

Checking The Level of Brand Equity's Impact on The Customers 'Satisfaction and Loyalty in The Iran Insurance Company

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Abstract

One of the most important issues in considering the field of services is, keeping and maintaining customers. This issue regarding the insurance industry as a specific used service is in the Condition of exception, which is more important. Therefore the researcher intends to participate in checking the level of brand equity's impact on the customers' satisfaction and loyalty in the Iran insurance company by this applied research. Due to the unlimited population, the researcher uses the random cluster sampling method by selecting 384 as the research sample. The validity of research questionnaire was obtained by two different ways of face validity and construct validity. The results of the path analysis test suggest that the brand equity has a significant impact on customer satisfaction. As well, the four dimensions of brand equity have a significant impact on the customer satisfaction (quality of service, lifestyle, ideal self-concept, behavior of employees). Also through the mediator variable these four dimensions suggests that there is a significant relationship between the satisfaction and the loyalty.

Key Words: Loyalty, Brand Equity, Satisfaction, Insurance, Services.

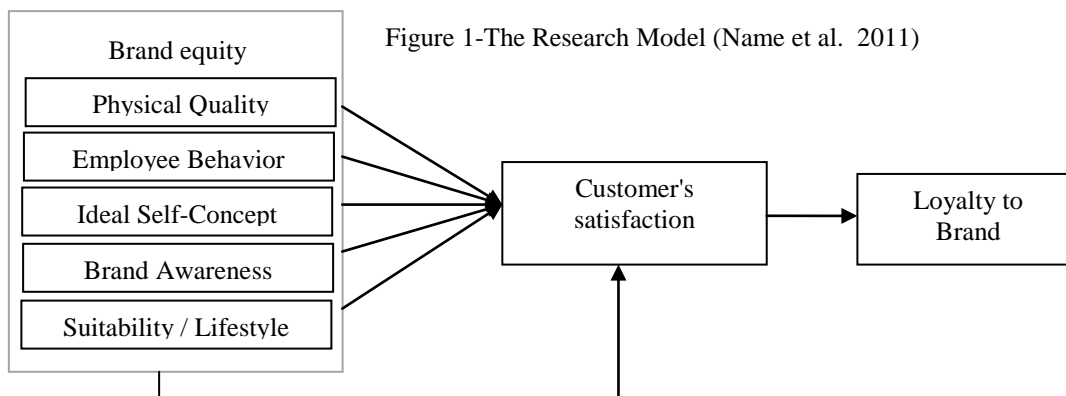
Introduction

The service sector has enjoyed considerable growth in recent years, so that the highest share of gross national product GNP in developed countries is related to the services sector. In Iran, the current share of the service sector in the economy is 48 percent, and over ten million people are employed in this sector (Jalali, Khairi, and Khadem, 1390). The researchers believe that as some inherent characteristics of services, such as being intangible, variability, inseparability and mortality, the concept of branding in marketing services is much more important than physical goods because it had changed the virtual nature of services and presented this nature more truly and more tangible. A powerful brand increases the trust and the power of customers in visualizing and a better understanding of the characteristics of intangible services (Hosseini et al., 1393). On the other hand, many organizations (especially service organizations) come to believe this, for achieving competitive advantage and long term survival in the market they should establish and develop powerful brands(as one of the key success factors) (GilaniNia, and Mousavian, 1389). A strong brand creates the value for both the customer and the organization. On the other hand Brands provide the concise and useful tools to simplify the selection process for purchasing the products or

services for the customers, and in the process of data and information analysis make it easier and faster and in this way it creates value for customers. On the other hand, production processes and product designs may be simply able to copy, but the image effectuation which remains in the minds of individuals and organizations based on several years of marketing and brand experience, are not easily replaced and cannot be replicated (Keller, 2008). As a result, companies based on a powerful brand, can set a higher price for their products, and establish a better trade leverage; they also could increase the contribution margin and profitability and reduce their vulnerability against competitors (Aaker and Joachimsthaler, 2000). Hence many sectors of service businesses are looking for brand development opportunities, in order to achieve greater advantage in their current brands, so this issue is been determined in this study by measuring the brand equity in the company. In this study researcher used the five dimensions as following, ideal self-concept, fit lifestyle, quality of service, employee behavior and brand awareness for measuring brand equity in the study, and also colleagues (2011) were taken into consideration.

On the other hand consumer's satisfaction is essential for long term success in the business, and it is one of the most important topics in marketing (Bourhim, 2010). Since consumer satisfaction is one of the main factors that determine the long-term success in the business, for this reason, those satisfied consumers are less sensitive to the prices, so they are less affected by the competitors, and they show more loyalty than the dissatisfied customers. When the marketing team statistics are regarded, this issue needs doubled necessity of consideration. Researchers believe that the cost of attracting new customers is usually more than the maintaining the old customers. Research has shown that the five percent reduction in the number of the customers could cause the loss of 85 percent of all corporate profits and meanwhile five percent increase in the customer retention causes 25 percent to 125 percent growth in the profits of company (Salari, 1383). On the other hand in any organization - whether manufacturing or service organization - the most important factor for the preservation of the organization is its customers, so that if companies succeed in satisfying and especially getting their loyalty, they could prepare growth and long-term survival for themselves. In other words, the most important issue in the companies (especially service companies), is the customer's satisfaction and if this satisfaction continues it could create loyalty and by causing the more loyalty between clients that could gain more profits (GilaniNia and Mousavian, 1389).

The insurance industry is an example of the service industry in which the brand has a great impact on its success. Insurance customers, choose the organizations based on their brands. The brand seems to be the implicit commitment of service that they expect to get. Throughout the years, many insurance companies was established in Iran which can be named as the insurance companies of Iran, Dana, Asia, Alborz, Parsian, Mihan. One of these companies is the Iran insurance company. In order to survive and for their development, this company consider the concepts such as brand equity, customer satisfaction and loyalty. So, according to what was said in this study, the researcher intends to respond to this fundamental question that, what is the effect of brand equity on customer's satisfaction and loyalty in the Iran insurance company?



Research Methodology

This study is counted as the quantitative research, and in terms of objective it is considered as developmental and applied research. This study in terms of strategy used the correlation strategy and also the descriptive of survey type was used. The community research includes insurance customers in Tehran, Iran. Researcher for calculating the sample size used the Cochran formula based on the unlimited statistical population, and according to this formula 384 customers in the Iran insurance company were selected as the research samples size. The researcher has used the cluster random sampling method.

Cluster random sampling method in fact is the classified sampling method and the base of its classification is the geographical region. In this study, the researcher divided Tehran city to 5 parts consisting of East, Central, West, North and South, and as an average he distributed 77 questionnaires. The questionnaire survey also was written about three sections as brand equity, customer satisfaction and customer loyalty, and it was approved with the help of face validity (was approved by eleven experts) and construct validity (was confirmed by confirmatory factor analysis).

Also for calculating reliability of the questionnaire, the researcher distributed 30 questionnaires and with the help of Cronbach's coefficient alpha he had evaluated the reliability of the questionnaire and its results revealed the Cronbach's coefficient alpha for three variables, those are respectively 0/88, 0/91, and 0/90. The reliability of the questionnaire was approved due to the higher Cronbach's coefficient alpha from 0/7.

The Analysis of Data

Descriptive Statistics

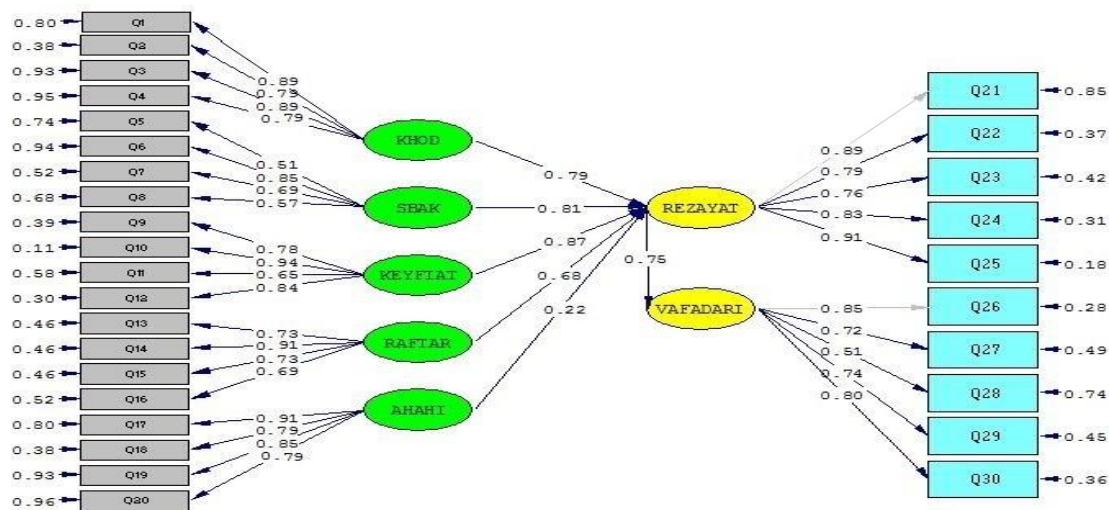
After the distribution of questionnaires and collecting them, further research sample in terms of education show that, most of the customers about 30 percent had graduate degree, and the lowest amount of questionnaires about 19 percent was assigned to the other customers with the diploma degree. Also according to the information obtained from the questionnaire, it turned out that the gender of most of the customers consisted of males which is about 82 percent. In addition, the highest volume of the group sample, about 56percent was assigned to the married clients. In terms of the age most of the customers almost 36 percent were between 40 and 50 years.

Inferential Statistics

In this study, initially the researcher with the help of kolmogorov-smirnov test had examined the normality of the data obtained from the questionnaires, because it is one of the conditions in using the structural equation. With respect to the normality of the data; so in this section the researcher with the help of structural equation could test the research hypotheses.

But before that the researcher evaluated each of the variables with the help of confirmatory factor analysis (CFA). In both cases, the effective factors and the standard estimation for all variables and their dimensions, with confirmatory factor analysis were confirmed. Now, with the help of path analysis the hypotheses of this research had been examined, that the figure two, could test the model in the case of standard estimation.

It is worth mentioning that, the hypothesis is examined in two categories, the first category checks those five effects of brand equity based on customer's satisfaction and the second group checks five effects of brand equity according to customer's loyalty, and with respect to the role of the mediator it lasts on customer's satisfaction.



Chi-Square=-502.41, df=389, P-value=0.00010, RMSEA=0.089

Figure 2 - the significance model of research's hypothesis in the standard estimation mode

In the above figure fit indexes are higher than the minimum allowable values, so it can be claimed that this model is well fitted. (GFI= 0/94, AGFI = 0/94, RMR = 0/04, SRMR = 0/08, NFI = 0/90, and IFI =0/95). The following table shows the results of the test hypotheses:

Table 1 - The Results of the Analysis of Structural Equation Model

Independent variable	Dependent variable	Standard rate	T-value	Test result
Ideal self-concept	satisfaction	0/79	6 / 66	reject H0
life style	satisfaction	0/81	4 / 31	reject H0
Quality of services	satisfaction	0/87	4 / 04	reject H0
Employee's behavior	satisfaction	0/68	3 / 89	reject H0
brand awareness	satisfaction	0/22	1 / 02	approved H0

In the Lisrel software and to confirm or reject the research hypotheses, basically the amount of T-Value is used. If the value is greater than 1 / 96 or smaller than -1 / 96 the H0 hypothesis can be rejected. Also, if the standard rate is greater than 0/5, that the effect of the independent variable on the dependent variable can be claimed. In Table 1, the output of that model is discussed. Since based on the above table, a significant factor of 4 dimensions in brand equity (the ideal self-concept, life style, quality of service, employee's behavior) on the customer's satisfaction is higher than 1/96; therefore, it claim that H0 is rejected and H1 hypothesis is confirmed. In other words, these aspects have a significant impact on customer satisfaction. On the other hand, according to the standard rate higher than 0/5, It became clear that respectively the quality of service, life style, ideal self-concept, behavior of employees have a significant impact on customer's satisfaction.

In addition about examining the role of satisfaction variable as the mediator variable on the relationship between dimensions of brand equity and customer's loyalty, it turned out that:

Table 2- The Results of the Analysis of Structural Equation Model

The standard rate of path 1	The standard rate path 2	Standard rate of mediator variable
Ideal self-concept & satisfaction (0 / 79)	Satisfaction & loyalty (0/75)	$(0 / 79) \times (0 / 75) = 0/59$
life style & satisfaction(0/81)	Satisfaction & loyalty(0 / 75)	$(0 / 81) \times (0 / 75) = 0/60$
Quality of services & satisfaction (0 / 87)	Satisfaction & loyalty(0 / 75)	$(0 / 87) \times (0 / 75) = 0/65$
Employee's behavior & satisfaction (0 / 68)	Satisfaction & loyalty(0 / 75)	$(0 / 68) \times (0 / 75) = 0/51$
brand awareness & satisfaction (0 / 22)	Satisfaction & loyalty(0 / 75)	$(0 / 22) \times (0 / 75) = 0/16$

For examining the role of satisfaction variable as the mediator variable on the relationship between dimensions of brand equity and customer's loyalty; first, in the path 1 and 2 it is necessary to have the significant impact between the independent variable and dependent variable, according to the standard rate which is higher than 0/5 in the path of 1 and 2; therefore, it can be claimed that there is a significant impact in both paths on the 4 dimensions of brand equity which as respectively follows (the ideal self-concept, life style, quality of service and employee's behavior). It is also necessary that the multiplication of the standard rate of path 1 and 2 to be more than 0/5. According to the above table it turned out that the achieved standard rate from multiplying the path 1 and 2 about 4 mentioned dimensions is higher than 0/5. Therefore, 95 percent confidently can be claimed that in these 4 domains the hypothesis H0 is rejected and the hypothesis H1 is approved. In other words satisfaction variable as mediator variable in the relationship between the dimensions of brand equity (the ideal self-concept, life style, quality of service and employee's behavior) and on the customer's loyalty has a positive, indirect had significant impact.

Discussion and Comparison

In this section the researcher compares the results of his research with other studies in this area. Including these studies, the research of DehashtiShahrokh and et al. (1391), they conducted the study in the hotel industry with the title of the brand equity's impact from the consumer's perspective on the satisfaction and loyalty to brand. Results of this study shows that these variables, physical quality, employee's behavior, suitability with the ideal self-concept, brand identity, suitability with life style and brand awareness have a significant impact on the consumer's satisfaction. And as well the impact of consumer's satisfaction on the loyalty to brand is direct and significant. And the variables of physical quality, employee's behavior, suitability with the ideal self-concept, brand identity, fit life style, brand awareness, through consumer's satisfaction on the loyalty to brand have an indirect and significant impact. These results with all the results of this study (with the exception of the fifth secondary hypothesis) is consistent, it could be because of that both of the researches are in the field of services. Rahim Nia and Fatemi (1391) conducted another research with the subject of the impact of brand equity on customer's satisfaction among the five star hotels in the Khorasan Razavi province. In this study also it turned out that perceived quality and brand awareness have less impact on customer's satisfaction compared to brand loyalty and brand associations which had a significant impact in the forming the customer's satisfaction in the hospitality service .

Finally, the dimensions of brand equity have a significant positive impact on customer's satisfaction. These results are also consistent with the results of this research. Seyed Javadein (1389) studied the effect of brand equity on the industrial customer's loyalty. The results showed that brand equity and trust are the most important factors affecting the behavioral patterns and attitudes of customer's loyalty. Kafash pour (1388) conducted a study with the title of brand value and corporate image based on customer's satisfaction.

In this study the independent variables include brand loyalty, commitment to relationships, trust, received quality, brand awareness and brand equity, which were on the dependent variable of customer's satisfaction in the services company. According to the obtained results the variables which could directly create suitable brand equity for hospital are brand loyalty and quality of service, in the meantime, quality of service, with a correlation of 75 percent created a maximum importance in building the suitable brand equity. Nazari and BahriNejad (1392), worked on the impact of dimensions of price satisfaction on customer's loyalty in the banking industry: Under the study they examined the Mellat banks. Based on the obtained results, factors affecting customer's satisfaction of price was assessed, as well their relationship with the dimensions of loyalty in one of the commercial banks was assessed. The results showed that among the six affecting factors on customer's satisfaction on the price; the quality of price factor has the maximum effect and price transparency has minimal impact on customer's satisfaction.

Hilary (1390) evaluated the perceived image of the Iranol oil company's brand, and examined the relationship between brand equity and customer's satisfaction and loyalty based on the model of David Aaker (including the four dimensions of awareness, perceived quality, association and brand loyalty). The results of the study indicated that there is a significant relationship between the perceived image of brand and satisfaction. Also between brand equity and loyalty there was also a significant relationship. GanjiNia and kazemirad (1388), in a study entitled 'the impact of brand loyalty on bank's brand equity from the perspective of e-cards customers', by using the model of David Aaker, they concluded that the other three dimensions of brand equity (perceived quality, brand awareness and brand associations) have influence on loyalty to brand. In the foreign researches also Blumer and et al. (2008) demonstrated in their studies that in banking customer's satisfaction is one of the most important affecting factors on customer's loyalty. Mahmoud and et al. (2013), examined the effect of quality of services and prices on customer's satisfaction and loyalty in the commercial industry of flight services. The results show that the quality of service has a positive and insignificant relationship on the customer's satisfaction, and also the price has a negative and insignificant relationship on customer's satisfaction. Also quality of service and the price have a negative relationship with loyalty. Customer's satisfaction has a positive and significant impact on customer's loyalty.

Conclusion

According to the results of hypotheses in the study (in the first secondary hypothesis), it was shown that the ideal self-concept has a positive and significant impact on the Iran insurance customer's satisfaction. In other words, customers who their part of ideal life and interests are being cautious, foresight and assurance, and reach these issues by purchasing the insurance services, so they are satisfied with what they have achieved; because they have reached this ideal with the help of insurance services companies. In addition (in the second secondary hypothesis) fit life style has a positive and significant impact on the satisfaction of insurance's customer. In other words, insurance services are more dedicated to those who are scared about their future (life and medical insurance) or benefit some vehicles such as cars. Having insurance for these people brought a sense of security and trust for them, so they could live their lives with confidence. In addition, rationality behind using these services by these people, Since using these services for all the people in their level is a necessity; therefore, with the least doubt that person act to have these services and this provides the individual's satisfaction. On the other hand and in the form of third secondary hypothesis, it was found that service quality has a positive and significant impact on the satisfaction of insurance's customer. It could be for this reason that in the service area, instead of buying a tangible and felt goods the individual faces a service that it should be used only in special circumstances (problem). The quality of what a person gets in the industry causes more and more attention about the standards such as completeness, customer friendly, attractiveness and the unique way of having services. So when he receives dramatic services which are reassuring him, then he will feel satisfaction. Also (in the form of four secondary hypothesis) employee's behavior has a positive and significant impact on the satisfaction of insurance's customer. This may be for this reason that in the area of services, the person at the time of purchasing or using evokes in her/ his mind a single vendor and service provider as the company.

Therefore, if the proper advice is giving and good behavior is shown, they will get more satisfaction from that company. In the end, it turned out that (in the form of the fifth secondary hypothesis) brand awareness has insignificant impact on the satisfaction of insurance's customer. Even though in the field of insurance services, basically people will engage in a lot of researches and collecting data this may be for this reason that people need getting more information for receiving a brand, and no doubt if a company could deliver the biggest and the best information for their customers, they succeeded in persuading him or her to buy the insurance services, but this is not necessarily causing satisfaction, because the individuals have other expectations from insurance services which cannot be met simply by having the information.

Recommendations to the Managers of Iran Insurance Companies

- According to the results of the first main hypothesis of the study it was found that brand equity has a positive and significant impact on the satisfaction of insurance's customer. Therefore the researcher suggests to the directors of the insurance company to attempt in identifying the important values in insurance services from the customer's perspective and try to be a pioneer on providing the more desirable services.
- According to the obtained results from the research's first secondary hypothesis which turned out that an ideal self-concept has a positive and significant impact on the satisfaction of insurance's customer. Therefore the researcher suggests to the directors of the insurance company to pay more attention on their ideal results by advertising and emphasizing the good events which awaiting the individuals if they get insurance.
- According to the results of the research's second secondary hypothesis it was found that, the fit life style has a positive and significant impact on the satisfaction of insurance's customer. Therefore the researcher suggests to the directors of the insurance company to try in partitioning the market and identify the style of potential and the actual customers in each groups, then in advertising paying more attention to their life styles.
- According to the results of the research's third secondary hypothesis it was found that, the service quality has a positive and significant impact on the satisfaction of insurance's customer. Therefore researcher suggested to the directors of the insurance company to provide its services to the customers as soon as possible with accuracy. To have sufficient number of personnel (compared with the number of visitors), providing insurance services by the information technology and ... are the simple but effective points in this area.
- According to the results of the research's fourth secondary hypothesis it was found that, the employee's behavior has a positive and significant impact on the satisfaction of insurance's customer. Therefore researcher suggested to the directors of the insurance company to instruct its staff well, so the people in terms of behavior, expertise will have the higher standards

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