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ASSESSMENT OF EFFECTIVE FACTORS ON CONFORMATION OF ORAL ADVERTISEMENT AMONG CUSTOMERS OF INSURANCE COMPANIES IN BANDAR ANZALI

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ABSTRACT
Word of mouth communication in marketing is one important informal tool of communication among consumers about goods, services and organizations that has been paid attention by researchers. The main goal of current research is considering effective factors on conformation of oral advertisement among customers of insurance company in Bandar e Anzali city. Statistical society are customers of insurance company that was estimated 307 people as required statistical samples, applied sampling method in choosing sample in this research is available improbable sampling method. The result of research denotes this fact that client-orientation, relation-orientation, interaction and characteristics of staff have positive effect on the quality of relationship. Also it was distinguished that the quality of relationship has positive effect on continuity of relationship and oral advertisement. Also positive effect of continuity of relationship on oral advertisement has been confirmed.

Keywords: *Oral Advertisement, Client-Orientation, Relation-Orientation, Interaction, Staff Characteristics, Relationship Quality, Relationship Continuity, Insurance Industry*

INTRODUCTION
Insurance industry as a set of economic institutes seems its expenses and benefits and in optimized point acts in a way to present maximum services with minimum cost that it causes rapid movement of development in the society (Mirayi, 2009). The nature of insurance section requires moving in the direction of client-orientation and keeping customers because their continuity and survival depends on customers and as they can keep their current customers, they will be more successful (Nazemi, 2012). Therefore in this competitive environment losing customers is costly and keeping them and attracting their loyalty is possible through a useful and long-term relationship and these companies are going to find a permanent position in the mind of customer to develop their market through their share (Chung and Shin, 2010). In competitive environment one method that companies can discriminate themselves from others and achieve competitive excellence is using oral advertisement. Positive oral advertisement is a media and a valuable tool for promoting products and services of a company or an organization (Gremler *et al.,* 2001). Oran advertisement is talking about products and services among people who are independent from the company supplying product or services these conversations is in the form of mutual conversations or just advices and suggestions. However the main point is that conversations is done among people that is speculated to have little benefits of encouraging others to use the product and probability of consumer's reaction toward suggestion of a friend (Sweeny *et al.,* 2007). Word of mouth communication in marketing is used often for describing advices and suggestions of consumers to each other's. Speed and lack of business bias to brand of a product or special service has changed it to an effective informational source for business choice of consumers, especially in cases that previous shopping experience is limited (East *et al.,* 2008).

Relation-Orientation
The concept of relation-oriented marketing as a philosophy at doing successful trade or as a different culture or is the organization that puts the relation of buyer, seller relation at the center of strategic or operational thought of an organization in the framework of client-orientation relations can be identified to the concept of organizational definition that involves creating, developing and keeping commitment, interactional and profitable transactions with selected customers over time (Ben *et al.,* 2007).

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Jayachandran *et al.,* (2005) explains that client-orientation is a "group thought" or system of belief that pats attention to the relations with customers as an asset and choose it as mean for achieving goals. Relation-orientation penetrates all plan of an organization and affects values and norms and therefore all interactions with customers before and during and after sale. Relation-orientation needs investment for making relation (Camarero, 2007).

Dey *et al.,* defines investment on relation with customers as an attempt and attention for keeping, improving or increasing relations with customers that if these relations with customers end they can't make it again. In this attitude, relation-orientation as a high level structure that is introduced by type of investment (communication, customizing, adaption with customer's need, personal relation). Communication is defined as formal and informal exchanges and meaningful and on-time share of information. Relationship between information and communications in literature of relation-oriented marketing is very important (Abdilvand *et al.,* 2010).

Client-Orientation

Most companies in current competitive and global business environment have perceived the importance of client-orientation. Client-orientation is mostly related to the welfare of customers, client-orientation manifest itself mostly through prioritizing resources devotion based on providing best value and customer satisfaction (Rafaeli *et al.,* 2010). Various definitions have been presented about client-orientation that the fundamental principle of all of them is putting customer at the center of organizations' strategic attention. The concept of client-orientation has been developed in Luit (190) works for the first time. He defined the priority of client-orientation as bottom-up goals of competitive organization that its final goal is achieving customer satisfaction (Yazdani *et al.,* 2011).

Dey (1994) stated that client-orientation is a concept that has changed marketing to a competitive competent weapon and caused change of value, belief, suppositions and commitment of an organization toward mutual relations between customers and organizations. Deshpand *et al.,* defined client-orientation as a set of belief that prioritizes interest and needs of customers and benefits than other beneficiaries such as owners of organizations, managers, staff (Auh and Mengu, 2007).

Quality of Relation

Quality of relation can be seemed as an over structure that has many components and denotes general nature of relations among organizations and customers (Khabiri *et al.,* 2013). In fact quality of relation can be defined as a set of intangible values that strengthens products and services and leads to making expected exchange between seller and buyer this word also denotes customer's expectation that how the whole relation can meet the expectations, predictions, goals and desires of customers in the whole relationship with the importance of relation quality, Robert *et al.,* (Vasudevan *et al.,* 2006). The word communication doesn't have distinct definition both in applied and theoretical sections. The basis of a relation may exist in applied field Barenz (1997) denotes that when a relationship appears through having continuing confrontations, so purchasing minimum service is two interfering factors for creating relation. He denotes that before making relation, both parties should perceive existence of relation mutually and the relationship should be distinguished by special situation (khabiri *et al.,* 2013).

Interaction

Communication is a set of exchanges that provides awareness of common relation through reliance and commitment among various variables (Fatemi and Firouznia, 2012). Relation with a customer has been paid much attention by researchers and activists of marketing. Management of interaction with customer is as a process consists of supervising customers, proper data collection, management and evaluating data and finally making real excellence of extracted data in their interactions (Kim *et al.,* 2010).

Customer interaction management is a client-oriented organizational model that uses customer information for creating customized strategy. Satisfying customers for making loyalty and interaction with customer is necessary. Making long-term interaction with customer is done over time; this interaction with customer is created during presenting services, keeping the relation with customer needs high attempts. The degree of commitment and interaction of parties of relationship has high importance at successful communication, for keeping the relation with customers there should exist sense of reliance in

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customers toward insurance companies and services presented. If a customer know that he can trust him to the stability of presented services, the relations will be stronger and longer (Xu, *et al.,* 2010).

Characteristics of Staff

Value of organizations and current organizations is not limited just to their movable properties. In the world that is based on knowledge, social and human capitals of any organization gets high importance as the most successful organizations in stock market are companies with great thinking and human capitals because experience has showed that independent from conditions ruling market, organizations that are based on competent system of democracy or elitism and with great key people can act successfully (Danaee and Eslami, 2010). A kind of tangible deduction is achieved from characteristics of key staff that is mentioned in a general pluralization with viewpoint of authorities about this characteristic below (Atafar *et al.,* 2009).

1- Key staffs are groups of staff without supervisor and manager who involve in production and presenting products and services.

2- Key staff in an organization is people who do central activities in an organization.

3- Key staff that are vital for competitive excellence of an organization and have high value, because competitors are ready to pay high cost for them.

4- Some researchers regarding unity dimension of key staff mentioned that due to nature of knowledge and technical skills is necessary to develop these staff domestically.

5- Key staff doesn't use special affairs necessarily, in the view of some researchers, key staffs are those who have multiple skills and are able to do different duties during a day.

6- Companies shouldn't concentrate their activities on the resources that are vital and don't exit activities and resources that are not vital.

Research Theoretical Framework

Results of many researchers have shown that oral advertisement is more efficient than making relation through other resources such as business advertisement or written advices, because provide more effective information in comparison with them. Farati *et al.,* (2013) in a research have presented pattern for evaluating effective factors on oral advertisement in management of urban economic institutes. The result of this research shows that factors such as quality of relationship, customer expectation, relation-oriented marketing, perceived value, loyalty has positive effect on creating oral advertisement. Khabiri *et al.,* (2009) in a research considered effective factors on participation of customers of private fitness gyms for male in Tehran at word of mouth communication. The result shows meaningful effect of four variables on the quality of relationship, also positive and meaningful effect of relationship quality on word of mouth communication. Lee and Yuh (2007) during a research considered the effect of relation quality, mental image, perceived value and satisfaction on oral advertisement. The result of another research denotes that relation quality has indirect effect on oral advertisement, and direct and meaningful effect on perceived value and satisfaction. Al-alak (2014) in a research considered the effect of marketing activities on relation quality in banking section in Malasia. The result denotes that factors such as interaction, client-orientation, relation-orientation and characteristics of staff have positive effect on relation quality, continuity o relation and oral advertisement. Conceptual model of this research is taken from applied model in the research of Bashir Al-alak (2014) and in the form of below.
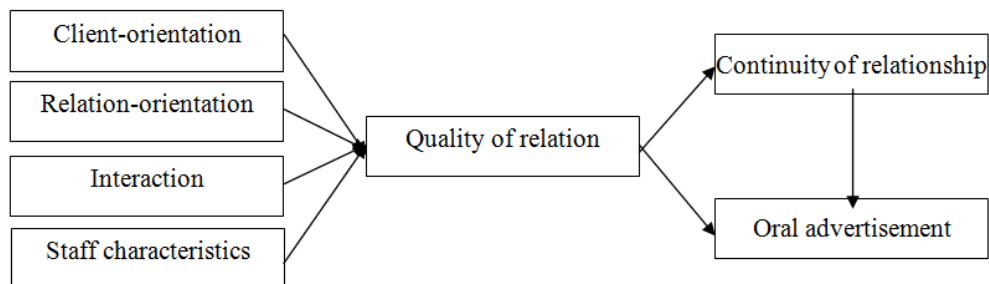

Figure 1: Research model(Al-alak, 2014)

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In this paper available relations in the research model has been considered in the form of some hypothesis. Definition of each variables of the research has been presented as below:

H1: client orientation has positive effect on quality of relationship of insurance companies of Bandar e Anzali city.

H2: relation- orientation has positive effect on quality of relationship of insurance com companies of Bandar e Anzali city.

H3: interaction has positive effect on quality of relationship of insurance companies of Bandar e Anzali city.

H4: characteristics of staff have positive effect on quality of relationship of insurance companies of Bandar e Anzali city.

H5: quality of relation has positive effect on continuity of relation of insurance companies of Bandar Anzali city.

H6: quality of relation has positive effect on oral advertisement of insurance companies of Bandar Anzali city.

H7: continuity of relation has positive effect on oral advertisement of insurance companies of Bandar e Anzali city.

MATERIALS AND METHODS
Methodology

Research for this paper regarding the goal is applied and regarding implementing it is descriptive. Statistical society of the research in current research is customers of insurance companies in Bandar Anzali city. In this research questionnaire is used for data collection. Questions of the questions are designed as respondent is based on spectrum of 5 choice from completely agree to completely disagree. Questionnaires were distributed among 400 customers of insurance companies of Anzali city among which sample volume was estimated 307 people. Validity of the questionnaire has been determined through content validity based on viewpoint of professors of university and experts of insurance industry. Also for considering its reliability Cronbach alpha has been used. For this purpose a primary sample based on 30 questions were considered that its result are mentioned in table 1.

Table 1: Cronbach alpha table of research variables

Variable	Number of questions	Cronbach alpha into percent
Client-orientation	5	0.865
Relation-orientation	6	0.892
Interaction	4	0.953
Staff characteristics	9	0.885
Quality of relation	9	0.855
Continuity of relation	3	0.842
Oral advertisement	3	0.928

RESULTS AND DISCUSSION
Findings

In this paper for analyzing data descriptive and inferential statistics have been used as firstly by using Spss 19 software each variable was described in the form of statistical index and then testing research hypothesis has been done by using structural equation model (SEM) by software LISREL 8.2.

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Table 2: Result of testing hypothesis

	Hypothesis	*B*	T	Result
1	client orientation has positive effect on quality of relation	0.54	4.34	approved
2	relation orientation has positive effect on quality of relation	0.65	9.32	approved
3	interaction has positive effect on quality of relation	0.75	5.21	approved
4	Characteristics of staff has positive effect on quality of relation	0.82	10.85	approved
5	Quality of relation has positive effect on continuity of relation	0.34	3.24	approved
6	Quality of relation has positive effect of oral advertisement	0.17	2.48	approved
7	continuity of relation has positive effect of oral advertisement	0.46	4.20	approved

Conclusion

Regarding research literature, applied methodology, analysis of collected data and conclusions, the fallowing suggestions are identified regarding result of hypothesis:

The result shows that characteristics of staff have positive effect on relation quality. However average competent parameter of staff for presenting services has the least score therefore this parameter doesn't have favorable situation in the view of customers of insurance companies of Bandar Anzali city. For improving this parameter the followings are suggested:

The results show that interaction has positive effect on quality relation. However mean of this parameter of claim of staff of the company to the mistakes they have made has the least score. Therefore in the view of customers of insurance company of Bandar e Anzali city this parameter doesn't have favorable situation. For improving this parameter it is suggested: education of staff for making interaction and mutual communication with customers. Designing systems and plans of communication with customers and informing about new services.

The result of research shows that relation-orientation has positive effect on relation quality. However mean of parameter of the way of presenting proper services has the least score. Therefore this parameter in the view of customers of insurance companies of Bandar e Anzali doesn't have proper situation. For improving this parameter it is suggested: designing and implementing proper and efficient strategies for attracting customer's reliance and doing promises and claims. Making interaction with customers through relation-oriented marketing strategy. Making mutual communication with faithful customers and applying relation-oriented marketing strategies for motivating them at attracting new customers.

Customer-orientation has positive effect on relation quality. However mean of the parameter of being awareness of staff of the company about customers need has the least score, so this parameter doesn't have favorable situation in the view of customers of insurance companies of Bandar Anzali city. For improving this parameter it is suggested: identification and perception of customers' need. Meeting their expectations.

Also compatibility of services of insurance company with needs of any customer.

Continuity of relation has positive effect on oral advertisement. However mean of parameter of pride has the least score than company so this parameter doesn't have proper situation in the view of customers of insurance company of bandar Anzali city. For improving this parameter it is suggested: emphasis on public relation. Emphasis on respected confrontation and observing ethical rules in confrontation with customers for attracting their reliance. Relation quality has positive effect on continuity of relation. However mean of certainty of staff of insurance company has had the least mean. Therefore this parameter doesn't have proper situation in the view of customers of insurance company of Bandar e Anzali city. For improving this parameter it is suggested:

Presenting convincing reason and customer attracted. Increasing flexibility of staff at solving customers' problems. Improving ability of staff at presenting information. Improving facilities and enhancing service quality. For improving oral advertisement for insurance companies the following suggestions are presented: maximizing value of any customer and making long-term field for oral advertisement of services through applying relation-oriented marketing strategy. Insurance companies should provide necessary facilities for doing their commitments to be able to adhere to their commitment toward

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customers and at the shortest time do their promises through which make reliance and create long-term relation.

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