will express his/her loyalty by repurchasing the product, giving positive word-of-mouth communication, and offering useful suggestions and recommendations for the company.

Last, but not least, customer trust has been noted by various studies (Aziz et al., 2016; Aydin & Ozer, 2005; Chen & Xie, 2007; Doney & Cannon, 1997; Du Plessis, 2010; Morgan & Hunt, 1994) to enhance customer loyalty. However, our results contrasted with this. We recorded a negative relationship between customer trust and customer loyalty. This finding might be related to the attitude of respondents toward purchasing insurance. In Western countries, people buy insurance for many reasons—to pay final expenses, to cover children's schooling costs, to replace spouse's income, to pay off debts, to buy a business partner's shares, to pay off estate taxes, cover health care costs, and to maintain the current standard of living. However, some Thais regard insurance as a burden and not necessary for day to day living. They are not interested in purchasing insurance. As service quality has the greatest impact on customer loyalty, insurance firms should emphasize on improving customer service. To achieve this goal, insurance firms should focus on responsiveness, reliability, tangibility, assurance, empathy, and technology with the most important attribute listed first.

### Declaration of ownership

This report is our original work.

### Conflict of interest

None.

### Ethical clearance

The study was approved by the institution.

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