Effects of Consumer Search Behavior Typology on the Relationship Between Customer Satisfaction and Behavioral Intentions

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The author investigates how consumer search behavior typology affects the relationship between customer satisfaction and behavioral intentions. The results show that the type of consumer as defined by whether and how they search for information (passive, rational-active, relational-dependent) perceive different levels of satisfaction and performs differently on satisfaction-behavioral intentions linkages. Relational-dependent and rational-active consumers are found to perceive higher satisfaction levels, and to express stronger intentions to engage in positive behavioral intentions than passive consumers. The identification of satisfaction and behavioral intentions within each search type allows managers to satisfy their consumers; hence, the company will obtain higher profit.

Keywords: *consumer behavior typology, satisfaction, behavioral intentions*

Introduction

There has been extensive research in customer satisfaction and its relationship with behavioral intentions over the last few years. However, levels of customer satisfaction and its relationships with behavioral intentions have been studied only at an aggregate level. That is, previous studies (e.g. Armstrong and Seng, 2000; Athanassopoulos et al., 2001; Bendall-Lyon and Powers, 2004, Choi et al., 2004; Hansenmark and Albinsson, 2004; Hellier et al., 2003; Lam et al. 2004; McDougall and Levesque, 2000; Yang and Peterson, 2004) have seen the relationship between satisfaction and behavioral intentions as pertaining uniformly to all customers. Based on the theory of market segmentation, specifically segmenting a market from the behavior of consumers, it is perceived that each type of consumer needs a specific approach. Starting from this premise, this paper demonstrates that each type of consumers perceives different levels of satisfaction; hence, performs significantly different levels on the relationship between satisfaction and behavioral intentions.

Theoretical Background and Hypotheses Development

The Relationship between Customer atisfaction and Behavioral Intentions

A direct positive relationship between customer satisfaction and behavioral intentions has been well documented in the literature. For example Athanassopoulos et al. (2001)

examine the direct effects of customer satisfaction on customers' behavioral responses. They argue that satisfied customers decide to stay with the existing service provider, engage in a positive word-of-mouth communication, and are unlikely to switch service providers. This argument is in line with Teo and Lim's (2001) study that customer satisfaction was positivelycorrelated with re-patronage intentions and negatively correlated with negative word-of-mouth intentions. Many empirical studies confirm that overall customer satisfaction with a product or service is strongly associated with the behavioral intention to return to the same service provider (e.g. Armstrong and Seng, 2000; Bendall-Lyon and Powers, 2004, Choi et al., 2004; Hansenmark and Albinsson, 2004; Hellier et al., 2003), Moreover, Shankar et al. (2003) argue that when customers assess customer satisfaction to be high, they not only engage in repeat purchase but also reflect strong loyalty. Host and Knie-Anderson (2004) have examined that customer satisfaction has a direct positive effect on loyalty and willingness to recommend. Hence, repatronage behavior depends on prior satisfaction.

The rationale behind the link between customer satisfaction and behavioral intentions may be stated as follows. Based on the definition of behavioral intentions, there are two ways in which satisfaction may affect behavioral intentions. First, given that the customer is satisfied, satisfaction serves to narrow the variance of expectations. This, in turn, is likely to reduce uncertainty and provide cognitive economy in future choices, which may be important objectives. This is in agreement with the theory of consideration sets which states that a decrease in uncertainty might lower consumers' evaluative cost, which in turn increases perceived utility (Hauser and Wernerfelt, 1990). Second, given again that the customer is satisfied, the result is positive evaluation (Soderlund, 2003). Hence, a positive association between customer satisfaction and repurchase intentions is assumed.

In contrast, there are some scholars who argue that customer satisfaction is not related to behavioral intentions. For example, Westbrook (1987) found a negative relationship between satisfaction and word-of-mouth communication (WoM), with dissatisfied customers engaging in more WoMthan satisfied ones. This is in line with the findings of Wirtz and Chew (2002) that satisfaction does not necessarily increase the likelihood of WoM being generated. They point out that incentives (for example by providing contact details of potentially interested family members) are found to be an effective catalyst to increase the likelihood of WoM. This argument is also supported by Van Looy et al. (1998): the link between satisfaction and behavioral intentions is not necessarily straightforward; many studies suggest only a weak correlation between satisfaction scores and loyalty. For example, Jones and Sasser (1995) argue that many customers say they are satisfied but buy elsewhere. Satisfaction is a necessary prerequisite for loyalty but it is not sufficient on its own to automatically lead to repeat purchase or brand loyalty (Bloemer and Kasper, 1995). Commitment to, and involvement with the service and the specific brand will also play a role (Wilson, 2002). In addition, Anderson and Sullivan (1993) found the elasticity of repurchase intentions with respect to satisfaction to be lower for firms that provide high satisfaction. Reichheld and Aspinal (1993) also argue that satisfaction does not necessarily lead to repurchase or retention. These two contradictory arguments provide a good reason for testing again to determine whether satisfaction has a positive or negative effect on subsequent behavior. Therefore, it is hypothesized that:

Hypothesis 1: Customer satisfaction is antecedent to behavioral intentions

Customer Satisfaction

Customer satisfaction has been a popular topic in marketing for more than 30 years without the emergence of a consensual definition of the concept (Host and Knie-Andersen, 2004). Johnson et al. (1995) argue that customer satisfaction is a cumulative construct that is affected by market expectations andperformance perceptions in any given period, and is also affected by past satisfaction from period to period. This definition is supported by Fornell (1992) who defines customer satisfaction as a function of customer expectation and perceived performance. These definitions focus on expectations and performance as an instrumental construct of customer satisfaction.

According to Oliver (1980) satisfaction outcomes are a function of perceived performance and perceived disconfirmation. This author argues that perceived disconfirmation depends on perceived performance and a standard for comparison. Standards of comparison may include expectations, ideals, competitors, other service categories, marketer promises and industry norms. If perceived performance is significantly worse than the comparison standard, a customer will experience negative disconfirmation; in other words, products and services do not meet the comparison standard. This model has been further developed by Wirtz and Bateson (1999) by introducing uncertain performance expectations in satisfaction. It describes the impact of expected performance heterogeneity and level of disconfirmation on the satisfaction process. At higher levels of disconfirmation, uncertainty in expectations does not show any effect on disconfirmation levels; in contrast, at small levels of actual disconfirmation, the presence of uncertainty in expectations improves the level of disconfirmation, shifting it towards 'better than expected', and improving overall satisfaction. From this model, it can be noticed that there are three elements that influence the degree of consumer satisfaction; expectations, performance, and disconfirmation. These constructs have been used by many researchers in studying customer satisfaction (e.g. Anderson and Sullivan, 1993; Churchill and Surprenant, 1982; McQuitty et al., 2000). In summary, different models of the determinants of customer satisfaction can be seen in Table 1.

From the definitions of customer satisfaction above, it can be noted that the determinants of satisfaction consist mainly of four constructs. These are *performance, quality, expectation, and disconfirmation*. Having reviewed the definitions of customer satisfaction in the literature, it is noticed that satisfaction is basically a post-consumption evaluation (Bolton et al., 2000), hence the definition of satisfaction used in this study is: "An overall post-purchase evaluation" (Fornell, 1992, 11). This definition focuses on post-purchase perceived product performance compared with pre-purchase expectations.

Behavioral Intentions

Two behavioral intentions investigated in this study include repurchase intentions and word-of-mouth communication. The discussion concerning the two concepts is presented as follows:

Repurchase Intentions

This study adopts the definition of repurchase intentions put forward by Hellier et al. (2003). Repurchase intentions is "the individual's judgment about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances" (Hellier et al., 2003, 1764). From this definition, it can be noticed that repurchase behavior occurs when customers purchase other products or services for the second or more times with the same company.

Table 1. Different Models of the Determinants of Customer Satisfaction

Sources	Different Models of the Determinants of Customer Satisfaction
Anderson and Sullivan (1993)	CUSTOMER SATISFACTION = f (perceived quality, disconfirmation)
Bendall-Lyon and Powers (2004)	CUSTOMER SATISFACTION = the customer's reaction to the perceived difference between performance appraisal and expectations
Churchill and Surprenant (1982); Woodruff, Cadotte, and Jenkins (1983); Wirtz and Bateson (1999), McQuitty, Finn, and Wiley (2000)	CUSTOMER SATISFACTION = f (expectation, performance, and disconfirmation)
Day (1984); Westbrook and Oliver (1991)	CUSTOMER SATISFACTION = A post-choice evaluative judgment concerning a specific purchase selection
Fornell (1992)	CUSTOMER SATISFACTION = f (expectation, performance)
Giese and Cote (2002)	CUSTOMER SATISFACTION = f (expectation, perceived quality)
Johnson, Anderson, and Fornell (1995)	CUSTOMER SATISFACTION = f (market expectations, performance perceptions in any given period, past satisfaction from period to period)
Nicholls, Gilbert, and Roslow (1998)	CUSTOMER SATISFACTION = f (consumers' experiences, reactions to a provider's behavior)
Oliver (1980), Oliver (1981)	CUSTOMER SATISFACTION = f (expectation, disconfirmation)
Shankar et al. (2003)	CUSTOMER SATISFACTION = the perception of pleasurable fulfilment of a service, and loyalty as deep commitment to the service provider
Soderlund (2003)	CUSTOMER SATISFACTION = A mental state which results from the customer's comparison of (expectation prior to a purchase + performance perceptions after a purchase)
Ueltschy et al. (2004)	CUSTOMER SATISFACTION = f (expectations, performance, quality)
Yi (1990)	CUSTOMER SATISFACTION = An attitude like judgment following a purchase act or based on a series of consumer product interactions

Factors Influencing Consumer's Repurchase Intentions

Hellier et al. (2003) argue that customer repurchase intentions are influenced by seven important factors. Namely, service quality, equity, value, customer satisfaction, past loyalty, expected switching cost, and brand preference. The study by Petrick, Morais, and Norman (2001) suggests that consumers' intention to repurchase is influenced by three factors: past behavior, satisfaction, and perceived value. More specifically, Jones and Suh (2000) state the repurchase intention is determined by overall satisfaction. They suggest that when overall satisfaction is high, transaction-specific satisfaction (the consumer's dis/satisfaction with a discrete service encounter) has little impact on repurchase intentions, but when overall satisfaction is low, transaction-specific satisfaction has a positive influence on repurchase intentions. This is supported by Diaz and Ruiz (2002) who assert that customer satisfaction is a primary precursor

of repeat purchase behavior. From these arguments, it can be noticed that customer satisfaction has a positive influence on repurchase intentions.

Word-of-Mouth Communication (WoM)

The definition of WoM communication used in this study is "informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers" (Westbrook, 1987, 261). The reasons for customers doing WoM communications are because they want to ease a tension that the positive or negative experience produced, to reassure themselves in front of others, to gain support from others who share their opinions, to gain attention or to share the benefits of things enjoyed (Wirtz and Chew, 2002).

Factors Influencing Consumer's Word-of-Mouth Communication

Bone (1992) argues that WoM can be partially influenced by four factors. These are social tie strength, the presence/absence of an individual taking a committed decision maker role, consumer satisfaction, and perceived novelty. Social ties represent the strength of a consumers' relationship to the people accompanying them. The author suggests that the weaker the social ties that exist among group members, the more WoM will occur. A second factor is whether one or more group members take on the role of a committed decision maker. It is suggested that whenever there is a committed decision maker in a group, WoM is likely to occur. Third, the author argues that the level of satisfaction and dissatisfaction affect an individual's mood and increase the amount of WoM. The last factor is perceived novelty that may be a function of the consumer's lifestyle and experiences, characteristics of the product/service, and/or the manner in which the product/service is presented. A situation that is perceived as novel will receive the consumer's attention, making WoM more likely. Specifically, previous studies indicate that WoM is often influenced by customer satisfaction or dissatisfaction with purchasing experiences.

Consumer Search Behavior Typology

Classifying target markets into groups of consumers assists marketers to clearly identify and satisfy the needs and wants of each group. This is based on the concept of market segmentation which states that "the process of market segmentation identifies groups of consumers who are similar to one another in one or more ways, and then devises marketing strategies that appeal to one or more groups" (Solomon, 2002, 7). Similarly, Schiffman et al. (2001, 54) define market segmentation as "the process of dividing a market into distinct subsets of consumers with common needs or characteristics and selecting one or more segments to target with a distinct marketing mix".

In parallel with this view, Beckett et al., (2000) formulate a consumer behavior matrix (see Figure 1) that divide financial services consumers into four groups of consumers based on their behavior. The matrix is developed based on the work of Dwyer et al. (1987) concerning buyer-seller relationships and brings together a rich diversity of literature including economics (Simon, 1957), consumer behavior (Bloch, 1982; Bloch and Richins, 1983), and psychology (Thibaut and Kelley, 1959).

According to Beckett et al., (2000), it is possible to identify consumer behavior through two principal factors that motivate and determine individual contracting choices, namely involvement and uncertainty (Bateson, 1989; McKechnie, 1992; Harrison 1994). Consumer involvement incorporates a number of subsets: customer control (Bateson, 1989), customer participation and level of contact (Chase, 1978). Uncertainty or confidence is largely determined by perception of risk, which is determined by

the complexity of the product being purchased and the certainty of the outcome associated with that product (Shostack, 1977).

The consumers' level of confidence and involvement is dependent upon the different classes of product being purchased. Hence, it impacts on different patterns of search behavior. For fast-moving consumer goods (FMCG), for example toothpaste, consumers may not need to have a high level of confidence and involvement; hence they do not need to search extensively before the purchase. Meanwhile, for abstract and very complex products, for example insurance, consumers may choose to search for information before purchasing the product.

From the above key factors, involvement and confidence, the matrix can be formulated (see Figure 2). This matrix describes different types of consumer behavior: repeat-passive, rational-active, relational-dependent, and no-purchase. Beckett et al. (2000) do not discuss the "no-purchase" consumers in their study. In their empirical discussion, they only focus on the three types of consumer purchase behavior: repeat-passive, rational-active, and relational-dependent. This is because "no-purchase" is not a type of consumer, rather, it is an action made by the three types of consumer behavior (passive, rational-active, and relational-dependent). Figure 2 shows how this works.

From the figure above, it is clear that in evaluating a product, the three types of consumers will make a decision whether or not to purchase a product. Thus, purchase or not purchase is not a type of consumer, it is a decision.

As noted earlier, these three types of consumers possess different levels of confidence and involvement, which in turn has an impact on different behavior. Therefore, their perceptions of a certain product might be different, including their levels of satisfaction. As argued by Moorthy et al. (1997), consumers will search for more information when they perceive that the product will give them high value or make them satisfied. Ratchford et al. (2003) suggest that less satisfaction might trigger a more extensive search. Taking into account that consumers have different levels of searching information and perceive different levels of satisfaction and theoretically, customer satisfaction is related behavioral intentions, it is hypothesized that:

*Hypothesis 2: The level of customer satisfaction varies for different types of consumer behavior*

Hypothesis 3: The relationship between customer satisfaction and behavioral intentions is affected by consumer search behavior typology

Figure 1. Consumer Behavior Matrix
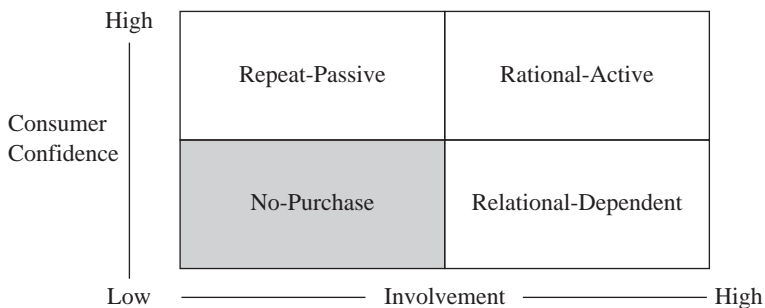
Sources: Beckett, Hewer, and Howcroft (2000, 16)

Figure 2. Types of Consumer Behavior and their Action
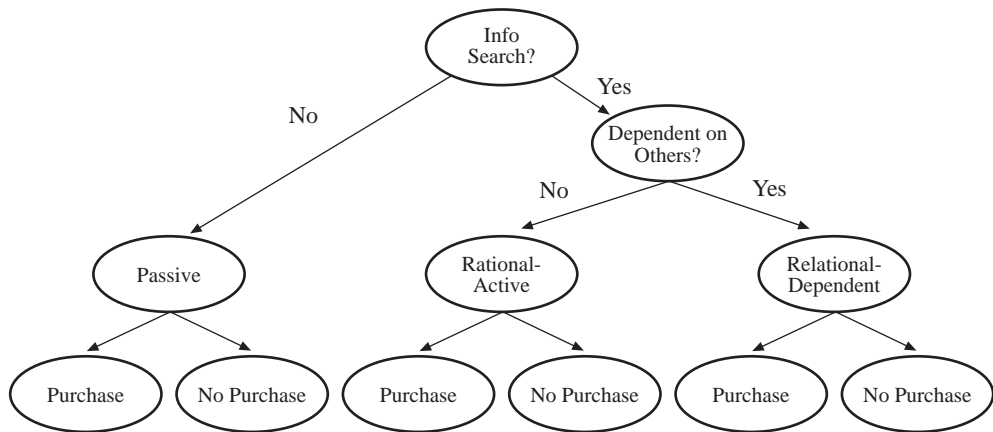
Method

A convenience sample of 654 questionnaires was distributed directly to students who have purchased car insurance in Melbourne, Australia. Out of 654 questionnaires, 559 were returned. Thus, the response rate in this survey was 85%. Out of 559 questionnaires 546 were usable and 13 questionnaires were incomplete. This study employs closed-ended questions in a structured questionnaire to collect the data using nine-point Likert-scale to capture the behavior, attitudes, and perceptions of consumers toward the product.

Measures and Data Analysis

The study uses existing scales for the measures of customer satisfaction including measures for multi-item scales (e.g. Athanassopoulos, 1999) and direct measure (e.g. Spreng et al., 1996; Fornell et al., 1996). The measures for consumer behavior typology were derived from the study of Beckett et al. (2000), and information search (e.g. Moorthy et al., 1997; Murray, 1991; Urbany et al., 1989).

The data analysis techniques used in this study are Analysis of Variance (ANOVA) and Structural Equation Modeling (SEM). ANOVA was used to compare the means of customer satisfaction in each of the consumer search behavior typology groups. SEM was employed to build and test the measurement model, which enables a comprehensive, confirmatory assessment of construct validity, and provides a confirmatory assessment of convergent validity and discriminant validity (Anderson and Gerbing, 1988), as well as to test the relationship between customer satisfaction and behavioral intentions for each type of consumers. To assess reliability, this study uses internal consistency reliability. In this assessment, the cronbach alpha technique is used. Cronbach alpha is justified as an appropriate technique for this study because the object of measurement is the same as the unit of analysis (Finn and Kayande, 1997), which in this study is the consumer. Cronbach alpha scores for the construct of customer satisfaction are: corporate 0.8396, convenience 0.8274, innovative and commission 0.7112, feeling 0.8684, and overall satisfaction 0.8684. Since the concept of satisfaction will be investigated across different types of consumer (*passive, rational-active, relational-dependent*), the

Table 2. Summary of Coefficient
Alpha Scores

Customer Satisfaction Multi-Item	
- Corporate	.8396
- Convenience	.8274
- Innovative and Commission	.7112
Customer Satisfaction Single-Item	
- Overall satisfaction	.7785
- Feeling	.8684

Table 3. Types of Consumer
Search Behavior

Types of Consumer Behavior	Frequency	Percentage
Passive	79	14.5%
Rational-active	208	38.1%
Relational-dependent	259	47.4%
Total	546	100%

measurement/equivalence invariance (ME/I) using SEM needs to be performed. The purpose of testing ME/I is to examine whether the conceptualization of satisfaction perceived significantly similar by the different types of consumer (Vanderberg and Lance, 1999). This is a pre-requisite before researchers comparing the means between groups.

Results

A respondent was categorized as a *passive* consumer if s/he had low level of information search (<5 of each source). If they had high level of information search, then the respondent was sorted into one of the other into two categories based on the sources of influence in their decision-making. If they have done high level of information search from any source and the information from company, newspaper or other advertising brochures, and internet has had the most influence on the consumer purchasing the car insurance, s/he was categorized as a *rational-active* consumer. However, if the consumer has done high level of information search from any source, and was directed by friends/family/partner, and financial adviser/intermediary to purchase the product, s/he was categorized into *relational-dependent* consumer. Based on this calculation, the result is depicted in Table 3.

Result from measurement/equivalence invariance (ME/I) test indicates that the conceptualization of satisfaction has been perceived significantly similar by the consumers as indicated by the Δ P value (see Appendix 2). Hence, the means difference test can be performed using ANOVA. Table 4 presents the detailed results from the ANOVA.

The results indicate that the three types of consumer behavior perceive significantly different levels of satisfaction (*Sig.* is .001), whether it is measured using multi-item scales (*Sig.* is .005) or single-item scales (*Sig.* is .015). Moreover, it is found that rational-active consumers perceived the highest levels of satisfaction (MEAN 5.4440) compared to relational dependent consumers (MEAN 5.2858). Passive consumers perceived the lowest levels of satisfaction (MEAN 5.1124).

Moreover, the result of testing the relationship between customer satisfaction and behavioral intentions are presented in Figure 3.

The regression weights show that *relational-dependent* consumers demonstrate the strongest relationship between satisfaction and behavioral intentions (.96), followed by *rational-active* consumers (.77), and *passive* consumers (.52). This result will be discussed below.

Discussion

The results of this study indicate a positive significant relationship between customer satisfaction and behavioral intentions. This means that the more satisfied the consumers

Table 4. ANOVA: Consumer Behavior Search Typology and Satisfaction

	Passive (N=79)	Rational-Active (N=208)	Relational-Dependent (N=259)	F-Ratio	*Sig.*
Multi-item Scale	4.3448	4.6895	4.5323	5.274	.005
Single-item Scale	5.8800	6.1985	6.0369	4.209	.015
Total Satisfaction*	5.1124	5.4440	5.2858	7.197	.001

Total Satisfaction is the average of multi-item scale and single-item scale

Figure 3. Standardized Regression Weights for the Relationship between Customer Satisfaction and Behavior Intentions across Types of Consumer.

• Passive Consumers

• Rational-Active Consumers

• Relational-Dependent Consumers
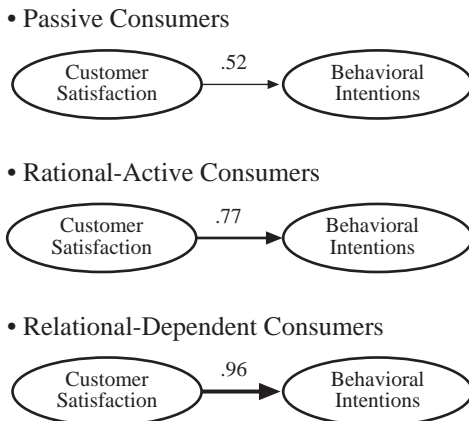
the more likely they are to repurchase car insurance from the same company and more likely to do positive word-of-mouth communication. This is in line with Crosby and Stephens' (1987) study who found that whether customers had replaced their insurance policies or allowed them to lapse depended on their prior overall satisfaction with their whole life coverage. Thus, behavioral intentions expressed by consumers depend on their levels of satisfaction.

This study confirms the previous studies (e.g. Anderson and Sullivan, 1993; Choi et al., 2004; Fornell et al., 1996; Hellier et al., 2003; Lam et al., 2004) which suggest a positive relationship between satisfaction and behavioral intentions. This means that satisfied customers are more likely to stay with the existing service provider, engage in a positive word-of-mouth communication, and are unlikely to switch service providers. This argument is in line with Teo and Lim's (2001) study that customer satisfaction was positively correlated with re-patronage intentions and negatively correlated with negative word-of-mouth intentions. This is also in agreement with the study by Hansenmark and Albinsson (2004) who confirm that overall customer satisfaction with a product or service is strongly associated with the behavioral intention to return to the same service provider, and that customers are less likely to switch to other service providers (Keaveney, 1995).

This study examines the levels of satisfaction perceived by consumers linked back to their information search behavior. The main point addressed in this study is an investigation of judgment or evaluation "after" consumers purchase a product or service and linking that to a review of what the consumers did in terms of information search behavior. Thus, the examination and analysis are focused on the relationship between consumers' search behavior and satisfaction and whether or not there are any differences in levels of satisfaction perceived by the three types of consumer search behavior. From this, implications can be analyzed by approaching each type of consumer in order to optimise their levels of satisfaction.

The results indicate that the levels of satisfaction perceived by each of the three types of consumer are significantly different. Rational-active and relational-dependent consumers perceived higher levels of satisfaction compared to passive consumers. One explanation may be that active consumers have searched for sufficient information before purchasing the product to feel confident about their purchase. That is, before they decided to purchase a particular product, they compared the product with others that are available. As a result, the level of satisfaction they perceived would be higher. In contrast, passive consumers did not collect enough information to make these comparisons and therefore, they may not be as satisfied with their choice as rational-active and relational-dependent consumers.

The results of testing the conceptual model of the study suggest that the effect of satisfaction on behavioral intention is considered stronger for relational-dependent and rational-active consumers than for passive consumer (see Figure 3 for illustration). This means that for consumers who search for information before purchasing a product, they may well know on what their future behavior. In other words, such consumers have a higher level of confidence regarding whether they are going to repurchase a product from the same company or switch to another company compared to the passive consumers who do not search for information before purchasing a product or service. Also, compared to the passive consumers, relational-dependent and rational-active consumers have a higher level of confidence in relation to whether or not they are going to recommend the product they are using to other people. Thus, this finding suggests that the level of intentions to repurchase and to recommend to other people, depends on both, the amount of search and from whom consumers were directed to purchase a product (level of dependence). Hence, this study is the first empirical study to investigate the effect of information search behavior on intentions to repurchase and to do word-of-mouth communication.

Meanwhile, companies need different approaches in managing a customer satisfaction program for the three different types of consumers since these three types of consumer perceive their levels of satisfaction differently. To satisfy their customers, companies need to identify clearly each segment of consumers whether they are passive, rational-active, or relational-dependent consumers. Since rational-active and relational dependent consumers are very sensitive about their feelings and expectations, and hence more sensitive to the marketplace, companies need to communicate continuously with these groups and also increase their performance (Johnson et al., 1995). Meanwhile, companies need to use specific strategies to communicate their offerings to passive consumers since these consumers are less sensitive to the marketplace. This will affect the overall satisfaction the consumers perceive.

Companies need to identify the determinants of satisfaction including consumers' expectations and to develop appropriate strategies targeting rational-active and relational-dependent consumers. The justification for such an approach is, as noted in the previous paragraph, these consumers are very sensitive about their feelings and expectations, thus very sensitive to market change. If a company cannot meet the expectations of these two types of customers, they will quickly perceive low levels of satisfaction. Consequently, those customers may well switch to other companies; hence, decreasing company's profit.

By identifying the levels of satisfaction across the three types of consumer, companies can predict the future behavior for each type of consumer. For relational-dependent and rational-active consumers who actively search for information, companies need to provide them with detailed information about the

benefits of the product. Since relational-dependent consumers who are directed by other people to purchase a product display the strongest behavioral intentions, companies need to activate and manage word-of-mouth communication strategies to get closer to this type of consumer. Alternative strategies may be used such as reference groups, family members, and opinion leader. As a consequence, those types of consumers will have high satisfaction, thus they will have stronger intentions to repurchase the product from the company and recommend it to other people. Meanwhile, for passive consumers who are less sensitive to the marketplace, may not be sure of what they intend to do in the future. They are less confident in deciding whether they will repurchase or not, and less confident to state that they will recommend the product to someone else.

Therefore, it is important for companies to identify what types of consumers they serve (passive, rational-active, or relational-dependent). This will assist the companies to increase levels of satisfaction for each type of consumer. As a consequence, companies may well predict the future behavior of each type of consumer. By increasing levels of satisfaction to certain consumers, companies are motivated to become active in managing points of product differentiation (Yi and Jeon, 2003). They are also motivated to make fundamental decisions on customer segmentation, competencies, culture, infrastructure, technology, resources, and strategies (O'Dell and Grayson, 1999). If this occurs, companies should achieve effectiveness and efficiency in serving the consumers.

The findings suggest that rational-active and relational-dependent consumers are more sensitive to the market place. They are very sensitive to changes in both the benefits being offered by companies and the sacrifices they have to make. If there is a change in the premium cost applied by a car insurance company, rational active and relational dependent consumers will notice this change and it will have a sizable impact on the perceived sacrifices. This will then have an effect on these consumers' decision as to which car insurance company to choose. Meanwhile, passive consumers are less sensitive to the market place. They may not be concerned about what a company is offering. The implication here is that, passive consumers might present both an opportunity and a challenge for the company; opportunity is that the company might earn more profits from these consumers since they are not concerned about what other companies are offering; challenge is that the company should find a way to push passive consumers who are a competitor's customers to become relational-dependent or active consumers in order to choose the product offered by the company over their competitor's products. For rational-active consumers, managers need to be very systematic and detailed when informing these consumers of the benefits their company offers. For relational-dependent consumers, managers might develop better strategies for managing reference groups, family members, and opinion leaders. The people on whom relational-dependent consumer rely for advice tend to be rational-active themselves. Delivering value to customers using an appropriate communication strategy will provide better value for customers, which should result in a higher likelihood of purchase, repeat purchase, and positive word-of-mouth communication. Consequently, companies will achieve better financial performance.

Conclusions, Limitations, and Future Research Directions

To satisfy their consumers, companies need to identify clearly each segment of consumers whether they are passive, rational-active, or relational-dependent consumers.

This is because these three types of consumer perceive levels of satisfaction differently and also perform differently in their behavioral intentions. Therefore, companies need to have a different approach to each segment.

Using appropriate strategies for each segment will increase the consumers' level of satisfaction, which should result in a higher likelihood of repeat purchase and positive word-of-mouth communication. Hence, companies will achieve better financial performance.

This study is limited to students as the unit analysis. Future research might replicate this study in a non-student population of consumers or in a different industry to see whether levels of satisfaction and its relationship with behavioral intentions varies across search segments is consistent.

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Appendix 1. Profile of Respondents

Description	Frequency (N=546)	Percentage
General Information		
Person Making Payment		
- Consumer	380	69.6%
- Other family member pays it	156	28.6%
- Others (company)	10	1.8%
Source of purchase		
- Directly from the insurance company	496	90.8%
- Through broker	38	7.0%
- Other	12	2.2%
Consumers who made claim with the current company		
- Yes	140	25.6%
- No	406	74.4%
Consumers who made claim with previous company		
- Yes	74	13.6%
- No	333	61.0%
- Only used one insurance company	139	25.5%
Demographic Characteristics		
Gender		
- Female	249	45.6%
- Male	297	54.4%
Age		
- 19 and under	95	17.4%
- 20-24	271	49.6%
- 25-29	70	12.8%
- 30-39	77	14.1%
- 40 and over	33	6.0%
Student		
- Undergraduate	369	67.6%
- Postgraduate	177	32.4%
Student		
- International	93	17.0%
- Local	453	83.0%
Main Financial Source		
- Parents	166	30.4%
- Self-finance	341	62.5%
- Scholarships	26	4.8%
- Other	13	2.4%
Income per week		
- Less than $300	283	51.8%
- $300-399	76	13.9%
- $400-499	35	6.4%
- $500-599	43	7.9%
- $600-700	33	6.0%
- $700 or more	76	13.9%

Appendix 2. Measurement Equivalence/Invariance (ME/I) for CUSTOMER SATISFACTION construct

Model Comparison	χ^2	df	P	χ^2/df	RMSEA	NFI	TLI	CFI	$\Delta\chi^2$	Δdf	$\Delta\chi^2/\Delta df$	P	Δ NFI	Δ TLI	Δ CFI
Baseline	5.773	4	.217	1.443	.031	.979	.980	.993							
Model 1 (configural invariance)	6.018	6	.421	1.003	.003	.978	1.000	1.000							
Model 1 VS Baseline									0.245	2	.1225	p>.75	-.001	.02	.007
Model 2 (weak factorial invariance)	10.542	8	.229	1.318	.026	.961	.985	.990							
Model 2 VS Model 1 Testing for weak factorial invariance									4.524	2	2.262	p>.10	-.017	-.015	-.01
Model 3 (strong factorial invariance)	11.756	10	.302	1.176	.019	.957	.992	.993							
Model 3 VS Model 2 Testing for strong factorial invariance									1.214	2	.607	p>.25	-.004	.007	.003
Model 4 (strict factorial invariance)	12.079	11	.358	1.098	.015	.956	.996	.996							
Model 4 VS Model 2 Testing for strict factorial invariance									1.458	3	.486	p>.75	-.005	.011	.006
Model 5 (elegant factorial invariance)	12.501	13	.406	1.042	.009	.954	.998	.998							
Model 5 VS Model 2 Testing for elegant factorial invariance									1.959	4	.499	p>.75	.007	.013	.008