

**TO BUY OR NOT TO BUY:
FACTORS INFLUENCING LIFE INSURANCE
PURCHASE INTENTION**

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UNIVERSITI UTARA MALAYSIA

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**TO BUY OR NOT TO BUY:
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PURCHASE INTENTION**

BY

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Thesis Submitted to

Othman Yeop Abdullah Graduate School of Business,

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Master of Science Management

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ABSTRACT

The purpose of this thesis paper is to investigate the influence of five factors namely Word-of-mouth, Trust, Reputation, Loyalty, and Customer Satisfaction on life insurance Purchase Intention. Existing customers in Great Eastern Life Assurance (M) Berhad, Alor Setar were chosen as samples of this study. A survey using 400 questionnaires was distributed to the respondents and 327 of them were returned and usable. Correlation and regression analysis were adopted to analyse all data. The findings indicated that all the independent variables (Word-of-mouth, Trust, Reputation, Loyalty, and Customer Satisfaction) had a certain degree of relationship with Purchase Intention. The results showed that customer satisfaction had the strongest significant positive relationship with purchase intention with correlation value of 0.796, followed by reputation with correlation value of 0.774. Only two variables which are reputation and customer satisfaction influenced purchase intention. The findings suggest that reputation of the company can be an important factor that influences customers' purchase intentions. In other words, good reputation of an insurance company brings good impact in terms of image to customers. Customers will feel confident towards the insurance company and increase their intention to purchase.

Keywords: word-of-mouth; trust; reputation; loyalty; customer satisfaction; purchase intention

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“When it comes to this section of the study, the words become scarce because as much as we try to thank everyone who involved, some will be un-deliberately leave, or the words are simple not enough to convey what is in our minds”

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CHAPTER 1

INTRODUCTION

1.0 CHAPTER INTRODUCTION

This study presents an overview on the purchase intention's factors for life insurance in Malaysia which, in particular, will focus on the significance and influence of factors such as word-of-mouth, trust, reputation, loyalty and customer satisfaction towards life insurance purchase intention. This chapter contains seven parts which are classified as follows: (1) Background of the study, (2) Problem statement, (3) Research objectives, (4) Research questions, (5) The variables of the study, (6) Theoretical framework, (7) Hypotheses, (8) Significance of the study, and (9) Chapter conclusion.

1.1 BACKGROUND OF THE STUDY

Life insurance is a protection against losses due to illnesses or injuries. It provides coverage for medications, visits to the doctors or rooms for emergency hospitalisations and other medical expenses. In addition, it provides compensations for critical illnesses, death benefits and total permanent disability benefits as well which may differ according to the types of protections being covered, the sizes of the deductible and/or co-payment, the limits of coverage and the options for treatment available to the policyholders. However, the protection

coverage will differ greatly according to policy participants' personal particulars such as gender, age, smoking habits, occupation, premium allocated and nature of work.

Insurance information, expectancy (Trust) and marital status are also found to have positive significant impact on the requirement for micro insurance (Osei & Gemegah, 2011). This is because under different working features and environment will give different risks impacts. An individual, third party or employer can directly purchase life insurance. Medicare and Medicaid are programmes that offer life insurance to the elderly, disabled, or un-insured individuals. There are a few of insurance companies which provide private life insurance, such as the Great Eastern, Prudential, American International Assurance Berhad (AIA) and Manulife, to name a few. Life insurance plays a vitally important role in human lifestyle nowadays. It has become a need, a must or even a trend in our everyday life, be it among the rich or the poor. As a result, most insurance companies have increased their insurance premiums over the years. In addition, some insurance coverage has been removed to ensure low risk to the companies. However, most companies are not prepared to commit certain coverage unless there is stability in the premiums (Risk Management Team, 2002).

Life insurance expenses have consumed a large portion of our budgets. If someone lost their job or are simply struggling to pay the rent, they might somehow to consider cancelling their insurance coverage. Still, there are some other alternatives, depending on the income of an individual and the state in which we live. The alternatives are discussed below.

Firstly, life insurance is used to protect against unforeseen circumstances. Nevertheless, we are now going through our reckless driving phase in life and now are the time that we have to make sure we are driving in a safety condition. We shall not have the authority to ensure that everyone is driving in a safety mode, therefore, unpredictable consequences will happen and some of them might be unpleasant. Everyone will try to avoid from the risk and uncertainty. There is a method that might help them to switch the risk at little cost that ensures their family is well taken care of. Not many air tragedies happen, but they do happen and there are passengers who get affected. We may be one of them. There is nothing worse than leaving our family in awful situations when we could have secured them at a small cost every year. Secure our family future with life insurance. We can opt for the cheapest life insurance that has a high coverage. This means that we must plan for our life insurance so that our family can afford the best medical treatment available.

Secondly, it can be a mortgage protection. No matter we live alone, with family or spouse, or significant others, but importantly we need to purchase life insurance as mortgage protection. This is because we must try to avoid our beloved family from being homeless if something will happen to us. In this relation, what we can do is to purchase term life insurance since this type of insurance is able to help us if there is an unpaid mortgage. Customers can elect a condition that draw a parallel with the payment period of their mortgage. Thus, there are various insurance companies that offer a benefit that is called Mortgage Reducing Term Assurance (MRTA). This means that when the insurer dies, the balance of mortgage is being paid by insurance company. As a result, families of the insurer will not be burden by the unpaid mortgage.

Thirdly, life insurance can be used in term of planning for children's future. As we all know, parents always plan well for their children. Parents always wish that their baby will always be happy, healthy and safe. This hope is precious and worth protection from the beginning. Therefore, parents need to put in great efforts to prepare for the educational fund for child's higher studies. Aiming to give a peace of mind, parents will start building an education fund and reap the potential of higher returns in order to help their children secure the hopes and dream through a comprehensive protection plan or endowment plan as well. Parents can opt to receive the fully payout for their children's education when they are entering higher tertiary institution upon maturity period.

Additionally, life insurance could be a great instrument to ensure that an individual will fulfil the pre-determined time of your life as well as their children's. It could be an aggressive and overbearing investment plan or a plan which is more compare in debt instruments. Last but not least, it is undeniable as a great retirement planning tool. Same goes for an individual retirement. If they do not lock-in money every year or every month - chances are that there would not be enough left when your source of income has become insufficient.

In some instances, it is common that insurers will be embarrassed when they deal with event that are low-probability or even in high-loss events. Normally, insurers are not able to purchase insurance for such losses although the term and condition of the insurance are favourable to be purchased (Kunreuther & Pauly, 2001). In this relation, insurers will try not to purchase this type of insurance even when they know that subsidies are present or

administrative loading are moderated. This type of behaviour among the consumers is based on the fact that they weigh the benefits they will get against the losses they will incur. There are many literatures studying this type of behaviour with regards through the decision making of each individual (Kahneman, 2003).

This study is therefore aimed at exploring the purchase intention of the life insurance among policyholders. This study will also reveal information on the level and satisfaction of purchasing intention toward life insurance among life insurance customers as well as their related factors. Finding of this study may be useful to various parties includes academicians, bankers, researchers and policyholders. Insurers and bankers will find that information from this study will be useful in their planning on wealth and financial procedures budgeting.

Traditionally, the idea of purchase intention has followed closely in marketing literatures (Teng and Laroche, 2007). The purchase intention towards a product or a service depends on the behaviour and faith to their demand (Ajzen and Madden, 1986). This means that purchase intention among individual is related to their attitudes toward the purchase to be made. There are several measurements that can be used to measure consumers' intention to purchase. However, most of these measurements approaches are based on the work of Zeithaml et al. (1996), Mittal et al., (1999) and Chandon et al., (2005). These measurements will also be used in this study. Bearing in mind the previous consideration, this study will examine the factors that influence customers' buying intention such as word-of-mouth, trust, reputation, loyalty, customer satisfaction and purchase intentions of insurance products.

1.2 PROBLEM STATEMENT

Insurance policy plays an important role in transferring customers' risk to an insurance company. This will encourage customers to purchase an insurance policy. But, unfortunately there might be several reasons why customers did not purchase the relevant insurance. One of the reasons is that they lack of awareness. This research will fill the gap that has found in the previous literature on this issue. From this research it will help insurance company to find out why customers do not purchase insurance policy despite of it benefits.

Many past researches have been conducted on word-of mouth, but only few of them focuses on purchase intention (Ku, 2012). Many results of different researches differ from each other because these researches are conducted in different countries. Thus, it has become critical to study the purchase intention towards life insurance in the Malaysian context. Similarly, several researchers suggested that trust is the most critical factors that influence consumers' purchase intention especially during shopping on the internet (Lim et al., 2006). On the other hand, Jiang et al., (2008) found in their study that most companies pay their fully attention to the formation of trust among consumers to create the relationship with their customers. As a result, trust could be an indicator of customers' intention to purchase life insurance and therefore should be studied. Weigert (1985) argued that trust can establish faith and belief among the customers in order to avoid the level of uncertainty in purchasing goods or services.

In addition, previous researches suggested that the findings of reputation and its relation to customers' intention are questionable calling of broad research to be conducted in this specific area (Kim et al., 2013). While some studies suggested that consumers will buy products on the internet from an online retailer if these retailers have good reputation (Kotha et al., 2001). Similarly, Keller (1993) suggested that consumers repeat purchase from online retailers is closely associated with one's experience of use. Certainly, it seems evident that loyalty cannot exist without a prior purchase or past experience. Therefore, the findings of previous studies set up a basis for this study.

Moreover, Mostafa (2009) indicated that for a purchasing process to be successful, it would depend on several factors such as customer satisfaction with the product, products' eco-label, and social influence on buyers. However, there is a lack of study that investigates the factors in a comprehensive framework. Keiningham et al., (2007), Shim et al., (2002) and Tsai and Huang (2007) found in their studies that online shopping and customers repeat purchase are related to customer satisfaction. This means that online retailer must gain customer satisfaction in order to have repeat purchase.

Furthermore, even though most of the studies that focus on customer intention in developed countries, only few are conducted in developing countries. Hence, Anić (2010) suggested that there is an urgent need to study the purchasing intention in developing countries. Therefore, this study will examine the factors that contribute to customers'

purchase intention in life insurance service providers among the existing policyholders in Great Eastern.

1.3 OBJECTIVES OF THE STUDY

1.3.1 Main Objective

The main objective of this study is to determine the factors that influence the purchase intention of life insurance in Malaysia.

1.3.2 Specific Objectives

The specific objectives of this study are as follows:

- (1) To examine the relationship between word-of-mouth and purchase intention towards life insurance.
- (2) To determine the relationship between trust and purchase intention towards life insurance.
- (3) To determine the relationship between reputation and purchase intention towards life insurance.
- (4) To examine the relationship between loyalty and purchase intention towards life insurance.
- (5) To examine the relationship between customer satisfaction and purchase intention towards life insurance.

- (6) To examine the influence of word-of-mouth, trust, reputation, loyalty and customer satisfaction on purchase intention.

1.4 RESEARCH QUESTIONS

- (1) What relationship does word-of-mouth has on the purchase intention of life insurance?
- (2) What relationship does trust has on the purchase intention of life insurance?
- (3) What relationship does reputation has on the purchase intention of life insurance?
- (4) What relationship does loyalty has on the purchase intention of life insurance?
- (5) What relationship does customer satisfaction has on the purchase intention of life insurance?
- (6) What is the influence of word-of-mouth, trust, reputation, loyalty and customer satisfaction has on purchase intention of life insurance?

1.5 THE VARIABLES OF THE STUDY

Variables can vary in value, in direction or usually will vary in terms of magnitude or strength. There are two different types of variables in descriptive and causal research which are dependent variables and independent variables. Therefore, independent and dependent variables are narrated between each other (Zikmund et al., 2010).

1.5.1 Dependent Variables

The dependent variable is defined as the primary interested variable of the research. It represents the effect, outcome or output, or is tested to examine if it is the effect. It is what been conjectured in the experiment and what is affected during the experiment. The purpose of every researcher is to identify, explain and respond to the independent variables. This variable also responds to the independent variable. In this relation, the dependent variable in this study is “Purchase Intention”.

1.5.2 Independent Variables

Independent variables influence the dependent variables in two ways, which is either positively or negatively. They represent the causes of a phenomena or they are been tested in order to verify whether they are the causes of the phenomena. Researchers can control or chose or manipulate the independent variables. This is based on the perception of what are the factors that will affect the chosen dependent variables. In other words, independent variables and dependent variables are related to each other. If the dependent variable is being observed, then the independent variable will be present. Similarly, if there is an increase of the independent variable, it will also result in an increase of the dependent variable. The independent variables of this study are “Word-of-mouth”, “Trust”, “Reputation”, “Loyalty”, and “Customer Satisfaction”.

1.6 THEORETICAL FRAMEWORK

Refer to the educational researcher Smyth (2004), he defined research framework as a framework that is assembled from a combination of a wide range of belief, view and theories that help researchers to identify problems develop the questions and search for relevant literature. Theoretical framework is an important component in any research. This is because it helps the researchers to see the relationship between the factors that are important in the research problems. Research framework involves the relationship between dependent variable (DV) and independent variables (IV). In other words, dependent variable (DV) will rely on independent variable (IV) and the dependent variable (DV) also do not change the independent variable (IV).

Back to this study, five variables are independent variables (IV) while the other variable is the dependent variable (DV). The dependent variable (DV) is “Purchase Intention” towards life insurance which relies on independent variables (IV) which consists of five factors that influence the purchase intention (DV) namely Word-of-mouth, Trust, Reputation, Loyalty and Customer Satisfaction. The theoretical framework of this research is shown in the Figure 1.1 which shows the variables that need to be examined according to the objectives, research questions, and hypothesis.

INDEPENDENT VARIABLES

DEPENDENT VARIABLES

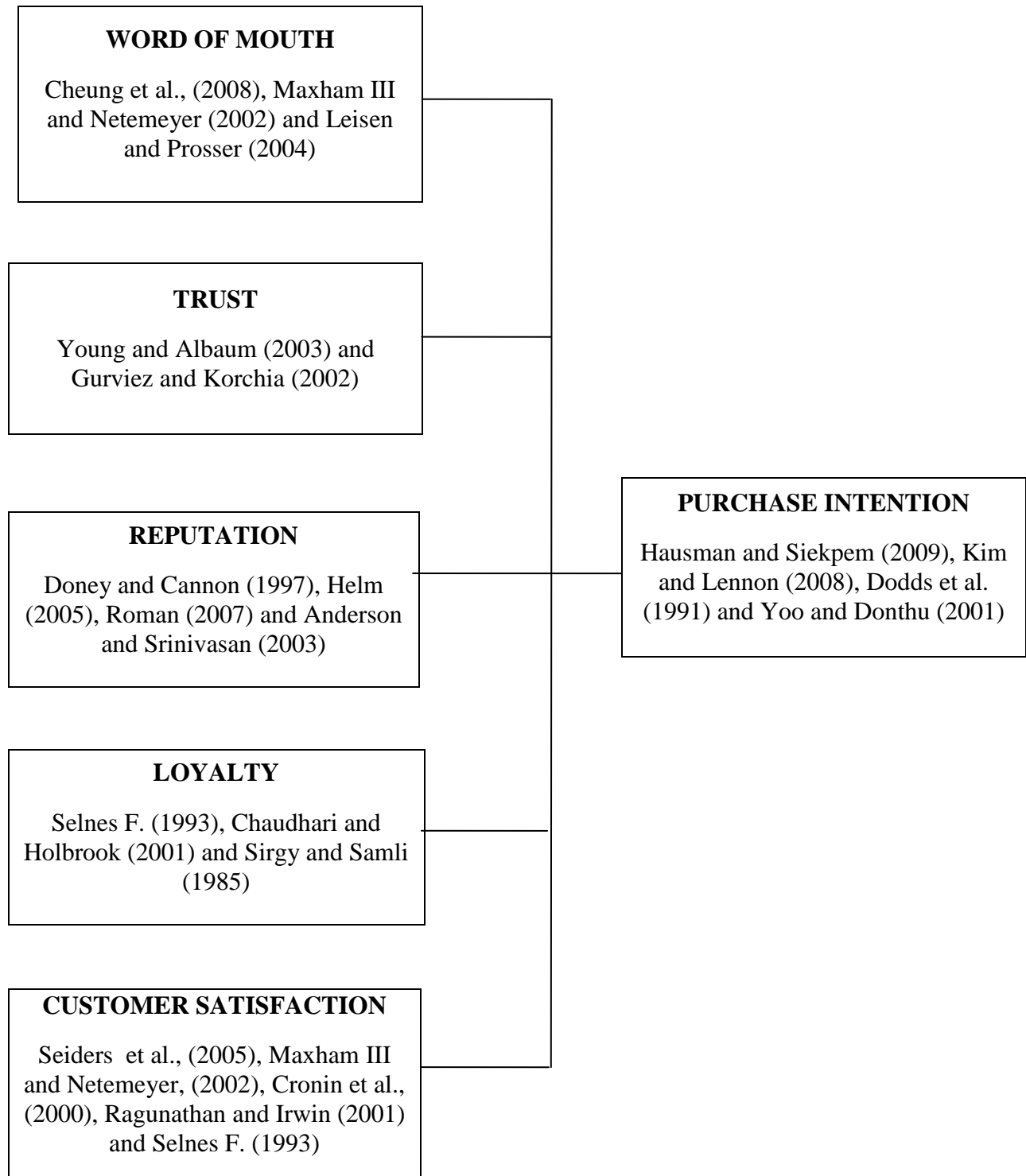


Figure 1.1: Theoretical Framework of the Research

1.7 HYPOTHESES

Hypothesis refers to a statement of a proposition that has not been proved yet and which is empirically testable (Zikmund, 2003). The hypothesis will be tested through empirical test. It should be written in a manner so that either it can be supported if the hypothesis is accepted or it will be shown to be wrong if the hypothesis is rejected.

This study has several hypotheses that have been developed in order to determine the relationship between the independent variables and the dependent variable. These hypotheses of this study are as follows:-

Hypothesis 1:

There is a significant relationship between word-of-mouth and purchase intention towards life insurance.

Hypothesis 2:

There is a significant relationship between trust and purchase intention towards life insurance.

Hypothesis 3:

There is a significant relationship between reputation and purchase intention towards life insurance.

Hypothesis 4:

There is a significant relationship between loyalty and purchase intention towards life insurance.

Hypothesis 5:

There is a significant relationship between customer satisfaction and purchase intention towards life insurance.

Hypothesis 6:

Word-of-mouth, trust, reputation, loyalty and customer satisfaction influence significantly purchase intention.

1.8 SIGNIFICANCE OF THE STUDY

Despite the existence of many researchers were conducted on consumers' purchasing intention towards goods and products, only few of them focused on servicing field. Besides that, as will be mentioned in the review of the literature, only few researches have indicated all factors that are discussed in this research in a comprehensive framework, thus, this research develops a better understanding on customers' purchase intention towards life insurance with an integrated dimension. Following such a step helps in identifying factors that motivate customers' intention to purchase life insurance in order to ensure customers own a better coverage in terms of health and wealth protection. This study also adds new findings to the current literature which can contribute for future researches, it provides an added value in

terms of findings, and presents a more comprehensive understanding on the reliability of constructs.

This study aims to find the relationship and influences of the factors that is related to consumers' purchase intention of life insurance products. This study will provides an essential blue print of the various factors related to purchase intention in life insurance among the life insurance customers. Life insurance policyholders and customers play important role in determining the important and effectiveness of purchasing life insurance. It is very important to understand what motivates and encourages them to gain more or repeat purchase of life insurance policies. Purchase intention is also essential in ensuring whether consumers will buy a product or a service after they view an advertisement that features these products or services. Therefore, purchase intention is a major measurement to ensure customer satisfaction and loyalty in order to repeat purchase behaviour.

1.9 CHAPTER CONCLUSION

In this chapter, the study was contextualized with the insight of research paper and specific references being made to the factors influencing purchase intention among existing customers in Great Eastern Life Assurance (M) Berhad. The importance of the study was identified and mentioned. The theoretical framework, the research objectives and hypotheses were also highlighted.

CHAPTER 2

LITERITURE REVIEW

2.0 CHAPTER INTRODUCTION

The first chapter has presented theoretical gaps that exist in the current knowledge of purchase intention towards existing customers. In particular, it argues that the five independents variables namely (Word-of-mouth, Trust, Reputation, Loyalty, and Customer Satisfaction) can somehow influence the dependent variable (Purchase Intention), and how such theoretical link can be enhanced by considering the possible role of the loyalty theory. In this relation, this chapter offers a theoretical discussion on this issue. This chapter provides general conceptualizations of the main variables. The main research works that have been carried out, specifically those pertain to the main issue of the study which is the purchase intention is being discussed.

2.1 WORD-OF-MOUTH

Rundle-Thiele and Bennett (2001) defined word-of-mouth as claimed that the vital sign of loyalty is the customer's willingness recommend the company to others. They suggested that when people recommended a company, they will put their reputation on the line, which probably will make the other customers see it as a good predictor of loyalty. These people will act as a free advertisement spreader, declaring information on the satisfying experience with

the brand, and offering proven benefits, which may recruit new consumers. New customers, if they are happy with the company will spread the advertisement and attract more new customers. These groups of customers will get larger and larger, and will influence other customers to become loyal and committed to the product of the particular company.

Several studies have dedicated that word-of-mouth among the group of customers are more trustworthy and reliable as compared to advertisement and promotion (Carl, 2006, Bansal and Voyer, 2000). Results from these studies show that word-of-mouth influence customer. These customers will be more exposed to receive more recommendations through word-of-mouth. Furthermore, word-of mouth is a vitally important factor that influences the existing relationship between any company and their customers in many ways. Firstly, word-of-mouth that comes from any reliable source will influence customers without doubt. Secondly, past satisfactory experience towards certain goods or services encourage customers to spread positive word-of-mouth which will in turn reduce customers' suspicion (Leisen and Prosser, 2004). Thirdly, positive word-of-mouth helps customers obtain accurate and important information that will help them in their purchase behavior (Silverman, 1997).

Word-of-mouth implies a respective evaluation of organization, goods, brand name or services that are made without advertisement intention and send through several media either printed or on the internet. This scenario is clearly illustrated after the introduction of the internet. The information offered through word-of-mouth increased customers' intention of

sharing their purchase experiences and feedbacks. This act will influence other consumers during their purchase processes (Athanasopoulou, 2008; Dellarocas, 2003; Sun et al., 2006).

In recent years, the online methods of word-of-mouth start taking over the traditional word-of-mouth methods. With the emergence of the computer network, word-of-mouth has become something normal to our everyday life. Several sources of word-of-mouth are Internet, blog, virtual community and social media have become effective ways for customers to exchange information and later used in the purchasing process. They can exchange information and discuss experiences or product information on some goods or services freely at real time. Online word-of-mouth owns the characteristic of widespread the information, spreading in the speed of time, in a large volume of information storage, receive instantaneous, and fast as compared to traditional word-of-mouth.

Word-of-mouth and personal selling are two common marketing techniques. They provided unambiguous message, solving purchasing methods, interactive, and a good source of information. However, both have these advantages as well if especially if the sender and the receiver have different level of knowledge (Hsiao et al., 2010). Through word-of-mouth, senders and receivers are found to be connected between each other more closely. Result from many researchers showed that when the sender is more expert as compared to the receiver in understanding the message through word-of-mouth, the receiver will be more aggressive in seeking the message from the sender (Karakaya and Barnes, 2010). Similarly, the expertise of sender is the degree to which the source is comprehends as being competent of providing

accurate and right messages from the sender helped customers to make purchase decision (Bansal and Voyer, 2000). Thus, the senders' level of knowledge in giving a recommendation is the key factor that will influence consumers' buying behavior on the internet. Word-of-mouth is also the most critical and essential origin of influence in the purchasing family products (Park & Kim, 2008). This means that the combination of either traditional or online word-of-mouth will exert a higher influence to the consumers for them to make purchase as compared to other sources of information.

Furthermore, information through word-of-mouth is an important source of information for consumers. Word-of-mouth constitutes the base of interpersonal communications that will give impacts on services and goods evaluations which will in turn influence consumers' buying decisions (Duan et al., 2008). Results in studies by Cheung et al., (2008) and Tuzovic (2010) showed that information through word-of-mouth has a very positive influence on consumers' judgments about the certain products especially during the last phase of the purchase process. Their studies also showed that positive word-of-mouth had a significant impact on companies' service differentiation especially when the commitment of relationship is very high.

Word-of-mouth communication has been significant not only in the marketing communication but also found to be a tool to gather message and information by customers. In addition, word-of-mouth also is affected by a company web site's reputation and online

information as well (Libai et al., 2010). In the relation, customers whose obtain a high level of dissatisfaction are less willing to spread positive word-of-mouth to the public.

In addition, online advertising including online word-of-mouth extremely implicates recommendations and suggestions to purchase or influence consumers attempt to have first tried on a new product brand when these products are first introduced. In this relation, brand managers ought to duplicate their skills and efforts in advertisement to help their brand grow (Godes & Mayzlin, 2009; Duan et al., 2008). Therefore, companies have to realize that word-of-mouth gives positive impact on consumers' purchase decisions. Customers, in general, will depend on the information given to them through online word-of-mouth when they want to make online purchase. This means that positive word-of-mouth is critical in influencing purchase actions.

As a concluding remark, in order to attain customer satisfaction, service firms today must increase customer satisfaction and customer retention. Therefore, firms that offer services must always monitor customer satisfaction regularly especially customers last service encounter (Peterson and Wilson, 1992).

2.2 TRUST

Trust had been numerously defined in many particular areas with wide range of definitions. Lewicki et al., (1998) and Morgan and Hunt (1994) concluded that trust exists when someone

is committed with full confidence in its partner's honesty and reliability. Moorman, Gerald and Rohit (1993) explained trust as act of willingness to believe an exchange partner when there is a confidence in partner. Trust intentions (Lee et al., 2007) and trustworthiness (Benedictus et al., 2010; Edelman, 2011) depend on a set of reliance or faith which is influenced by one's behavior in a society (Constantinides et al., 2010).

Several of trust antecedents have been discussed. There are four models of trust which are knowledge-based trust and institution-based trust. In addition, the other two models are calculative-based trust and personality-based trust. Knowledge-based trust arises as an outcome of antecedents of interaction (Walczuch and Lundgren, 2004). On the other hand, institution-based trust is the purchaser's consciousness that effective third-party institutional mechanisms are in place to facilitate transaction process (Datta and Chatterjee, (2008) and Lander et al., (2004)). In addition, calculative-based trust depends on the perceived economic conditions and it describes the type of trust that occurs as a result of first impressions (Suh and Kwon (2006)). However, cognition-based trust (Parayitam and Dooley, 2009), and personality-based trust (Walczuch and Lundgren, 2004) describes the trust that we developed during our childhood.

Customers have confidence toward company based on the company's social network. In this relation, social networking which refers to company's sites, web page, where customers or users may constitute an outline, originate a formal connection between individual they know, corresponding with each other, and share their interests and preferences

about life insurance. Therefore, we may be able to examine how trust affects life insurance purchase intention through this study. According to Luhmann (1979), sociological theory of trust stated that trust depends on past experiences and cultural meaning systems. Therefore, trust is considered as a very important aspect in customer-brand relationships (Harris and Story, 2005). They suggested that any personal relationship is built on trust, whether it is between a person and a person or between a person and a brand or a person towards a certain company. This means that the most important factor that fully influences in building a relationship between customer and company is trust. This situation occurs especially when a company is going to introduce new products or services to its customers. Customers will have a high probability to purchase these new promoted products and services if they trust the company. They will purchase with a high level of confidence that this newly launched product will satisfy their needs and demands. They rely on the company and believe that the company knows their needs. Furthermore, it showed that where there exists highly trust, there will be a higher willingness of trying new products. This means that trust reimburses the shortage of cognition and awareness about the new products (McWilliam, 1993).

In a business environment, trust is known as one of the most essential elements in a stable and collaborative relationship (Akbar and Parvez, 2009). However, customers must have a perception of high perceived quality in the products they need in order to trust the brand and company (Nawaz and Usman, 2010). Moreover, Roostika and Astuti (2011) found that trusting intentions will make the trustor feel secure and is willing to depend on the trustee. Consequently, in order to trust a service, customers need a positive perception of the products' quality. This shows that perceived service quality will bring a positive effect on trust. In

practical business activities, for the purpose to establish a strength successful relationship between all the parties involved, the critical issue will be the development of trust between the parties involved.

Matzler, Grabner-Krauter, Bidmon (2006) suggested that trust is one of the most significant and appropriate qualities in the relationship between customers and among the linkage relationship. Meanwhile, Anderson and Narus (1990) suggested that trust has been considered as a key factor that helps to establish successful long-term relationships. Similarly Singh and Sirdeshmukh (2000) pointed out that in business studies, trust is very critical for company to build and maintain relationships in a long run with their customers. On the other hand, Weigert (1985) argued that trust can build confidence among the consumers thus avoiding the uncertainty involved in purchasing certain service or product from a company. Therefore, this means that trust is a must especially when making critical buying decision (Edelman, 2011). Trust makes consumers feel comfortable and pleasant in order for consumers to share their private information or their purchase histories or in getting advices from the web vendor (Lee et al., 2007). The determinants of trust include consumers' familiarity with the company web site, their shopping experience or their past shopping experiences (Abdul-Muhmin, 2010).

Previous research explained that purchasing consumers have tendency to judge a group according to the group's size. When the group is big, the consumers will follow the norm and favoritism to the group. This means that trust must exist for a group to be formed.

Thus, they might be able to manage more partnership style to the suppliers if trust is embedded in the relationship (Chen et al., 2010; Kauffman et al., 2010; Kauffman and Wang, 2001). However, other factors also influence trust during online shopping are perceived usefulness, perceived ease of use and habit. Mahmood et al., (2004) suggested that demographics and lifestyle characteristics also take part significantly in customers' purchasing characteristic.

2.3 REPUTATION

According to Doney and Cannon (1997), reputation has been strongly demonstrated as a factor that will give impact in reducing consumers' perceived risk in making any decision. A number of authors (Holzwarth et al., 2006; Kwon and Chung, 2010; Forsythe and Shi, 2003) discussed reputation as consumers acknowledge differences among the dimensions and prestige in internet stores. The differences will definitely affect their evaluation of store honesty and perception of risk in order to influence their voluntary to visit the shops frequently.

Recent studies have proved that the term reputation can be interpreted from different perspectives. Reputation can be interpreted as the image in marketing, either goodwill (accounting) or popularity (sociology). Reputation is also explained as judgment (Fombrun and Van Riel, 2004), generalized as goodness or desirability (Shenkar, 1996). Since many empirical evidences have given a briefing idea of reputation, therefore, a unified definition of reputation must to be sought to prevent from confusion. Firms might earn their reputation in

certain method of ways. They might enhance their reputation and prestige through mass media, branding, advertising, and word-of-mouth from customers. Since reputation generally acknowledged from one customer to another through the forming of knowledge and information, sharing opinions within each other to create a halo affect (Jin et al., 2009). Similarly, reputation of the sales organization acts is form by referring to the previous purchase experiences with the marketers. In addition, this situation will help companies to form a long lasting relationship with their customers and their purchasing experiences in the future (Estelami et al., 2004).

On the other hand, according to Chiles and McMackin (1996), business firms must accept the fact that maintaining good reputation to the customers brings advantages to their reputational assets. This can be achieved by fulfilling commitments and responsibility they had promised to their customers. Purohit and Srivastava (2001) stated that consumers experience less hazard and risk in purchasing from companies that represent a good reputation in delivering their services as well as quality products rather than from unknown companies. Andrade et al., (2002) stated that the reputation of a company is crucial to reduce customers' concerns with self-disclosure. Similarly, customers embark in risk preventing activities for the purpose of reducing their extent of perceived risk, and uncomfortable feeling (Dowling and Staelin, 1994).

According to Alchian and Demzet (1972), they stated that good reputation can be used to predict the anticipate behaviors of companies. Fombrun and Shanley (1990) suggested that

reputation represents success in satisfying expectations of multiple stakeholders. Companies gain competitive advantages with good reputation as compared to other companies (Deephouse, 2000; Fombrun, 1996). Since consciousness is reality, Corporate Social Responsibility (CSR) actions determine perceptions of a firm's reputation (Fombrun and Shanley, 1990). Furthermore, reputation is influenced by CSR programs that were implemented by a company (Brammer and Pavelin, 2004; Carroll, 1979). In this case, most of the firms that utilize CSR as a communication tool will enable the firms to build and enhance good reputation among their customers. By obtaining better reputation, companies create a competitive advantage that influences customer satisfaction in a long term. This is because most of the customers have high favorable to purchase services and goods from a well know and reputable company. A research by Carroll and Buchholtz (2000) demonstrated that CSR has a significant relationship with a company reputation. Similarly, prestige of a company represents the level of reliable and honesty of a firm in the eye of the customers (McWilliams and Siegel, 2000). Therefore, exercising CSR that is being in a company will usually being practiced good images. In this relation, managers that are responsible for CSR activities in a company need to emphasize on building company character and credibility (Jackson, 2004).

Reputation is the cooperative images which involve a company's performance conformity (Argenti and Druckenmiller, 2004; Fombrun and Van Riel, 2004; White and Murray, 2004). Firm reputation has been considered as an important determinant because it cannot be build or establish readily within a short period of time. Even though reputation is just an intangible asset of a company, but good reputation ensures the company to maintain and sustain in the long lasting relationship with their customers. Nevertheless, reputation is

assumed to attract and manage resources in order to increase productivity and enhance growth of a company (Fombrun and Van Riel, 2004). Companies might collect the resources by hiring talented administrators or executives, build corporate social responsibility and promote company image in order to retain customer loyalty. Therefore, marketers should incorporate their organization in order to enhance customer service, furnishing sufficient product knowledge and security information, to build a reputation of a trustworthy company.

2.4 LOYALTY

According to Aaker (1991), brand loyalty gives an expression on how probably a customer is intent to switch from one brand to another brand. This happens specifically when that brand makes an alteration on product features or selling prices. Brand and customer loyalty have been explained as a purchaser's integrated deep commitment and attachment towards a brand, service, good or company (Oliver 1999). The loyalty concept is alike as the meaning to relationship commitment, which is described by the relationship marketing literature as an enduring desire to be in a valued relationship (Morgan and Hunt 1994). According to Fornell (1992), loyalty represents in several of behaviors, the more common ones being recommending a service provider to other customers and repeatedly patronizing the provider.

According to Kuusik (2007), there are three types of loyal customers according to their behavior. The three types are forced to be loyal, loyal due to inertia, and functionally loyal. For the first type of behavioral loyal customers, the consumers are compelled to be devoted when they have to be clients even they do not have any intention towards it.

Customers are forced to make a purchase on certain products or services offered by the certain vendors. This situation usually happen because of the monthly target of sales the company have to achieved, especially the marketing company such as multi-level marketing, and insurance agents. Therefore, companies need to find as many customers they can in order to achieve the sales target.

However, the second type of loyal behavior may also happen due to inertia. This is the situation where the customers remain to a brand and do not have any intention to move to another brand due to the less important of usage of the product. The customers feel that there is no point of spending time and effort in searching for the alternatives of the current product and because they are satisfied with the present offering of the company.

On the other hand, the last type of loyal which is the functionally loyal customers is loyal may due to several reasons. Probably the customers are satisfied with the price offered, quality of the product, distribution, or rewards earn through the usage of the product, such as point redeem, coupons, vouchers, or lucky draws that will lead to the loyalty of the customers towards the brand.

Jones and Sasser (1995) suggested three measures of customer loyalty. Firstly customer's primary behavior, in which is related to regency, rate of recurrence, and aggregate of purchase. Secondly consumer's secondary behavior, referring to the material of customers reference, endorsements, and the means to spread the word. Thirdly customers' intention to

repurchase, referring to the situation whether the customers are ready to repurchase the product in the future. Besides that, Jones and Sasser (1995) also noted the general segmentation of customers by loyalty as shown in Figure 1.1. Customers' loyalty is divided into three types, namely loyal customers, dubious customers, and disloyal customers.

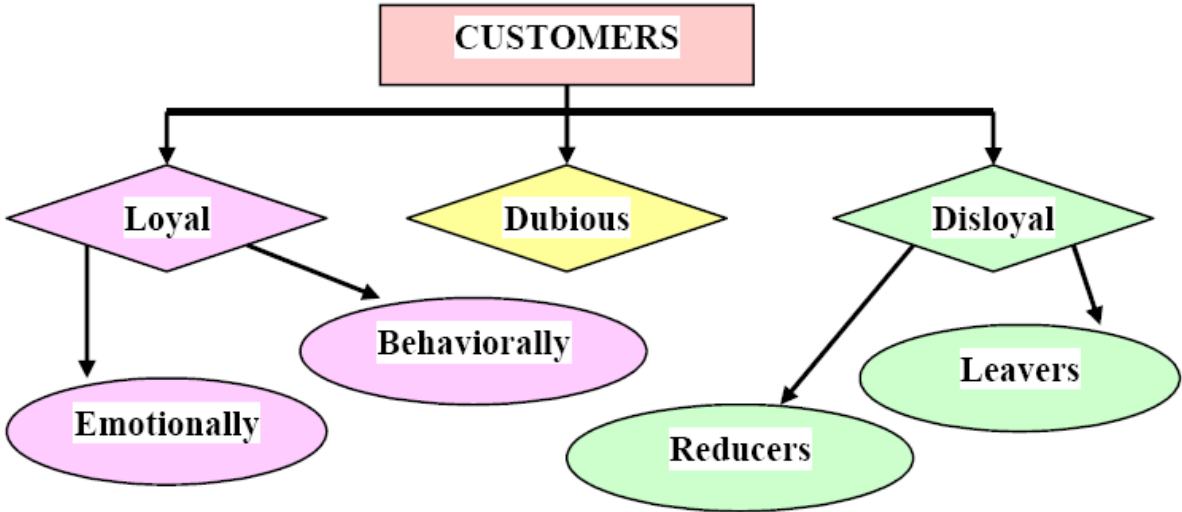


Figure 2.1: General Segmentation of Customers by Loyalty

Source: Jones and Sasser (1995)

There are two types of customers under the loyal customers. For committed or emotionally loyal customers, they act as active customers that usually loyal to certain products, and declare will stick to the same product continuously and in the future. They also will recommend the products to others, especially to family, relatives, and friends. While for behaviorally loyal customers, they are energetic customers who will adopt only on specific

goods and declare to continue using it in the coming time. However, they have no intention and desire to introduce the goods to others customers.

Ambivalent or dubious customers are the active customers that will use only the certain products but unfortunately, they are not sure to continue using the products in the future. These types of customers are in the middle between loyal and disloyal customers. They are confused whether to be loyal or not. However, usually they are more moderate in using a product.

Under disloyal type of customers, there are another two sub-categories, which are disloyal reducers' customers and disloyal leavers' customers. For disloyal reducers' customers, they are referring to need as the consumers who have decreased or will decrease the usage percentage of the products. Meanwhile for disloyal leavers' consumers, they will no doubt leave the products if they found that the products that they are using give them dissatisfaction.

In this section, a strong professional relationship between the firm and their customers creates an advantage that can keep the customer from switching to any competitor (Zaribbayevich, 2010). On the other hand, Dani (2012) stated that retaining an existing customer is always more beneficial and cost effective than acquiring a new customer. This is because customers act loyalty towards the company because they feel satisfied to the goods

and services. In this relation, they are willing to keep and maintain the relationship with the company and visit more frequently.

Intentionally, it is vitally considerable for a firm to comprehend the customer's perception to their service quality. Ordinarily, service and product quality is always give impact to consumers. Loyal customers hold a definite view about of the firm playing a formidable role in the decision making process of other people (Pomoni, 2009). It ensures that it will be able to bring affirmation impact to the firm by enlarging its customer population. In addition, loyal customers act in a friendly way to forgive a company's small mistake. They will express their high level of tolerance once company have brought small mistake followed by they show voluntary to provide feedback for the unfulfilled requirement. Nevertheless, they are willing to try additional goods and to offer a greater speed of their money and valuables in order to meet the higher level of satisfaction of the consumers.

Guide to Ruyter et al., (1998), causal research found that previous researches on customer loyalty were concentrated on the behavioral perspective (Dick and Basu, 1994). Recently, most researchers have centralized their attention on the attitudinal perspective (Oliver, 1997, 1999). In this paper, we consider determining the extent of loyalty towards life insurance and therefore, we have adapted a measurement scale based on the ones proposed by Selnes F. (1993), Chaudhari and Holbrook (2001) and Sirgy and Samli (1985).

Customer loyalty defined as a fundamental factor of enduring term of firms' financial performance (Jones and Sasser, 1995). This is obviously authentic for service firms where the higher level of loyalty can substantially enhance company profits (Reichheld and Sasser, 1990; Reichheld, 1996). Most of the service firms concentrate on attaining customer loyalty and customer satisfaction by delivering superior value such as promotion and rewarding in order to gain competitive advantage (Woodruff, 1997). Therefore, we might conclude that the most challenging task for a service firm is to identify the critical factors that give impact to customer satisfaction and loyalty.

2.5 CUSTOMER SATISFACTION

The topic customer satisfaction is the most popular topic in academic research and marketing practice (Cardozo's, 1965). According to Giese and Cote (2000), even though many researchers have tried to explain and measure satisfaction, there is still no fixed definition for this topic. It is generally known as the post consumption evaluative judgment that is concerned with a particular service or product (Gundersen et al., 1996). Satisfaction is a result of individual's evaluation on their pre-purchases expectations with contrast with the performance during and after consuming a product (Oliver, 1980).

According to Akbar and Parvez (2009), customer satisfaction is the most popular and established element in several sectors, such as marketing, economics psychology, consumer research, economics, and welfare economics. The high believe in the nature of business services will generally influence the outcome of customers to rely on prior expectations. Thus,

this will make the business service satisfaction is likely to be evaluative in nature. Moreover, satisfaction is one of the priorities in drives the loyalty in the setting of business, as it will implies on the evaluation of the performance of the products with the previous products purchasing (Russell- Bennett et al., 2007)

Customer satisfaction has ordinarily been acknowledged as one of the most popular areas of interest in marketing and the academic world. From the consumer research and consumer marketing, customer satisfaction has frequently been determined as the probability of customers' pre-purchase expectations is satisfy or surpassed by a good (Peter and Olson, 1996; Howard and Sheth, 1969). According to Seider et al., (2005), they defined satisfaction as a pulling determinant which comprehensive evaluated the previous experiences and happiness toward a particular provider's work. In the relation, customers with high level of satisfaction will have tendency to deal with the existing provider more rapidly rather than switching behavior. In the similarity, they will gain maximize outcome without doubt.

Hunt (1997) and similarly Oliver (1997) described satisfaction as valuation of product that was at least as good as it was promised. In other studies customers satisfaction was defined by two perceptions, which are transaction-specific perception or cumulative perception. According to Boulding et al., (1993), transaction-specific perception is defined that recent purchase experience will appraise and evaluate the degree of customer satisfaction. Furthermore, according to Johnson and Fornell (1991), cumulative perspective expressed that appraisal of customer satisfaction should be depending on the entire purchase experiences of

the customer rather than any specific purchase experience. However, Parasuraman et al., (1988) argued that the cumulative perspective not only significant in evaluating the firms' service performance but also play an important role in forecasting customers' post-purchase behaviors.

In terms of mobile commerce, Lin & Wang (2006) explained the tendency of consumer's post-purchase evaluation and feeling or affective response to the products or services' experience in a mobile commerce environment as customer satisfaction. Cronin et al., (2000), Wang et al., (2004), Zeithaml et al., (1996), explained the tendency consumers purchasing the goods or services at the similar shop and recommend the purchased product to friends and relatives as post-purchase intention.

According to Eagly and Chaiken (1993), customer satisfaction is demonstrated as the entire evaluation and assessment of the service provider, as well as the probability of returning to the similar service provider will encourage in purchase intention. In addition, it is possible that the antecedents of the previous service experiences will give impact to customer satisfaction (i.e. service quality dimensions) and perceived value is more critical with respect to future intentions. In this relation, it is been advised that perceived value contributes directly to customer satisfaction then lead to future intentions.

Customer satisfaction is important in all the field of business. This is because customer satisfaction will dedicate the expression of customers after consumption or consume

in certain business. Therefore, Jones and Sasser (1995) noted that most service today survives more effort on the primary goal to achieve customer satisfaction. Customer retention and customer satisfaction link between each other close because once service firm achieve customer satisfaction, definitely they will reserve their customers' loyalty. This might bring benefits and advantages to service firms in term of improving profits, enhance positive word-of-mouth, and decreasing marketing expenditures (Reichheld, 1996; Heskett et al., 1997).

In other words, the important of executing the relationship between the factors of customer satisfaction with the linkage has been highlighted by service managers. Nevertheless, among these factors, customer satisfaction is related closely with future purchase intentions in order to enhance the effectiveness of decision making by the customers. Managers can allocate the resources and understand customers demand in a better way to rise up customers' loyalty towards firm once they understand how customers appraise their services. Therefore, these evaluations can easily trace on customers' satisfactions in order to encourage future intentions.

Having a set of beliefs that customer satisfaction and future intention maintain a good relationship between each other (Bearden and Teel, 1983; Oliver, 1980). Yet, there is restrict empirical testimonies show that there are two potential factors which are is service quality dimensions and perceived value exist a relationship between future intentions (Bolton and Drew, 1991). In this relation, it is illegibility whether future intentions and customer satisfaction both are influenced by the similar factors. This uncertainty stems from the basic

notion that customer satisfaction is a necessary but not a sufficient condition for future intentions. It has been proposed those customers' assessments of service value influence purchase intentions and behavior (Bolton and Drew, 1991).

2.6 PURCHASE INTENTION

Over the past decades, purchasing intention has been recognized as a focal point of marketing literatures and for practitioners (Nawaz & Usman, 2010). In the servicing industry, it is important to ensure the good relationship between customers and insurance planner. Purchase intention gives an expression on the demand of customers to make a purchase. In order to examine the likelihoods on purchasing certain good and services within the certain period of time, researcher indicated that purchase intention is the best measurement (Juster, 1966; Morrison, 1979; Whitlark et al., 1993). In this study, researcher investigated on such speculative arguments regarding to customer purchase behavior and attitude with particular focal point on future purchase intentions.

Purchase intention refers to someone's intention to purchase a particular brand which they select for themselves after performing some evaluations, there are several variables that could help in measuring purchasing intention such as brand, price and quality which will help in the actual purchasing activity in the future (Laroche and Zhou, 1996; Laroche and Sadokierski, 1994; MacKenzie and Belch, 1986). Having the intention to purchase on particular goods require an evaluation of other products in the market (Teng, Laroche and Huihuang, 2007).

Studies have shown that an attempt to approach a specific product has a big effect on products purchasing intention (Brown and Stayman, 1992; Homer, 1990; MacKenzie, 1986), besides the existence of a positive relationship between attitude and purchase intention. Some researchers found that a consumers' intention is usually established by the attitude they have towards the products that exist in their consideration set (Laroche and Sadokierski, 1994; Laroche and Zhou, 1996).

An individual's intention to purchase falls under the decision of the reason why this individual wants to purchase a particular brand. Concepts such as taking into consideration about something, purchasing a particular brand, and anticipating buying a specific product helps in scoping the intentions of purchasing (Porter, 1974). Furthermore, he explained that a consumers' intention to buy a specific product does not get effected simply with his attitude towards that product, but also effects his future decisions to buy other brands that are set in his consideration.

Ghosh (1990) took a new approach by combining several studies related to purchasing behaviour with other studies that focus on consumers' decision-making processes. He found that when a consumer chose on a certain good, his final decision relies entirely on his intention. Therefore, many marketers believe that one of the best methods that can be used to predict consumers' purchases in the future is to understand their current purchasing intention. In addition Sudhir and Talukdar (2004) argued that there is a positive relationship between consumers' purchase intention and their quality perception. Zeithaml (1988) added that an

individual's purchase intention is always affected by many different factors such as quality perception, objective price, and value perception.

Earlier researchers found that those customers who reported their intention to purchase a good are proximately delegate that they have higher actual purchasing rate compare to those who reported with no purchasing intention (Berkman and Gilson, 1978). Meanwhile, (Jamieson and Bass, 1989; Stapel, 1971) indicated that it has been supported that customers' purchase intention is different from the actual purchase behavior. In the similarly, it has been illustrated that purchase intention is measured as the possess anticipated useful Continuance intention or repurchase intention refers to a customer's judgment of repeat purchasing on certain goods or services from the similar market opportunity (Hellier et al., 2003).

Usually, customers have their own habit in products purchasing, such as just purchase the lowest price of insurance in order to safe their budget. In order to increase their purchasing intention, sales person must help customers to acquire new ways of purchasing, and reinforce those way as a new habit by reminding customers on the value of their purchase. At the same time, salesperson needs to encourage them to continue increase their protection according to their budgets. In today's highly competitive market, companies are competing between each other in order to maintain their loyal customers and improving the customers' purchasing intention.

Many marketing literatures indicated that the idea of purchasing intention has been paid attention (Bemmaor, 1995). The purchasing intention is depending on the beliefs and

attitudes towards particular products and services (Fishbein and Ajzen, 1975). Unmistakably, Fishbein and Ajzen (1975) suggest the TRA, which offered as a beneficial framework to explain and illustrate the consumer behavior. Furthermore, purchasing intention found to be a future promulgation that considerable to predict consumer behavior and help them to establish good attitudes. According to (Assael, 1995), attitudes have been developed as an outcome of the combination of three fundamental elements, which are:-

1. Cognitive element shows reflections of customers' cognition and beliefs regarding a specific good or service (Fishbein and Ajzen, 1975).
2. Affective element will emerge when customers act towards specific goods or services upon an individual emotions or feelings.
3. Cognitive or Behavioral element. It would be the signification of the customer's intention of purchasing. (Eagly and Chaiken, 1993)

Nowadays, purchasing intention give an expression on predicting consumers behavior in forecasting their future purchasing decisions. For an example, female consumers nowadays follow the development of trendy fashion. They will forecast what specific brands to purchase in the coming season and occasion. They bear in their mind to have repeated purchasing in the short future. Consequently, the attitudes are developed throughout time due to a learning process and are affected by familiar influences, the social group in which the consumer is involved and the one to which s/he aspires to belong, the received information, the experience and the personality. This means that the purchasing intention is an attitudinal conduct pattern of the consumer regarding a future purchase. Since it is an estimated construct, there are

several measurement approaches to measure the purchasing intention. Considering all these approaches, we have developed a measurement scale based on Zeithaml et al., (1996), Mittal et al., (1999) and Chandon et al., (2005).

2.7 CHAPTER CONCLUSION

This chapter had introduced the main points related to the purchase intention and the factors which might influence customers' purchasing intention towards life insurance. This element is significant important because customers' intention play a vitally important role in identifying a company success and failure. In order to have a depth understanding on purchase intention, this study have explain several factors which will be used to investigate namely word-of-mouth, trust, reputation, loyalty and customer satisfaction. The remaining chapter will describe in more detail the procedures and methodology that were be used for data collection and analysis in this study.

CHAPTER 3

METHODOLOGY

3.0 CHAPTER INTRODUCTION

Methodology is the most essential, noteworthy and critical part in the study. Therefore, the methodology used in the study must be interpreted and fully illustrated in order to examine the hypothesis and address the problems of this study as stated in the beginning of the study. In recent study, a questionnaire survey was transmitted to examine the influence of word-of-mouth, trust, reputation, loyalty and customer satisfaction on purchase intention among existing customers in Great Eastern Life Assurance (M) Berhad. It sought to describe whether there is a negative or positive relationship between word-of-mouth, trust, reputation, loyalty and customer satisfaction with purchase intention among existing customers in Great Eastern Life Assurance (M) Berhad. This chapter consists of (1) Research design, (2) Questionnaire design, (3) Sample and sampling techniques, (4) Measurement, (5) Data collection techniques, (6) Hypothesis testing, (7) Pre test, (8) Pilot test, (9) Reliability coefficient, and (10) Chapter conclusion.

A questionnaire survey had been utilized to collect primary data. Six-point Likert scales are used as measurement to measure all the items. All these items are answered according to scales from the “extremely disagree” to the “extremely agree”. In this relation, a

pilot study was conducted to test the reliability of the items in the questionnaires. In order to make all respondents answer correctly and understand what is being asked, the questions in the questionnaire were written in two languages which are English and Mandarin. This will also enable the questions to be understood accurately by the respondents.

3.1 RESEARCH DESIGN

According to Zikmund et al., (2010), research design is a blue print that enumerates the formalities and practices for assembling and analysing the needed information. It will provide the master plan of action for the use of the research. Moreover, Stacks (2002) stated that “a survey is a method of gathering relatively in-depth information about respondent attitudes and beliefs”. In particular, a survey will be used as the main research design. A survey is a sample of many respondents giving answers to the same questions to measure various variables, test multiple hypotheses (Neuman, 2007). The use of survey is appropriate for this research because it enables the researcher to get snapshot views and attitudes of the respondents with respect to the social phenomenon under study (Sekaran, 2003). Furthermore, a survey is a common research design employed in many social science studies (Neuman, 2007).

The framework for the study is adopted as navigations for congesting and analysing data. The data were assembled through questionnaires and analysed through quantitative measures where the numeric values collected from the responses in questionnaires which can then be used in statistical computations (SPSS) and hypothesis testing (Zikmund et al., 2010). Many of the previous researches adopt the similar variables to this research has took a

quantitative approach (Lee, 2008; Shahnai, 2012). It is designed to be descriptive and multiple regressions in order to give intuition as to which factors of word-of-mouth, trust, reputation, loyalty, and customer satisfaction have influence the purchase intention towards life insurance among the life insurance policyholders in insurance company.

3.2 QUESTIONNAIRES DESIGN

In this research there are 53 questions. The questionnaire of this study has two parts. In Part A, there are nine demographic questions that are related to the demographic profile measurement. In Part B, there are 44 items that are related to the independent variables and dependent variables which captured questions related to Word-of-Mouth, Trust, Reputation, Loyalty and Customer Satisfaction toward Purchase Intention of life insurance.

Part A: Demographic profile information

This part consists of questions which aim to obtain the respondents' demographic information. These questions asked are related to age, gender, race, occupation, marital status, religion, first and second policy's insurance company and how long they have bought the first life policy and how many policies do they own.

Part B: Purchase intention of life insurance.

This part consists of 44 statements based on the dependent variable and independent variables of this study. It is intended to assess respondents' purchase intention and all the variables involved (Word-of-Mouth, Trust, Reputation, Loyalty and Customer Satisfaction) on life insurance service providers. This part has six dimensions as follows:

1. “**Word-of-Mouth**” consists of the 7 items that were adopted from Cheung et al. (2008), Maxham III and Netemeyer (2002) and Leisen and Prosser (2004).
2. “**Trust**” consists of the 9 items which were adopted from Young and Albaum (2003) and Gurviez and Korchia (2002).
3. “**Reputation**” has of the 7 items that were adopted from Doney and Cannon (1997), Helm (2005), Roman (2007) and Anderson and Srinivasan (2003)
4. “**Loyalty**” consists of the 5 items that were adopted from Selnes F. (1993), Chaudhari and Holbrook (2001) and Sirgy and Samli (1985).
5. “**Customer Satisfaction**” which consists of the 6 items that were adopted from Seiders et al. (2005), Maxham III and Netemeyer, (2002), Cronin et al. (2000), Rangunathan and Irwin (2001) and Selnes F. (1993)
6. “**Purchase Intention**” has of the 10 items that were adopted from Hausman and Siekpem (2009), Kim and Lennon (2008), Dodds et al., (1991) and Yoo and Donthu (2001).

The summary of all the items of the questionnaires is shown as in Table 3.1 below.

Table 3.1: Summary of the Questionnaire Design

VARIABLES	NO. OF ITEMS	ITEMS
Part A:		
Demographic	10	Part A: Item 1-10
Part B:		
Word-of-Mouth	7	Part B: Item 1-7
Trust	9	Part B: Item 8-16
Reputation	7	Part B: Item 17-23
Loyalty	5	Part B: Item 24-28
Customer Satisfaction	6	Part B: Item 29-34
Purchase Intention	10	Part B: Item 35-44

3.3 SAMPLE AND SAMPLING TECHNIQUES

As it is hard to include all populations, a representative sample will be taken in order to have the ability of generalizing the outcomes of the studied population. It is essential to choose a sample when a study is conducted because this selection will be reflected in the general results. Much energy and time is needed when a research is conducted in order to ensure reliable results. In the results could only be implemented on the segment that it was conducted

on, each research will require a replication for many times, and there will come no benefit from different researches (Gay and Diehl, 1992).

According to Nation (1997), sampling is one of the effective methods in solving with extensive piece of information pools. In the sampling procedure, the researcher chooses a set of bigger number of observations. The sampling of this research was done through random sampling technique (Hurlburt, 2006). In this type of sampling, the researcher creates an adequate size of the sample, and every member could possibly be chosen when the questionnaire is distributed (Hurlburt, 2006). Besides that systematic sampling is conducted by sampling every k^{th} item in a population after the first item is selected at random from the first k items (Pepe, 1996).

The main aid of simple random sampling is that it assures that the sample chosen is representative. Another benefit is all individuals got the corresponding probability to be selected as one of the samples; this guarantees that statistical conclusion will be valid. It is deemed to be the most appropriate method because all respondents have similar probability to be selected as the sample (Sekaran and Bougie, 2010; Gay and Diehl 1992). In addition, simple random sampling was chosen because this type of sampling method will enable the finding of the research to be generalized (Nardi, 2003; Judd, Smith and Kidder, 1991; Sekaran and Bougie, 2010).

The approach that is being used for data collection in this research is by using questionnaires. Since this study is a quantitative method of analysis, therefore, researchers adopted questionnaires as the only channel in collecting data. The quantitative methods of data collection, depending on random sampling and structured data collection instrument according to the objective that need to be achieve in this study. Quantitative research is concerned with testing hypotheses that derived from the study. Therefore, this study used random sampling methods in identifying the respondents.

3.4 MEASUREMENT

Measurements of Variables are the legend of the sources used to estimate or survey the variables in a study. Hence, in this study, all the variables are tested through set of questionnaires. Zimkund et al. (2010) had mentioned that a questionnaire must be relevant to the extent of all information collected that can address the research question. The questionnaires also must be precise, where all the information must be reliable and valid. The questionnaire (see Appendix A) is designed to guarantee the respondents can be able to comprehend the questions and the language used by using the straight forward sentences.

The questions used a six points Likert Scale method where the respondents have to respond to the questions according to their understanding towards the questions. According to Zikmund et al. (2010), Likert scale is a measurement of approach and manner that have been devise to empower the respondents to give rate based on their assent on how neither extremely nor strongly they agree or disagree with carefully constructed statements, which

provides the ranging from the very positive to very negative attitudes toward some object. The score ranges for Likert- Scale Method are shown in Table 3.2.

Table 3.2 Measurement Scale

Scale	Score
Extremely Disagree	1
Strongly Disagree	2
Disagree	3
Agree	4
Strongly Agree	5
Extremely Agree	6

Source: Zikmund et al. (2010)

All data were analysed using Statistical Package for Social Science (SPSS) version 21.0. The questionnaires were adopted and edited from the instruments because most of the questions are reliable and capable to fulfil all the objectives that have been set. Furthermore, the items of each variable were adopted from several studies and this is to ensure that the items are relevant to the objective of the research. Table 3.3 show variables and number of items.

Table 3.3: Source of Measurement Items

Variable	No. of Items	Source and Year
Word-of-Mouth	7	Cheung et al., (2008), Maxham III and Netemeyer (2002) and Leisen and Prosser (2004).
Trust	9	Young and Albaum (2003), and Gurviez and Korchia (2002).
Reputation	7	Doney and Cannon (1997), Helm (2005), Roman (2007) and Anderson and Srinivasan (2003).
Loyalty	5	Selnes F. (1993), Chaudhari and Holbrook (2001) and Sirgy and Samli (1985).
Customer Satisfaction	6	Seiders et al., (2005), Maxham III and Netemeyer, (2002), Cronin et al., (2000), Ragunathan and Irwin (2001) and Selnes F. (1993).
Purchase Intention	10	Hausman and Siekpem (2009), Kim and Lennon (2008), Dodds et al., (1991) and Yoo and Donthu (2001).

3.5 DATA COLLECTION TECHNIQUES

The existing policyholders, proposers, nominees, and company staff, trainers and administrators of Great Eastern in Alor Setar branch were chosen as respondents of this study.

The sample populations are existing customers whose names have appeared in Great Eastern

name list. Four hundred questionnaires were distributed using random sampling method. Roscoe (1975) had suggested the rules of thumbs for ascertain the sample size, whereby the sample sizes are greater than 30 and less than 500 are advantageous for most researches. Carmen and Betsy (2007) suggested that the general rule of thumb is more than 50 participants are required for a correlation or regression with the number rising with bigger numbers of independent variables.

The questionnaires of this study were provided to the respondents so that it can be filled. This time provided for them to complete the questionnaires was 15 minutes. After that period, the questionnaires were collected. The process of distributing the questionnaires takes approximately 2 weeks. During this survey, 400 self-administered questionnaires were distributed to the respondents. However, only 327 sets of questionnaires were received. Out of the total received responses, 27 were invalid or incomplete and as such they were refused. Thus only 300 questionnaires were adopted to analyze in this study.

3.6 HYPOTHESES TESTING

Hypothesis refers to an official and outstanding affirmation of an unproven proposition that is empirically testable (Zikmund, 2003). Hypothesis will be tested through empirical test. It should be written in manner so that either it will be shown to be incorrect if the hypothesis is rejected or it can be supported if the hypothesis is accepted.

In this study, there are several hypotheses that have been developed. The hypotheses that were developed were to determine the relationship between the variables of the study especially the relationship between the independent variables and the dependent variable. The hypotheses are as follows:

Hypothesis 1:

There is a significant relationship between Word-of-Mouth and Purchase Intention towards life insurance.

Hypothesis 2:

There is a significant relationship between Trust and Purchase Intention towards life insurance.

Hypothesis 3:

There is a significant relationship between Reputation and Purchase Intention towards life insurance.

Hypothesis 4:

There is a significant relationship between Loyalty and Purchase Intention towards life insurance.

Hypothesis 5:

There is a significant relationship between Customer Satisfaction and Purchase Intention towards life insurance.

Hypothesis 6:

Word-of-Mouth, Trust, Reputation, Loyalty and Customer Satisfaction positively influence Purchase Intention.

3.7 PRE-TEST

Pre-testing is the method that used to test and evaluate the questionnaires' question substance and detail. Pre-test take parts before researcher proceed to Pilot Test. The questionnaire was distributed in Mandarin language version due to the respondents in current study were Chinese.

During this study, pre-testing questionnaire was created by the specialists in English and Mandarin to assure that there is none of misconception of the overall meaning occur in questionnaire. This is to ensure that respondents can fully understanding the original manuscript of the questions.

3.8 PILOT TEST

The result from the pilot test of this study was used to test the reliability, validity, and also multi-co-linearity of the items variables before proceeding to the real study. Saunders et al. (2003) stated that the practicality of administrating a pilot study prior to the absolute data collection. A pilot study is more than a pre-test; it is exploited in a formative way to support

the researcher in development important lines of questioning (Yin, 1994). The main aim of implementing Pilot Test is to create an accurate and effective questionnaire through the test. It helps the researcher to be more confident that there was lack of misunderstanding of the test item of questionnaire by the respondents; after which it is easier for the researcher to make any changes if necessary.

In addition, the researcher would possess adequate space and time to conduct a test on the sample and validate it. The aim is to evaluate the reliability, validity, and viability of the research instrument and to gauge the time required to conduct the main study. In the recent study, prior to deciding on the actual instrument to be used, the researcher conducted a pilot study on a suitable sample. According to Sekaran (2000), a pilot study is conducted to rectify any discrepancies in the instrument before the actual data collection. The researcher had a discussion with the respondents concerning any confusion in the questionnaire and to pinpoint any ambiguities in wording and translation.

While pre-test evaluation of the questionnaire involved two academicians and professionals, the pilot test involved respondent from the same pool of respondents of the study from which the real data were collected (Bradburn et al., 2004).

In addition, for each instrument, the reliability test will conduct through the data gathering from the pilot study. The main study was then piloted in October 2013 where the questionnaire was distributed to 400 respondents. The questionnaire was revised and modified

by the researcher to rectify any inconsistencies that may have been highlighted following the respondents' completion of the questionnaire. Fifty questionnaires were used in the pilot test. All these questionnaires were taken and then used to analyses for the reliability of items. Data was then analysed through SPSS for reliability.

3.9 RELIABILITY COEFFICIENT

Reliability is the measurement used to determine the consistency and stability of the data of a research. In this relation, in knowing how well the items measures the dimensions, a Cronbach's Alpha value was used. Sekaran (2003) stated that if the Cronbach's Alpha value is less than 0.60, the items used are considered poor. However, if the value is in the range of 0.70, then the items are acceptable. On the other hand, if the value is more than 0.80, then these items are considered good. Table 3.4 shows that value of Cronbach's alpha and its internal consistency.

Table 3.4: Internal Consistency Measurement

Cronbach's alpha	Internal consistency
$a = 0.9$	Excellent
$0.8 = a < 0.9$	Good
$0.7 = a < 0.8$	Acceptable
$0.6 = a < 0.7$	Questionable
$0.5 = a < 0.6$	Poor
$a < 0.5$	Unacceptable

Table 3.5 shows the results of the reliability test of this study. From the result, it shows that the Cronbach's Alpha's value obtained for both the pilot test and the real test are more than 0.70 (between 0.941 and 0.980). This means that all items are reliable. The measured variables of the study are considered reliable if alpha values are greater than 0.7. In this study, alpha values are between 0.941 and 0.980.

Table 3.5: Reliability Test Result

Variables	No. of Items	Cronbach's Alpha	
		Pilot Test	Real Test
Word-of-Mouth	7	0.941	0.920
Trust	9	0.972	0.940
Reputation	7	0.949	0.930
Loyalty	5	0.953	0.900
Customer Satisfaction	6	0.968	0.927
Purchase Intention	10	0.980	0.943

3.10 CHAPTER CONCLUSION

This chapter review on the research design which implement in this study. It demonstrated that the pilot test, questionnaire design, sampling techniques and overview of the data collection techniques. By the way, hypotheses are testing and normality test also being further discussed.

CHAPTER 4

FINDINGS

4.0 CHAPTER INTRODUCTION

This chapter will be discussed regarding the elaboration of obtained results from data analysis. The researcher will report appropriately according to the collected data. Data were analyzed by using several statistical methods. The data of this study is presented using the following methods:

- Descriptive Statistic (Frequencies and mean);
- Mean and Standard Deviation;
- One-way ANOVA;
- t-test;
- Correlation Analysis;
- Regression Analysis.

This chapter consists of (1) Demographic data, (2) Descriptive statistic of data, (3) Independent sample t-test, (4) One-way analysis of variance, (5) Hypotheses testing, (6) Regression analysis, and (7) Chapter conclusion.

4.1 DEMOGRAPHIC DATA

Demographic characteristics are tangible reality that formulate of a population. It is beneficial to consider the possible area diversity of respondents. This analysis used in analyzing the demographic background of the respondents in order helped us to gain accuracy information to identify differences among amount of respondents' age, gender, race, occupation, marital status, religion, first and second policy's insurance company and how long they have bought the first life policy and how many policies do they own. The total amounts of the respondents are 300. A Sample of the questionnaire is enclosed in Appendix A.

4.1.1 Age of Respondents

Table 4.1 represents the age of the respondents of this study. In the table, it demonstrates that the majority respondents (84 respondents with 28.0%) are among the age of 27-32 years old. 76 respondents (25.4%) are between ages of 21-26 years old. On the other hand, 52 respondents (17.3%) are between the age of 33-38 years old and 29 respondents (9.7%) are between 39-44 years old. In addition, 22 respondents (7.3%) are between 15-20 years old followed by 15 respondents (5.0%) in group of age 45-50 years old, 13 respondents (4.4%) in age 51-56 years old, 6 respondents (1.9%) among age of 57-62 years old, 2 respondents (0.7%) are between 63-68 years old, 1 respondent (0.3%) is among group age 69-74 years old.

Table 4.1: Ages of Respondents

Age	No. of Respondents	Percent
15-20	22	7.3
21-26	76	25.4
27-32	84	28.0
33-38	52	17.3
39-44	29	9.7
45-50	15	5.0
51-56	13	4.4
57-62	6	1.9
63-68	2	0.7
69-74	1	0.3
Total	300	100.0

4.1.2 Gender of Respondents

Table 4.2 demonstrates that the gender of respondents. Regarding the respondents' gender, the result shows that most of the respondents are male (167 respondents or 55.7%) while (133 respondents or 44.3%) are female.

Table 4.2: Gender of Respondents

Gender	No. of Respondents	Precent
Male	167	55.7
Female	133	44.3
Total	300	100

4.1.3 Race or Ethnic of Respondents

The race or ethnic group of the respondents is shown in Table 4.3 below. The table shows that 240 respondents (80.0%) are Chinese, 22 Malay (7.3%), 34 Indian (11.3%) and the remaining four belongs to other races (1.3%).

Table 4.3: Race/ Ethnic Groups of Respondents

Race/ Ethnic	No. of Respondents	Percent
Chinese	240	80.0
Malay	22	7.3
Indian	34	11.3
Others	4	1.3
Total	100	100.0

4.1.4 Occupation of Respondents

Table 4.4 shows the occupation of the respondents. It shows that 46 respondents (15.3%) are students, 82 respondents (27.3%) are self-employed, 43 respondents (14.3%) work in government sector, 92 respondents (30.7%) work in private organization, 26 respondents (8.7%) are not working, while the rest 11 respondents (3.7%) have “others” as their occupation.

Table 4.4: Occupation of Respondents

Occupation	No. of Respondents	Percent
Student	46	15.3
Self Employed	82	27.3
Government	43	14.3
Private	92	30.7
Not Working	26	8.7
Others	11	3.7
Total	300	100

4.1.5 Marital Status of Respondents

Table 4.5 shows the marital status of the respondents. There are 143 respondents (47.7%) who are single, 146 respondents (48.7%) who had married and 11 respondents (3.7%) are divorce.

Table 4.5: Marital Status of Respondents

Marital Status	No. of Respondents	Percent
Single	143	47.7
Married	146	48.7
Divorced	11	3.7
Total	300	100

4.1.6 Religion of Respondents

The religions of respondents are shown in Table 4.6. There are 231 respondents (77.0%) who are Buddhist, 22 respondents (7.3%) are Muslims, 34 respondents (11.3%) are Hindu, 9 respondents (3.0%) are Christian and 4 respondents (1.13%) are belong to “other religion”.

Table 4.6: Religion of Respondents

Religion	No. of Respondents	Percent
Buddhist	231	77.0
Hindu	34	11.3
Muslims	22	7.3
Christian	9	3.0
Others	4	1.3
Total	300	100

4.1.7 First Policy's Insurance Company of Respondents

Table 4.7 show Great Eastern is the company chosen by the most respondents (142 respondents or 47.3%) to purchase their first insurance policy. This is followed by AIA (86 respondents or 28.7%), Prudential (25 respondents or 8.3%), Alliance (seven respondents or 2.3%) and MSIG (six respondents or 2.0%). Other insurance company were chosen for their first insurance policy by respondents are MCIS Zurich are (five respondents or 1.7%), Manulife (five respondents or 1.7%), Asia Pacific (two respondents or 0.7%), and Etiqa (two respondents or 0.7%). On the other hand, Tokio Marine and John Hancock each have one respondents or 0.3%. In addition, 18 respondents or (6.0%) do not have any insurance policy at all.

Table 4.7: First Policy's Insurance Company of Respondents

First Policy's Insurance Company	No. of Respondents	Percent
Great Eastern	142	47.3
AIA	86	28.7
Prudential	25	8.3
None	18	6.0
Alliance	7	2.3
MSIG	6	2.0
MCIS Zurich	5	1.7
Manulife	5	1.7
Asia Pacific	2	0.7
Etiqua	2	0.7
Tokio Marine	1	0.3
John Hancock	1	0.3
Total	300	100

4.1.8 Second Policy's Insurance Company of Respondents

Table 4.8 show Great Eastern is the company chosen by the most respondents (120 respondents or 40.0%) to purchase their second insurance policy. This is followed by

AIA (38 respondents or 12.7%), Prudential (12 respondents or 4.0%), Alliance (seven respondents or 2.3%), Manulife (four respondents or 1.3%). Other insurance company were chosen for their second insurance policy by respondents are MCIS Zurich is (three respondents or 1.0%), Etiqa are (three respondents or 1.0%), MSIG are (three respondents or 1.0%) and Tokio Marine is (three respondents or 1.0%). On the other hand, Asia Pacific and John Hancock are not chosen by respondents for their second life insurance company. However, 107 respondents or (35.7%) do not have any insurance policy at all.

Table 4.8: Second Policy's Insurance Company of Respondents

Second Policy's Insurance Company	No. of Respondents	Percent
Great Eastern	120	40.0
None	107	35.7
AIA	38	12.7
Prudential	12	4.0
Alliance	7	2.3
Manulife	4	1.3
MCIS Zurich	3	1.0
Etiqua	3	1.0
MSIG	3	1.0
Tokio Marine	3	1.0
Asia Pacific	0	0.0
John Hancock	0	0.0
Total	300	100.0

4.1.9 Duration of the First Life Policy of Respondents

Table 4.9 shows the duration of the first life insurance policy own by the respondents. From the table, it shows that (two respondents or 0.7%) had owned their first

insurance policy more than 30 years. The table also shows that (six respondents or 1.9%) had owned their insurance policy between 25 years to 30 years. In addition, 20 respondents (6.7%) owned their insurance policy between 19 years to 24 years. On the other hand, 25 respondents (8.3%) had owned their life insurance policy between 13 years to 18 years. Similarly, 66 respondents (22.1%) owned between 7-12 years and 163 respondents (54.3%) owned between one to six years. In addition, there are 18 respondents (6.0%) do not own any policy yet.

Table 4.9: Duration of the First Life Policy of Respondents

Duration	No. of Respondents	Percent
1-6 Years	163	54.3
7-12 Years	66	22.1
13-18 Years	25	8.3
19-24 Years	20	6.7
25-30 Years	6	1.9
Above 30 Years	2	0.7
No Policy	18	6.0
Total	300	100.0

4.1.10 Number of Policy owned by Respondents

The number of policies owned by the respondents is shown in Table 4.10. In the table, it shows that there are 179 respondents (59.7%) who owned 1-2 policies, followed by 83 respondents (27.7%) who owned 3-4 policies, 19 respondents (6.3%) owned 5-6 policies, one respondent (0.3%) who owned 7-8 policies. However, there are 18 respondents (6.0%) who have no insurance policy.

Table 4.10: Number of Policy Owned by Respondents

No. of Policies	No. of Respondents	Percent
1-2 Policies	179	59.7
3-4 Policies	83	27.7
5-6 Policies	19	6.3
7-8 Policies	1	0.3
No Policy	18	6.0
Total	300	100.0

4.2 DESCRIPTIVE STATISTICS OF DATA

Descriptive analysis refers to the elementary transformation of raw data into a form that would provide information to describe a set of factors in situation what will make them easy to understand and interpret (Kassim, 2001; Sekaran, 2000). According to Coakes and Steed (2007), descriptive statistics is a tool which used to describe, investigate, and verify.

Meanwhile, in this research study, descriptive statistic are provided and tabulated through frequency distribution, mean, and standard deviation.

The mean and standard deviation for each independent variable is represented in Table 4.11 (word-of-mouth, trust, reputation, loyalty and customer satisfaction) and dependent variable namely purchase intention. The variable of reputation has the highest mean value which was 4.47 while the lowest mean value was observed in word-of-mouth (mean: 4.27).

Table 4.11: Mean and Standard Deviation of Variables

Construct	Dimension	Mean	Standard Deviation
Independent Variables	Word-of-Mouth	4.27	0.86
	Trust	4.44	0.91
	Reputation	4.47	0.89
	Loyalty	4.39	0.89
	Customer Satisfaction	4.41	0.93
Dependent Variable	Purchase Intention	4.35	0.95

The mean and standard deviation scores for each of the items in the study are tabulated in Table 4.12 till Table 4.17. In conclusion, it was found that all the items (44 items) of this study have values of 4.17 to 4.54, which is considered as a high mean value.

4.2.1 Word-of-Mouth

The mean and standard deviation scores of independent variable “word-of-mouth” is tabulated in Table 4.12. Item Number three: “Recommendations about life insurance will change my purchasing intention” score the highest mean (4.36). Item Number one “Recommendations about life insurance will provide me with different advisory opinion” scored the lowest mean (4.17) among the rest item. The average mean of word-of-mouth is 4.27.

Table 4.12: Mean and Standard Deviation (Word-of-Mouth)

Item	Mean	Std. Deviation
Recommendations about life insurance will provide me with different advisory opinion	4.17	0.82
Recommendations about life insurance will change my purchasing motivation	4.23	0.81
Recommendations about life insurance will change my purchasing intention	4.36	0.91
Recommendations about life insurance will increase my interest to search for insurance policy	4.18	0.88
Other consumers think it is worth to purchase life insurance from this insurance company	4.30	0.87
Other consumers have positive comments for this insurance company	4.30	0.86
Other consumers consider purchasing life insurance from this insurance company as a pleasant experience	4.34	0.86
Average (Word-of-Mouth)	4.27	0.86

4.2.2 Trust

Table 4.13 shows mean and standard deviation of the items measuring “trust”. Item Number two: “This insurance company is sincere towards its consumers” score the highest mean (4.50) while item one “Purchasing service of this insurance company is guaranteed” scored the lowest mean (4.39). The average mean for trust is 4.44.

Table 4.13: Mean and Standard Deviation (Trust)

Item	Mean	Std. Deviation
Purchasing service of this insurance company is guaranteed	4.39	0.95
This insurance company is sincere towards its consumers	4.50	0.89
I believe that this insurance company tries to improve its response to consumer needs on an ongoing basis	4.43	0.96
I have confidence in the accuracy of the information I get from this insurance company	4.43	0.90
I have confidence in the fairness and honesty of this insurance	4.47	0.91
The relationship between this salesperson and myself is characterized by mutual trust	4.46	0.87
This insurance company behaves in a trustworthy manner toward me	4.45	0.93
I trust this insurance company	4.48	0.92
I can trust the performance of this insurance company to be good	4.39	0.92
Average (Trust)	4.44	0.91

4.2.3 Reputation

Mean and standard deviation of independent variable “reputation” is shown in Table 4.14. The Seventh item: “This Insurance Company has a good standing financial performance” has the highest mean value (4.54). On the other hand, the forth item has the lowest mean score (4.39). The average mean score for “reputation” is 4.47.

Table 4.14: Mean and Standard Deviation (Reputation)

Item	Mean	Std. Deviation
This insurance company is well-known	4.45	0.90
This insurance company has a good reputation	4.51	0.88
This Insurance company provides the high quality of service	4.47	0.88
This Insurance company provides value for money for its service	4.39	0.84
This Insurance company has an efficient management	4.46	0.91
This Insurance company has good employees	4.49	0.90
This Insurance company has a good standing financial performance	4.54	0.94
Average (Reputation)	4.47	0.89

4.2.4 Loyalty

Mean and standard deviation of independent variable “loyalty” are shown as Table 4.15. The Fifth item: “I am committed to this insurance company” has the highest mean score (4.44) while the second item has the lowest mean score (4.28). The average mean for “Reputation” is 4.40.

Table 4.15: Mean and Standard Deviation (Loyalty)

Item	Mean	Std. Deviation
I will feel uncomfortable moving to another insurance company	4.47	0.99
I recommend this insurance company to other people	4.28	0.85
I feel good about this insurance company over others insurance company	4.40	0.85
I would always think about this insurance company over others insurance company in purchasing life insurance	4.40	0.93
I am committed to this insurance company	4.44	0.86
Average (Loyalty)	4.39	0.89

4.2.5 Customer Satisfaction

Table 4.16 shows mean and standard deviation scores of independent variable “customer satisfaction”. Item number two: “My experience with this insurance company is pleasant” score the lowest mean (4.38) while the forth item: “This

insurance company is interested in my satisfaction” scored the highest mean (4.48).

The average mean of trust is 4.42.

Table 4.16: Mean and Standard Deviation (Customer Satisfaction)

Item	Mean	Std. Deviation
It is a smart decision to purchase life insurance from this insurance company	4.39	0.89
My experience with this insurance company is pleasant	4.38	0.98
I derive maximum satisfaction from this insurance company	4.44	0.97
This insurance company is interested in my satisfaction	4.48	0.97
I am satisfied overall with a specific experience at the insurance company	4.42	0.88
I am satisfied with my decision to purchase from this insurance company	4.40	0.91
Average (Customer Satisfaction)	4.41	0.93

4.2.6 Purchase Intention

Table 4.17 shows mean and standard deviation scores of independent variable “Customer Satisfaction”. Item Number two: “My experience with this insurance company is pleasant” score the lowest mean (4.38) while the forth item: “This insurance company is interested in my satisfaction” scored the highest mean (4.48). The average mean of trust is 4.42.

Table 4.17: Mean and Standard Deviation (Purchase Intention)

Item	Mean	Std. Deviation
I am willing to visit the insurance company to purchase life insurance in the future	4.26	0.96
I am willing to use the insurance company for sharing information in the future	4.39	0.88
I am willing to select this insurance company as a channel for buying life insurance in the future	4.39	0.89
I will buy life insurance if I viewed at the web site in near future	4.33	1.03
I will visit when I want to buy certain life insurance in near future	4.26	1.10
My willingness to buy life insurance from this insurance company is very high	4.34	0.88
I will definitely buy from this life insurance company in the near future	4.36	0.94
I intend to purchase my life insurance through this insurance company in the near future	4.33	0.97
It is likely that I will purchase my life insurance through this insurance company in the near future	4.42	0.94
I expect to purchase life insurance through this insurance company in the near future	4.46	1.00
Average (Purchase Intention)	4.35	0.95

4.3 INDEPENDENT SAMPLES T-TEST

According to Coakes and Steed (2007) the purpose of conducting a t-test is to see if there exists difference between two scores sets. There are three main types of t-test. These three types are one sample, independent groups and repeated measures. However, in this study, the independent samples test was conducted to see whether there is any significant difference between purchase intention and gender.

The result of t-test is tabulated in Table 4.18. The results show a significant difference in purchase intention and the genders exists (t-value = 0.76, p = 0.853). The result from the table shows that male respondents (mean = 4.36, standard deviation = 0.803) scored more than female respondents (mean = 4.35, standard deviation = 0.770). This indicates that male respondents have higher tendency to purchase insurance policy as compared to female respondents.

Table 4.18: Independent Sample T-Test between Gender and Purchase Intention

	Gender	N	Mean	Std. Deviation	T	Significant
Purchase Intention	Male	167	4.36	0.803	0.76	0.853
	Female	133	4.35	0.770		

4.4 ONE- WAY ANALYSIS OF VARIANCE

A method used to compare the means of two or more independent groups is One-way analysis of variance (one-way ANOVA). This method can be used only to numerical data. Nevertheless, the one- way ANOVA is conducted when to test for distinct among at least three groups, when the two-group case can be covered by a t-test (Gosset, 1908). The relation between ANOVA and t is given by $F=t^2$ will happen once there are only two means to contrast; the t-test and the F-test are equivalent.

In this research, one-way ANOVA is used to test and evaluate whether there exist a significant different among the population mean of this study. This programme formulates a one-way analysis of variance for a quantitative dependent variable by a single factor (independent) variable. Therefore, in this study, estimation of two different population variances is obtained. This variance is the between-group variance and within-group variance. The F-ratio is calculated and this value represents the ratio between-group and within-group variance. In this study, ANOVA is calculated to see the significant difference the factors below and purchase intention

- Race
- Occupation
- Marital Status
- Religion
- First Policy's Insurance Company
- Second Policy's Insurance Company

- How Long they have bought the first life policy
- How many policies do they own

The result of test ANOVA is tabulated in Table 4.19. it was found that purchase intention is not significant with “race” where $F=0.345$, $P=0.793$. On the other hand, the factor “occupation” has significant different in mean with $F=4.872$, $P=0.000$. “Marital status” is the factor that has no significant difference with Purchase Intention where by the $F=0.044$, $P=0.957$. In addition, “Religion” ($F=0.263$, $P=0.901$) and “Second Policy’s Insurance Company” ($F=2.545$, $P=0.008$) are the factors those have no significant different with purchase intention. Moreover, the three factor “First Policy’s Insurance Company” ($F=14.797$, $P=0.000$), “How Long they bought the first life policy” ($F=9.866$, $P=0.000$), “How Many Policies Do They Own” ($F=33.998$, $P=0.000$) have significant differences with Purchase Intention.

Table 4.19: One- Way ANOVA

Items	F	Significant
Race	0.345	0.793
Occupation	4.872	0.000
Marital Status	0.044	0.957
Religion	0.263	0.902
First Policy's Insurance Company	14.797	0.000
Second Policy's Insurance Company	2.545	0.008
How Long they bought the first life policy	9.866	0.000
How Many Policies Do They Own	33.998	0.000

4.5 HYPOTHESES TESTING

The Person correlation was used to describe the level of strength and dissection of the relationship between two variables: independent variables (Purchase Intention) and dependent variables (Word-of-Mouth, Trust, Reputation, Loyalty and Customer Satisfaction) (Pallant, 2001). According to Davies (1971) the relationship between the dependent variables and independent variables is based on the following scale. The scale is shown in Table 4.20 below.

Table 4.20: Pearson Correlation Coefficient Scale

R	Level
Above 0.70	Very strong relationship
0.50 to 0.69	Strong relationship
0.30 to 0.49	Moderate relationship
0.10 to 0.29	Low relationships
0.01 to 0.09	Very low relationship

Source: Davies, (1971)

In this study, the correlation analysis is been used to test Hypothesis 1 until Hypothesis 5. On the other hand, Regression Analysis was used to test Hypothesis 6.

Hypothesis 1:

There is a significant relationship between word-of-mouth and purchase intention towards life insurance.

Table 4.21 represents the results of Pearson Correlation test. These results are obtained from analysis between word-of-mouth and purchase intention. The results show that there is a relationship between Word-of-mouth and purchase intention with value of 0.000($p < 0.01$, Sig. 2-tailed). Word-of-mouth is related to purchase intention with $r = 0.583$. Therefore, H_1 is accepted.

Table 4.21: Correlation between Word-of-Mouth and Purchase Intention

Variable	Pearson Correlation, R	Significant, P	Mean	Standard Deviation	Results
Word-of-Mouth	0.583	0.000	4.27	0.86	H₁ Accepted

**Correlation is significant at the 0.01 level (2-tailed)

Hypothesis 2:

There is a significant relationship between trust and purchase intention towards life insurance.

Table 4.22 represents the Pearson Correlation result between trust and purchase intention. In the table, it shows that there is a significant relationship between trust and purchase intention with value of 0.000($p < 0.01$, Sig. 2-tailed). This suggest that trust has relationship with purchase intention with $r=0.726$. Thus, H₂ is accepted.

Table 4.22: Correlation between Trust and Purchase Intention

Variable	Pearson Correlation, R	Significant, P	Mean	Standard Deviation	Results
Trust	0.726	0.000	4.44	0.91	H₂ Accepted

**Correlation is significant at the 0.01 level (2-tailed)

Hypothesis 3:

There is a significant relationship between reputation and purchase intention towards life insurance.

Table 4.23 below represents data from Pearson Coefficient test results between the dimension reputation and purchase intention. The result shows that there exist a significant relationship between reputation and purchase intention with value of 0.000($p < 0.01$, Sig. 2-tailed). Reputation has relationship with purchase intention with $r = 0.774$. Thus, H_3 is accepted.

Table 4.23: Correlation between Reputation and Purchase Intention

Variable	Pearson Correlation, R	Significant, P	Mean	Standard Deviation	Results
Reputation	0.774	0.000	4.47	0.89	H₃ Accepted

**Correlation is significant at the 0.01 level (2-tailed)

Hypothesis 4:

There is a significant relationship between loyalty and purchase intention towards life insurance.

Table 4.24 shows the results of Pearson Coefficient test which have been conducted between the dimension loyalty and purchase intention. The result shows that there is a significant relationship between reputation and purchase intention with value of 0.000($p < 0.01$, Sig. 2-

tailed). Reputation has relationship with purchase intention in very strong influence of $r=0.740$. Thus, H_4 is accepted.

Table 4.24: Correlation between Loyalty and Purchase Intention

Variable	Pearson Correlation, R	Significant, P	Mean	Standard Deviation	Results
Loyalty	0.740	0.000	4.39	0.89	H₄ Accepted

**Correlation is significant at the 0.01 level (2-tailed)

Hypothesis 5:

There is a significant relationship between customer satisfaction and purchase intention towards life insurance.

Table 4.25 shows the results of Pearson Coefficient test which have been conducted between the dimension customer satisfaction and purchase intention. The outcome shows that there is a significant relationship between reputation and purchase intention with value of $0.000(p<0.01, \text{Sig. 2-tailed})$. Reputation has relationship with purchase intention with $r=0.796$. Hence, H_5 is accepted.

Table 4.25: Correlation between Customer Satisfaction and Purchase Intention

Variable	Pearson Correlation, R	Significant, P	Mean	Standard Deviation	Results
Customer Satisfaction	0.796	0.000	4.41	0.93	H₅ Accepted

**Correlation is significant at the 0.01 level (2-tailed)

Hypothesis 6:

Word-of-mouth, trust, reputation, loyalty and customer satisfaction significantly influence purchase intention

Based on the Table 4.26, the result of regression showed that the higher feeling of reputation and customer satisfaction, the greater of purchase intention level might occur ($p < 0.001$). Nevertheless, word-of-mouth, trust and loyalty did not meet the criteria to be considered as the variable which play important role in influencing life insurance customers' purchase intention.

Table 4.26: Regression for Independent and Dependent Variables

Model	t	Significant
Word-of-Mouth	0.286	0.775
Trust	0.652	0.515
Reputation	4.731	0.000
Loyalty	0.997	0.320
Customer Satisfaction	6.145	0.000

Hence, there are only two variables which are reputation and customer satisfaction that influence purchase intention but there is no influence of word-of-mouth, trust and loyalty towards purchase intention.

As a conclusion from the hypotheses testing, all the hypotheses of this study are accepted.

4.6 REGRESSION ANALYSIS

4.6.1 Regression Analysis on Coefficient of Determination (R²)

Coefficient of determination (R²) is a statistical tool that explains or predicts a relationship one variable with another variable. The R-Squared indicates the level of

the fitness of the regression line. It also shows how good the sample regression line fit the data. In recent study, Coefficient of determination (R²) is used to explain and measure the changes of purchase intention (Dependent Variable) with the changes of the independent variables (word-of-mouth, trust, reputation, loyalty and customer satisfaction). A high value of R-squared, which is nearer to 1.0 or more than 50 percent, indicates that line fit very well. In fact, the value of R-Squared implies the extent to which the variation in explanatory variables can be explained the variation in the dependent variable.

$$R^2 = \frac{\text{Sum of squares due to regression}}{\text{Total sum of score}}$$

The result of multiple regression analysis conducted between independent variables and the dependent variable of this study is shown in the Table 4.25. The Model Summary Table shows that R, correlation of five independent variables (word-of-mouth, trust, reputation, loyalty, customer satisfaction) with dependent variable (purchase intention) has the value of 0.833. After inter-correlation R square (0.694) is generated which is actually the square of R (0.833)². This shows that 83.30% of variance in purchase intention can be explained by the changes independent variables. However, the remaining 16.70% is not been able to be explained by the regression analysis.

Table 4.27: Regression Analysis on Model Summary (b)

Model	R	R Square	Durbin-Watson
1	0.833(a)	0.694	1.739

(a) Predictors: (Constant), Customer Satisfaction, Word-of-Mouth, Trust, Loyalty, Reputation

(b) Dependent Variable: Purchase Intention

4.6.2 Regression Analysis on Durbin- Watson Test

In recent statistics, the Durbin–Watson statistic is a experiment test used to disclose the presence of autocorrelation (a relationship between values separated from each other by a given time lag) in the residuals (prediction errors) from a regression analysis. It is named after James Durbin and Geoffrey Watson. The small sample distribution of this ratio was derived by John von Neumann (von Neumann, 1941). Durbin and Watson (1950, 1951) applied this statistic to the residuals from least squares regressions, and developed bounds tests for the null hypothesis that the errors are serially uncorrelated against the alternative that they follow a first order autoregressive process. Later, John Denis Sargan and Alok Bhargava developed several von Neumann–Durbin–Watson type test statistics for the null hypothesis that the errors on a regression model follow a process with a unit root against the alternative hypothesis that the errors follow a stationary first order autoregression (Sargan and Bhargava, 1983).

In addition, the test statistic show the value of d always vary from 0 to 4 with the value of 2 mean that residual are uncorrelated. If the Durbin-Watson value less than 1.0, there may cause for alarm. Small values of d indicate successive error terms are, on average, close in value to one another, or positively correlated. Therefore, if the value is bigger than 2, it mean that the correlation between adjoining residual in negative sign; whereas if the value is smaller than 2, it indicates that it is aggressive to positive correlation.

The results of Durbin-Watson analysis is shown in Table 4.26. From the table, it shows that Durbin-Watson analysis is 1.739.

4.6.3 ANOVA Test

By refer to Analysis of Variance (ANOVA) table; compare p-value or significance (as labeled in ANOVA table) with the 95 percent of confidence level (0.05) in order to test the hypothesis. If the p-value is greater than 0.05, it indicates that the result is insignificant. However, if the p-value is lower than 0.05, the result is significant. Finally, the regression equation will be constructed only for the significant results by refer to the coefficients table. This indicates that the independent variables are able to predict the dependent variable, where an increase in independent variable, the dependent variable also will be increase. Example of the regression equation is:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \dots + \beta_nX_n + \varepsilon$$

Where,

Y = Dependent Variable

X1, X2,...Xn = Independent Variable

β_0 = Intercept term or constant value

β = Coefficient for the independent variables

ε = Error Terms

The results of test ANOVA is shown in the Table 4.28. From the table, we able to see that F value are 133.271 at the level of 0.000, which is greater than 100. This result gives impact that there is strong significant relationship between independent variables and dependent variable.

Table: 4.28 Regression Analysis of ANOVA (b)

Model	F	Significant
1	133.271	0.000(b)

(a) Dependent Variable: Purchase Intention

(b) Predictors: (Constant), Customer Satisfaction, Word-of-Mouth, Trust, Loyalty, Reputation

4.6.4 Regression Analysis of Coefficient

Regression analysis of coefficient result is shown in Table 4.29. This test is useful to test the coefficient between independent variables and dependent variable. Beta value indicates the independent variable that has the highest influence on dependent variable. From the statistic result, if Beta is equal to 1, it means that the independent variable has a big effect on the tested dependent variable. If the significant level is less than 0.5, it means that the influence of the variable is significant.

Table: 4.29 Regression Analysis of Coefficient (a)

Model	B	Beta	t	Significant
(Constant)	0.345		2.015	0.045
Word-of-Mouth	0.015	0.013	0.286	0.775
Trust	0.048	0.046	0.652	0.515
Reputation	0.350	0.335	4.731	0.000
Loyalty	0.072	0.069	0.997	0.320
Customer Satisfaction	0.420	0.429	6.145	0.000

(a) Dependent Variable: Purchase Intention

The result in the table shows that Beta of word-of-mouth is 0.013, trust is 0.046, reputation is 0.335, loyalty is 0.069 and customer satisfaction is 0.069.

Therefore, customer satisfaction has the greatest impact on the dependent variable purchase intention.

Based on the result, there are only three independent variables are significant predictors of purchase intention which are: reputation, loyalty and customer satisfaction. Another two independent variables word-of-mouth and trust are not predictors of Purchase Intention.

4.7 CHAPTER CONCLUSION

A sample size of total 300 respondents was used during this research. Data were obtained from existing customer n Great Eastern Life Assurance (M) Berhad Researcher used T-Test and analysis of variance (ANOVA). As conclusion, the result of this study shows that all the five hypotheses were accepted. In addition, it is found that customers' satisfaction have the strongest impact on respondent' purchase intention of insurance policy.

CHAPTER 5

DISCUSSION, RECOMMENDATIONS AND CONCLUSION

5.0 CHAPTER INTRODUCTION

In the last chapter, findings were presented based on the data collected amongst existing customer in Great Eastern Life Insurance Company in Alor Setar. The chapter also presented the descriptive results of the main variables, the inter-correlations between the variables includes the results of the hypotheses testing. In this chapter, the findings are discussed in detail.

The main objective of this study is to determine the relationship and influence of word-of-mouth, trust, reputation, loyalty and customer satisfaction on purchase intention. This chapter is organized as follows. First, it starts by recapitulating what the present study aims to achieve. Then, it discusses the findings of each research hypothesis. Next, this chapter proceeds by highlighting the implications of the findings and future research. In addition, limitations of study will also be outlined. Finally, this chapter ends with some concluding remarks about the present study. This chapter contains four parts as follows; (1) Discussion, (2) Limitations of the study, (3) Recommendations, and (4) Chapter conclusion.

5.1 DISCUSSION

The data was gathered from the questionnaires which are collected from a total number of 327 the existing customers in Great Eastern Life Insurance Company. However, 27 questionnaires were eliminated from the final analysis due to certain reasons such as incomplete answers. The final usable questionnaires were 300. Statistical Packages of Social Science (SPSS) version 21.0 was employed to analyse the data.

Descriptive Analysis

In terms of age, most of the respondents were found to be at the age of 27-32 years old (84 respondents), followed by age 21-26 years old (76 respondents). This results show that people with young ages are more frequent to purchase the life insurance this group of people have consistent income that lead them to purchase the insurance policy. This indicates that they have higher intention of purchasing life insurance. The results found were similar to the results reported in a study conducted by Jiyoung Kim et al. (2013).

In terms of gender of the respondents, the result shows that the respondents comprised 55.7 percent males and 44.3 percent female. The result indicates that there is no preference among the gender toward the intention of purchasing the life insurance. The results obtained were consistent with a study by Shu-Yun Cheng et al. (2012). In term of respondents' race or ethnic group, majority of the respondents were Chinese (80.0%). They were mostly Buddhist (77.0%).

On the other hand, in terms of respondents' occupation, results shows that most respondents are from working with the private organization (30.7%). This is followed by 82 respondents who are self-employed. This result reflects the fact that people who works in private companies have higher intention of buying life insurance and since they get paid higher salaries then those people who working in government sector. Similarly, respondents who have their own businesses purchase life insurance as compared to other group of respondents. A study by Patrick Poon et al. (2012) provided similar results.

Most the respondents in this research are married (48.7%) while those respondents who are single are 47.7%. This result shows that most respondents who had married have high tendency in purchasing life insurance. This may be because they are more concern about their families and ensure that their families are safe if something happen to them (Patrick Poon et al. 2012).

Result from the study show that most of the respondents (47.3%) chose Great Eastern as their first life insurance company. In addition, these respondents show loyalty by purchasing their second insurance from the similar insurance company again. This study indicates that (40.0%) of the respondents shows their loyalty towards a certain company. According to Lin, Wu and Wang (2000) brand loyalty explained the customers' preferences in repeating purchase a certain specific products or services brand rather than others. Customers are classified as brand loyalty once they duplicate purchase behaviour towards a particular

manufacturer despite of having another alternative of the similar products or services by various producers.

Furthermore, the result shows that the duration of the customers who owned their first policy is around 1-2 years (19.7%). As mentioned before, most of the respondents are among age of 27-32 years old (84 respondents), followed by age 21-26 years old (76 respondents). This might indicate that this group of people start to purchase their life insurance once they had consistent salary. In addition, the result shows that most respondents own 1-2 policies (59.7%) followed by (27.7%) who own 3-4 policies.

Correlation Analysis

The results of correlation analysis that have been conducted demonstrate that there is a significant relationship between the dimension Word-of-mouth and purchase intention with value of 0.000 ($p < 0.01$, Sig. 2-tailed). Word-of-mouth is related to purchase intention with strong relationship of $r = 0.583$. This indicate that word-of-mouth is a factor that guide to the purchase intention of life insurance policy. According to Duan et al., (2008), as in Edward Ku (2013), it forms the basis of interpersonal communications and significantly influences product evaluations and purchase decisions.

Similarly, the results of correlation analysis also indicate a significant relationship between dimension trust and purchase intention. Trust is closely relevant to purchase intention

with very strong relationship $r=0.726$. This shows that trust plays an essential important role in increasing purchase intention because trust is able to help company establish a long term relationship with customers. As Harris and Story (2005) suggested trust can build and enhance personal relationship either between a person and a person or a person and brand. Furthermore, previous studies have similar results indicating that there exists a strong positive relationship between trust and purchase intention.

The results of Pearson Correlation analysis tested between reputation and purchase intention show that there is exist a significant relationship with value of 0.000 ($p<0.01$, Sig. 2-tailed). According to Jin et al. (2008), online retailer reputation is defined as an external source of information, which may conduct as a significant precedent between responses from consumer and their future behaviors, along with web site quality. While reputation was found to be a strong predictor of purchase intention ($r=0.774$). In the other hand, reputation can be an important risk-reducing mechanism among the customers' purchase intention. Media, exposure, positive word-of-mouth, branding and internet are the ways that help companies and firms to earn their positive reputation.

In terms of loyalty and purchase intention, the results of the correlation analysis shows that there is a significant relationship between dimension loyalty and purchase intention with value of 0.0001 ($p<0.01$, Sig. 2-tailed). Loyalty is related with purchase intention with very strong relationship of $r=0.740$. According to Yoo and Donthu (2001), they indicated that

differences of the cultural are the pinpoint to effect on brand loyalty. Furthermore, loyalty is important to reduce switching behaviour among customers.

The correlation analysis also revealed that there is exists a significant relationship between customer satisfaction and purchase intention with value of 0.0001 ($p < 0.01$, Sig. 2-tailed). Customers satisfaction dimension and purchase intention are related in a very strong relationship $r = 0.796$. This indicates that customer satisfaction will lead that to a high purchase of the products and services. Since customers feel satisfied with the offered services and products, they will rely on the particular company in order to increasing their intention of purchasing.

Regression Analysis

In this study regression results indicated significant relationship between two variables namely reputation and customer satisfaction towards purchase intention. By looking at the regression analysis, we can conclude that these two variables play a significant role in influencing customers' purchase intention. As mentioned earlier, the reputation of insurance company is considered as an important factor that influence purchase intention. Similarly, customers' satisfaction is one of the essential factors that can influence purchase intention towards life insurance. The result of this study shows that there is no influence of word-of-mouth, trust and loyalty on purchase intention. However, these variables are still important in influencing purchase intention since they might play a specific role in the theoretical construct of this study.

Thus, the dependent variable (purchase intention) and the independent variables (word-of-mouth, trust, reputation, loyalty and customer satisfaction) are significantly related to each other. Therefore, insurance companies are advised to take earnest enthusiasm to fulfil this aspect so that they are able to survive in the marketplace. Companies may adopt the results of this study to gain improvement in their strategy so that they have a competitive advantage among their competitors.

5.2 LIMITATIONS OF THE STUDY

No any of the research works are flawless. This is because researchers are not able to control wholly extraneous factors when conducting research. This will threaten the validity of the results. For example, researchers could not control the environment that shapes the responses of participants, nor could they have any say in, for example, when and where the research could be conducted especially when getting access to the research setting is a contentious issue that needs to be constantly negotiated. In this context, the present study also has several limitations and it cautions readers to interpret the findings by taking them into consideration.

The first limitation pertains to the issue is related to the place where the study took place. This current research only distributed the questionnaires to the existing customers in Great Eastern. Even though the participants in the study were selected randomly using random sampling, many did not participate either for voluntary reasons or because access to them was not formally granted by the servicing insurance agents. Hence, data collected might not necessarily be able to represent the population of the study and hence the findings might

not be able to be generalized across the larger population of existing customers in Great Eastern and other insurance company in Alor Setar as well.

The second limitation of this study is the sample size. In this study, a sample of 400 respondents is considered to be small. Therefore, researcher might adopt the further study by using larger sample size and diverse location to make the result more appropriately and accurately.

The third limitation is that this study focused on existing customers in Great Eastern who have already purchased or are enthusiastic about life insurance. Future research should take consideration about non-users who did not adopt any insurance or people who had purchased once and decided not to purchase again. Similarly, future researches can be conducted on other adopter categories to increase the whole insight into the life insurance market

In addition, during this research, researcher found that there is a limitation which is related to respondents' privacy. Some of the respondents are unwilling to mention their privacy information about the number of life insurance and how long they have bought the policy. This might cause some questions not answered.

But despite the limitations highlighted, the present study has contributed to the understanding of life insurance purchase intention. In particular, it has managed to enhance the existing literature by providing empirical support on the role of word-of-mouth, trust, reputation, loyalty and customer satisfaction in affecting purchase intention. It further attested the role of the five independent variables: (word-of-mouth, trust, reputation, loyalty and customer satisfaction) as a significant mechanism in which the links between purchase intention and their relationship could be observed and understood.

5.3 RECOMMENDATIONS

The result from this study expresses an empirical evidence for the relationship between purchase intentions with five determinants which namely Word-of-Mouth, Trust, Reputation, Loyalty and Customer Satisfaction. The finding from this research probably not be generalized for the whole purchase intention of population in Malaysian Life Insurance policyholders because recent study just executed among the existing customer in Great Eastern Life Assurance (M) Berhad. Yet, the results obtained from this study offer that all independent variables (word-of-mouth, trust, reputation, loyalty and customer satisfaction) had a significant relationship with purchase intention. These findings can act as a basis to implement in the similar bigger scale research. There are a several number of approaches need to be highlighted to execute other similar studies on the same subjects in other places.

Firstly, the variation of respondents in the study is advised to be increased to ensure that the collected responses can be generalized for the whole population. In this research, the

number of respondents just consist of a number of 300 and this small portion of existing customers in Great Eastern Life Assurance (M) Berhad Alor Setar branch cannot be generally represent for the whole population of customers in Great Eastern Life Assurance (M) Berhad.

Secondly, for the future research diverse study locations should be chosen. This is because the different responses of people in different ages, marital status and occupation maybe captured. This is because different age and occupations will give different result on their income and expenditures. Different type of occupation will also provide different hierarchy of accurate income to fulfil their daily expenses and commitment. These will enhance the opportunities of gaining through their purchase intention whereby their affordable and ability toward life insurance.

Thirdly, this research adopts five determinants as the independent variables to be tested. They are namely Word-of-Mouth, Trust, Reputation, Loyalty and Customer Satisfaction which used to examine the relationship toward Purchase Intention. Yet, there might exist other determinants that might also give impact on purchase intention such as perceived risk (Forsythe and Shi, 2003), consumer inertia (Anderson and Srinivasan, 2003, Liu et al. 2007) and alternative attraction (Ping, 1993, Bansal et al. 2004). Meanwhile, further research should be using these three factors.

Nevertheless, purchase intention is more likely appear to be an essential and important in the modern global marketing. Most company put most effort in achieve high level of customers' purchase intention because this might help them to maximize the company profit

and create awareness of good reputations. Therefore, companies must try various strategic to compete with others competitors in order to gain customers' retention. Among all, reputation and customer satisfaction and be significant recognized as the most important determinants that should be used widely and aggressively.

5.4 CHAPTER CONCLUSION

The present study has sought to offer theoretical explanation to the increasingly important of purchase intention in life insurance. The determinants of purchase intention causes and impacts on individual's purchase intention toward life insurance. From this study, five determinants namely word-of-mouth, trust, reputation, loyalty and customer satisfaction were tested through the Pearson Correlation and it shows that the total of five variables have positive relationship toward purchase intention. Furthermore, through the regression analysis technique, we found that there are only two variables are considered to influence Purchase Intention. These variables are reputation and customer satisfaction. Therefore, great attention should be given to understand these factors in the future. Similarly, it can be concluded that purchase intention is directly affected by word-of-mouth, trust, reputation, loyalty followed by customer satisfaction. Therefore, effective measures to promote consumers' purchase intention rely on coordinated policies built on multiple pillars instead of single factors.

As a conclusion, life insurance without doubt poses an interesting episode in the lives of human being. As much as it offers limitless opportunities and benefits for humanity, it also poses remarkable challenges especially in the world. The biggest challenge for mankind is

how to create awareness and knowledge toward life insurance and capitalize on the advantages of having at least one life insurance each. From the theoretical point of view, life insurance will invite many researchers to embark on scholarly activities toward developing a better understanding.

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