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## “Impact of Emotions and Confidence on Brand Preference: A Study of Selected Insurance Companies in India”

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### Abstract

*Brands are associated with identification, guarantee, mark of integrity, reputation, trust, expectations, etc. The process of creating these associations is branding. “A collection of changes in body and brain system that respond to specific contexts of one’s perceptions, actual or recalled, relative to a particular object or event.” . Emotional bases can create strong bonds between the customers and the brands Brand should not be just an identity. It should become a personality. A brand should create a feeling. A strong brand has to understand the needs and aspirations of the customers. Companies have started realizing that customers can be emotionally connected with the brands. This application of emotions in branding has led to the concept of Emotional Branding. The objective of present study is to find out the impact of emotions and confidence factor on brand preference in insurance industry. The sampling element of the study is the customers who buy insurance product and the sample size was 150. The simple random sampling technique is used for the study and data analysis is done with the help of spss software. The result of the study shows that both emotion and confidence is having significant impact on brand preference.*

**Keywords: Emotions, Confidence, Brand preference, Insurance.**

### Introduction

**American Marketing Association** says" A brand is a name, term, symbol or special design, or some combination of these elements, that is intended to identify goods OR services of one seller or a group of sellers. A brand differentiates one seller’s products or services from those to competitors."

Consistent brand promises and performance create strong brands. These promises get rooted in the human minds of the consumers. Customers look out for brands, which meet their aspirations, goals and dreams. They prefer to get involved with the brand based on emotions and faith. Emotional bases can create strong bonds between the customers and the brands Brand should not be just an identity. It should become a personality. A brand should create a feeling. A strong brand has to understand the needs and aspirations of the customers.

### Branding

Branding is the management process by which a product is branded. It is a general term covering various activities such as giving a brand name to a product designing a brand mark, and establishing and popularizing it for a company that decides on individual brand name the next problem is find a distinctive name around which to be a marketing program

### Importance of Branding

The seller can built up a bright image of his organization around the brand it identifies the firm behind product. It

enables the brand owner to establish his own price, which cannot easily be compared with prices for competing goods. The importance of branding arose, mainly because of the over emphasis on *advertisement*. Infact, the brand name is a child of advertisements and the trademark is the legal guardian of a brand name.

### **Emotion in Branding**

Izard (1977), whose emotion scale has been widely applied to consumer research, defines emotions as:

1. *“The experience or conscious feeling of emotion”*
2. *“The processes that occurs in the brain and nervous system”*
3. *“The observable expressive patterns of emotions (particularly on the face)”*

Emotional bases can create strong bonds between the customers and the brands. A brand has to bring credibility and connect powerfully with people on personal and holistic levels. Brands must have social responsibility.

Companies have started realizing that customers can be emotionally connected with the brands. *“Emotional Branding* is the conduit by which people connect subliminally with companies and their products in an emotionally profound way”. He further adds that building the right emotion is the important investment that can be made in a brand. It is the promise that is made to the customers, giving them permission to enjoy the world of brand.

A few global brands which have connected themselves emotionally include Nike, Nokia, Apple, Morton salt, Coca-Cola, Evian, Levi, Volvo, BMW, Mercedes, Ford,

etc. Each brand has in one way or the other created a strong association emotionally with the customers.

### **Present Scenario of Insurance in India**

The insurance market has witnessed dynamic changes which includes presence of a fairly large number of insurers both in life and non-life segment. Most of the private insurance companies have formed joint venture partnering with well recognized foreign players across the globe. There are now 29 insurance companies operating in the Indian market – 14 private life insurers, nine private non-life insurers and six public sector companies. With many more joint ventures in the offing, the insurance industry in India today stands at a crossroads as competition intensifies and companies prepare survival strategies in a detariffed scenario.

### **Review of Literature**

Travis (2000) has said, “A brand is like a bridge between you and the customers. How your customers feel about your brand is not a *casual* question. It is a *crucial* question. A brand is not a brand *to* you until it develops an emotional connection *with* you”. Some brands create emotional connections with the customers, while others leave them cold.

Marken (2003) in his book review has said that, “Emotional Branding will help you do a better job of ensuring customers feel good about your company and its products. That is where the branding begins. That’s where it ends.”

### **Research Methodology**

### **Objectives of the Study**

1. To find out the impact of emotions on brand preference.
2. To find out the impact of confidence on brand preference.
5. To analyze above variables with relation to insurance industries in India.

### Hypotheses

In this research, study following hypotheses formulated.

- H01. There is no significant relationship of emotions with brand preference.
- H02. There is no significant relationship of confidence with brand preference.

### Research Design

Both Exploratory and Descriptive research design are used for the proposed study.

### Population

The population for the study will include Gwalior division of the Madhya Pradesh.

### Sampling Frame

All respondents from Gwalior division who buy insurance product and services from Life Insurance Corporation of India and ICICI Prudent Life Insurance companies.

**Table 1: Reliability Statistics of all the variables**

S. No.	Variable Name	No of Items	Cronbach's Alpha
1	Emotions	6	.848
2	Confidence	9	.900
4	Brand Preference	13	.942

### Sampling Technique

In the present study, simple random sampling technique was-used to identify the respondents of the study.

### Sample Size

Sample size was 150 respondents are taken for study who buys insurance policies from different insurance industries in India.

### Sources of Data

The primary data has been collected from self-administered questionnaire and interview methods. Self-design questionnaire was used to measures all the variables. The data was collected on the scale of 1-5 Likert's scale.

### Tools to Used for Data Analysis

- (i) Reliability
- (ii) Factor analysis
- (iii) Multiple Regression

### Data Analysis

#### Reliability of the Scale

Reliability of the scale is important for obtaining meaningful results. Usually, the Cronbach's alpha used to measure the reliability of the instrument.

### Factor Analysis

**Factor analysis** is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called **factors**.

**Table 2: (Kaiser Meyer Olkin measure of sampling Adequacy and Bartlett’s Test of Sphericity)**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.862
Bartlett's Test of Sphericity	Approx. Chi-Square	4.554E3
	df	148
	Sig.	.000

The Kaiser- Meyer- Olkin Measure of Sampling Adequacy Value was .862 indicating that the sample was adequate to consider the data as normally distributed. The Bartlett’s Test of Sphericity tested through Chi-Square value 4.554E3 significant at 0% level of significance indicating that the data has low sphericity and is therefore suitable for factor analysis.

### Distribution of Factors

With Principal Component, analysis two factors were retained depending on Eigen values and variance explained. Eigen value represents the total variance explained by each factor, and these two variable accounted for 59.582 % of the variance, the results are shown in below table.

**Table 3: Distribution of Factors**

Factor	Eigen values	% of Variance	Statement	Loadings
1	8.358	34.804	Warmth	.661
			Fun	.741
			Excitement	.491
			Security	.796
			Social approval	.808
			Self respect	.600

2	3.319	24.778	Confidence on the predictability of the insurance company	.456
			Reliability and credibility of the insurance company	.710
			Competence of the insurance company	.711
			Services provided by the insurance company	.798
			Insurance company due to personal experience and belief	.852
			Confident due to feeling of security	.811
			Confident due to perceived strength	.783
			Front line employees of insurance company	.816
			Management policies and practices of insurance company	.476

### Naming of Factors

All the factors have been given appropriate names according to the variables that have been loaded on each factor.

#### Factor 1: Emotions

The first factor was defined by emotions. The factor was composed of six items and accounted for 34.804 per cent of the variance. The major elements constituting this factor include; Warmth, Fun, Excitement, Security, Social approval and Self respect

#### Factor 2: Confidence

This factor is named as confidence and accounted for 24.778 % of variance. The major elements constitute this

factor include; Confidence on the predictability of the insurance company, Reliability and credibility of the insurance company, Competence of the insurance company, Services provided by the insurance company, Insurance company due to personal experience and belief, Confident due to feeling of security, Confident due to perceived strength, Front line employees of insurance company and Management policies and practices of insurance company

### Regression analysis

In order to determine the relative importance of these factors, and its impact on brand preference, they were subjected to multiple regression analysis.

### Regression between emotions, confidence and perceived brand image and brand preference

### Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.744 <sup>a</sup>	.554	.549	6.46356	1.950

a. Predictors: (Constant), Emotions, Confidence b. Dependent Variable: Brand preference

**Table 5: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15259.942	3	5086.647	121.755	.000 <sup>a</sup>
	Residual	12282.622	294	41.778		
	Total	27542.564	297			

a. Predictors: (Constant), Emotion, Confidence b. Dependent Variable: Brand preference

**Table 6: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.619	2.411		.997	.000
	Emotion	.819	.107	.390	7.658	.000
	Confidence	.297	.085	.195	3.513	.001

a. Dependent Variable: Brand preference

The equation for regression analysis from table can summarized as below

$$Y = a + b x + \text{error}$$

$$\text{Brand preference} = .619 + .390 (\text{Emotions}) + .195 (\text{Confidence})$$

Value of F is 121.755, which are significant at 0% level, and value of t is .997, which are also significant at 0% level. R square value is .554, which indicates 55.94 % of variance in brand preference is explained by these factors thus, hypothesis H01 and H02 is rejected.

### Conclusion

The main purpose of this study is to found out the impact of emotions and confidence on brand preference. After factor analysis With Principal Component, analysis two factors were-obtained depending on Eigen values and variance explained. The three factors accounted for 59.582 percent of the variance.

Hypothesis is verified through multiple regressions between the dependent variable and independent variable. Regression between independent variables and brand preference shows R square value is .554, which indicates 55.94 % of variance in brand preference is explained by these factors.

It is concluded from the study that the insurance company should design policy considering emotion of customer to feel them self respect and social statues. The insurance company should focus on customer relationship management program to create a stronger trust of costumer on the company, because confidence plays a major role in brand image and profitability. The insurance company should design their management policies

effectively to increase the credibility and reliability of the organization among the customers.

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