Crossref   OPEN ACCESS

Original Research Article

Nurturing Policyholder Satisfaction through Customer-Centric Strategies

Dipendra Karki[1], Rewan Kumar Dahal[1*], Indira Shrestha[1], Binod Ghimire[1], Surendra Prasad Joshi[2]

[1] Faculty of Management, Nepal Commerce Campus, Tribhuwan University, Nepal
[2] Thames International College, Kathmandu, Nepal

Online Access

* Correspondence

Rewan Kumar Dahal
Email: rewan.dahal@ncc.edu.np

Abstract

Purpose: This research examines policyholders' satisfaction in life insurance companies, focusing on the influence of customer-centric strategies, particularly agency role, service quality, and organizational trustworthiness.

Design/methodology/approach: The study employs descriptive and causal-comparative research approaches, with data collected from a sample of 390 life insurance policyholders residing in Kathmandu Valley.

Findings: The findings revealed a significant relationship between agency role, organizational trustworthiness, service quality, and overall post-purchase experience, with organizational trustworthiness having the most significant impact.

Conclusion: Preserving consumer trust and developing a favorable corporate image are essential for insurers, as trust and agent performance directly affect policyholders' satisfaction.

Implications: Focusing on trust-building activities, enhancing service quality, and understanding demographic differences can help insurers improve satisfaction, loyalty, and develop personalized marketing and service strategies.

Originality/value: The study highlights context-specific insights into how customer-centric strategies affect life insurance satisfaction in an emerging market and recommends further research into specific aspects of agency role, trust, and service quality to achieve targeted improvements.

JEL Classification: G22, M31, D12, L84

Introduction

The life insurance industry holds a unique niche in the financial services sector by its nature, which is long-term, intangible, and trust-based products. The insurance industry in Nepal is rather young, but over the last decade, it has been developed in terms of its structure and institutions. Regardless of these changes, the sector still wrestles with issues of lack of awareness, financial illiteracy, and weak consumer confidence that have traditionally limited the insurance penetration and customer outreach (Gurung, 2012; Ghimire, 2016).

The role of life insurance has grown to be more relevant in the context of the growing economic uncertainty, globalization, and social risk, especially in developing economies like Nepal. Insurance is also used as a tool of risk transfer, but also a tool of saving and long-term financial security (Karki et al., 2024). The Nepalese insurance market has grown in size and range, and various life and non-life insurance companies are fighting over customers and making a significant contribution to financial intermediation and national economic turnover (Kharel, 2019). Nonetheless, this growing competition has changed the foundation of differentiation to be on service quality, customer relationship, and experience. Consequently, customer satisfaction and post-purchase experience have become crucial factors of sustainability and long-term profitability of insurers.

Original Research Article

Life insurance is fundamentally different from most consumer goods and services in that the value is mostly achieved over a long period of time, and in often emotionally sensitive situations. Insurance purchasers invest a lot of money in the form of premiums in advance before they can realize the benefits, which can only be realized in the distant future, and therefore, when they evaluate the insurance companies, they largely rely on trust, reliability, and continued service experiences instead of direct consumption experience (Joshi et al., 2024; Shrestha, 2010). This leads to post post-purchase stage coming into the picture of customer judgment. Life insurance users do not experience the same situation with tangible products, where satisfaction may be evaluated shortly after the usage of the product, but instead have to evaluate their choices over time, by means of accumulated interactions with agents, service quality procedures, policy management, and interactions linked to claims. The experiences determine the perceptions of fairness, competence, and credibility, which ultimately affect the level of satisfaction, loyalty, and promotion behavior.

The post-purchase experience thus has become one of the scientific and managerial concerns in insurance research. Post-purchase consumer emotions define the satisfaction of the customers, renewal of policies, acquisition of more coverage, or negative word-of-mouth that may destroy the image of an insurer. According to Kumar and Singh (2019), post-purchase behavior demonstrates the level of satisfaction, feedback, and success of the marketing and service strategies of customers. Emotional contentment following the purchase of services in service-dominant industries, such as insurance, has been highly correlated with subsequent purchasing intentions and positive word-of-mouth. Dissatisfaction, on the other hand, may result in policy lapses and erosion of a brand over the long term (Mangold et al., 1999). The determinants of the after-sales experience are therefore crucial for insurers who wish to retain customers and establish sustainable competitive advantages.

Customer-centric strategies have become prominent in this setting as an effective tool to improve satisfaction post-purchase. Customer-centricity refers to the focus on making the needs, expectations, and experiences of customers central to the organization's strategy and service delivery (Lamberti, 2013). In life insurance, this strategy is reflected in the moral and responsive actions of the agents, service quality, which is effective and transparent, and conscious attempts to create corporate trust and a favorable image of the company (Hsu, 2012). In this case, agents have a very decisive role in the insurance market in Nepal, in which personal selling is the most common distribution method. Being the main points of contact, the professionalism, truthfulness, and responsiveness of the agents have a great impact on how customers will perceive and judge their satisfaction levels in the post-purchase stage (Dubinsky et al., 1988). The lack of effectiveness or ethical actions of the agents may harm the trust, and the positive and open communication may contribute to increased confidence and the quality of relationships in the long run.

Organizational trustworthiness is also central in the post-purchase experience. The aspect of uncertainty and long-term commitment is inherent in life insurance, so it is impossible to do without trust in the financial stability, integrity, and dependability of the insurer (Ruefenacht, 2018). The customers should be convinced that the insurers will not breach the requirements of the contracts, undertake risks reasonably, and offer benefits on time where necessary. Empirical evidence indicates that organizational trustworthiness exerts a strong positive influence on customer satisfaction and loyalty in insurance

and other service industries (Saeednia & Masoumi, 2014; Ghimire & Karki, 2022). In emerging markets like Nepal, where the institutions' trust could be weak, establishing and maintaining corporate credibility is even more important to customer retention and satisfaction.

The other crucial aspect of post-purchase experience is service quality. Encounters of service regarding payments of premiums, adjustments in policies, settlement of claims, and the issue of grievances are the encounters that have a direct impact on customer reviews of insurers (Ghimire & Karki, 2022). Service processes that are quick, transparent, and trouble-free result in satisfaction, whereas any delay, complexity, and inappropriate communication lead to frustration and dissatisfaction (Kumar & Singh, 2019). The role of quality in service is a well-established issue; however, the role of quality in relation to the others, i.e., to the behavior of agents and trust in the corporate aspect, is an empirical issue, especially in the insurance, Nepal.

Although these concerns are becoming more acknowledged, there is a lack of empirical literature on the topic of post-purchase experience in the life insurance market in Nepal. Previous literature has mostly been on financial performance, insurance penetration, or pre-purchase decision-making, which creates a gap in the systematic knowledge of the role played by customer-centric strategies in influencing post-policy purchase satisfaction (Karki, 2020; Shakya et al., 2024; Ghimire et al., 2024). According to prior studies in the global context, the relations between agency role, trust, service quality, and post-purchase outcomes are strong (Sinha, 2013; Chou & Kohsuwan, 2019), although the results cannot be unrestrictedly applied to Nepal because of the disparities between socio-economic conditions, market maturity, and consumer expectations. The given gap shows that there is a necessity for context-specific study of the determinants of post-purchase experience in the life insurance market in Nepal. This study aims to empirically investigate the key customer-centric determinants of policyholder satisfaction in the Nepalese life insurance sector. Specifically, it examines the influence of agent behavior, corporate trust and image, and perceived service quality on customers' post-purchase experience. In addition, the study analyzes the interrelationships among these factors to understand how they jointly shape overall policyholder satisfaction. Addressing this issue, the study aims to contribute to the service marketing and insurance literature while providing evidence-based insights for insurers seeking to enhance customer satisfaction and strengthen customer relationships in an increasingly competitive and dynamic market.

The remainder of the study is organized as follows. Section 2 presents a critical review of the relevant theoretical and empirical literature on post-purchase experience and customer-centric strategies in the life insurance context. Section 3 outlines the research methodology, detailing the research design, sampling procedures, data collection, and analytical techniques employed. Section 4 reports and analyzes the empirical findings. Section 5 discusses these results in relation to existing literature and highlights their practical implications. Finally, Section 6 concludes the paper by summarizing the key findings, acknowledging the study's limitations, and suggesting directions for future research.

Literature Review

The concept of post-purchase experience has attracted increasing scholarly attention within the service marketing and consumer behavior literature, particularly in contexts characterized by intangibility, long-term relational exchanges, and high perceived

risk (Mansoor et al., 2024). Life insurance exemplifies such a context, as customer satisfaction cannot be fully assessed at the point of purchase but evolves through ongoing interactions between policyholders and insurers (Dahal et al., 2023). The post-purchase stage involves customers' cognitive and emotional evaluations of their purchase decisions, their experiences with service delivery, and their perceptions of how effectively insurers fulfill both explicit and implicit commitments over the policy lifecycle. Consequently, a clear understanding of the determinants shaping post-purchase experience is critical for advancing theory and enhancing managerial effectiveness in life insurance markets.

Customer satisfaction, loyalty, and behavioral intentions are intrinsically linked to the post-purchase experience (Wang et al., 2025). Satisfaction represents an evaluative judgment formed through the comparison of prior expectations with perceived service performance (Xie & Sun, 2021). In service contexts, this evaluation is inherently dynamic, as customers interact repeatedly with service providers over time. Prior research indicates that varying levels of satisfaction significantly influence word-of-mouth behavior and shape organizational reputation, emphasizing the strategic importance of post-purchase experience (Mangold et al., 1999). In the life insurance sector, post-purchase satisfaction is particularly critical, as it strongly affects policy renewal decisions, cross-selling opportunities, and the development of long-term customer relationships. Given the high switching costs and the central role of trust in insurance services, managing post-purchase experience becomes a key determinant of sustained competitive advantage (Kumar & Singh, 2019).

The complexity of life insurance products, their long-term contractual nature, and the emotional significance attached to risk protection render them high-involvement services. As noted by Shrestha (2010), the insurance purchase process extends beyond initial need recognition and decision-making to encompass an ongoing post-purchase evaluation. Unlike tangible goods, life insurance does not deliver immediate, observable outcomes at the point of purchase, leaving customers in a state of uncertainty. Consequently, policyholders rely heavily on indirect cues, such as service quality signals, agent behavior, and corporate reputation, to assess value and performance over time (Li et al., 2023). This reliance makes the post-purchase experience in life insurance inherently relational and experiential, rather than primarily driven by functional product attributes.

The theoretical perspective in terms of which the post-purchase experience can be studied is customer-centric strategies. Customer-centricity is all about learning the needs of the customers, continually providing value, and building long-term relationships (Akbar, 2024). This strategy changes managerial emphasis in the insurance industry to lessen transaction-based selling and focus more on relationship-based service delivery. According to Dhar and Dhar (2007), the issue of globalization and increasing competition forces services firms to focus on customer satisfaction and quality as a source of competitive advantage. Innovation in service processes, responsiveness, and relationship management in the life insurance market will be critical in keeping customers in competitive markets (Gurung, 2012).

Customer perceptions and satisfaction of a customer have been found to largely depend on agency role, which has been identified as a key customer-centric factor. Insurance agents are the boundary spanners between the organizations and the customers who break down the complex information about the policies into comprehensible

language and give reassurance during the policy lifecycle. Dubinsky et al. (1988) reveal that the leadership behaviour of the agents, their role clarity, and interpersonal behaviour play a key role in determining job satisfaction and customer-related outcomes. Customers trust and rely on the services of life insurance agents because of the ethical conduct, attentiveness, and professionalism of the agents in their interactions following a purchase, including payment of premiums, amending and adjusting policies, and technical support (Kumar & Singh, 2019). The negative behavior of agents may lead to dissatisfaction and cognitive dissonance, and positive involvement to support the positive assessment of the insurer.

Another underlying dimension in post-purchase experience is organizational trustworthiness. Trust will show the confidence of the customers in the insurer's reliability, integrity, and capability to deliver on their promises in the long run. Trust minimizes perceived risk and uncertainty in industries with commitments in the future. Saeednia and Masoumi (2014) discovered that there exist strong positive associations between trust, brand equity, customer satisfaction, and loyalty in the insurance markets. Additionally, Sheikh et al. (2014) document that corporate image and the quality of the services have a significant effect on brand trust, which subsequently impacts customer loyalty. The above results highlight the fact that post-purchase judgments of customers do not only focus on their personal experiences with services but also holistically refer to organizational credibility and reputation.

Corporate image functions as a critical heuristic through which customers infer service quality in contexts where direct evaluation is difficult. Prior research demonstrates that corporate image plays a significant role in shaping customer satisfaction and behavioral intentions within service environments (Bigne et al., 2001). In the life insurance sector, corporate image serves as a proxy for reliability and financial security, as policyholders often lack the technical expertise required to independently assess product soundness (Saoula et al., 2024). Consequently, customers rely on their perceptions of an insurer's image to evaluate trustworthiness and long-term stability. Favorable corporate image perceptions tend to buffer the negative effects of minor service failures, whereas unfavorable images amplify dissatisfaction in response to adverse service experiences.

The quality of customer service is the operational embodiment of customer-centric strategies and the direct impact of post-purchase experience. Some of the dimensions that are usually considered in service quality in insurance include promptness, clarity, empathy, reliability, and efficiency in the processing of service requests and claims. According to Subashini and Velmurugan (2016), timely service delivery is one of the major motivations of policyholder satisfaction and business expansion in the life insurance industry. Similarly, Grewal et al. (2007) indicate that the service environment and the perceived service quality make post-purchase risk perceptions low and behavioral intentions high. Claim settlement processes in the insurance business are especially germane to incidents of truth that have a potent impact on the post-purchase assessments by customers.

Empirical research highlights the interconnected relationships among service quality, trust, satisfaction, and loyalty. For instance, Chang et al. (2010) demonstrate that service convenience positively influences customer satisfaction, which in turn fosters loyalty. In healthcare services, Chou and Kohsuwan (2019) found that corporate image significantly shapes perceived value, trust, and satisfaction, subsequently affecting loyalty. These relational dynamics are equally

Original Research Article

applicable in the insurance sector, where similar mechanisms operate. Specifically, Kumar and Singh (2019) identify agent behavior, trust, and post-purchase service as critical components of the post-purchase experience in life insurance, emphasizing their mutual interdependence rather than examining them in isolation.

According to research in the Nepalese setting, the significance of customer-centric variables in the insurance market is also highlighted. The study by Gurung (2012) reports on the development and the nature of the Nepal insurance industry, stating that it is time to increase the level of service and customer focus. Goet (2022) found that service, closeness, technology, security, responsiveness, and brand image influence customer choice of life insurance companies, while product and premium do not. Niraula and Kautish (2019) note that the sphere of digitalization has new possibilities of enhancing services, but the primordial elements of the customer-focused determinant of services (agency role and trust) are underdeveloped in the insurance sector of Nepal, which confirms the topicality of traditional determinants of customer relationships.

Despite the growing body of research at both global and national levels, several gaps remain in the literature. First, most studies examine service quality, trust, or the role of agents in isolation rather than exploring their combined influence on the post-purchase experience. Second, there is limited Nepal-specific empirical evidence, particularly regarding post-purchase satisfaction rather than purchase intention in the life insurance sector. Third, Nepal's unique socio-economic and cultural context, with low insurance penetration, varying financial literacy levels, and reliance on interpersonal networks for insurance decisions, necessitates context-specific investigation rather than extrapolating findings from developed markets.

This study conceptualizes post-purchase experience as a multidimensional construct, shaped by agent behavior, corporate trust and image, and the quality of customer service. These variables collectively reflect the core principles of customer-centric approaches within the life insurance sector. The conceptual framework posits that positive agent actions enhance trust and satisfaction, high organizational trustworthiness reduces perceived risk and uncertainty, and superior service quality reinforces favorable post-purchase evaluations. The interplay of these factors is expected to exert a substantial influence on customers' overall post-purchase experience in Nepal's life insurance industry. Figure 1 presents the research model, which is grounded in and informed by prior empirical and theoretical studies.
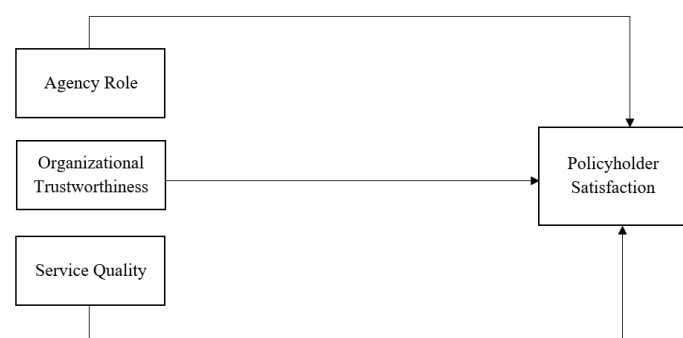

Figure 1: Research Model

Hypotheses

H1: Agency role positively and significantly influences policyholders' satisfaction.

H2: Organizational Trustworthiness significantly and positively influences policyholders' satisfaction.

H3: Service quality positively and significantly influences policyholders' satisfaction.

Methods

This study adopts a systematic quantitative research approach to examine the influence of customer-centric strategies on policyholders' satisfaction in the Nepalese life insurance sector. Given the experience-based, relational, and intangible nature of life insurance services, a quantitative methodology is appropriate for capturing customer perceptions and for empirically assessing the strength and direction of relationships among the study variables.

A descriptive and causal-comparative research design was employed. The descriptive component enables the identification and explanation of customers' perceptions and experiences related to agency role, organizational trustworthiness, service quality, and post-purchase satisfaction. Such a design is particularly suitable for service marketing research, where customer attitudes and experiences constitute the core analytical focus (Sileyew, 2019). Complementarily, the causal-comparative design facilitates the examination of cause–and–effect relationships between customer-centric strategies and policyholders' satisfaction, allowing the study to both describe existing conditions and empirically test hypothesized relationships.

The target population comprised individual life insurance policyholders residing in Kathmandu Valley. Kathmandu Valley was selected due to its high concentration of insurance customers, intensified market competition, and greater exposure to insurance services compared to other regions of Nepal. As a major urban center, the Valley provides an appropriate context for assessing policyholders' satisfaction, given the frequency of customer interactions with agents and institutional service systems. The sample size was determined using Cochran's (1977) formula for population proportion at a 95% confidence level, assuming maximum variability (p = .5) and a 5% margin of error. The calculated minimum sample size was 384 respondents. To enhance statistical robustness and account for incomplete responses, data were collected from 390 respondents.

A convenience sampling technique was employed, consistent with prior insurance research conducted in similar contexts where comprehensive customer databases are unavailable. Although probability sampling enhances generalizability, convenience sampling remains widely accepted in service research under such constraints. A total of 450 questionnaires were distributed through both physical and online modes. After screening for completeness and consistency, 390 valid responses were retained for statistical analysis. Respondents were informed of the academic purpose of the study and assured of confidentiality and anonymity. Participation was voluntary, and ethical standards were strictly upheld, with no personally identifiable information collected.

The study primarily relied on primary data, collected specifically to address the research objectives. Primary data enabled direct

measurement of customers' perceptions and evaluations of life insurance services. Secondary data, including prior empirical studies, industry reports, and regulatory publications related to the Nepalese insurance sector, were used to support conceptual development and contextual understanding.

Data were collected using a structured questionnaire, developed based on established measurement scales from prior research on insurance service quality, trust, and post-purchase behavior, particularly those proposed by Kumar and Singh (2019). The instrument was adapted to ensure clarity, relevance, and cultural suitability within the Nepalese context. Collected data were coded and analyzed using Statistical Package for the Social Sciences (SPSS) v25 statistical software. The sample included respondents from diverse demographic backgrounds in terms of age, gender, education, and occupation, thereby enhancing representativeness and allowing for a broader understanding of policyholders' satisfaction across different customer segments.

Instruments

The study employed a survey-structured questionnaire to facilitate quantitative analysis and ensure consistency in responses. The questionnaire was divided into two sections. The first section captured demographic information of respondents, providing contextual background for interpreting the findings.

The second section measured the study's key constructs: agency role, organizational trustworthiness, service quality, and policyholders' satisfaction, which was adapted from Kumar and Singh (2019). Each construct was assessed using multiple items to enhance measurement reliability and validity. Agency role captured perceptions of agent professionalism, responsiveness, ethical behavior, and communication clarity. Organizational trustworthiness evaluated customers' confidence in the insurer's reliability, reputation, financial stability, and credibility. Service quality assessed efficiency, promptness, availability, and convenience of services such as premium payments and policy servicing. Policyholders' satisfaction is measured overall post-purchase experience, perceived value, and relationship with the insurer.

All items were rated on a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree), a widely used approach in service quality and customer satisfaction studies for its simplicity and ability to capture degrees of agreement. The questionnaire was reviewed for clarity and consistency before administration to minimize ambiguity and response bias. According to the research model and the research objectives, the impact of customer-centric strategies on overall policyholders' satisfaction is investigated with the help of the following regression model:

$$PS = \beta_1 (AR) + \beta_2 (OT) + \beta_3 (SQ) + \varepsilon$$

Where:
PS = Policyholders' Satisfaction
AR = Agency Role
OT = Organizational Trustworthiness
SQ = Service Quality
β_1, β_2, β_3 = Coefficients of independent variables
ε = Error term

This model offers the analytical basis of testing the hypotheses of the study and the assessment of the relative role of customer-focused factors in the policyholders' perception in the Nepalese life insurance industry.

Reliability and Validity

Reliability of the measurement scales is maintained through the use of multiple items for each construct and referring to established instruments used in past studies. Reliability is also enhanced by consistency in the wording of the item and scale format. The issue of content validity is considered using the basis of existing literature regarding the quality of insurance services, trust, and policyholders' behaviour based on content validity. Construct validity is achieved by the logical congruence of theoretical concepts and operational measurements.

Table 1: Reliability Test Result

Variable	Items	Cronbach Alpha
Agency Role	5	.82
Organizational Trustworthiness	5	.77
Service Quality	5	.69
Policyholders' Satisfaction	5	.86

Results and Analysis

This section presents descriptive statistics, correlation, regression, ANOVA, and hypothesis testing results.

Socio-demographic Profile

Table 1 shows the socio-demographic profile of 390 respondents. The sample of respondents consisted of 53.3% males and 46.7% females, indicating a slightly higher male representation. The age distribution showed that the largest segment was 40–50 years (31%), followed by 30–40 years (26.7%), 20–30 years (22.6%), and above 50 years (19.7%), suggesting that middle-aged individuals form the main customer segment for insurance in Kathmandu Valley.

Regarding education, 39.5% of respondents had completed SEE, 30.3% held a Master's degree, 26.4% had a Bachelor's degree, and 3.8% had other qualifications. This distribution indicates that insurance customers are predominantly at a basic education level, with a substantial representation of higher-educated individuals.

Table 2: Demographic Variables

Description	Category	Frequency	Percentage (%)
Gender	Male	208	53.3
	Female	182	46.7
Age	20-30 years	88	22.6
	30-40 years	104	26.7
	40-50 years	121	31
	Above 50 years	77	19.7
Education	Secondary Education Examination (SEE)	154	39.5
	Bachelor	103	26.4
	Masters	118	30.3
	Post Graduate	15	3.8

Descriptive Statistics

Table 3 shows that service quality (mean = 5.17), organizational trustworthiness (mean = 4.99), and the agency role (mean = 4.63) have the strongest influence on the policyholders' satisfaction. The mean scores of all variables on the seven-point scale were between 4.63 and 5.23, which reflected mostly positive perceptions by the respondents. Hair et al. (2014) indicated that the values of skewness and kurtosis that fall between the range of -2 and +2 are sufficient to depict a normal univariate distribution.

Table 3: Descriptive Statistics

Variables	Mean Statistic	Std. Deviation	Skewness	Kurtosis
Agency Role (AR)	4.63	.79	-.65	1.08
Organizational Trustworthiness (OT)	4.99	.75	-.29	.12
Service Quality (SQ)	5.17	.99	5.54	76.99
Policyholders' Satisfaction (PS)	5.23	.84	-.78	1.51

Correlation Analysis

The evaluation of the dynamic relationships between variables was made using correlation analysis. The results of the correlation analysis presented in Table 4 give insights about the relationship between the variables of the study.

Table 4: Correlations Analysis

Variables	AR	OT	QS	PS
AR	1			
OT	.63**	1		
SQ	.30**	.40**	1	
PS	.50**	.57**	.53**	1

Note. **. Correlation is significant at the .01 level (2-tailed).

Correlation analysis reveals that all independent variables have statistically significant positive relationships with policyholders' satisfaction at the .01 level. Organizational trustworthiness shows the strongest correlation with policyholders' satisfaction, followed by service quality and agency role, indicating that trust and reputation of the insurer, service efficiency, and agent professionalism collectively enhance customer satisfaction.

Significant positive interrelations were also observed among the independent variables. Notably, agency role and organizational trustworthiness are highly correlated, suggesting that insurers with a strong reputation tend to have more professional and ethical agents, reinforcing overall policyholders' satisfaction.

Regression Analysis

Multiple regression examined how independent variables affected policyholders' satisfaction. Regression results are in Table 5.

Table 5: Regression Results

	Beta	t-value	p-value	VIF
(Constant)	1.01	4.27	.000	
Agency Role	.22	4.40	.000	1.61
Organizational Trustworthiness	.33	5.93	.000	1.80
Service Quality	.30	8.57	.000	1.21
R Square	.46	Adj. R^2 = .46		
F	110.33			
p-Value	.000			

Regression Equation: PS = 1.01 + .22(AR) + .33(OT) + .30(SQ) + ε

The regression model is statistically significant ($F = 110.33, p < .001$), indicating that the independent variables collectively predict policyholders' satisfaction effectively. The R^2 value of .46 suggests that the model explains 46% of the variance in policyholders' satisfaction, demonstrating significant explanatory power despite the complexity of customer satisfaction factors. Individual predictor analysis shows that all three independent factors strongly affect policyholders' satisfaction:

Organizational Trustworthiness is the strongest predictor ($β = .33, t = 5.93, p < .001$), with a one-unit rise in perceptions leading to a .331-unit increase in policyholders' satisfaction, held constant. Building and sustaining good business reputations and customer trust is crucial for customer happiness. Service quality has the second-strongest effect ($β = .30, t = 8.57, p < .001$), demonstrating that service quality increases the favorable impact on satisfaction, but less than trust and agent variables. One unit of better service quality increases policyholders' satisfaction by .30 units. The weakest but substantial effect of Agency Role ($β = .22, t = 4.40, p < .001$) suggests that enhancing professionalism, responsiveness, and ethics leads to large satisfaction gains. One unit of agent conduct quality improves policyholders' satisfaction by .22.

Analysis of Variance (ANOVA) Analysis

One-way ANOVA was employed to examine whether significant differences exist in policyholders' satisfaction among life insurance customers across different age and education groups. The results of the ANOVA tests are presented in Table 6.

Table 6: ANOVA Tests of policyholders' satisfaction by Age and Education (N = 390)

Variable	Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	19.48	3	6.49	9.92	.000
	Within Groups	252.95	386	.66		
	Total	272.43	389			
Education	Between Groups	20.87	3	6.96	10.61	.000
	Within Groups	251.56	386	.65		
	Total	272.43	389			

The statistically significant p-values (p < .01) suggest significant differences in policyholders' satisfaction across age and education groups. Table 7 shows post-hoc multiple comparison tests to uncover group-level differences.

Table 7: Post-hoc Analysis: Multiple Comparisons of Overall Policyholders' Satisfaction

Age Groups

(I) Age Group	Mean Difference (I–J)	Std. Error	Sig.
20–30 vs 30–40	-.11	.10	.276
20–30 vs 40–50	-.43*	.12	.001
20–30 vs Above 50	-.68*	.14	.000
30–40 vs Above 50	-.58*	.15	.000

Education Levels

(I) Education	Mean Difference (I–J)	Std. Error	Sig.
SEE vs Bachelor	-.08	.11	.472
SEE vs Masters	-.39*	.13	.002
SEE vs Post Graduate	-.62*	.15	.000
Bachelor vs Post Graduate	-.54*	.14	.000

Note: * Significant at 5% level

The post-hoc study shows that policyholders over 50 had distinct post-purchase satisfaction from those under 50, especially those aged 20-30 and 30-40. Older customers may be more critical of insurance services, trust, and agent interactions due to experience and higher expectations. Customers with postgraduate education report significantly different post-purchase experiences than those with SEE and Bachelor's degrees, suggesting that higher education

is associated with more discerning service quality, transparency, and corporate credibility evaluations. These findings emphasize the relevance of demographic segmentation in life insurance customer-centric initiatives.

Diagnostic Tests

Multicollinearity Assessment: Variance Inflation Factor (VIF) values for all predictors remain well below the threshold of 10 (ranging from 1.21 to 1.65), indicating no issue of multicollinearity.

Homoscedasticity Test: Residual analysis through scatter plots of standardized residuals against standardized predicted values showed random distribution around zero with no discernible patterns, confirming homoscedasticity assumptions.
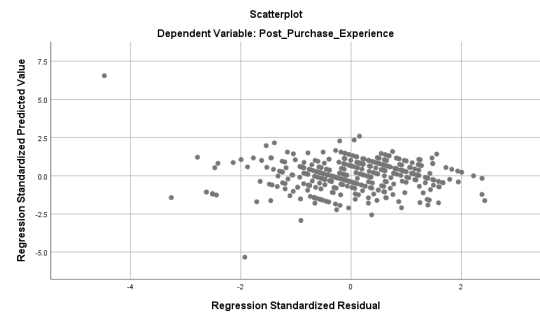

Figure 2: Linear Regression Scatter Plot

Figure 2 presents the scatter plot of standardized residuals against standardized predicted values. The residuals are randomly dispersed around the horizontal axis, indicating an even distribution with no discernible pattern. This confirms homoscedasticity and satisfies the assumptions of regression analysis, validating the appropriateness of the model and the reliability of the coefficient estimates.

Table 8: Hypothesis Testing Summary

Hypothesis	Statement	Statistical Evidence	Decision
H1	There is a significant positive relationship between Agency Role and policyholders' satisfaction.	r = .50, p < .01; β =.222, p < .001	Accepted
H2	There is a significant positive relationship between Organizational Trustworthiness and policyholders' satisfaction.	r = .57, p < .01; β = .33, p < .001	Accepted
H3	There is a significant positive relationship between service quality and policyholders' satisfaction.	r = .53, p < .01; β = .30, p < .001	Accepted

Discussions

This study advances the understanding of determinants of policyholders' satisfaction among life insurance customers in Kathmandu Valley, Nepal, highlighting how customer-centric strategies influence satisfaction in an emerging insurance market. The findings underscore the critical roles of organizational trustworthiness, agency role, and service quality in shaping policyholders' satisfaction.

Organizational trustworthiness emerged as the most influential factor, reinforcing relationship marketing theory, which posits that trust forms the foundation of long-term service partnerships, particularly in contexts characterized by uncertainty and delayed benefits (Morgan & Hunt, 1994). In the Nepalese insurance market, where penetration

is low and institutional trust is still evolving, the insurer's reputation, reliability, and ethical conduct serve as key heuristics for customer evaluation. This explains the high importance of organizational trust in fostering satisfaction, aligning with prior studies emphasizing trust as a major driver of insurance customer loyalty and satisfaction (Saeednia & Masoumi, 2014; Sheikh et al., 2014).

Agency role also plays a crucial part in shaping customer satisfaction, reflecting the significance of agents as the primary point of contact between insurers and clients. The literature suggests that agents' professionalism, responsiveness, ethical behavior, and communication skills are central to client satisfaction (Dubinsky et al., 1988; Kumar & Singh, 2019). In Nepal, low insurance literacy and the predominance of face-to-face interactions make clients heavily reliant on agents throughout the policy lifecycle. Consequently,

effective agency performance strengthens customer trust, perceptions of the insurer, and overall satisfaction.

Service quality contributes positively to policyholders' satisfaction but appears less influential than organizational trust and agency performance. This aligns with findings in service marketing literature, which highlight that service quality impacts satisfaction primarily when it interacts with relational and perceptual dimensions such as trust and corporate image (Subashini & Velmurugan, 2016; Mathur et al., 2016; Grewal et al., 2007). In the context of life insurance, customers rarely engage with formal service channels unless issues arise, which may explain the comparatively lower independent effect of service quality on satisfaction.

Demographic variations, such as age and education, may shape expectations and evaluation skills, with older or more educated customers typically holding higher standards (Poudel & Gajurel, 2023). Nevertheless, across all segments, relational factors, trust, agency performance, and perceived service quality emerge as the key drivers of satisfaction, rather than transactional features of the insurance product itself.

Thus, this study emphasizes that life insurance policyholders' satisfaction in Nepal is largely determined by relational and perceptual factors, highlighting organizational trustworthiness as the cornerstone, supported by agency role and service quality. These insights provide context-specific implications for insurers, suggesting that strategies aimed at enhancing trust, agent effectiveness, and service interactions are critical for fostering customer satisfaction and long-term loyalty in an emerging insurance market.

Conclusion and Implications

This study examined how customer-centric strategies affect Nepalese life insurance policyholders' satisfaction, focusing on agency role, organizational trustworthiness, and service quality. The findings revealed that customer-centric initiatives determine policyholders' satisfaction. Agency role, organizational trustworthiness, and service quality all positively affect policyholders' satisfaction. Organizational trustworthiness was the most important, highlighting the importance of credibility, reputation, and perceived reliability in long-term, high-involvement financial services like life insurance. Agent behavior also contributed, emphasizing the need for professionalism, ethics, and relationship management by insurance agents. While less important, service quality remains a major factor in policyholders' satisfaction, especially in policy servicing and claims. These results show that Nepalese life insurance companies' customer-centric strategies should emphasize trust-building, company reputation, and agent development. Continuous service excellence and open communication enhance policyholders' satisfaction and client loyalty. Targeted but inclusive service techniques are also supported by demographic disparities, particularly age and education, which influence insurance service evaluations. The study theoretically supports relationship marketing theory by emphasizing that in high-involvement financial services, trust, agent performance, and service quality are important factors that determine customer happiness. In order to promote policyholder satisfaction and loyalty, insurers should practically place a high priority on developing organizational trust, improving agent professionalism, and upholding service excellence.

Limitations and Further Research

Geographic focus and cross-sectional methodology limit the study's contributions. This research could be expanded by adding claims experience, pricing perceptions, digital service quality, and financial literacy, as well as longitudinal or comparative designs across regions. These activities would improve post-purchase behavior understanding and help emerging economies build customer-centric life insurance practices.

Conflict of Interest

The authors declare no conflict of interest.

Funding

There was no external source of funding for the research.

Ethical Statement

This study did not require ethical approval as it involved no human or animal subjects; however, the authors affirm its originality and adherence to established research ethics and standards

Authors' Contribution and ORCID iDs

Dipendra Karki: Conceptualization, Methodology, Software, Validation, Formal Analysis, Investigation, Resources, Writing – Original Draft, Writing – Review & Editing, Visualization, and Supervision.
iD : https://orcid.org/0000-0001-9045-7423

Rewan Kumar Dahal: Conceptualization, Methodology, Software, Writing – Original Draft, Writing – Review & Editing, Supervision, and Project Administration.
iD : https://orcid.org/0000-0002-1629-3720

Indira Shrestha: Conceptualization, Methodology, Software, Writing – Original Draft, Writing – Review & Editing, Supervision, and Project Administration.
iD :https://orcid.org/0000-0001-8449-7509

Binod Ghimire: Software, Formal Analysis, Data Curation, Writing – Review & Editing, and Supervision.
iD :https://orcid.org/0000-0002-6474-0222

Surendra Prasad Joshi: Validation, Resources, Data Curation, Writing – Review & Editing, and Visualization.
iD :https://orcid.org/0009-0000-0851-6333

References

Akbar, M. A. (2024). Customer-centric strategies: Navigating the dynamics of marketing management for competitive advantage. *Advances in Business & Industrial Marketing Research*, 2(2), 96-109. DOI: 10.60079/abim.v2i2.288

Bigne, J. E., Sanchez, M. I., & Sanchez, J. (2001). Tourism image, evaluation variables and after purchase behaviour: inter-relationship. *Tourism Management*, *22*(6), 607-616. DOI: 10.1016/S0261-5177(01)00035-8

Chang, K. C., Chen, M. C., Hsu, C. L., & Kuo, N. T. (2010). The effect of service convenience on post-purchasing behaviours. *Industrial Management & Data System 110*(9), 1420-1443. DOI: 10.1108/02635571011087464

Chou, S. K., & Kohsuwan, P. (2019). Impact of corporate image, service quality, trust, and perceived value on Chinese customer satisfaction and loyalty. Human Behavior, Development and Society, *20*(3), 41-51.

Dahal, R. K., Ghimire, B., & Joshi, S. P. (2023). Post-purchase satisfaction on life insurance policies: Evidence from Nepal. *Journal of System and Management Sciences*, *13*(5), 17-30. DOI: 10.33168/JSMS.2023.0502

Dhar, S. & Dhar, U. (2007). Insurance Industry in India- An insight. Prestige Institute of Management and Research Centre, Indore, 3, 17-25.

Dubinsky, A. J., Childers, T. L., Skinner, S. J., & Gencturk, E. (1988). Impact of sales supervisor leadership behavior on insurance agent attitudes and performance. *Journal of Risk and Insurance*, *55*(1), 132-144. DOI: 10.2307/253285

Ghimire, M., & Karki, D. (2022). Brand loyalty among mobile users. *NCC Journal*, *7*(1), 1-14. DOI: 10.3126/nccj.v7i1.58612

Ghimire, R. (2016). Market concentration in Nepalese insurance industry: An empirical study. DOI: 10.2139/ssrn.2799059

Ghimire, R., Thapa, B. S., & Waikar, V. (2024). Policyholder surrender behavior in the Nepalese life insurance market during the COVID-19 pandemic. *Interdisciplinary Journal of Innovation in Nepalese Academia*, *3*(2), 86-105. DOI: 10.3126/idjina.v3i2.73209

Goet, J. (2022). Factors affecting customers choice of life insurance companies in Nepal. *Nepalese Journal of Insurance and Social Security*, *5*(1), 10-17. DOI: 10.58665/njiss.31

Grewal, D., Iyer, G. R., Gotlieb, J., & Levy, M. (2007). Developing a deeper understanding of post-purchase perceived risk and behavioral intentions in a service setting. *Journal of the Academy of Marketing Science*, *35*(2), 250-258. DOI: 10.1007/s11747-007-0044-2

Gurung, J. B. (2012). Insurance and its business in Nepal. *Journal of Nepalese Business Studies*, *7*(1), 70-79. DOI: 10.3126/jnbs.v7i1.6409

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). Multivariate Data Analysis (7th ed.). Harlow: Pearson Education Ltd.

Hsu, K. T. (2012). The advertising effects of corporate social responsibility on corporate reputation and brand equity: Evidence from the life insurance industry in Taiwan. *Journal of Business Ethics*, *109*(2), 189-201. DOI: 10.1007/s10551-011-1118-0

Joshi, S. P., Dahal, R. K., Karki, D., & Ghimire, B. (2024). Consumer behavior and decision-making in health insurance policy purchases in Nepal. *Nepalese Journal of Insurance and Social Security*, *7*(1) 100-116. DOI: 10.58665/njiss.66

Karki, D. (2020). Factors driving stock prices of Nepalese insurers. *NCC Journal*, *5*(1), 17-28. DOI: 10.3126/nccj.v5i1.56938

Karki, D., Kakshyapati, S., Bhattarai, G., Fakhfakh, H., & Randika, D. (2024). Unanticipated political events and their effect on the Nepalese insurance sector and stock market. Nepalese *Journal of Insurance and Social Security*, *6*(1), 60-70. DOI: 10.58665/njiss.43

Kharel, K. R. (2019). Contribution of insurance business in Nepal. *Economic Journal of Nepal*, *42*(3-4), 54-65. DOI: 10.3126/ejon.v42i3-4.36038

Kumar, V., & Singh, N. (2019). Post purchase experience of consumers in life insurance policies: An empirical study. *Skyline Business Journal*, *15*(2), 81-91. DOI: 10.37383/SBJ14021907

Lamberti, L. (2013). Customer centricity: The construct and the operational antecedents. *Journal of Strategic Marketing*, *21*(7), 588-612. DOI: 10.1080/0965254X.2013.817476

Li, Y., Li, G., & Pan, X. A. (2023). Optimal return shipping insurance policy with consumers' anticipated regret. *Production and Operations Management*, *32*(10), 3209-3226. DOI: 10.1111/poms.14031

Mangold, W. G., Miller, F., & Brockway, G. R. (1999). Word-of mouth communication in the service marketplace. *Journal of Services Marketing*, *13*(1), 73-89. DOI: 10.1108/08876049910256186

Mansoor, S., Rahman, S. M., & Bowden, J. L. H. (2024). Purchase spillovers from the metaverse to the real world: The roles of social presence, trialability, and customer experience. *Journal of Consumer Behaviour*, *23*(5), 2501-2552. DOI: 10.1002/cb.2353

Mathur, T., Das, G., & Paul, U. (2016). Convenience, satisfaction, and post-purchase behavior in India's health insurance market. *Journal of Global Marketing*, *29*, 218 - 232. DOI: 10.1080/08911762.2016.1206650

Original Research Article

Niraula, P., & Kautish, S. (2019). Study of the digital transformation adoption in the insurance sector of Nepal. *LBEF Research Journal of Science, Technology and Management*, *1*(1), 43-60.

Poudel, T. M., & Gajurel, R. P. (2023). Nexus between aging and health expenditure: An evidence from Nepal. *Interdisciplinary Journal of Innovation in Nepalese Academia*, *2*(2), 129-146. DOI: 10.3126/idjina.v2i2.59491

Ruefenacht, M. (2018). The role of satisfaction and loyalty for insurers. International Journal of Bank Marketing, *36*(6), 1034-1054. DOI: 10.1108/IJBM-10-2016-0152

Saeednia, H., & Masoumi, P. (2014). An investigation on the effects of brand equity, trust, image and customer satisfaction on regular insurance firm customers' loyalty. *Management Science Letters*, *4*(3), 497-502. DOI: 10.5267/j.msl.2014.1.018

Saoula, O., Abid, M. F., Ahmad, M. J., Shamim, A., Patwary, A. K., & Yusr, M. M. (2024). Forging customer satisfaction through commitment-trust factors in financial insurance services: moderating role of corporate image. *Journal of Islamic Marketing*, *15*(2), 418-445. DOI: 10.1108/JIMA-08-2021-0257

Shakya, B., Karki, D., Prajuli, S., Bhandari, U., & Kayestha, M. (2024). Determinants affecting small business financially in Nepal: A structural equation modelling analysis. *Quest Journal of Management and Social Sciences*, *6*(2), 323-337. DOI: 10.3126/qjmss.v6i2.69103

Sheikh, M. A. F., Sheikh, M. A. F., Rizwan, M., & Maqsood, Q. (2014). The role of brand and Company image in building brand loyalty through service quality and brand trust. *Journal of Sociological Research*, *5*(1), 365-376. DOI: 10.5296/jsr.v5i1.6571

Shrestha, M. (2010). A study on patterns of consumers' decision-making process in purchasing life insurance policy (MBS thesis, Tribhuvan University).

Sileyew, K. J. (2019). Research design and methodology. Rijeka: Intech Open, 1-12. DOI: 10.5772/intechopen.85731

Sinha, K. (2013). Measurement of service quality: A life insurance industry perspective. Journal of Marketing Vistas, *3*(1), 54-66.

Subashini, S., & Velmurugan, R. (2016). Policyholders satisfaction of life insurance products with reference to Coimbatore district. *International Journal of Business and Management Invention*, 5(4), 28-33. Retrieved from https://researchersworld.com/index.php/ijms/article/view/1228

Wang, Y., Yu, B., & Chen, J. (2025). Factors affecting customer intention to return in online shopping: the roles of expectation disconfirmation and post-purchase dissonance. *Electronic Commerce Research*, *25*(4), 2729-2763. DOI: 10.1007/s10660-023-09769-3

Xie, C., & Sun, Z. (2021). Influence of perceived quality on customer satisfaction in different stages of services. *Nankai Business Review International*, *12*(2), 258-280. DOI: 10.1108/NBRI-01-2020-0004

Bios

Dr. Dipendra Karki is an Assistant Professor in the Faculty of Management at Tribhuvan University (TU), Nepal. He earned an M.Phil. and a PhD in Finance from Kathmandu University School of Management (KUSOM). His teaching interests include Behavioral Finance, Global Finance, Financial Economics, and Securities Valuation. Dr. Karki is a published author who has written several articles and books.

Email: dipendra.karki@ncc.edu.np

Dr. Rewan Kumar Dahal is an Assistant Professor in the Faculty of Management, Nepal. He holds a PhD and is actively engaged in teaching, research, and academic supervision. His research interests encompass management studies, accounts, and applied economic analysis. Dr. Dahal has contributed to academic research through publications and conference presentations, with an emphasis on evidence-based management and policy-relevant studies.

Email: rewan.dahal@ncc.edu.np

Dr. Indira Shrestha is an Assistant Professor in the Faculty of Management, Nepal. She holds a PhD and is involved in teaching and academic research in management and related disciplines. Her scholarly interests include organizational studies, human resource management, and applied social research. Dr. Shrestha has published in academic outlets and actively participates in research and academic development activities.

Email: indirastha@ncc.edu.np

Dr. Binod Ghimire is an Assistant Professor in the Faculty of Management at Tribhuvan University, Nepal, with over 20 years of teaching experience at undergraduate and graduate levels. His research spans organizational performance, financial literacy, behavioral issues in youth employability, entrepreneurship, and flexible and virtual work dynamics. He has also worked extensively as a freelance writer and researcher since 2017.

Email: bin.ghimire@ncc.edu.np

Mr. Surendra Prasad Joshi serves as a faculty member at Thames International College, Kathmandu, Nepal. His academic research focuses on social theory, human capital, and the social and behavioral dimensions of management. He aims to explore and experiment with management techniques related to workforce behavior and organizational dynamics.

Email: surendrajoshi20@gmail.com