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A Study on Emotional Branding and Its Impact on Brand Loyalty with Reference to Life Insurance Companies

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Abstract

Life insurance industry in India has seen remarkable changes over the years, the Indian markets opening doors to foreign players during liberalization added fuel to the competition. According to the Insurance Regulatory and Development Authority (IRDA) the overall insurance growth is estimated at the rate of 15 to 20 percent annually.

Branding is more relevant in the financial service industry which will enable the corporate to secure new and retain the old customers; Insurance companies face stiff competition hence creating a need for a messiah to differentiate their services from competitors. They are now realizing the need to discover new ground to compete, the emergence of emotional branding has largely stemmed up from this need. A brand for which targets consumers' emotional impulses and desires is called Emotional branding, Emotional branding provides a platform and methodology for connecting products to the consumer in an emotional intense way.

The previous research on emotional domain of brands and branding strategies rarely focus on its antecedents as well as consequences, yet this study aims at directing research efforts in the examination of emotional branding concept, and its scope; mainly antecedents, and consequences with respect to life insurance industry. The analysis from the study show significant co relationship between emotional branding and brand loyalty.

Keywords: Emotional Branding, Brand Loyalty, Insurance Companies

1. Introduction

India being the world's second largest populated country, the potential of insurance companies is immense; there are twenty four life insurance companies which are competing fiercely in the market to cater the needs of the customers. Life insurance industry in India has seen remarkable changes over the years, the Indian markets opening doors to foreign players during liberalization added fuel to the competition. According to the Insurance Regulatory and Development Authority (IRDA) the overall insurance growth is estimated at the rate of 15 to 20 percent annually.

To refine the regulations of insurance sector Malhotra committee was formed in the year 1993. The key element of this reform was entry of overseas Insurance companies with 26% investment. Creating a more competent and viable financial system suitable for the requirements of the economy. This committee's recommendations also lead to the formation of the IRDA as an autonomous body.

Branding is more relevant in the financial service industry which will enable the corporate to secure new and retain the old customers; Insurance companies face stiff competition hence creating a need for a messiah to differentiate their services from competitors. They are now realizing the need to discover new ground to compete, the emergence of emotional branding has largely stemmed up from this need.

Emotional branding provides a platform and methodology for connecting products to the consumer in an emotional intense way. A brand for which targets consumers' emotional impulses and desires is called Emotional branding. Emotional brand and its impacts on consumers are well researched by marketing academics such as Aaker (2000), Fournier (1998), and Holt (2004). The study predominantly measures the dimensions identified by Dhannur Vijaykumar and Dr Roopa for life insurance companies.

Review of Literature

According to Keller brand differentiates a product in numerous forms and it can be divided into two categories- the tangibles (rational), and the intangibles (emotional and symbolic). Either way, while the product executes its fundamental functions, the brand contributes to the differentiation he also infers that a strong brand provides consumers several access points towards the brand by attracting them through both functional and emotional attributes.

(Robert, 2004) Found that Emotional branding treats the functional benefits of its product as points of parity i.e. these are the points that make a brand no better or worse than the next best alternative. Emotional branding is a kind of marketing communication strategy that affects consumers' attitude towards a brand. This is because the emotional benefits obtained from emotional branding are more likely to be more unique to consumers, and these unique experiences lead to a more positive behavioral response towards the brand. The stories of how a brand comes about and the force supporting the brand are full of metaphors that evoke the human imaginations (Holt, 2004; Robert, 2004). In other words, "consumers do not choose brands, they choose lives" because these brands add meaning to their lives and help them to accomplish their goals (Fournier, 1998:367).

According to Pawley and Cooper (2006) that in order to win consumers' heart, it is essential to develop a creative appeal on the brand and make consumers understand the brand's importance and meaning. The brand brings about commitment, passion and empathy. Emotional branding differentiates a brand by making it 'super-evolve' and category-of-one. emotional branding framework, built up by Gobe in 2001 elucidates relationship as the emotional experience and the profound contract that the customer develops with the brand. He proclaims Sensorial Experience as the multi sensorial brand experience; imagination is another parameter where he claims it's the outcome of product, packaging, websites and creation of additional value as customer delight and surprises.

Kevin Roberts propagates that rational perfection in products is in a matured state now, Lovemarks mapped out new territory where brands could be eclipsed by rich emotional fields, customer associations are important.

Romanuik and Gaillard (2007) also infer that a brand association can be shared among multiple brands: consumers may perceive multiple brands holding one same brand association. In other words, when a brand uses an element as a cue, consumers can recover multiple brands at the same time, because this attribute is related with diverse brands and is not exclusive to any one of them.

When consumers see a product branded with one of the emotional branding dimensions, they will likely pay more attention and show more positive emotions towards a product. These dimensions will help to create or foster the affective relationship between the consumers and their brand.

Researchers who have long considered attitudes to be insufficient predictors of brand commitment (e.g. loyalty), and suggest that true loyalty requires the customer to form an emotional bond with the brand (Park *et al.*, 2009; Oliver, 1999). Holbrooks (2001) study also confirms that the emotions attached to a brand are significantly related to the consumers purchase and attitudinal loyalty.

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true loyalty requires the customer to form an emotional bond with the brand (Park *et al.*, 2009; Oliver, 1999).

Statement of the Problem

Cordina Jenny A., Pellathy Thomas, and Singhal Shubham (2009), the authors emphasize on the role of emotions that plays a vital function in buying a health insurance. A study was conducted in America and it was observed that even if the employees are well aware of the choices of insurance they are unable to revisit the status of their insurance. Though the insurance companies are very clear in helping the customers make a rational choice of buying the product, it is understood that very often more than fifty percent of the consumers make their purchase decisions based on emotions and they seek a peace of mind in their choice.

Here prevails a gap in companies' understanding of base for customers making the right choice. Author proclaims that despite of rising demand in insurance, sales have not really kept pace with the demand and to answer these concerns author has suggested a process to be followed by the insurance companies so as to educate consumers. However, most of the studies have not identified the dimensions of emotional branding. The previous research on emotional domain of brands and branding strategies rarely focus on its antecedents as well as consequences, yet this study aims at directing research efforts in the examination of emotional branding concept, and its scope; mainly antecedents, and consequences with respect to life insurance industry.

Objectives

- To determine the relationship between emotional branding and brand loyalty.
- To determine the relationship between emotional branding dimensions.

Research Methodology

Sampling Design

Population

The customers of life insurance from Bangalore city were considered to select the required sample for the study.

Sampling Technique

Non-probability purposive sampling technique was employed to select the required sample.

Sample Size

The sample size considered for the study was 250.

Tools used for data collection and analysis

The primary data was composed through questionnaire which encompassed likert scale and to measure the validity of the dimensions of Emotional Branding.

Cronbach's Alpha was used to test the reliability of the factors and the variables chosen for the study. Co relations test was used to analyze the relationships between the variables and descriptive statistics like standard deviation and mean were also used.

Analysis and Discussion

Reliability Statistics

Cronbach's Alpha	No of Items
0.867	63

It is considered that the reliability value is more than 0.7 is good and it can be seen that in statistics, reliability value is quite higher than the standard value, so all the items in questionnaire are highly reliable.

Table 1

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand attachment	250	1.40	7.00	4.8392	1.00276
v36.You feel Personally connected to the brand name.	250	1	7	4.88	1.271
v37.You feel emotionally linked to the brand name.	250	1	7	4.62	1.346
v38.The brand name is a part of you.	250	1	7	4.76	1.297
v39.Thoughts and feelings towards the brand come to your mind naturally and instantly.	250	1	7	4.92	1.184
v40.The brand name automatically evokes good thoughts about the past, present, and future.	250	1	7	5.02	1.211
Valid N (listwise)	250				

According to table 1, 69.13% of the respondents agree that they are attached to their Brand where as 30.8% do not concur. The mean score is 4.8392 and Std. Dev is 1.00276.

Table 1.1

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand experience	250	2.33	7.00	4.8147	.77117
v41.My brand makes a strong impression on my visual sense and other senses.	250	1	7	4.90	1.150
v42.I do not have strong emotions for my brand.	250	1	7	4.78	1.168
v43.When I encounter my brand it engages me in a lot of thinking.	250	1	7	4.96	1.106
v44.My brand does not make me think.	250	1	7	4.45	1.431
v45.My brand stimulates my curiosity and problem solving.	250	1	7	4.98	1.101
v46.My brand induces feelings and sentiments.	250	1	7	4.82	1.233
Valid N (listwise)	250				

The above table 1.1 depicts that 69.13% of the respondents agree that their brand engages them in brand experience, where as 30.8% do not concur. The mean score is 4.814 and Std. Dev is 0.771.

Table 1.2

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand association	250	2.17	7.00	5.2520	.82523
v47.My Brand reflects who I am.	250	1	7	5.01	1.199
v48.I can identify my brand.	250	1	7	5.52	1.061
v49.I use my brand to communicate who I am to other people.	250	1	7	5.14	1.148
v50.I think my brand helps me become the type of person I want to be.	250	1	7	5.22	1.095
v51.I consider my brand to reflect the way that I want to present myself to others.	250	1	7	5.23	1.130
v52.My brand suits me well.	250	1	7	5.40	1.026
Valid N (listwise)	250				

The table 1.2 depicts that 75% of the respondents have the same opinion that they are associated with their brand, whereas the remaining 25 % do not concur. The mean score is 5.25 and Std. Dev is 0 .825.

Table 1.3

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand relationship	250	1.71	7.00	5.5200	.87144
v53.This brand treats me as an important customer.	250	1	7	5.61	1.260
v54.I recommend this brand to others.	250	1	7	5.60	1.189
v55.This brand deserves my trust.	250	1	7	5.63	1.068
v56.The products of this company are of good quality.	250	1	7	5.67	1.100
v57.I'm willing to buy other products from this company.	250	1	7	5.38	1.272
v58.This brand offers personalized customer service.	250	1	7	5.38	1.135
v59.This brand tries to get to know my preferences, questions and suggestions.	250	1	7	5.38	1.139
Valid N (listwise)	250				

The table 1.3 depicts that 63.4% of the respondents concur that they have strong brand relationship and whereas the remaining 36.6 % do not concur. The mean score is 5.52 and Std. Dev is 0 .87144.

Table 1.4

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand story	250	1.00	7.00	5.2912	.85663
v60.This brand has suitable outlined stories which bring happy feeling to you	250	1	7	5.34	1.079
v61.This brand triggers your thought with believable stories.	250	1	7	5.30	1.049
v62.This brand attracts your attention with distinctive stories.	250	1	8	5.36	1.033
v63.This brand catches your thought with skeptical stories that encourage your curiosity.	249	1	8	5.25	1.127
v64.This brand convinces you with stories in charismatic style.	250	1	7	5.21	1.089
Valid N (listwise)	249				

The table 1.4 represents that the respondents who strongly believe in brand story is 61.7 and 38.3 do not believe. The mean score is 5.2912 and Std. Dev is 0 .85663.

Table 1.5

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand imagination	250	1.13	7.00	5.5685	.86276
v65.Smart Office Interiors.	250	1	7	5.56	1.289
v66.Appropriate waiting area.	250	1	7	5.69	1.108
v67.Problem solving guidance.	250	1	7	5.68	1.145
v68.Caring behavior towards customers.	250	1	7	5.54	1.189
v69.Shortening the documentation process.	250	1	7	5.39	1.140
v70.Proper guidance towards policy details and procedures.	250	1	7	5.53	1.042
v71.Accountability of employees towards customers.	250	1	7	5.42	1.003
v72.Treating customer with a value.	250	1	7	5.74	1.058
Valid N (listwise)	250				

The statistics of table 1.5 portray that 64.5% of respondents connect themselves to brand imagination and 35.5% do not. The mean score is 5.5685 and Std. Dev is 0 .86276.

Table 1.6

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand uniqueness	250	1.50	6.75	5.3570	.76207
v73.My brand makes me feel delighted.	250	1	7	5.24	.992
v74.My brand enhances the perceptions that I have a desirable lifestyle.	250	2	7	5.34	.961
v75.My brand helps me to better fit into my social group.	250	1	7	5.35	1.095
v76.My brand helps me feel accepted.	250	1	7	5.37	1.018
v77.My brand performs as it promises.	250	1	7	5.36	1.151
v78.My brand provides a solution to my expectations.	250	1	7	5.42	1.073
v79.My brand makes a good impression of me on other people.	250	1	7	5.34	1.113
v80.Usage of my brand is effective to my needs than other brands.	250	1	7	5.44	.952
Valid N (listwise)	250				

The table 1.6 illustrates that maximum number of respondents i.e. 70.2% believe that their brand is unique and 29.8% do not believe. The mean score is 5.3570 and Std. Dev is 0 .76207.

Table 1.7

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand vision	250	2.33	6.83	5.3727	.73352
v81.The products / services supplied by the company have a clear Unique Selling Point.	250	1	7	5.50	1.169
v82.There is a visibly clear market approach.	250	1	7	5.48	1.027
v83.The key capabilities of the organization and its workforce are well understood.	250	1	7	5.38	1.036
v84.Information about the future is actively identified and brought into the company.	250	1	7	5.27	.980
v85.It is clear what future opportunities are available to the company.	250	1	7	5.28	.909
v86.Different forms of marketing are undertaken by the company.	250	1	7	5.33	1.020
Valid N (listwise)	250				

The table 1.7 determines that 73.2% of the respondents have strong brand vision and 26.8% do not have strong brand vision. The mean score is 5.3727 and Std. Dev is 0 .73352.

Table 1.8

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand loyalty	251	1.73	6.45	5.0707	.74779
v87. I will try new services that are provided by this brand.	250	1	7	5.36	1.111
v88.I will recommend other people to patronize to this brand.	249	1	7	5.26	1.135
v89.I will say positive things to other people about the services provided by this brand.	250	1	7	5.26	1.147
v90. I will continue to patronize this brand even if the service charges are increased moderately.	250	1	7	5.16	1.160
v91.I have strong preference to this brand.	250	1	7	5.34	1.076
v92.To me, this brand would rank first among the other companies.	250	1	7	5.34	1.182
v93.I would patronize this brand for a long period of time.	250	1	7	5.37	1.018
v94.I like the performances and services of this brand.	250	1	7	5.46	1.101
v95.I am very committed to this brand.	250	1	7	5.35	1.107
v96.Even when I hear negative information about this brand, I will still transact with it.	250	1	7	5.23	1.213
v97.I like switching from one brand to another.	251	1	7	2.79	1.371
Valid N (listwise)	249				

According to table 1.8, majority of the respondents are loyal to the brand i.e. 67.8% and the rest of them i.e. 32.2 are not loyal to the brand. The mean score is 5.0707 and Std. Dev is 0.74779.

Table 2

Statistics=Pearson Correlation									
	Brand attachment	Brand experience	Brand association	Brand relationship	Brand story	Brand imagination	Brand uniqueness	Brand vision	Brand loyalty
Brand attachment	1	.608**	.460**	.476**	.425**	.427**	.472**	.324**	.473**
Brand experience	.608**	1	.466**	.423**	.362**	.361**	.482**	.343**	.478**
Brand association	.460**	.466**	1	.554**	.534**	.503**	.535**	.468**	.457**
Brand relationship	.476**	.423**	.554**	1	.628**	.763**	.709**	.583**	.564**
Brand story	.425**	.362**	.534**	.628**	1	.675**	.580**	.567**	.376**
Brand imagination	.427**	.361**	.503**	.763**	.675**	1	.690**	.636**	.558**
Brand uniqueness	.472**	.482**	.535**	.709**	.580**	.690**	1	.590**	.694**
Brand vision	.324**	.343**	.468**	.583**	.567**	.636**	.590**	1	.527**
Brand loyalty	.473**	.478**	.457**	.564**	.376**	.558**	.694**	.527**	1

The table 2 depicts the values at 1% level of significance. Brand attachment shows significant relationship with brand experience with 60.8% vice versa, while the other dimensions like brand experience, association, relationship, story, imagination, uniqueness, vision and loyalty have moderate relationship. The dimension Brand association shows strong

positive co relation with brand relationship and moderate for other dimensions and vice versa. Whereas brand story is significantly correlated with brand imagination with 67.5 % and moderate with other variables. Brand imagination is positively co related with brand relationship with 76.3 % it also shows strong relationship with brand uniqueness with 69

% and moderate with others. Brand uniqueness is strongly associated with brand relationship and brand imagination with 70.9 % and 69%. Brand vision and brand loyalty have significant relationship with brand imagination and brand uniqueness with 63.6% and 69.4% respectively.

Conclusion

The study reveals the scope of emotional branding its antecedents, and consequences with respect to life insurance industry. It also shows significant co relation between emotional branding and brand loyalty. These dimensions will help to foster the affective relationship between the consumers and their brand.

The emotional branding dimensions enable customers to pay more attention and show more positive emotions towards a product. Product strategies can be easily imitated by the competitors but differentiating the brand emotionally will clearly give an edge over the cut throat competition, it also provides a platform to engage and retain customers for life which is crucial in life insurance industry.

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