FACTORS INFLUENCING CONSUMER PURCHASE DECISION OF INSURANCE TOWARDS WORD OF MOUTH: A CASE STUDY OF FOREIGNERS LIVING IN THAILAND

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ABSTRACT

The purpose of this study is to determine factors influencing consumer's purchase decision on life, health and accidental insurance through word of mouth among foreigners living in Thailand. Customer satisfaction, trust and loyalty were hypothesized to have a significant relationship on word of mouth which mediates the consumer decision to purchase insurance packages. The conceptual framework of this study is adapted from the theoretical studies of the decision-making behavior, naturalistic decision-making and relative attitude behavior relationship. The pilot test of 35 respondents was accounted with Cronbach's Alpha reliability test. The sample (n = 380) were collected from online and offline questionnaires by using convenience and snowball sampling method. The data was anatomized by using Confirmatory Factor Analysis (CFA) and Structural Equation Model (SEM) to confirm validity, reliability, goodness-of-fit and hypotheses testing. As a result, customer loyalty has the greatest influence on word of mount, followed by customer trust. Word of mount also significantly impacts buying decision. However, customer satisfaction is found to have no significant on word of mount. Marketers are recommended to build brand awareness and image to gain trust and loyalty, provide training programs for sales agents to increase customer satisfaction and bring new technology to enhance positive word of mouth to accomplish customer's purchase decision.

Introduction

Insurance in Thailand does not have obvious evidence to mention on the emergence of the industry. However, it was found in Ayutthaya era because foreign merchants had a major role to bring insurance system to Thailand. At that time, it was applied as marine transportation without government permission to the foreigners. At the beginning, the process was complicated to the Thais. Afterwards, Thais were educated by the king Rama III in 2368. Insurance industry in Thailand was officially started by French companies owing to Greenfield operation in 2399. The industry has continued with obstacles and opportunities for more than 100 years. During the introduction of

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life insurance to Thai market, there were two main problems which consisted of inconvenient process and lack of customer intention. An important point was that the process of life insurance was lengthy because the insurance company needed to wait for documents from an outside country in Europe, which is why insurance was not very well-known in Thailand in earlier days (Office of Insurance Commission, n.d.). Fortunately, Thai government and international companies were the influencers to develop the insurance industry until customer perception and behavior has changed (Office of Insurance Commission, n.d.). Nowadays, people recognize more about its advantage due to social media, and there are many insurance companies in Thailand such as AIA, Thai Life, Muang Thai, AXA and so on. In recent statistics from year 2015 to 2019, the industry has grown approximately at 5 percent or 550,000 million THB per year, given the fluctuation of economic situation and was expected to expand by increasing consumer intention in the future (The Thai Life Assurance Association, 2019).

Furthermore, revenue from the insurance market was expected to be stimulated by increasing the number of expatriates and immigrants in Thailand. In recent statistics from 2018, the annual average rate of foreigner has increased approximately at 25 percent of the total or 2,500 people per country such as Japan, China, Philippines, India, UK, US, Korea, France, Taiwan and so on. Those of them have the objective to stay for a longer period to work mostly for education, business and marriage (The Agent, 2018). Therefore, the group of these people would like to prepare for medical welfare to take care of themselves while they live in Thailand. The important thing is to understand the current situation in insurance

industry that they become one of the target customers who seek for life, health and accidental insurance to save medical expenses from hospital. Nevertheless, Thai insurance market is still lack of a clear communication channel to contact and get informed about the Thai legislation for this customer group. For instance, the age of majority in each country is different. Thai people become Sui Juris on the completion of their 20 years of age, however people in Japan attain the majority at the age of 18 (Voa Thailand, 2018).

Researcher found that there has been a marketing study demand for insurance businesses for better understanding of factor affecting buying decision of insurance products in Thailand among non-Thai customers. This topic can make a great impact to Thai insurance industry and help driving economy of Thailand from foreigners' spending on Thai products. In addition, the previous study from Wisankosol (2021) who study Thai citizen's buying decisions of insurance products, recommended to extend the study group of non-Thai consumers. Hence, the objective of this study is to investigate the factors which include satisfaction, trust and consumer loyalty that have an influence on positive word of mouth that potentially affects purchase decision of life, health and accidental insurance among non-Thai consumers in Thailand.

Literature Review and Hypotheses

The decision-making approaches

Assignment Point (n.d.) mentioned that behavioral approach is focused to apply in the decision-making stage for customers. It is known as descriptive approach which is proposed by Herbert A. Simon, an American economist, political scientist and cognitive psychologist. It explains the decision-making

skills in real life that are different under certain conditions and situations such as stimuli, responses and reinforcements. These factors have an influence on human decision based on behaviors. Behavioral approach consists of task-orientation, employee-orientation and goal. At first, task-orientation explains on behalf of behavior based on the assignment. Employee-oriented focuses on action from relationship and environment. Lastly, path-goal requires user experience and skill while making decision. Besides, according to the norm of Herbert A. Simon, satisfaction is the key decision-making approach in choosing alternatives.

Naturalistic decision making (NDM)

This Theory examines the types of decision-making process with experiences to solve the conditions in different situations. NDM model is applied as a study tool in the direction of individual decision-making system in terms of diagram. The pattern will generate several options to choose the best solution in that time (Klein, 2008 a, b).

Satisfaction

Satisfaction is commonly defined as the standard of company to meet customer expectations by their products or services that can be presented with marketing mix: product, place, price, promotion and process (Kobylanski & Pawlowska, 2012). Satisfaction normally consists of two points of view for consumers in terms of economic side such as customer opportunities from their products or services to approach customer requirement, and the satisfaction in terms of psychology with relationship between seller and buyer (Geyskens, Steenkamp, & Kumar, 1999; Didyasarin, Vongurai, & Inthawadee, 2017). In addition, satisfaction is a major marketing objective to achieve for organization to improve customer demand and positive word of mouth that are

good customer feedback (Casalo, Flavian, & Guinaliu, 2008).

There are several business cases that customer satisfaction can bring many opportunities to make company successful such as Argos and Cadburys, they have studied and emphasized to identify customers' needs and want to improve customers' level of satisfaction (Business Case Studies, 2012). Moreover, majority of customers are willing to choose company that treat them well and eventually make them feel satisfied, especially in the service sector. Few researchers explained that satisfaction is more valuable than price because it will probably promote customer retention and positive word of mouth for the company. As a result, one of the successful business signs is to attain satisfied clients (Wish desk official, 2018).

Word of mouth (WOM)

Word of mouth is normally defined as a free form of communication among customers who discuss about performance of a product or service by their experiences (Dichter, 1966). The private communication is a powerful evaluation form buyers to sellers in the marketplace via online and offline marketing channels such as face-to-face, Facebook, Twitter, Line, Blogger and so on. These methods have become a reference for decision making (Christodoulides, Michaelidou, & Argyriou, 2012). In addition, word of mouth is usually accepted by trustworthy person or from a media mentioning about any special topic (Burnkrant & Cousineau, 1975). However, word of mouth is a double-edged sword because it is difficult to control, and it can cause both positive and negative influence for organization (Christodoulides et al., 2012).

MarketingOops (2019) mentioned that it was noted as word of mouth was effective in

marketing for a longer period because it creates an influence in terms of social proof. Hence, the marketers use this method to increase sales even though it is complicated. For instance, marketing company like Nielson found 84% of consumer trust in word of mouth. When they find information in some products, they always seek for recommendation and evaluation from experienced person.

The relationship between satisfaction and word of mouth was mentioned in many studies that customer satisfaction is an effect to create word of mouth in a positive way (Casalo et al., 2008). The fact is that satisfaction has a major role of usability and consumer behaviors in service sector, including insurance industry. Although, this action is indirectly an informal communication, it influences on other's decision in terms of recommendation which is very strong and supportive (Amron & Mursid, 2018). Hence, a hypothesis is derived H1: Satisfaction has a significant influence on word of mouth for insurance company.

Trust

In fact, trust is explained in psychology as the relationship between seller and buyer which can defend the uncertainty of a business action. This emotion can build the confidence in the interaction. In addition, trust enhances the willingness of a group of action to be more valuable. Trust will be created among the relationship when they meet their expectations from each other (Mayer, Davis, & Schoorman, 1995). The relationship between trustor and trustee is difficult to create, but easy to break. There are several aspects that have effects to trust in the service sector such as emotions, caring, effectiveness and competence (Johnson & Grayson, 2000). Therefore, trust and risk are significantly related. When trust is considered, risk of failure in motivation to do

something get minimized significantly (Mayer et al., 1995).

Recently, Duct Tape Marketing (n.d.) identified that marketers of the companies are keeping up with their customer to enhance consumer trust level which helps companies to generate sales revenue. For example, Lexus Sweden was a successful automaker in Europe who mostly concerned on feedback and customer trust. They created brand awareness by recommendation. Their customers were willing to recommend the brand to friends and families. Moreover, McDonalds in UK used social media marketing to communicate honestly with customers. The engagement made them improve and build trust. Finally, in 2006, McDonald's has increased their sales revenue by 8.5%.

For the Lexus Sweden case, it depicted a positive relationship between trust and word of mouth. The company has improved product and service after receiving the feedback, so they got high customer trust at 4.7 out of 5. When customer relied on Lexus, they were willing to spread their word of wisdom to their friends, families or acquaintances (Duct Tape Marketing, n.d.). Besides, Terres Santos, and Basso (2015) studied and proved that customer trust has a significant relationship with word of mouth toward the same direction. Consequently, the following hypothesis is set:

H2: Trust has a significant influence on word of mouth for insurance company.

Relative attitude behavior relationship

Dick and Basu (1994) studied on the relationship between customer loyalty and repurchase intention. Repurchase intention represents as consumer behavior in having repeat experiences of the product and service. Another factor is a strong attitude that is explained in terms of customer's opinion to purchase the product and service with strong

relative attitude. Hence, this theory also showed the four results of the relationship. If the customers have high attitude and experience, they are considered loyal. On the other hand, with low purchase intention, the customers do not have loyalty. In case of customer behavior with positive attitude but low purchase experience, they eventually generate loyalty in the long run. Besides, customers who have high experience with negative attitude are spurious loyalty (Fields, 2019).

Loyalty

Loyalty is normally defined as the strength of two relationships between individual's attitude and another party which can be individual or organization. Moreover, loyalty is used to explain a customer group who feels favorable in the brand of that product and service (Dick & Basu, 1994). In addition of the definition, loyalty is always applied to explain as one of the influencing factors to cause customer behavior in the decision-making process (Fields, 2019). It also will have strong motivation and belief of the consumer in positive attitude for the company (Casalo et al., 2008). Loyalty can be a competitive advantage in order to increase market share in a competitive industry. Including, many businesses nowadays would like to use customer loyalty to promote themselves by creating positive word of mouth.

Casalo et al. (2008) have analyzed the information on improving word of mouth in business action and they found that there is a strong relationship between word of mouth and customer loyalty in financial service provider. It can be summarized in term of marketing's word of mouth which is more important and has strong effect on the service sector of an organization. Therefore, word of mouth development should be concerned as a determinant factor to generate opportunity

for a company. The theoretical relationship is obtained to determine a hypothesis:

H3: Loyalty has a significant influence on word of mouth for insurance company.

Buying decision

Buying decision is commonly defined as a decision-making process which is completed by strategy to meet customer expectation for motivation. Decision is created by individuals in psychological, organizational behavior and marketing (Lye, Shao, Thiele, & Fausnaugh, 2005). The concepts of decision-making must be performed by consumers while purchasing products or services (Vongurai, Elango, Phothikitti, & Dhanasomboon, 2018). Additionally, the process is related to various options in buying decision according to the decision-making approaches and naturalistic decision-making theory (Lye et al., 2005). Consumer behavior will be motivated from the factors such as satisfaction, preference, relationship and incentive because customers will consider information under conditions that they have to identify the best solution in given situation (Klein, 2008 a). Moreover, customers need to obtain information from several sources through personal experience and other media to help them make buying decisions and spreading positive word of mouth (Woo, Ahn, Lee, & Koo, 2015).

There are several researchers who have discovered that the decision making of an individual creates a major impact when it comes to increasing sales revenue which is influenced from positive word of mount. Jaakkola (2007) studied on purchase behavior on decision-making with consumer services. It shows that a buying decision is affected by a positive referral or word of mouth. Thus, H4 is set:

H4: Word of mount has a significant influence on buying decision for insurance company.

Research Methods and Materials

Research framework

The conceptual framework of the study is constructed from studying of the previous theoretical frameworks related to this research. It refers to the theoretical model of buying decision in the marketing of Sharia Life Insurance (Amron & Mursid, 2018) and the model of the role of satisfaction and website usability in developing customer loyalty and positive word-of-mouth in the e-banking service (Casalo et al., 2008). As a result, this study aims to study on the effect of customer satisfaction (S), trust (T) and loyalty (L) on word of mouth (W) that influences foreigners' buying decision (BD) on insurance in Thailand per illustrated in Figure 1.
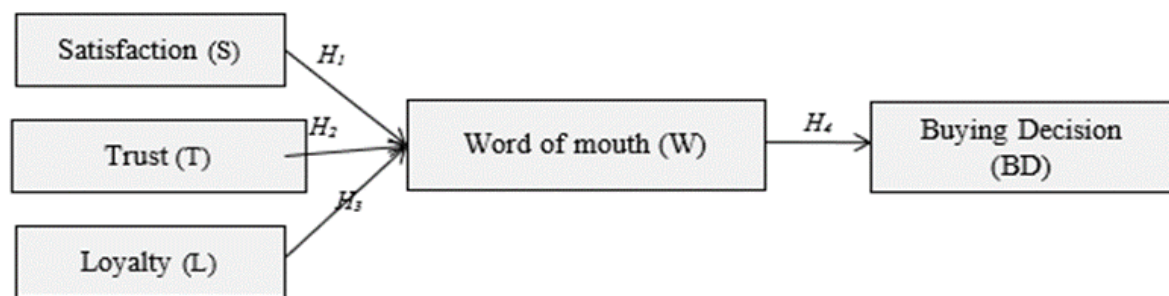

Figure 1 Conceptual framework

Methodology

This research is conducted by using a quantitative approach. The questionnaires were prepared and distributed through online channels via Line and Facebook and paper. The target respondents of the questionnaire were chosen of non-Thais, aged 20 years old and above, living in Thailand and have experience in purchasing insurance. The data were consolidated from the target group as participants whose response were analyzed to identify the factors influencing customer purchase decision toward life, health and accidental insurance through word of mouth. The questionnaire comprises of three parts. The first part represents the screening questions. The second part refers to consumer opinions on factors influence consumer purchase decision of insurance product. The survey instruments were developed by using the scales from the previous studies that have similar scope and context of this study. The third part represents the demographic profile of the target respondents. The factor measurement for consumer purchasing decision used a five-point Likert scale for measurement, in which 1 represents "Strongly Disagree" and 5 stands for "Strongly Agree".

Population and sample size

The research population for this study comprises of non-Thais aged 20 years old and above, with legal capacity according to Thai Law, living in Thailand and have experience in purchasing insurance. Foreigners as a sample group in this research contributes as an important group of customers who have a significant spending power to buy insurance product in Thailand. The researcher has referenced sample size calculator to determine the recommended minimum sample size by applying A-Priori Sample Size Calculator for Structural Equation Models (SEM) from Daniel Soper's website. The parameter values used were 5

latent variables and 19 observed variables with a probability level of 0.05. As a result, parameter recommended minimum sample size to measure the influence stands at 376 respondents. The researcher collected responses from 422 respondents and after screening the respondents as per its defined targeted population, the qualified respondent for the study is finalized at 380.

Sampling technique

The questionnaires for this research were distributed online and offline by using non-probability sampling method of convenience sampling and snowball techniques for data collection from target respondents. The collected data were screened to confirm that respondents meet the criteria of non-Thais aged 20 years old and above who have been living in Thailand and have previously purchased insurance product. The questionnaires were randomly given through paper and online channels via social media applications such as Facebook and Line, and the respondents may pass on the questionnaires to their friends and colleagues who also meet the same characteristics. The researcher has opted out the questionnaires with missing data, insufficient responses, or unmet requirement of the screening questions from the statistical analysis to gain accuracy of the results.

Pilot test

Each variable in this study was analyzed by using Cronbach's Alpha to ensure the reliability of the test and unidimensional of the measurement scales. A set of 30 responded qualified questionnaires were anatomized by using SPSS Amos Version 26 to verify the reliability. Table 1 shows the results that all variables have Cronbach's Alpha Coefficient of 0.70 and above. The results ranged between 0.717 to 0.831 which means that the data and measurement of the participating variables are acceptable with a high degree of reliance (Tavakol & Dennick, 2011).

Table 1 Cronbach's Alpha for reliability test (N = 30)

Variables	Source of questionnaire (measurement indicators)	Number of items	Cronbach's α
Satisfaction (S)	Casalo et al. (2008)	4	0.717
Trust (T)	Amron and Mursid (2018)	4	0.758
Loyalty (L)	Casalo et al. (2008)	2	0.780
Word of mouth (W)	Amron and Mursid (2018) Taghizadeh, Taghipourian, and Khazaei (2013)	4	0.831
Buying decision (BD)	Amron and Mursid (2018)	5	0.746

Results and Discussion

Demographic factor

Per Table 2, there are seven questions to collect demographic profile from the respondents of non-Thais with the age range of 20 years old and above, living in Thailand and have experience in purchasing insurance.

The sample consists of 380 valid respondents, from which 41.8 percent (159) were men and 58.2 percent (221) consisted of women. Age of the respondents were mostly ranged between 20 to 30 for 60.8 percent (231), with a monthly income ranging between THB 10,000 and THB 50,000 for 63.7 percent (242). Besides, majority of the answers came

from the Chinese respondents for 47.9 percent (182) and people who have bachelor's degree for 65.3 percent. Moreover, the data showed that most respondents are employed for 63.9 percent (243).

In term of the most favorite insurance brand in respondents' mind, majority of the respondents with 53.7 percent (204) decided

AIA is the most preferred, followed by Krungthai-AXA representing 16.1 percent (61), Muang Thai representing 13.2 percent (50), Thai Life representing 6.1 percent (23), SCGLIFE representing 4.5 percent (17) and the rest mentioned several companies such as Allianz, NZI, AETNA and Cigna.

Table 2 Demographic profile

Demographic and behavior data (N = 380)		Frequency	Percentage
Gender	Male	159	41.8%
	Female	221	58.2%
Age	20 to 30 years old	231	60.8%
	31 to 40 years old	94	24.7%
	41 to 50 years old	39	10.3%
	51 years old and above	16	4.2%
Income per month	Below THB 10,000	22	5.8%
	THB 10,000-50,000	242	63.7%
	THB 50,001-100,000	105	27.6%
	Above THB 100,000	11	2.9%
Nationality	Chinese	182	47.9%
	American	27	7.1%
	Japanese	80	21.1%
	Singaporean	21	5.5%
	Hong Kong	34	8.9%
	Others	36	9.5%
Education	Associate degree	11	2.9%
	Bachelor's degree	248	65.3%
	Master's degree	110	28.9%
	Doctoral degree	11	2.9%
Occupation	Student	59	15.5%
	Employed	243	63.9%
	Unemployed	17	4.5%
	Self-employed	61	16.1%
The most preferred insurance brand	AIA	204	53.7%
	Muang Thai	50	13.2%
	Thai life	23	6.1%
	Krungthai-AXA	61	16.1%
	SCGLIFE	17	4.5%
	Other	25	6.6%

Confirmatory factor analysis

The results of confirmatory factor analysis (CFA) explained that most of the variables are significant and have acceptable factor loading to demonstrate discriminant validity. Guidelines recommended by Hair, Black, Babin, Anderson, and Tatham (2006) are also used in determining the significance of factor loading of each item and acceptable values in determining the goodness of fit. Factor loadings are greater than 0.50 and p-value is lower than 0.05. Furthermore, relating to the suggestions from Fornell and Larcker (1981), Table 3 represents that the construct reliability is higher than the threshold of 0.7 and the average variance extracted (AVE) is higher than the threshold of 0.5. Majority of the squared multiple correlations are higher than 0.30 and all estimates are positive.

The square root of average variance extracted in Table 4 shows that all the correlations exceed the variable's correlation values. Furthermore, all indicators such as GFI, AGFI, CFI, NFI, and RMSEA are used to test a good model fit in CFA. The values of this study were shown in Table 5 at their acceptable values. Therefore, the convergent validity and discriminant validity is assured. Additionally, the results of the model measurements formed discriminant validity along with a validation to perform SEM estimation subsequently.

Table 3 Confirmatory factor analysis results, composite reliability (CR) and average variance extracted (AVE)

Variables	Factor loading	S.E.	T-value	CR	AVE
Satisfaction (S)				0.866	0.619
S1	0.694				
S2	0.823	0.079	14.652*		
S3	0.835	0.078	14.842*		
S4	0.787	0.080	14.060*		
Trust (T)				0.863	0.612
T1	0.712				
T2	0.788	0.071	14.409*		
T3	0.818	0.075	14.989*		
T4	0.807	0.076	14.921*		
Loyalty (L)				0.705	0.548
L1	0.821				
L2	0.649	0.069	12.969*		
Word of mouth (W)				0.848	0.583
W1	0.721				
W2	0.801	0.089	13.736*		
W3	0.693	0.076	14.408*		
W4	0.832	0.104	13.638*		

Table 3 (Continued)

Variables	Factor loading	S.E.	T-value	CR	AVE
Buying decision (BD)				0.878	0.590
BD1	0.752				
BD2	0.768	0.066	14.919*		
BD3	0.842	0.061	15.110*		
BD4	0.669	0.059	12.747*		
BD5	0.800	0.056	15.511*		

* = Significant at the 0.05 significant levels (p < 0.05)
<u>Remark</u> CR = Composite reliability, AVE = Average variance extracted

Table 4 Discriminant validity

Variables	Factor correlations				
	S	T	L	W	BD
S	**0.619**				
T	0.532	**0.612**			
L	0.494	0.515	**0.548**		
W	0.376	0.503	0.496	**0.583**	
BD	0.344	0.358	0.388	0.451	**0.590**

<u>Remark</u> The diagonally listed value are the AVE square roots of the variables

The acceptable values can determine the goodness of fit which include CMIN/DF = 1.879, GFI = 0.945, AGFI = 0.911, NFI = 0.955, CFI = 0.978, TLI = 0.968, RMSEA = 0.048 and RMR = 0.025 as measurable criteria referring to Table 5. Consequently, the results are acceptable and in harmony of with empirical data.

Table 5 Goodness of fit for confirmatory factor analysis (CFA)

Index	Acceptable values	Values
CMIN/DF	< 3.00 (Hair et al., 2006)	1.879
GFI	≥ 0.90 (Hair et al., 2006)	0.945
AGFI	≥ 0.85 (Schermelleh-engel, Moosbrugger, & Muller, 2003)	0.911
NFI	≥ 0.90 (Arbuckle, 1995)	0.955
CFI	≥ 0.90 (Hair et al., 2006)	0.978
TLI	≥ 0.90 (Hu & Bentler, 1999; Marsh, Hau, & Wen, 2004)	0.968
RMSEA	< 0.05 (Browne & Cudeck, 1993)	0.048
RMR	< 0.05 (Hair et al., 2006)	0.025

<u>Remark</u> CMIN/DF = The ratio of the chi-square value to degree of freedom, GFI = goodness-of-fit index, AGFI = adjusted goodness-of-fit index, NFI, normalized fit index, TLI = Tucker-Lewis index, CFI = comparative fit index, RMSEA = root mean square error of approximation, and RMR = root mean square residual

Structural equation model (SEM)

To investigate the conceptual model fit, structural equation model (SEM) is employed as a reference suggested by Klein (2008 b). The goodness of fit index is estimated for testing. Besides, Hair et al. (2006) recommended that the value measurement for model fit should be less than or equal to 3 for Chi-square/degrees-of-freedom (CMIN/DF) ratio and GFI and CFI should be more than 0.9. After running the SEMs and emending the model by using SPSS Amos Version 26, the goodness-of-fit index is CMIN/DF = 1.709, GFI = 0.954, AGFI = 0.922, NFI = 0.960, CFI = 0.983, TLI = 0.974, RMSEA = 0.043, RMR = 0.023 as measurable criteria referring to Table 5.

Research hypothesis testing

The significant relationship of the variables in the model was assessed from its regression weights and R2 variances. As the results in Table 6, all hypotheses were supported with a significance at $p = 0.05$, excluding H1 which assumed connections between satisfaction and word of mouth. Loyalty has the strongest influence on word of mouth ($\beta = 0.332$), followed by Trust ($\beta = 0.266$). In addition, the result also showed in H4 that word of mouth has a significant influence on buying decision ($\beta = 0.513$). According to Figure 2 below, the model is obviously able to explain 48 percent of the variance about the relationship of the factors to word of mouth and 58 percent of a relationship between word of mouth and purchase decision.

Table 6 Hypothesis and the structural equation model analysis

Hypotheses	Paths	Standardized path coefficients (β)	S.E.	T-value	Test result
H_1	W <= S	0.138	0.081	1.829	Not supported
H_2	W <= T	0.266	0.131	2.186*	Supported
H_3	W <= L	0.332	0.128	2.314*	Supported
H_4	BD <= W	0.513	0.117	11.052*	Supported

*$p < 0.05$

Direct, indirect, and total effects of relationships

SEM also differentiates between direct, indirect, and total effects (Joreskog & Sorbom, 2001). Direct effect refers to a relation or a connection between two variables without the help of a mediating variable. On the other hand, indirect effect is normally influenced by a variable of one dependent variable through other variables. A total effect is the comprising of direct and indirect effects (Asher, 1983).

Table 7 Direct, indirect and total effects of relationships

| Variables | W | | | | BD | | | |
	Direct effect	Indirect effect	Total effect	R^2	Direct effect	Indirect effect	Total effect	R^2
S	0.138	-	0.138	0.482	-	0.154	0.154	0.584
T	0.266*	-	0.266*		-	0.296*	0.296*	
L	0.332*	-	0.332*		-	0.369*	0.369*	

*$p < 0.05$

Table 7 shows that the highest influencing variable of direct and indirect effects on customer loyalty is positive word of mouth (0.332), followed by consumer trust (0.266). Customer satisfaction was not accepted in hypothesis even it has the total effect to word of mouth at 0.138. Nevertheless, the variable's p-value is not less than 0.05. The most influencing direct and indirect effect on buying decision through optimistic word of mouth is also loyalty (0.369). The next influencing factor is trust (0.296). Therefore, there are three significant impacts which show trust and loyalty significantly affect word of mouth from customer, and it will cause continually to make non-Thai consumer's decision to purchase life, health and accidental insurance from the insurance companies.
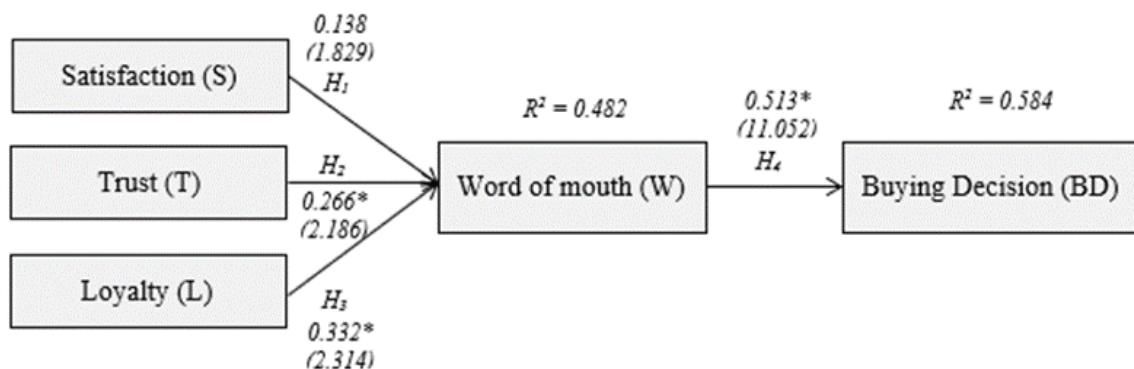

Figure 2 The results of structural model

The results from Table 7 and illustrating in Figure 2 can be explained as below.
The summary of H1 is not significant because P-value is more than 0.05 as illustrated in Table 6 even though the model depicts its factor coefficient value of 0.138. Therefore, customer satisfaction has not a significant influence on purchase decision through word of mouth. This result can be interpreted that even though consumers are satisfied with product, place, price, promotion and process of the company, they still do not have enough motivation to purchase insurance products and create positive commendation. This finding has a contrast with previous research conducted by Casalo et al. (2008) which was already explained on positive relationship between word of mouth and satisfaction.
From the H2 result, it depicted that the hypothesis is supported with significant factor coefficient value of 0.266. It means that trust has significant influence on buying

decision through word of mouth. This can be explained that when insurance companies earn customer trust as competitive advantage in the industry, this factor would take a favorable possibility in increasing their sales from word of mouth. The customers are more willing to recommend the product of the company to their acquaintances. Furthermore, it can be assumed that foreign consumers in Thailand are possibly motivated in buying decision by trust and recommendation. The result is aligned with the previous research (Amron & Mursid, 2018; Casalo et al., 2008). Although the hypothesis is supported, customer trust has the least influence on purchase decision towards word of mouth when compared to other variables from the model.

H3 of customer loyalty has clearly hypothesized on having a significant influence on purchase decision through word of mouth. The hypothesis is supported with a factor coefficient value at 0.332. According to SEM results, consumer loyalty is lower than 0.05 of p-value which relates to relationship between loyalty and word of mouth in order to enhance purchasing decision of life, health and accidental insurance. The result also indicated that consumer or foreign buyers of insurance product and service has a probability of being influenced by customer loyalty through recommendation from reliable person. Moreover, this statement follows a relative attitudinal relationship concept on connection of loyalty and action (Fields, 2019). To summarize, the relationship has strengthened the findings of previous researchers (Taghizadeh et al., 2013; Casalo et al., 2008). H4 explains that positive word of mouth has a significant influence on customer buying decision and it is clearly accepted with coefficient value of 0.513. The decision-making approaches and naturalistic decision-

making theory also can be used to support this hypothesis because it explains on human behavior that affects the purchase decision of the consumers (Klein, 2008 a, b). The consumer is likely to be involved in the buying decision if foreigners have opinion that they are willing to provide word of mouth to the company in a positive way. The respondents of this study are mostly experienced in purchasing those insurance, so this hypothesis shows relationship between word of mouth and buying decision among foreigners in Thailand. In addition to the result, this has the same reflection of the result with the previous studies (Casalo et al., 2008).

Conclusion, Recommendation and Limitation

Conclusion

The objective of this study is to determine the major aspects of purchase decision of foreign consumers living in Thailand through word of mouth. In addition, the study also determines the influence of word of mouth on purchase decision. The researcher applied psychological and sociological theories for the conceptual model to study the relationship between independent and dependent variables to get the outcome as buying action from consumers. The representative target group for the study were those who are non-Thais aged 20 years old and above, living in Thailand and have experienced purchasing insurance, as they have full legal capacity according to the Thai law in order to get mostly correct data. The data were collected by questionnaires to analyze by using SPSS Amos Version 26 program to test the reliability of the data. Moreover, the researcher applied confirmatory factor analysis (CFA) and structural equation model (SEM) to analyze of the research framework.

These models depicted the influencing factors to buying decision of foreign customers in Thailand when they are willing to mention or recommend to others in a positive way on their positive experience.

This research illustrated four major findings in customer aspect for buying insurance. The result showed that there are three out of four significant relationships which consist of customer trust towards word of mouth, customer loyalty towards word of mouth and word of mouth towards purchase decision. On the other hand, customer satisfaction towards word of mouth is only one assumption which was not approved after analyzing.

At first, customer trust has a significant influence on word of mouth. Therefore, the level of trust can help companies to build brand reputation and image in the competitive marketplace because customer is willing to speak about them in a good way, in both online and offline communication when consumer trust increases. Secondly, customer loyalty has causal relationship towards word of mouth at the most influencing rate among other factors. When customer has high loyalty towards the insurance company, the probability of being company's voice would be high. However, there is no causal relationship between customer satisfaction and word of mouth. This implied that people could feel satisfied with their product or service, but it cannot persuade them to enhance confidence in spreading positive word of mouth to others. Lastly, customer loyalty is the most important part of the bridging relationship between word of mouth and customer buying decision. Therefore, whenever people are willing to build and receive positive recommendations from their friends and families, they are more likely to take part in making purchase decisions.

Recommendations

The findings of this study indicated on consumer's purchase decision through positive word of mouth, which can be affected through customer trust and customer loyalty. Therefore, the researcher provided suggestions to marketer and salesperson on the importance of building and improving customer relationship in the service sector because when customers have trust and loyalty, they would like to purchase insurance. However, insurance industry is tailored to provide customer service in times of their needs. Therefore, companies should improve each department to create more confidence for the market. The researcher provides certain recommendations to improve customer service standards. Firstly, marketers need to build awareness and image as a credible brand to increase market reliance which aims to build trust and increase higher level of customers' satisfaction. According to this, the company can build trust by achieving timely response, financial transparency and achieving commitments in terms of delivering timely service, English consultancy, and claim acquisition for foreign customers. Secondly, a company should provide professional training programs to employees, especially sales agents who are mostly close to the customers. In addition, the company should hire customer services personnel in different languages such as English, Chinese and Japanese. Thirdly, a company should prepare tools and improve technology for staff to provide the best service for customers because customer trust and loyalty will be built through performance and action from customer's observation and their perspective towards that brand. Lastly, marketing and sales should co-operate and organize special activities with customers to create customer brand engagement followed by generating customer loyalty.

Limitation for further study

There are obvious limitations in this research, which is applicable for further study. The point of this study only focuses on non-Thai customers who are 20 years old and above, living in Thailand and had a chance to purchase life, health and accidental insurance. The fact is that the findings are based on foreigners only; therefore, the view of findings and recommendation can be wider if questionnaire is also distributed to the Thais living in Thailand. The opinion will be diverse, and the marketers and salesperson definitely need to understand more on the need of insurance market by comparing each target group in Thailand because difference in cultures may cause different aspects of thought and lifestyle. In addition, the other variables can be further explored such as acceptability of insurance conditions, attitude toward insurance, competency, etc.

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