ELECTRONIC AND TRADITIONAL WORD OF MOUTH AS TRUST ANTECEDENTS IN LIFE INSURANCE BUYING DECISIONS

by Amron Amron

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ABSTRACT

This research was conducted to examine the effects of electronic word of mouth (eWOM) and traditional word of mouth (tWOM) on the level of consumers' trust in deciding to buy life insurance products in Indonesia. It involved 430 respondents who were online community members in two of Indonesia's largest cities; Jakarta and Surabaya. Surprisingly, this study found that eWOM was a more dominant predictor than tWOM in influencing trust. The other research result is that the trust variable influences consumers' buying decisions in positive and significant ways. This research recommends that managements of life insurance companies should build promotion policies based on trust so that the consumer decision level to buy life insurance products increases. The trick is for company management to identify and develop practices that improve the roles of positive eWOM and tWOM, so as to increase the level of consumers' trust to buy.

KEYWORDS
Electronic Word of Mouth, Trust, Buying Decision, Life Insurance

INTRODUCTION

Large market potential must be balanced with an effective marketing strategy. In the rapidly evolving era of information technology today, companies must be able to penetrate the market by maximizing the role of information technology. Recently, various marketing strategies using information technology have developed very rapidly, such as in the form of the electronic media of word of mouth, commonly referred to as eWOM (Allsop et al., 2007; Christodoulides et al., 2012). According to Hennig-Thurau et al. (2004), the service industry is very dependent on word of mouth (WOM) because the nature of service cannot be consumed directly in the beginning. Service consumers do not feel the immediate benefits at the time of buying (Zeithaml, 1981). Hence, consumers need information from other consumers who have experience consuming the services (Buttle, 1998; Bayus, 1985). One of the ways to disseminate this information is through electronic word of mouth (eWOM) (Hennig-Thurau et al., 2004). According to Hennig-Thurau et al. (2010) and Shin et al. (2014), eWOM is a positive or negative statement made by one customer to another customer about the performance of a product or company via online media. A customer statement may be positive or negative depending on the level of experience during the interaction with the service or the service provider company. When the eWOM conveyed is positive, the company will benefit from the information. Otherwise, it will be impaired when negative eWOM is delivered by the consumer (Hennig-Thurau et al., 2004). According to Matute et al. (2016) and Prasad et al. (2017), eWOM plays a very significant role in the level of customer trust when deciding to buy a service product.

One of the service businesses currently developing in Indonesia is the life insurance business. Over the last ten years, this business has seen a significant increase in premium income. The average increase in premiums in the period from 2005 to 2015 was 9% (OJK, 2016). However, an increasing premium was occurred in period of 2015-2016. In 2015 was reported the total premium of US$10.2 million, and in 2016 was reported the total premium of US$12.9 million, it increased up to 26% (OJK, 2016). The increasing amount of premiums was also offset by an increase in the number of life insurance companies. In 2011, there were 45 insurance companies in Indonesia. In 2016, the number of insurance companies increased to 52 (OJK, 2016). However, the increase was still less significant when viewed from the level of consumer participation in buying life insurance products, which was only US$54 per person per year. This is not comparable with the huge population of Indonesia, which is approximately 240 million people (BPS, 2010). Therefore, further research is necessary to reveal the factors that influence decisions to buy life insurance services in Indonesia.

The enormous market potential must be managed using appropriate strategies (Christodoulides et al., 2012; Lee & Youn, 2009). One approach is using various media including online media (Lee & Youn, 2009; Pool et al., 2016). According to Christodoulides et al. (2012), various online media, such as What's App (WA), Instagram, Facebook, email and so forth, can be used to market products. Meanwhile, according to Bachleda & Berrada-Fathi (2016) and Shin et al. (2014), in the online era, eWOM is a very effective method for marketing services when compared to traditional word of mouth (tWOM) in terms of the breadth and ease of reach. Richins (1984) defined tWOM is a form of communication using proximity (face to face). tWOM promotes face to face communications for sharing positive or negative information about experiences related to goods, services, and producers (Richins, 1984). On the contrary, eWOM is a form of communication using internet media, for example email and social media, to share positive or negative information about experiences related to goods, services, and producers (Hennig-Thurau et al., 2004).

Various studies in the field of services exploring eWOM and consumers' decisions about buying services have explored various aspects. For example, Matute et al. (2016) examined the effect of eWOM on trust in buying online services. Likewise, Prasad et al. (2017) also examined the effect of eWOM on decisions to use the provisioning facilities of web media services. Other studies on tWOM, such as Lin and Lu (2010), have investigated the roles of tWOM in the field of hospital services. Furthermore, Jalilvand et al. (2017) studied the association of tWOM with trust in the hospitality service field.

However, no previous research has examined the simultaneous effects of eWOM and tWOM on consumers' buying decisions with respect to the variable of trust in the service sector. For example, although the studies of Matute et al. (2016) and Prasad et al. (2017) discussed the effect of eWOM on service buying decisions, they did not address specific tWOM variables, particularly their roles in buying decisions. Similarly, while Lin and Lu (2010) and Jalilvand et al. (2017) did examine buying decisions in terms of tWOM, they never specifically discussed the influence of eWOM variables on service buying decisions. In another study, Husin et al. (2016) also reported on life insurance. However, they only discussed buying decisions in terms of mass media and the variable of tWOM, without addressing the role of eWOM. Therefore, this study contributes theoretically to fill the gaps that have not been studied previously. This study explores the effects of eWOM and tWOM as predictors of trust in decisions to purchase life insurance services in Indonesia.

Our findings can serve as a reference to life insurance companies preparing promotional strategies to achieve market penetration. In addition, the findings are useful for life insurance marketers hoping to improve their services for customers and prospective customers so that large market potential can be managed maximally.

THEORETICAL BACKGROUND

Overview of Life Insurance

Life insurance is an agreement between an insurance company and a policyholder to insure the risk that befalls a person's life by the replacement of some money (Arrow, 1971). An insurance company provides compensation for the death or life of an insured person. According to Akotey &Abor (2013), insurance is a two-party risk transfer from the insured as the owner of the risk to the insurer as the recipient of risk transfer. The insured is an individual who needs certainty against the risks encountered, such as the risk of financial loss due to illness, death, or retirement from work, and other financial risks associated with a person's life, and the insurer is an insurance company that receives the transfer of risk from the insured party and promises to provide financial reimbursement in case of risks to the insured. As a consequence of the risk transfer, the insured pays the insurance company a sum of money called a premium (Zeckhauser, 1969).

Principally, insurance service is a business appointment (Amron, 2017). An insurance company promises to indemnify the policyholders (the insured). A life insurance company is a company that provides services in risk management by providing payment of compensation to policyholders. The insurance company pays the benefit of the policy to the customer or the insured who dies or has an accident as agreed in the policy (Akotey & Abor, 2013; Husin et al., 2016). The value of the insurance benefit payment refers to the proceeds of the agreed fund management in the contract between the insurer and the insured (Akotey &Abor, 2013).

There are two types of insurance; life insurance and general insurance (non-life). The difference between life insurance and non-life insurance is that the object of risk for life insurance is risk that befalls the life of a human being, such as death, pension risk, illness and so forth, and non-life insurance emphasizes objects of the risk of loss of property, such as suffering losses due to events that occur suddenly and unexpectedly as a result of floods, volcanic eruptions, and fires (Husin et al., 2016; Amron, 2017). As such, life and non-life insurance both operate in the same field referring to the principle of utmost good faith and indemnity. Utmost good faith means, in running a service, the insurance company's action is based on the best faith. The principle of indemnity is that insurance companies work professionally to recover the finances of an insured person who is unfortunate and requires compensation from the insurer (Akotey & Abor, 2013; Amron and Usman, 2016).

Buying Decisions

Decision theory has been developed very rapidly in various disciplines. The field of marketing science is no exception. Particular attention has been paid to developing a model of consumers' buying decision when buying goods or services (Webster and Wind, 1972, Lye et al., 2005). According to Lye et al. (2005), the development of decision theory can be divided into three main theories; first, normative decision theory, which is a decision theory used to explain the maximization of benefits. Second, behavioral decision theory is used to explain the level of satisfaction obtained as a result of decision making. Third, naturalistic decision theory describes natural settings and models. In principle, the three main theories have similarities. They all try to explain decision behavior in the face of uncertainty. One example of uncertainty is the risk of limited information when deciding a buy something (Webster and Wind, 1972; Lye et al., 2005).

To obtain maximum results in applying the above theories in the field of service, consumers need what is called decision strategy (Lye et al., 2005; Webster and Wind, 1972; Borghini et al., 2006). Decision strategy specifically describes the basic concept of decision making by consumers (Lye et al., 2005; Webster and Wind, 1972; Woo et al., 2015). The strategy of decision making is a process of analyzing, assessing and making decisions from the various profitable alternatives (Webster and Wind, 1972; Borghini et al., 2006).

According to Chen et al. (2013) and Makkonen et al. (2012), a decision to buy life insurance object is different from other objects because life insurance is included in a complex category. This is based on the basic fact that life insurance business has a unique nature; it uses the lifecycle reference or one's life as the basis of transaction (Husin et al., 2016). The other fact is someone who has decided to buy life insurance will not necessarily enjoy the benefits. The reason is that, in the case of assurance due to death, the one who gets the benefit is the heir, so prospective consumers tend to be more serious in finding information from various trusted references before deciding to buy life insurance services (Husin et al., 2016).

Insurance is a promise business; the insurance company promises to give some compensation due to sickness or death (Husin et al., 2016). Consumers cannot enjoy the promise of insurance at the beginning of the transaction. They have to wait until they are sick or die. Then, the promise either is proven to be fulfilled or not by the insurance. Meanwhile, the event of illness or death is an event for which the timing cannot be ascertained (Husin et al., 2016). Hence, in the case of buying insurance services, consumers need extremely reliable information support (Husin et al., 2016; Chen et al. (2013); Makkonen et al., 2012). According to Woo et al. (2015), information may come from WOM, such as the referrals of close people who have personal experience or others who have used the product. On the other hand, Christodoulides et al., (2012) pointed out that information can come from recommendations obtained from online media, such as WA, Instagram, Facebook and other online media. This is commonly referred to as eWOM. According to Christodoulides et al. (2012), the impact of eWOM differs for each person. For example, they found that UK citizens are very sensitive to negative eWOM compared to Chinese citizens.

Association of eWOM and tWOM with Trust

eWOM is a form of positive or negative information produced by consumers in regard to the performance of a product/service or company through the internet media (Hennig-Thurau et al., 2004). For example, a consumer posts a statement via email or social media, on Facebook or Instagram for example, containing a review of the experience of consuming a particular service (Yap et al., 2013). Currently, social media has become a very high potential media to spread eWOM for a product or service and even a company's name (Christodoulides et al., 2012). Positive information and reviews of a product or company through online media delivers the significant, positive impact of eWOM to a product/company. Moreover, positive eWOM is able to increase consumers' trust to buy a product. Conversely, negative eWOM reduces consumers' trust in a product/company. It is very detrimental to a company when disappointed consumers convey a negative experience through social media. Negative information spreads quickly, and it cannot be prevented due to the nature of eWOM, which is based on online technology.

Along with the development of information technology, the role of eWOM has become very important for consumers who refer to online media before buying products or services

(Bachleda & Berrada-Fathi, 2016). Prospective consumers have a variety of information sources from online media; the more positive the eWOM, the more profitable the company. According to Christodoulides et al. (2012), online media is often used by consumers to deliver eWOM through email, Instagram, Facebook, WA, Line, blogs, etc. Furthermore, Lin & Lu (2010) and Christodoulides et al. (2012) asserted that eWOM has the advantages conveying information rapidly and broadly.

Various studies on the effectiveness of consumers' buying decisions in the field of services have placed eWOM as a predictor of trust. Almost all studies have placed eWOM as a very powerful predictor of the trust variable. For example, Bachleda & Berrada-Fathi (2016) placed eWOM as a predictor of trust, and their result showed that eWOM has a positive and significant effect on trust in online services. In addition, Matute et al. (2016) found a positive association between eWOM and trust in the field of online vendor services. Likewise, Prasad et al. (2017) found a positive and significant relationship between eWOM and trust in the service field among respondents from academia.

Although many studies have suggested that eWOM is more effective than tWOM, many works have also found that the role tWOM plays as a predictor of trust in influencing consumers' buying decisions cannot be ignored (Shin et al., 2014; Lin & Lu, 2010; Jalilvand et al., 2017). Richins (1984) also confirmed that tWOM is a form of communication using proximity (face to face). This means that there is a personal relationship between one consumer and another. The closeness of the relationship in tWOM is also emphasized by Cheema & Kaikati (2010), who stated that tWOM is a means of sharing experiences through face-to-face communication by promoting social benefits and personal cost benefits. The advantage of tWOM is that it promotes face to face communications and sharing information about experiences related to goods, services, and producers (Richins, 1984). The tWOM communication model sometimes involves a close social relationship between the message giver and recipient. In addition, tWOM often makes people closer because of the emotional relationship that exists among individuals, so tWOM is not just limited to information but is more personal (Cheema & Kaikati, 2010; Herr et al., 1991).

Studies conducted in the field of services prove that tWOM can be a good predictor of the trust variable. For example, Shin et al. (2014) stated that, in addition to eWOM, tWOM also plays a strong role in influencing trust. These findings are also corroborated by Lin & Lu (2010), who found that tWOM has a positive and significant effect on trust in travel services in Taiwan. Other findings, such as those of Jalilvand et al. (2017), who examined the hotel service field, also found that tWOM has a positive and significant effect on trust.

Based on the above description, this study concludes that eWOM has a positive and significant effect on trust via online media, while tWOM also influences trusts through the personal face to face approach. Hence, we have formulated two hypotheses as follows:

H1 : tWOM has a positive and significant effect on trust.

H2 : eWOM is positively and significantly associated with trust.

Association of Trust and Buying Decisions

According to Hosmer (1995), trust is a commitment held by the parties involved in a transaction. A consumer's trust is the consumer's expectation that the provider of goods/services is independent and trustworthy in fulfilling its promise (Sirdeshmukh et al., 2002; Johnson & Grayson, 2000). Trust is closely related to honest transaction information (Wu et al., 2008).

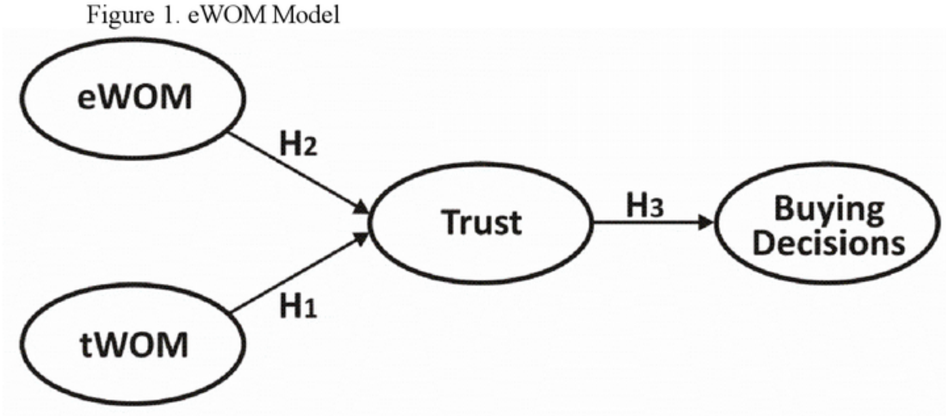
Anderson & Narus (1990) explained that differences between two parties can arise in a transaction, but trust will bridge the gap.

Trust in services is related to a promise, which is the key to the relationship between consumers and producers (Arnot, 2007). Service providers promise consumers that they will perform a service (Wu et al., 2008). Customers who receive information in accordance with reality, i.e., receiving the service as promised, have sufficient belief to make buying decisions (Anderson & Narus, 1990). Trust in this study is trust to the company (Liu et al., 2013)

Many studies had been conducted to explore the relationship of trust with consumer behavior in the service field. For example Tseng & Lee (2016) examined the effects of trust on buying decisions in the field of online services. They found that trust has a significant effect on buying decisions. Liu et al. (2013) examined the effect of trust on buying decisions related to online services in China and found that trust has a positive and significant association with buying decisions. Thus, we strongly support the view that trust to company is positively associated with buying decisions related to life insurance services. (See Figure 1)

H3: Trust has a positive effect on life insurance buying decisions.

Figure 1. eWOM Model



RESEARCH METHOD

This study consisted of four latent variables, i.e.: tWOM, eWOM, trust, and buying decisions, with a total of 18 items. Previous studies were used as a reference for content validity, and the researcher made some necessary modifications on some items. The previous studies are Jalilvand et al. (2017), Matute et al. (2016), and Tseng & Lee (2016), and the variables were developed through a media questionnaire. Questionnaires were also used as an instrument to capture the characteristics of respondents, such as gender, age, occupation and other demographic information. The researcher used a scale of one to nine to express strong answers from strongly agree to strongly disagree. The data obtained from the respondents were analyzed using structural equation modeling (SEM). The questionnaires were distributed to 500 respondents in two cities in Indonesia, Jakarta and Surabaya. The criteria of the respondents were as follows: online community members, a minimum age of 20, and having life insurance policies.

RESULTS AND DISCUSSION

A total of 430 questionnaires were feasible and declared good for the analysis process. The participation rate of the respondents reached 0.86 percent, which is considered very good (Babbie, 2007). The results of primary data analysis found that 57 percent of the respondents were female, and the remaining 43 percent were male. Respondents aged 41 years to 50 years old made up 21 percent of the total, 40 percent were aged 30 to 40 years old, and the remaining 39 percent were under 30 years of age. The respondents working for private companies accounted for 55 percent, 15 percent of them were civil servants, 20 percent were entrepreneurs, and the remaining 10 percent were in the informal sector. A total of 49 percent had been members of the online community over 6 years, 38 percent were members for a period of 3 to 5 years, and the rest joined less than 3 years prior to the study. Forty percent of them had been life insurance policyholders for more than 5 years, 39 percent for 2 to 4 years, and the remaining 21 percent held polices no longer than 2 years.

The Instruments of Validation and Reliability

Convergent validity was met in this study. By using the varimax rotation method, each item in this study had a loading factor of over 0.7. According to Hair et al. (2014), the ideal loading factor is 0.7 or more (see Table 1). The results of factor confirmation analysis state that the significance of the loading factor is at the level of 0.01.

The instrument reliability in this study is shown by composite reliability (CR) reaching a figure higher than 0.7. In addition, it is also proven by the average variance extracted (AVE) greater than 0.5, as shown in Table 1. According to Hair et al. (2014), CR should be equal to or greater than 0.7, when AVE is equal to or greater than 0.5. Table 1 shows that the instrument of reliability in this study supports convergent validity.

Furthermore, this study also found that discriminant validity was met since all indicators do not show high intercorrelation with the other indicators that measure different constructs. Table 2 affirms that AVE is greater than the square of its correlation estimate.

Table 1. Factor Loading of Measurement Items

Variables	Items	Descripstion	Loading
tWOM	tWOM1	My family said positive things about the life insurance	0.81
	tWOM 2	My close friend said positive things about the life insurance	0.78
	tWOM 3	The experts recommended to do business with the life insurance company	0.75
	tWOM 4	My superior recommended that I buy life insurance	0.77
eWOM	eWOM 1	I often read other consumers' reviews online stating that life insurance claims are paid immediately	0.82
	eWOM 2	I often read other consumers' reviews online stating that the arrangements of life insurance claim documents are very simple	0.81
	eWOM 3	I often read other consumers' reviews online stating that the procedure of buying a policy is very fast.	0.81
	eWOM 4	I often communicate with insurance customers online to find out what life insurance rate premium is appropriate	0.70
	eWOM 5	I often communicate with insurance customers online to find out if the online service of a life insurance company is good	0.80
Trust	TRS1	I believe that the life insurance claims are paid on time	0.78
	TRS2	I believe that the life insurance claims are paid in the appropriate amount	0.77
	TRS3	I believe that the policy and premium of the life insurance that I bought is appropriate.	0.73
	TRS4	The personnel of the life insurance company are trustworty	0.77
	TRS5	The personnel of life insurance company have integrity	0.76
Buying decision	BD1	I bought a product from the life insurance company without hesitation	0.72
	BD2	I will buy the same product in the future	0.80
	BD3	I buy life insurance products more quickly than others	0.79

	BD4	My opinion tends to be influenced by others	0.80

Source: Data Analysis, 2017

Table 2. Reliability and Discriminant Validity

Variables	No. of Items	Composit Reliabiliy	tWOM	eWOM	Trust	Buying Decision
tWOM	4	0.87	*0.81*			
eWOM	5	0.85	0.53	*0.70*		
Trust	5	0.84	0.52	0.68	*0.74*	
Buying Decision	4	0.83	0.22	0.42	0.36	*0,73*

Note: The Main Diagonal is AVE
Source: Data Analysis, 2017

Goodness of Fit for the Model

Referring to the criteria of Hair et al. (2014), all the results of fit model measurements that were conducted in this study indicate that the model has met the criteria of goodness of fit. This is in accordance with the fact that, in terms of fit , the chi-square statistic obtained is 134.12. The goodness of fit index (GFI) is 0.94, the adjusted goodness of fit index (AGFI) is 0.92, and the root mean square error of approximation (RMSEA) is 0.03. The incremental fit size of the model shows an acceptable index, as measured by the fit size of the Tucker Lewis Index (TLI) of 0.97, and the comparative fit index (CFI) of 0.99. Thus, it is concluded that the model used in this study has met the criteria of goodness of fit.

Hypotheses Testing

The hypothesis test in this study concluded that hypotheses H1, H2, and H3 are accepted statistically. tWOM and eWOM have a positive and significant effect on trust (β = 0.090; p <0.039) and (β = 0.652; p <0.000), so hypotheses H1 and H2 are accepted. In addition, trust influences buying decisions positively and significantly (β = 0.399; p <0.001); therefore, H3 is accepted (see also Table 3.).

Table 3. Hypothesis Testing

Hypothesis		Est.	C.R	Probability	Result
H1:	tWOM → Trust	0.090	2.060	0.039	Supported
H2:	eWOM→ Trust	0.652	6.100	0.000	Supported
H3:	Trust → Buying Decision	0.399	4.600	0,001	Supported

Source: Data Analysis, 2017

The Factors Influencing Trust

The results of this study found strong effects of tWOM and eWOM on trust. tWOM and eWOM influence trust in a positive direction; the stronger the tWOM and eWOM received by the consumer, the stronger the consumer's trust to buy.

In terms of the effect of tWOM on trust, this study proved that tWOM has the ability to serve as a predictor of life insurance customers' trust. Although the effect of tWOM (β= 0.090) is smaller than that of eWOM (β= 0.652), the role of tWOM in establishing customer trust cannot be ignored, as shown by the p-value of 0.039 (<0.05) (see also Table 3). Therefore, this study suggests that the management of life insurance companies should keep paying attention to the existence of tWOM when developing promotion programs (Cheema & Kaikati, 2010; Herr et al., 1991). Although the results of this study are in line with Jalilvand et al. (2017), asserting that there is an association of tWOM with trust, the forming elements of tWOM in this study were different. The tWOM was formed by the proximity of the parties who delivered the tWOM. The closer the relationship between the parties, the easier it is for it to be accepted as a reference. Such relationships as family members, close friends, and other emotional relationships play bigger roles in this research. Therefore, this study recommends that marketers make efforts to increase the positive tWOM in the sale of life insurance products. The trick is to focus on various efforts related to the improvement of tWOM recommendations that involve both personal and emotional closeness by developing various promotional programs which are personal and emphasize face to face interaction with customers such as business gatherings, visiting potential customers, and being active in other personal/emotional strategic events (Richins, 1984; Shin et al., 2014).

This study also found a strong effect of eWOM on trust. It also proves that online information media is able to place eWOM as a strong predictor of consumers' trust. Through eWOM, a consumer's trust is formed by various kinds of information conveyed by consumers who have had the experience consuming life insurance products. Through online media, various information about positive experiences consuming insurance services spread easily and form consumers' perceptions (Christodoulides et al., 2012). Consumers who access online media obtain information via eWOM on the merits of a product and vice versa (Hennig-Thurau et al., 2004; Yap et al., 2013). eWOM spreads a various kinds of information, such as the speed of claim document processing, the speed of claim payments, ease of the procedures for buying insurance policies, and flexible payment systems for insurance premiums. The results of this study agree with Matute et al. (2016), who revealed the positive and significant relationship between eWOM and trust. In addition, this study is also in line with Bachleda & Berrada-Fathi (2016). However, what distinguishes the results of this study from the two above studies is that the eWOM is predominantly formed by non-price facility references. The references received online about the ease of claiming claims and claim procedures were the main forming elements of the eWOM when compared with references to insurance rates. The respondents believed that non-price facilities are the main references that serve as the basis of trust in life insurance services. In other words, cheap price is not a reason grant trust. This study suggests that the management of life insurance companies should build trust by forming positive eWOM (Prasad et al., 2017). The trick is to provide convenience in the process of claim payments, such as simplifying the filling out of claim forms, giving quick responses to online claim submissions, and providing assurances that customers will receive claims benefits in a timely manner. The other way is by increasing the capacity of online services, which can be done by insurance companies, for example, by adopting the concept of information technology outsourcing (ITO) that has been widely used in the banking industry, particularly for e-banking products (Hanafizadeh and Ravasan, 2017).

In addition, the researcher recommends that marketers always elucidate the ease of the claiming process to customers by providing clear and interesting information on how to fill out claim application forms and explaining claims online in a fun way. This would lead customers to have positive perceptions of an easy and fun claiming process.

The Factors Influencing Buying Decisions

This study found that trust positively influences buying decisions as indicated by the estimated coefficient value of 0.399 with a significance level of 0.001 (see also Table 3). This means that customers who have high trust will be happy to decide to buy life insurance products (Chen et al., 2013). The customers believe that the company will fulfill the promises delivered upon insurance closing (Makkonen et al., 2012). The customers believe that the company will keep its promise to pay the claim on time and in the exact amount. Moreover, the customers believe that the insurance company will always be transparent in providing information to its customers both online and offline. This study supports the previous studies conducted by Tseng & Lee (2016) and Liu et al. (2013), which confirm that there is a positive relationship between trust and buying decisions. However, this study is different from the two previous studies. The difference is that the main factor forming customers' trust in this study is the ability of insurance companies to fulfill the promise to pay claims on time. In addition, the second factor that established trust in this study is the ability of the insurance company to pay exact claim amounts. This means that the respondents believe that timely payment of claims is a very important factor when it comes to trusting an insurance company.

The role of trust in buying decisions is very meaningful when viewed from the results of the statistical calculations. The p-value of 0.001 (<0.05) shows that the element of trust plays an important role in the decision to buy life insurance services (see also Table 3). Therefore, this study recommends that company management should pay attention to the element of trust in their marketing programs (Woo et al., 2015). The trick is to keep all promises made to the most important customers by paying claims on time. Making it easy to make claims online, simplifying the process of filling out forms, and cutting down unnecessary bureaucracy are tactics that can be applied by life insurance companies. In terms of human resources, company management should provide personnel who have the ability to provide comprehensive service (Astuti & Ingsih, 2015). Life insurance companies that are able to keep the promise to pay claims on time to their customers will gain a high level of trust, so customers will not hesitate to buy life insurance products on offer. In the end, very large markets can be developed to the maximum.

MANAGERIAL IMPLICATION

The first managerial implication refers to the findings of this research that trust is built by eWOM and tWOM. We recommend that company management actively improve eWOM and tWOM performance. To improve positive eWOM, a company's management should not only stick to offering cheap policies, but must also simplify the claim process. A simple and easy to understand claim process along with the provision of a reliable online system will be a valuable reference that can improve positive eWOM. In addition, the provision of online features which are simple and easy to understand will also contribute to positive eWOM.

To enhance the positive role of tWOM, the management of insurance companies should focus on developing marketing programs that contain elements of personal and emotional relationships, such as conducting business gathering events, potential customer visits, and activeness in strategic events followed by consumers. All of these steps can serve as important reference sources for consumers, thus contributing to tWOM. In addition, marketers are advised to do promotions that involve more intensive interaction with customers by sharing positive experiences. Marketers can also make online media a means to combine the role of tWOM to strengthen eWOM positions.

The second managerial implication, based on the findings of this study, states that buying decisions are significantly affected by trust. Company management is advised to create policies that have an impact on increasing trust by keeping all promises made to customers. Keeping promises does not mean just paying the right amounts of claims, but it is also important to make timely payments. Customers who feel well-served when receiving timely claim payments as promised will believe strongly in the company's performance. In the end, a deep sense of trust will affect customers' decisions to buy life insurance products. As a result, the large market potential of a large market can be developed maximally.

CONCLUSION

This study examined the relationship between eWOM, tWOM, and trust variables and their impact on buying decisions through an integrated model by taking the life insurance business as the object of study.

This study has three main findings that are very significant; first, both tWOM and eWOM a strong, positive relationship with trust. The second finding is that eWOM surprisingly plays a stronger role than tWOM in influencing the trust variable. The third finding is that this research is able to prove that the variable of trust can be a good predictor of consumers' buying decisions.

This study suggests that management of life insurance companies should not only focus on building trust from the tWOM side. Along with the rapid development of information technology, it is necessary to systematically build positive eWOM. Online-based eWOM has the advantage of spreading information rapidly and extensively. This study found that eWOM has the ability to greatly affect customers' trust to buy life insurance services; in fact, it is seven times stronger than tWOM. Thus, the results promoting eWOM as recommended here will have a very strong impact on improving customers' trust in buying life insurance products. Based on these findings, in the end, the large market potential can be developed optimally by life insurance companies.

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