

Presenting the customer loyalty model based on the five senses with the mediating role of perceived value in the insurance industry

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Abstract

The purpose of this research is to provide a customer loyalty model based on the five senses with the mediating role of perceived value in the insurance industry (case study of life and investment insurance). The research method is applicable in terms of purpose, and descriptive-survey in terms of the conducting method. According to the subject nature of the research model and professors' opinions, the statistical population of the research is the insurance buyers; and due to the limited statistical population, 384 people were selected using Cochran's formula; and the random sampling method is simple. The collection tool is a researcher-made questionnaire, taken from the qualitative part of the research. SPSS and PLS software were used for analysis. Also, confirmatory factor analysis was used to show the reliability of the questionnaire. The results showed that the five senses with the mediating role of perceived value have a positive and direct effect on customer loyalty, and the fit of the proposed model for the relationship of the variables has been confirmed.

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Extended Abstract

Introduction

In order to create a positive relationship with customers, businesses must effectively manage marketing strategies as a tool to meet customer needs and build customer loyalty. While customer retention is an essential element in strengthening the company's profitability; loyalty is created with the aim of creating a long-term relationship between companies and their customers (Hwang et al, 2019). The main reason for the importance and loyalty of customers for service companies is that with the increase of loyal customers, the number of visits and purchases increases, which leads to a larger market share for that company. In fact, in order to survive in tough competition and keep existing customers, predicting the potential of loyal customers has become one of the main tasks of strategic managers (Khan et al, 2019).

Another factor in customer loyalty research literature is the perceived value of customers, which is assigned to the perception that a person has about a product or service. It is possible that this belief is based on the thought of the experience of the individual's point of view, which is measured according to the ratio of the cost paid for that product or service and the value received (Ashraf et al, 2018). These beliefs, based on past studies of factors, have been effective on customer loyalty

An era in which companies, regardless of whether they sell traditional consumer goods or provide services, consider effecting and influencing customers in new, stimulating, innovative and creative ways. Marketing enters this era in a situation where tested ideas and concepts are being revised. Traditional marketing is slowly disappearing and giving way to new methods such as sensory marketing. Sensory marketing emphasizes the use of five human senses (sight, hearing, smell, taste and touch) in the field of marketing. The ultimate goal of sensory marketing is to create a sensory experience with the help of the five human senses (Hamacher & Buchkremer, 2022).

According to the mentioned points, the researcher is trying to answer the main question of how to present the customer loyalty model based on the five senses with the mediating role of perceived value in the insurance industry.

Literature

The perceived value of the brand is necessary, through a complex process and a comprehensive approach, to lead towards the desired repeated purchase behavior, and finally the perceived value is the consumer's overall assessment of the desirability of a product based on the perceptions he has of the receipts and payments (Salehi Seghiani et al, 2019).

Loyalty is the total amount of feelings and attitude that makes the customer buy again certain goods and services from the company (Shahid et al, 2022). In general, customer loyalty is always defined as a sales frequency with a relative volume of purchases from the same branch (Jenneboer et al, 2022).

The goal of most organizations is to achieve customer satisfaction. Customer satisfaction with the services provided leads to recommending the product or service to other customers (Chisam et al, 2022). In the customer's interaction with the company, environmental information is received by the five senses. Compatibility or lack of compatibility of the characteristics of the environment with the sensory tastes of the customer can cause satisfaction or dissatisfaction of the customer.

Bahrani et al, (2022) investigated the impact of citizenship behavior and cooperative behavior of customers on their perceived value and satisfaction. The findings showed that citizenship behavior and cooperative customer behavior have a positive and significant effect on the perceived value of customers. The perceived value of customers has a positive and significant effect on their satisfaction. Also, the mediating role of perceived value in the

relationship between citizenship behavior-customer satisfaction and cooperative behavior-customer satisfaction was confirmed.

Asgari & Fazeli (2022) investigated the impact of mixed sensory marketing on customer loyalty in Iran's clothing industry. The results of the research showed that all sensory marketing components, except the interaction component, have a positive and significant effect on customer loyalty.

Research methodology

This research is applicable in terms of purpose, and descriptive-survey in terms of implementation method. According to the subject nature of the research model and professors' opinions, the statistical population of the research is the insurance buyers, which in the current research is a study on life insurance and investment. According to the obtained statistics, the number of the population was about 384 people, due to the limited statistical population, Cochran's formula was used and the random sampling method is simple. The tool for data-collecting is the questionnaire made by the researcher, which is related to the investigation of the relationship between the dimensions of the five senses and the perceived value on customer loyalty in the insurance industry, and is taken from the qualitative section; which includes 4 dimensions for perceived value (economic value, social value, perceptual value and emotional value), 5 dimensions for five senses (sense of sight, sense of hearing, sense of touch, sense of smell, and sense of taste), and 3 dimensions for customer loyalty (behavioral loyalty, attitudinal loyalty, and emotional loyalty).

Research findings

Data analysis was done using SPSS and PLS software. The present research has seventeen hypotheses, all of which were confirmed, and the results showed that the five senses with the mediating role of perceived value have a direct and significant effect on customer loyalty, and the fit of the proposed model for the relationship of the variables has been confirmed.

Conclusion

The current research was conducted with the aim of presenting the customer loyalty model based on the five senses with the mediating role of perceived value in the insurance industry (case study of life and investment insurance). This finding is consistent with research findings of Bahrami et al, (2022), Behruzi & Sohrabi (2022), Asgari & Fazeli (2022), Lv et al, (2020), Hwang et al, (2019), and El-Adly (2018). Lumi et al, (2022) showed that the perceived image and value of customers has a positive and significant effect on the satisfaction and eventually on the attitudinal loyalty of customers, and this causes them to increase the intention to buy again. Ezati & Mazhari (2021) showed that brand equity, brand identity and brand loyalty have a positive and significant effect on repurchase intention.

According to the research results, it is suggested:

- Customer loyalty can play an important role in the success of organizations; finding out the effective factors on customer loyalty will help managers and employees of organizations to get closer to customers and respond to their needs faster and better.
- By specifying the goals of the organization; organizational processes, the support of the managers of the organization to the employees, the system of payments and benefits, and the promotion system in the organization are among the things that can affect the perceived value. Adequate knowledge of buyers and target customers should be done because in order to be able to create excellent and superior value for them, it should be done continuously to ensure the customer's interests.