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THE EFFECT OF SERVICE-PROVISION AND CUSTOMER-RELATIONSHIP ON FINANCIAL PERFORMANCE OF DANA INSURANCE COMPANY IN TEHRAN

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ABSTRACT

This research reviews the effect of customer-relationship and appropriate service provision on the financial performance of insurance industry. Customer-orientation has several aspects. Regarding the high importance of the quality of customer-relationship and provision of appropriate customer service, this dimension of customer-orientation is given a special attention. The statistical population included all branches of Dana Insurance Company. In this study, customer-orientation and customer-relationship are investigated and analyzed from the viewpoint of the company's employees, managers, and customers (agents and policyholders). For this purpose, 500 questionnaires were distributed among them. The collected data were analyzed with LISREL. According to the results, customer-relationship has a significant positive effect on customer-satisfaction, loyalty, and trust. Sale-orientation significantly affects customer-trust. Customer-satisfaction and loyalty significantly and positively influence financial performance of the company. Service-orientation has significant positive impact on customer-loyalty and trust. Service-orientation has no significant effect on customer-satisfaction. Finally, trust does not have any influence on financial performance.

Keywords: Customer-orientation, Sale-orientation, Service-orientation, Financial performance, Insurance

INTRODUCTION

Any organization and overseer of organizational activities. Organizations have never considered their customers as external individuals, rather a key factor on which the organization's survival and activity rely. Nowadays, given the competitive world and rapid changes in customers' preferences, as well as wide diversity of products and services, customer retention is among the very important priorities of manufacturers and service organizations. This is also very important to Dana Insurance Company, due to the high cost of sale and marketing activities, and high cost of recovery policies in general.

Insurance companies can reduce those costs and use loyal customers as the main source of profit by effective customer management, creation of long-term and high quality customer-relationship, and finally relying on customer-trust and loyalty. Therefore, we aim here to investigate customer-

orientation and its effect on the performance of insurance companies.

Statement of the Problem

Since service-marketing is considered an important part of marketing and due to intangible nature of service-provision, development of an appropriate relationship with customers and paying more attention to the quality of customer-relationship from service providers are undeniable needs. Customer retention is something more important than finding new customers. Due to today's economic recession and loss of customers, this is especially important to organizations (Macintosh, 2009, 73).

In the competitive and challenging environment of today's world, organizations emphasize the creation of sustainable and profitable relationships with customers. Traditional marketing has always highlighted the attraction of new customers and

increase in sale, theoretically and practically. However, today this perspective has been changed and made marketers face with new realities. In addition, the demographic composition of communities has been significantly changed from different dimensions. On the other hand, economic growth and development of developed countries are moving slowly. Behaviors of rival companies have become very complicated and many industries are faced with excess capacity. Therefore, companies can no longer attract new customers as easily as before. In such environments, modern marketing methods guide companies towards not only an endeavor for attracting new customers, but also the retention of present customers and creation of a permanent relationship with them (Hamidizadeh et al., 2009).

The issues of customer retention and empowerment of customer-loyalty are strategic challenges for the companies seeking to maintain and develop their competitive status. For this purpose, they spend so much to understand and comprehend this concept and achieve practical solutions to improve it. In the era of Internet transparency and globalization, organizations can no longer hide behind their policies and prices. Customers are wise enough to know their right of choice, and use it to shift to rival companies if they are no longer satisfied. That is why the customers have the power lever instead of the organizations (Tajzadehnamin et al., 2010).

In today's world, customer-relationship and customer-satisfaction have become the main objectives of all organizational activities. Service marketers, in particular, have clarified the potential value of developing relationships between service-providers and customers. The growth and development of insurance industry, as a development indicator of communities, is seriously affected by customer-satisfaction (policyholders), and the survival of insurance companies depends on the satisfaction of policyholders (Moradi et al., 2011). Insurance companies should seek for a variety of managerial strategies for improving customer-loyalty. Loyal customers have several advantages, including improved profitability of insurance companies, reduced insurance marketing expenses, increase in sale, and lower price sensitivity of customers (Abbasnejad et al., 2011).

Customer-relationship and sales-orientation are two contrasting views on the supply of product and service. Today, with the development of technology and innovation in service and products, customers' demands and expectations have heightened and sometimes exceeded industrial growth. Those

organizations that ignore customers' needs and employ product-orientation approach, would be eliminated from the competition arena. Therefore, customer-orientation is known as the cornerstone of the modern marketing management. It has decisive and positive impact on customers' perception of the seller. This increases customer-satisfaction and results in the attraction of new customers and retention of current ones, and consequently improves and increases the organization's financial performance; whereas, sales-orientation approach aims to increase profit and performance (Huang, 2007, 459).

Regarding the specific properties of service in comparison to tangible products, understanding the advantages of buying services is not easily obtained by the buyers. Properties and activities of sales network play an important role in the attraction and retention of customers. On the other hand, the financial performance is very important to insurance companies and thus customer-relationship should be improved and better services should be provided. Now that the importance the relationships in the sales sector has become crystal clear, we here aim at investigating the effect of the quality of service provision and customer-orientation on the quality of relationship and financial performance in the central branch of Dana Insurance Company.

Research Objectives

The main objective of this study is to determine the effect of service provision and customer-relationship on financial performance of Dana Insurance Company in Tehran. In addition, based on the obtained results, some suggestions are presented to improve service quality and customer-satisfaction in Dana Insurance Company in Tehran.

Research Hypotheses

First hypothesis: Customer-orientation positively affects customer satisfaction.

Second Hypothesis: Customer-orientation positively affects customer loyalty.

Third Hypothesis: Customer-orientation positively affects customer trust.

Fourth hypothesis: Sales-orientation negatively affects customer satisfaction.

Fifth hypothesis: Sales-orientation negatively affects customer loyalty.

Sixth hypothesis: Sales-orientation negatively affects customer trust.

Seventh hypothesis: Service-orientation positively affects customer trust.

Eighth hypothesis: Service-orientation positively affects customer loyalty.

Ninth hypothesis: Service-orientation positively affects customer satisfaction.

Tenth hypothesis: Customer-satisfaction positively affects financial performance.

Eleventh hypothesis: Customer-loyalty positively affects financial performance.

Twelfth hypothesis: Customer-trust positively affects financial performance.

THEORETICAL BASES AND RESEARCH BACKGROUND

Theoretical Framework

According to Zhouan, customer-satisfaction refers to a state, in which the customer feels that product or service properties conform to his expectations. Zhouan considers customer-dissatisfaction to be a separate concept and suggests that it is a state, in which the quality of product or service leads to customer-discomfort and complaint. To Zhouan, customer-satisfaction and dissatisfaction are not in conflict with each other. In fact, customer-satisfaction depends on the product or service properties, which induces him to purchase and use it. On the other hand, customer-dissatisfaction is due to the product or service defects and deficiencies, and leads to his/her annoyance and complaint (Lahiji, N., 2011, 7). Studies on the causes of failure of unsuccessful companies show that 66% of them do not prioritize customer-satisfaction. In customer-oriented organizations, very satisfied customers repurchase 6 times as much as satisfied customers in a 1 or 2-year period of time (Hamidizadeh et al., 2011, 101).

Souderlend (1998, 188-193) showed a positive correlation between customer-satisfaction and three types of his behaviors (word of mouth advertising, feedback to supplier, and loyalty). Positive word of mouth advertising reduces the need for marketing and may lead to more profit by attracting new customers (Souderlend, 1998, 188-193). Therefore, increased number of satisfied customers is a main policy of every business. In order to maintain competitiveness and achieve the organizational goals, customer-satisfaction level should be always improved. On the other hand, the customer-satisfaction should be determined in the first step to improve it. Customer needs and expectations for desired products and service are changed instantly, and thus customer-satisfaction should be always evaluated.

The main objective of customer-satisfaction evaluation is to use customers' feedbacks for guiding

the organizational activities and resources towards customer retention and creation of a long-term relationship with them. In previous studies, three indices (based directly on customers' opinions) were used for customer-satisfaction assessment.

Aidin and Ouzer tried to use previous models employed in Sweden, USA, Norway, and EU to develop a national index for customer-satisfaction in Turkey. They considered customer expectations and perceived quality as two factors affecting customer-satisfaction. In addition, customer-satisfaction affects his/her imagination of the organization, his/her loyalty to and trust in the service provider, and substitution costs. Substitution cost refers to the extent to which customers' perception of price (when there is dissatisfaction over products and services) can affect repositioning a multidimensional model design for the assessment of customers and their shift towards other influential brands. In addition, the mental image of the organization and substitution cost affect customer-loyalty. Customer-trust in the organization also affects customer-loyalty directly and indirectly (through substitution cost).

Johnson et al. examined some reforms in the national index models, using the Customer Satisfaction Index in Norway. They found that the perceived value and customer expectations affected satisfaction level, which per se reduced customer-complaint and increased customer-loyalty. They also discovered a relationship between customer-complaint and customer-loyalty.

Findings of Huang Hesin (2007) in a study, entitled "Effect of Sales Behaviors in Connection with Customer in Financial Services," showed that customer-orientation significantly affects customer-trust in service-provider. Adoption of sales-orientation by a service-provider employee has significant and negative impact on the quality of three dimensions of customer-relationship, satisfaction, and trust/commitment. The importance of relationship in customer-retention is supported by showing that customer-satisfaction, trust and commitment have positive and significant role in customer-retention. In summary, service employees who adjust themselves to sales-orientation have direct negative effect on the quality of customer-relationship.

According to the points theoretically mentioned, the conceptual model of the research is extracted from Huang Hesin (2007) research model.

Conceptual Framework

The research analytical model is based on Huang Hesin's study in 2007 (Figure 1).

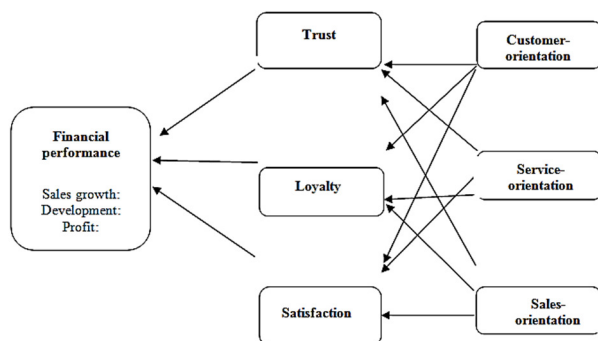


Fig. 1. Conceptual model of the research

RESEARCH LITERATURE

Domestic Literature

In his research, Tajedini (2010, 222) investigated the interaction between customer-orientation, entrepreneurship, and aspects of business performance, and provided new insights through studying customer-orientation and innovation simultaneously; He also instigated how those factors affected hotel industry in Sweden.

In their study on different methods of customer-satisfaction measurement, Maleki and Darabi realized that it had a direct effect on loyalty and improved customer perception of the organization; and that one percent increase in customer-satisfaction can improve customer-loyalty (Maleki, A., & Darabi, M., 2008, 27).

Foreign Literature

in their study on small and medium companies in the west Sidney, in Australia economic development region, Low et al. realized that the innovation and market-orientation (i.e. customer-orientation, competition-orientation, and interfunctional coordination) are positively correlated; in addition, both of them are per se positively correlated with the company's performance and the degree of change in company's competitive environment (Low et al., 2007, 878). A research, entitled "Quality of service, trust, commitment, and service-difference in business relationships," was done by Chent et al. (2010). Although the quality of service, trust and commitment are repeatedly considered as important factors for achieving significant outcomes. The role of service-difference in this context is widely unknown.

Service-difference is a very important factor, because the company's distinction is correlated with the value perceived by the customer, competitive advantage, and concentration on target market. This study aims at investigating the role of service-difference in business interactions. Research hypotheses were tested with a sample comprised of the customers of

large European financial companies, using a questionnaire.

Results suggest that service quality affects trust, distinction, and relationship outcomes. Trust leads to service-difference, which results in commitment, and finally, commitment affects satisfaction and word of mouth advertising (Chent et al., 2010).

A study was conducted by Chent et al. (2007) on the quality of relationship in service arrangement in China. The goal of this study was to investigate the research literature and the relationship between service-provider and customer in medical service provision.

The study results showed that expertise is the main factor in building trust and empathy, and has significant effect on both components of relationship quality, which are trust and satisfaction. In addition, higher degree of service-favorability increases customer-satisfaction and effective relationship affects both dimensions of trust and satisfaction. In addition, consumer-satisfaction and trust positively affect the outcomes. It means that the relationship quality obtained by customer-trust and satisfaction results in customer-support of service provider and word of mouth advertising in favor of it (Chent et al., 2007).

DEFINITION OF TERMS AND KEYWORDS

Customer Orientation

Customer-orientation refers to "a set of beliefs that gives priority to the interests of the clients, while the other shareholders as owners, managers and employees are not ignored, in order to establish a long-term profitable company" (Bellou, 2007, 512). According to the definition of Huff & Kelley (2005, 97), customer-orientation refers to the extent to which the organization and its personnel attempt to concentrate on consumer understanding and satisfaction.

Customer-orientation affects customer-trust, satisfaction, and loyalty and improves financial performance through components of relationship quality, customer-value creation, long-term customer-relationships building, and using valuable human resource in marketing and after-sales service.

Based on this, we extracted following hypotheses:

First hypothesis: Customer-orientation positively affects customer-satisfaction.

Second hypothesis: Customer-orientation positively affects customer-loyalty.

Third hypothesis: Customer-orientation positively affects customer-trust.

Trust

It is difficult to give an accurate and comprehensive definition of trust, and thus there are few definitions of this term.

According to Oxford Dictionary, trust means reliability, easiness of accepting trait of a person or object, or the accuracy of a statement (Javanmard and Soltanzadeh, 2009, 236). Zetomka regards trust as an important type of strategy employed in facing with uncertain conditions, and controlling future (Vosoghi & Aram, 2009, 137).

From social perspective, trust means a company's reliance on true ability or nature of a person or thing (Kazemi and Baridnazif, 2010, 188).

A study by Chent et al. (2007) in China showed that the quality of relationship created by customer-trust and satisfaction results in customer-support of service provider and word of mouth advertising in favor of it (Chent et al., 2007). Accordingly, we developed following hypotheses:

Twelfth hypothesis: Customer-trust positively affects financial performance.

Customer Loyalty

Loyalty is a positive, mutual, and cooperative term. In most cases, people's loyalty is attributed to products and organizations, but there is no valid definition of customer-loyalty, on which one can rely. Oliver (1997) defines loyalty as "a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts that have the potential to cause switching behavior." In marketing, the customer loyalty program is a method that promotes customer's actual and valid personality, and finally leads to rebuy from or repatronize the provider, and improves its financial performance. Based on this, we developed following hypothesis:

Eleventh hypothesis: Customer-loyalty positively affects financial performance.

Customer Satisfaction

Oliver says: "Customer satisfaction is the response to the consumer's fulfillment. It is a judgment on whether a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment" (Kazemi & Mohajer, 2009, 93).

Customer satisfaction largely depends on customer experience of products or service. In fact, when customers assess the consequences, they compare the expected outcomes with the results obtained from consuming a product or service and with the results from other resources (Lee & chung, 2009, 387). In other words, customer-satisfaction is a degree of

customer's positive attitude towards service-provider (Deng, et al., 2010, 290).

Therefore, we developed following hypothesis:

Tenth hypothesis: Customer-satisfaction positively affects financial performance.

Insurance

Insurance is a contract whereby one party (the insurer) in exchange for a promise pay money or funds on behalf of another (the insured) in the event of an accident or to compensate by paying a specific amount (Act 1 of Insurance Law). Insurance contract and its terms must be pursuant to a written document and the document will be called the insurance policy (Act 2 of Insurance Law).

Service Orientation

The term *service* has two meanings: first it describes such products as consultation, design, maintenance of a garden, financial service and so forth, and second, it is a help given to make product transactions profitable for brokers, and to maximize consumer-satisfaction.

Sales-Orientation

In this case, sales have the fundamental role, followed by customer-satisfaction. This perspective is based on sale and transaction, rather than on building a long-term profitable customer-relationship. Sales-orientation is based on the premise that if customers are encouraged to buy a product, they will like it. With respect to consumers, these assumptions cannot have a strong basis (Rousta et al., 2007). According to the results of most studies and given that sales-orientation has significant negative impact on customer-trust, dissatisfied customers do not proceed to rebuy the same product or service.

METHODOLOGY AND STATISTICAL POPULATION

This is an applied, causal, scientific research conducted from June 22, 2014 to January 21, 2015 in branches of Dana Insurance Company in Tehran. The statistical population included clients, managers, and experts of Dana Insurance Company's branches in Tehran. Those branches were selected because first, they had greater numbers of clients than other branches in Tehran, and second, internal clients (experts, managers, and agents) receive services as centered in Tehran.

Due to infinite nature of the statistical population, structural technique was used to determine the sample size. Therefore, sample size was determined using following formula:

$$5q \leq n \leq 15q$$

Where, q stands for the number of items in the questionnaire (Ghaffari Ashtiani). Using above formula and the number of question, we would have:

$$23 \times 15 \leq n \leq 23 \times 5$$

$$345 \leq n \leq 115$$

Regarding the use of structural equations technique and opinions of supervisor and consultant professors, and experts (mentioned above), and to obtain reliable results, 500 questionnaires (for 250 managers and experts and 250 clients) were prepared. The anonymous questionnaire was comprised of 23 questions scored based on Likert scale from "very low" to "very high". The items were extracted based on research hypotheses. The questionnaire is prepared using the key article and standard questionnaire, and thus has the required validity. To remove any probable uncertainties and also to localize the scales and adjust it more with the statistical population, questionnaires were distributed among 30 samples of research population, in a trial study. Then, its Cronbach's alpha was measured with SPSS to assess its validity. The obtained Cronbach's alpha (0.925) indicated high validity of the questionnaire.

Finally, 500 questionnaires were distributed among the selected samples including managers, experts, and clients (internal and external). Out of them, 440 questionnaires were returned. The results will be analyzed as follows.

DATA ANALYSIS

Structural equations modeling was used to investigate the relationship between the model's components. Since structural equations technique is used in this study, research model is first developed based on the collected data, using LISREL. After drawing the model based on the obtained data, the size of model parameters was measured using LISREL.

Results of Hypotheses

First hypothesis: Customer-orientation positively affects customer satisfaction.

Results from data analysis support this hypothesis. Therefore, it can be said that customer-orientation has positive significant effect on customer-satisfaction at the confidence level of 95%. Results from above hypothesis are consistent with those of Huanh (2007).

Second hypothesis: Customer-orientation positively affects customer loyalty.

Results from data analysis support this hypothesis. Therefore, it can be said that customer-orientation has positive significant effect on customer-loyalty at

the confidence level of 95%. Results from above hypothesis are consistent with those of Huanh (2007). *Third hypothesis:* Customer-orientation positively affects customer trust.

Results from data analysis support this hypothesis. Therefore, it can be said that customer-orientation has positive significant effect on customer-trust at the confidence level of 95%. Results from above hypothesis are consistent with those of Huanh (2007). *Fourth hypothesis:* Customer-orientation negatively affects customer satisfaction.

Results from data analysis do not support this hypothesis. Therefore, it can be said that sales-orientation does not significantly affect customer-satisfaction, at the confidence level of 95%. Results from this hypothesis are inconsistent with those of Huanh (2007).

Fifth hypothesis: Sales-orientation negatively affects customer loyalty.

Results from data analysis do not support this hypothesis. Therefore, it can be said that sales-orientation does not significantly affect customer-loyalty, at the confidence level of 95%. Results from this hypothesis are inconsistent with those of Huanh (2007).

Rejection of fourth and 5th hypotheses could be attributed to the fact that the company has used sales-orientation policy for selling insurance services; but the customer may conclude the received service has confirmed his needs and demands due to his lack of knowledge or experience in using the proposed insurance services. It also can be justified by putting that the company's sales policy is more based on customer-orientation and service-orientation, and employees' attitude towards service-provision has not been sales-oriented. They, indeed, have concentrated on customer expectations and needs, and not on sales. *Sixth hypothesis:* Sales-orientation negatively affects customer trust.

Results from data analysis support this hypothesis. Therefore, it can be said that sales-orientation has significant negative impact on customer-trust at the confidence level of 95%. Results from the above hypothesis are consistent with those of Huanh (2007).

Seventh hypothesis: Service-orientation positively affects customer satisfaction.

Results from data analysis do not support this hypothesis. Therefore, it can be said that service-orientation does not significantly affect customer-satisfaction, at the confidence level of 95%. Results from this hypothesis are inconsistent with those of Macintosh (2007).

Rejection of this hypothesis could be attributed to the probability that the company may have made "Marketing Myopia", and concentrated more on service quality (or subjects with lower priorities to the customers), instead of focusing on customers' needs and demands during service-provision. For example, instead of compensating a client's loss appropriately and according to his needs, the insurance company puts more emphasis on such matters as treating him with courtesy and respect during service provision; while, the client's main objective of buying insurance policy is receiving compensation coverage.

Eighth hypothesis: Service-orientation positively affects customer loyalty.

Results from data analysis support this hypothesis. Therefore, it can be said that service-orientation has positive significant effect on customer-loyalty at the confidence level of 95%. Results from this hypothesis are consistent with those of Macintosh (2007).

Ninth hypothesis: Service-orientation positively affects customer trust.

Results from data analysis support this hypothesis. Therefore, it can be said that service-orientation has positive significant effect on customer-trust at the confidence level of 95%. Results from this hypothesis are consistent with those of Macintosh (2007).

Tenth hypothesis: Customer-satisfaction positively affects financial performance.

Results from data analysis support this hypothesis. Therefore, it can be said that customer-satisfaction has positive significant effect on the company's financial performance at the confidence level of 95%. Results from this hypothesis are consistent with those of Philisio et al. (2012).

Eleventh hypothesis: Customer-loyalty positively affects financial performance.

Results from data analysis support this hypothesis. Therefore, it can be said that customer-loyalty has positive significant effect on the company's financial performance at the confidence level of 95%.

Table 1. Summary of Hypotheses Results

Hypotheses	Standard coefficient	T-statistics	Result
First hypothesis: Customer-orientation positively affects customer satisfaction.	4.71	0.83	Confirmed
Second Hypothesis: Customer-orientation positively affects customer loyalty.	2.63	0.41	Confirmed
Third Hypothesis: Customer-orientation positively affects customer trust.	2.61	0.39	Confirm
Fourth hypothesis: Customer-orientation negatively affects customer satisfaction.	0.06	0.008	Rejected
Fifth hypothesis: Sales-orientation negatively affects customer loyalty.	-1.36	-0.18	Rejected
Sixth hypothesis: Sales-orientation negatively affects customer trust.	-3.19	-0.41	Confirmed
Seventh hypothesis: Service-orientation positively affects customer satisfaction.	1.74	0.15	Rejected
Eighth hypothesis: Service-orientation positively affects customer satisfaction.	4.39	0.38	Confirmed
Ninth hypothesis: Service-orientation positively affects customer satisfaction.	2.37	0.20	Confirmed
Tenth hypothesis: Customer-satisfaction positively affects financial performance.	2.20	0.26	Confirm
Eleventh hypothesis: Customer-loyalty positively affects financial performance.	4.85	0.48	Confirm
Twelfth hypothesis: Customer-loyalty positively affects financial performance.	1.74	0.21	Rejected

Research Based Recommendations

Recommendations based on first, second, and third hypotheses

Regarding that customer-orientation has significant positive impact on customer satisfaction, loyalty, and trust, managers and decision makers of insurance companies are recommended:

- To identify demands and expectations of the clients by conducting field studies and providing services in a way that not only their needs are met but also their expectations are fulfilled.
- To identify their clients based on their use and purchase of services by reviewing their history, and divide them into the golden, silver, and bronze groups, and provide them with distinct services based on such categorizations. This helps the companies to maintain their profitable customers, encourage typical clients to purchase more services, and turn potential clients into actual ones.
- Insurance companies should interact with their clients appropriately to not only receive their feedbacks but also respond to their needs and demands, improve their services, and provide them with higher service-quality.
- To respect clients in all organizational units and levels permanently. For example, encouraging employees to treat clients with respectful behaviors such as greeting, making eye contact, listening to them carefully, and having empathy with them.
- When the potential customers visit the organization to receive service information, employees should guide them in honest ways and avoid destructive comparison with rivals. This provides the context for building customer trust.
- To hold periodical sessions for the clients to not only introduce new insurance services and relevant information to them, but also acquaint them with probable problems of using such services. This will lead to their satisfaction and trust and provide the context for selling new services.
- *Recommendations Based on sixth Hypothesis*
- The insurance companies should adopt some measures and strategies to provide the context for the propagation of customer-orientation culture, rather than using a sales-orientation approach. Such measures and strategies include the use of internal marketing, in which along with customers' needs, special attention is given

to the needs and demands of the employees. This motivates them to perform better in the company's affairs and improve the conformity of services with the clients' needs.

- Insurance companies can provide the context for changing employees' attitude by holding training courses on customer-relationship management to provide services based on customer-orientation pattern.
- By holding briefing sessions for their personnel at all organizational levels, insurance companies always emphasize that the goal of sale is customer-satisfaction and thus put it as priority while providing services. They also should avoid pushing clients to make purchase or use insurance policy, should treat clients, especially dissatisfied, with respect.
- Allocation of an individual unit to give consultation on insurance policies and service information according to the clients' conditions (financial, educational, etc.), on how to use new services, and clients' issues in terms of services.
- This unit should express sympathy with damaged clients and provide them with the best compensation suggestions to convince them that the organization is sympathetic to them and understands their conditions.

Recommendations Based on eighth and ninth Hypotheses

- The insurance companies should study and analyze services and service-provision methods provided by their rivals and attempt to identify their strengths and weaknesses. Then, they should use such information to include the strengths and exclude the weaknesses of their rivals from their own services. They also should provide the clients with clear and transparent information to build customer loyalty and trust.
- Insurance companies should hold periodical opinion polls with customer to collect their opinions, recommendations, and expectations of services. They should then use that information to improve current services or develop new ones, and inform the clients of the results in the next sessions. This makes the clients believe that their opinions and recommendations are important to the organization and it is not merely a profit-oriented company, rather it takes their interests into consideration too. In this way, the context is provided for trust building, word of mouth advertising, loyalty, participation in the following sessions, etc.

- *Recommendations Based on tenth and Eleventh Hypotheses*
- Insurance companies should be committed to their promises under any circumstance, and fulfill their insurance obligations properly and on-time to have customer-satisfaction. Insurance companies are also recommended to identify customers' needs and expectations to conform their insurance policies and compensation systems to them. This significantly reduces customer risks in case of damage.
- Insurance companies should respond properly to those clients who have complaint about service quality, employees' behaviors, and so forth to lay the way for their satisfaction.
- Insurance companies should build customer-relationship in a way that their clients feel their interests are prioritized. They should ensure the clients that their respective companies perform better than others in the fulfillment of the clients' needs. By keeping these promises in practice, they will be benefited from customer-commitment in a long-term relationship.
- Insurance companies should convince the clients that they have made the best choice in using their respective insurance-services by fulfilling the obligations in the shortest time, and with the highest quality and the most reasonable prices.
- Insurance companies should hold training courses for their employees on customer-relationship to instruct them how to respond to the clients who have complained about the service-provision, service-quality, employees' behaviors, etc. They should also develop a proper understanding of the clients' needs and create this perception in the client's mind that the company always supports its customers and believes in the slogan, "the customer is always right".
- Since satisfaction is a factor that affects customer-loyalty, continuous measurement of satisfaction and providing the context for its incidence are of important measures to be considered by insurance companies. To this end, they can distribute certain forms in their branches to collect the opinions of visiting clients. By analyzing the obtained data, the companies can understand their own strengths and weaknesses and develop appropriate solutions to build customer-loyalty.

LIMITATIONS OF THE STUDY

- Since the relationship quality related concepts and its components and also studies on them are

considered qualitative and complicated issues, quantifying them with quantitative instruments would be problematic in achieving correct results.

- Regarding data collection time, research findings are limited to the present period and are not generalizable to other period of times. Therefore, study results and the relationships between variables in another time is different from the results of the current study.
- As this study was conducted in the area of fiscal services, its results are not absolutely generalizable to other areas.

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