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INTEGRATED MARKETING COMMUNICATION AND ITS IMPACT ON THE DEVELOPMENT OF CUSTOMER-BASED BRAND EQUITY IN THE INSURANCE INDUSTRY (CASE STUDY: PASARGAD INSURANCE)

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ABSTRACT

The present study evaluates integrated marketing communication and its impact on the development of customer-based brand equity in the insurance industry by using structural equation. In this study, a questionnaire is distributed among 384 Pasargad insurance customers in Rasht which obtained by using Cochran formula. The results of the analysis showed that there is a significant and positive relationship between the integrated marketing communications and brand trust, brand image, perceived quality and commitment to the brand. There was also a significant relationship between brand trust and brand loyalty, brand image, and brand loyalty and ultimately their commitment and loyalty to the brand. But the relationship between marketing communications and integrated brand loyalty and perceived quality and brand loyalty was not significant. Finally, according to the results, the strongest relationship is between perceived quality and integrated marketing communications. It is suggested that a clear strategy published for marketing communications. It is also a suitable information system needed for integration marketing communication to create a strong brand image in the minds of the customers. In addition, management should also pay attention to this issue and ventures to the affairs in this field that will increase confidence in the brand among Pasargad customers. Due to the different pricing strategies in the organization can achieve a competitive advantage and help create a powerful illustration of the brand. Companies must use different ways to success than their competitors in this field, in order to be able to compete with other brands and be able to make the crucial element of loyalty in the people's mind.

Keywords: *Brand, Brand Equity, Integrated Marketing Communications, Insurance Industry*

INTRODUCTION

Changes in market products leading to create enormous changes in the marketing and management of communication, because using only one communication tool for marketing cannot be very effective (Kichen *et al.*, 2004). Therefore, an integrated marketing communications approach established as a more profitable and more complex communication methods that is able to respond quickly to increasingly changes in market conditions (Kim *et al.*, 2004). Although the idea of integration and cooperation has a long history of use, but what is new about this, is that the technological advances enable us to put this idea in their operating procedures (Klaychkhv, 2005). In fact, advances in information and communications technology considered as one of the main factors in an integrated marketing communications (Kychn *et al.*, 2004; Grano, 2008; Klaychkhv, 2009). The unique capabilities of advanced technology to provide two-way communication programs, personalized, one-to-one, and database-driven enabling companies to move towards integrated marketing communication model (Kim *et al.*, 2004). Therefore, owned the advanced technologies enable the integrated marketing communications planners to gain valuable data from customers. This means that the database manager for integrated marketing communications approach is vital (Klaychkhv, 2005). Due to the rapid growth in the adoption of integrated marketing communications (Edmistone-Astrasr, 2009; Kychn and Chaltz, 2009), previous research suggested that more research is required to strengthen this concept (MAC Gross, 2005). In particular, research on integrated marketing communication has been somewhat neglected by the insurance industry (Serik and Gil Seurat, 2012a, 2012b). While the need for integration in the industry proven like other industrial sections (Headsvn, 2008). In addition, it seems that customer perceptions of marketing communications in the field of integrated marketing communications is often ignored (Gould,

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2004). This is surprising when integrated marketing communications support a reverse approach (outside to inside), which means that first consider the integrity from the perspective of the customer while in the traditional mode the view is from the inside to outside (Chaltz 1993; Ananchatr, 2004; Klyuchko, 2005, 2009). In this regard, Schultz (1994), noted that the customer perceptions of integration marketing communications should be considered well because this is one of the most important factors affecting investment efficiency on integrated marketing communications. In fact, fundamental changes in the process of communicating, point to the fact that current customers have control it and decide when and how to send messages and feedback (Guru, 2008, Klyuchko, 2009; Keller, 2009; Kychn and Kaltz, 2009). In recent years, much attention has been focused on the effectiveness of marketing communications as a key advantage in building a strong brand (Keller, 2009). Consequently, recent studies focused on the importance of customer-centric concept of brand equity as an indicator of the results of marketing communication activities (Duncan and Moryaty, 1997, Ryyd, 2002; Keller, 2009) and the key motivating factor for the success of the business (and Prasad, 2000). However, Keller (2009) claimed that these activities are in line with marketing communications, in order to send the same message and consolidation strategic positioning to their integration. Therefore, researchers and activists in the marketing and branding support the theory of integrated marketing communications, which plays an important role in building and strengthening relationships with stakeholders and to rate this relationships in order to create a customer-centric brand equity (Keller, 1993; Duncan and Mvryaty, 1997; Ryyd, 2002, Anantachart, 2004; Madhavaram *et al.*, 2005; Byada and Mayti, 2005, Ker and Drnan, 2010; Delgado-Balstr *et al.*, 2012, Serik and Gil-Seurat, 2012). We faced with three basic dimensions of brand equity: 1. brand image, (2) the perceived value of brand and (3) Brand loyalty (Kim *et al.*, 2003; Kim and Kim, 2005; Kim, 2005, Kayaman and Arasly, 2007). In the twenty-first century, technological developments, transport and communication was done with amazing speed and extent and as a result of it insurance have been developed from different angles and acceleration. In recent years, by increasing private sector insurer, the competition among them has increased dramatically. As a result, one of the key points to the success of marketing strategies is understanding consumer behavior in contrast to Brands. Obtaining a good position in the minds of consumers in a manner that they remain loyal to the company is very important. One of the factors in this direction is the concept of brand equity. Factors influencing brand equity have a high importance. According to previous research, one of these factors is an integrated marketing communications. Integrated marketing communication approach consider as a more profitable and more complex communication methods which is able to respond quickly to changes in market conditions, and also considered as an important role in strengthening brand equity in the minds of customers. In this context, Amir and colleagues (1391) completed a research titled as the integrated marketing communications and the factors influencing and influenced by it (Case Study: Mellat bank). Results shows that the Mellat bank was not been particularly successful in the implementation of integration and by establishing specific standards, creating responsible units for maintaining the integrity and the use of experts and academics have increasingly appreciates this approach. The Serik and his colleagues in 2014 did a study as how integrated marketing communications and advanced technology has an impact on creating customer-centric brand equity on the hotel industry. The purpose of this study was to determine (from the perspective of the customer) the impact of integrated marketing communications on brand equity as a multidimensional structure consists of brand image, perceived quality and Brand loyalty. In addition, advanced technologies was also examined as the mediator of the relationship. While the results indicate a positive relationship between the structures of the study, the role of technology as a mediator was not approved. Walt-Florence and colleagues did a study in 2011 as the impact of Brand character and promotes the sale of brand on the equity. The results of this study demonstrate that the brand character has a positive impact and intensity of advance sales has a negative impact on brand equity. As well as Biol and colleagues in 2013 did a study titled as testing the effectiveness of advertising and sales promotion on creating brand equity. The results show that attitude toward advertising has played a key role in the formation of brand equity. Advertising of brand has greatly affected awareness, but has a poor impact on brand associations and perceived quality. As mentioned above, although significant studies

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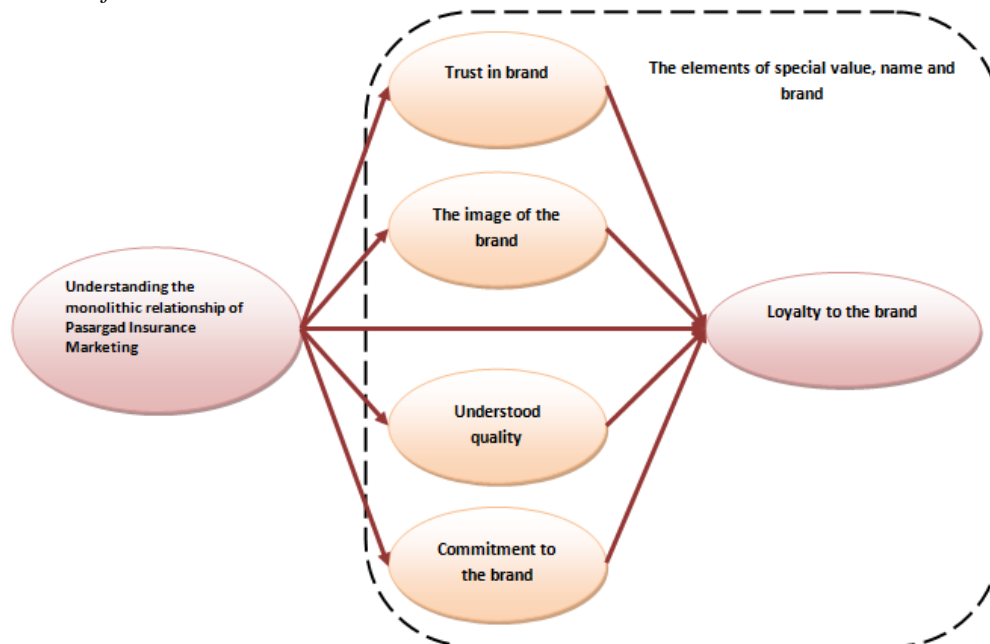
done in these three areas and interaction between them but little attention has been performed from researchers about the role that integrated marketing communications can play in creating a customer-centric brand equity of insurance company (for example, Serik and Gil-Seurat, 2012b). Accordingly, in this study the impact of the integrated marketing communications, on customer-based brand equity in the insurance industry are discussed and explaining factors of loyalty to the brand has been tested in this industry. So, the question of researchers is that how is the impact of integrated marketing communications on the formation of customer-based brand equity in the insurance industry? And secondary aims of the study include: Study the effect of integrated marketing communications on confidence in the brand, study the effect of integrated marketing communications on the brand image, study the effect of integrated marketing communications on the perceived quality, study the effect of integrated marketing communications on the commitment to the brand, study the effect of integrated marketing communication on the brand loyalty, study the effect of increasing the brand trust on brand loyalty, study the effect of positive image of brand on brand loyalty, study the effect of perceived quality on brand loyalty, study the effect of brand commitment on brand loyalty.

MATERIALS AND METHODS

Research Methodology

Considering that the aim of this study was to evaluate integrated marketing communication and its impact on the shape-up the brand equity based on a customer in the insurance industry, it can be said that this survey is applied. The research community in this study is the customers of Pasargard insurance in the city of Rasht. In the present study random cluster sampling method was used and sample size because of the infinite and the unknown community was calculated by using the Cochran formula that 384 person was determined with respect to the 5% amount of error. Data collection instrument in library method is taking notes and in the field method is the questionnaire. Researcher with reference to the experts and professors make sure of the validity of their measurements to measure variables. In this study, in order to calculate the final questionnaire the Cronbach's alpha method was used. To calculate the final questionnaire of the research, 30 primary questionnaires were distributed and collected between insurance customers of Pasargadae and then the alpha value of 844% was calculated by using Spssthat according to this value, Cronbach's alpha coefficients obtained more than 70%. Thus, the reliability of the research instrument can be trusted.

Conceptual Model of Research



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The Analysis of Data

Confirmatory Factor Analysis

According to the tested results of the measurement model, significant level of the items or questions of research variables were achieved at less than 0.50 and critical values were greater than 2. However, since the judgment is based on the load factor, items with loadings less than 0.5 are removed from the analysis process that in this results only items 4 that related to the variable understanding of integrated marketing communication could not be used in the structural model, and thus removed. Figure 1 shows the measurement model of research variables that are shown. Results of this model studied after necessary amendments. Model parameters are under investigation in Table 1.

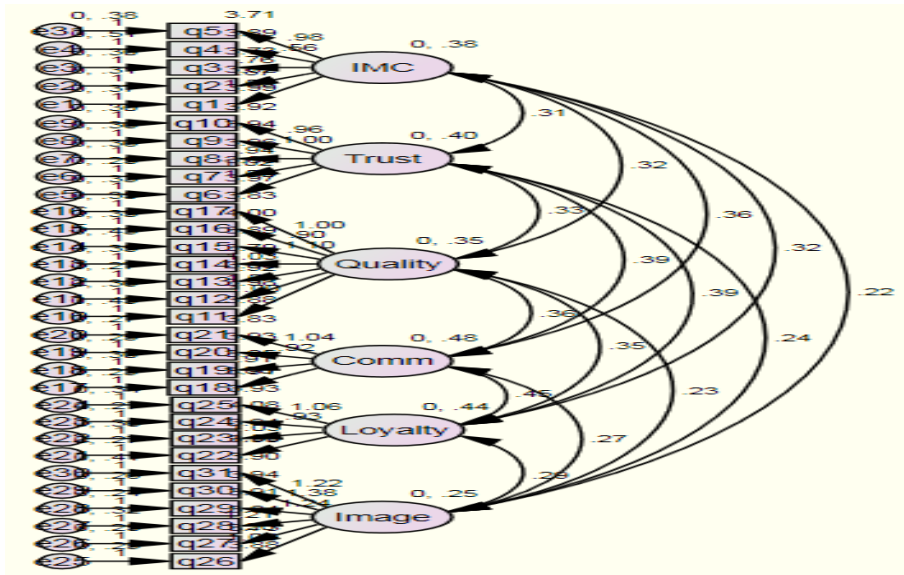


Figure 1: The measurement model of the study (in significance manner)

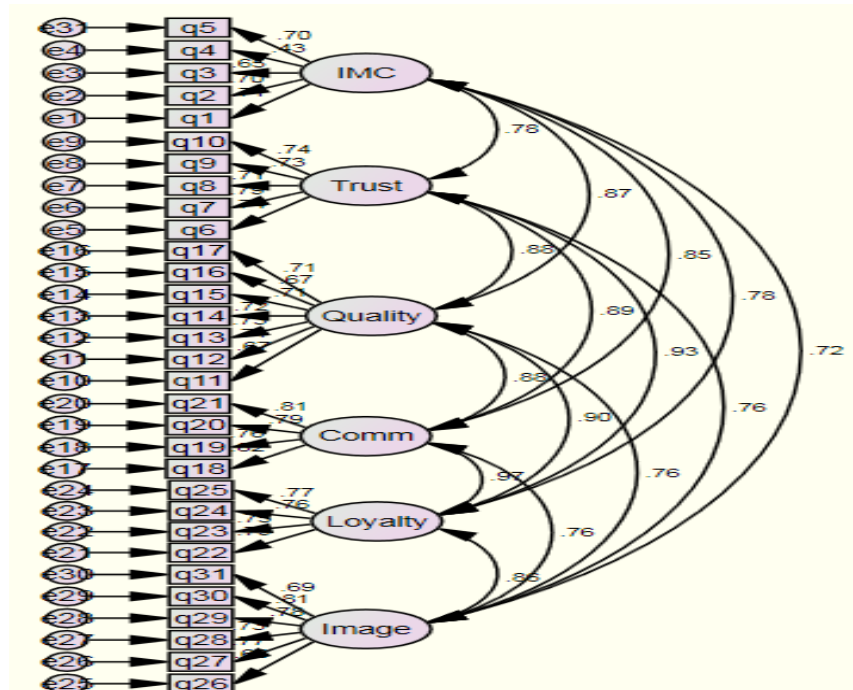


Figure 2: The measurement model of the study (in standard manner)

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Table 1: Indexes of measurement model estimation of the study

Index	The amount
Chi-square divided by the degrees of freedom	2/347
Soft fitness index (NFI)	0/91
Increasing fitness index (IFI)	0/91
Comparative fitness index (CFI)	0/92
The square root of the variance estimation inaccuracy, (RMSEA)	0.07

The results of the measurement model and structural model have been reported in Table 2. Items with loadings less than 0.5 are deleted and did not participate in the structural model. Due to the amount of loadings factor and internal consistency of the research items, construct validity of each of the items approved, and indicates that each of the variables are measured well.

Table 2: The whole results of the measurement models and structural model of the study

The variables	The questions	Cronbach's alpha
monolithic relationship	1 The relationships that Pasargad Insurance Company establishes with its customers are stable and stability is required.	.711
	2 Picture messages in the advertising of the Pasargad Insurance Company declared enough compatibility with the company's act in its commitments.	.696
	3 Voice messages (in advertising) of Pasargad Insurance Company declared enough compatibility with the company's act in its commitments.	.649
	4 Pasargad Insurance Company's brand image has declared the necessary stability over time.	.432
	5 Pasargad Insurance Company's various communication with its customers through different advertising channels, telephone, voice, video, and so enjoys an optimum compatibility and stability.	.742
Trust in brand	6 I trust Pasargad Insurance brand.	.794
	7 I rely on Pasargad Insurance brand in using insurance services.	.707
	8 Pasargad Insurance brand is a true brand.	.729
	9 Pasargad Insurance brand meet my expectations of the brand insurance estimates.	.744
	10 Pasargad Insurance brand is safe and reliable.	.671
		0/859

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Understood quality	11	Pasargad Insurance has valuable and specific customers.	.705	0/870
	12	The employee's behavior is very good with the Pasargad Insurance.	.728	
	13	Pasargad Insurance Services are provided at the right time.	.720	
	14	The clients' complaints are managed and responded to properly.	.706	
	15	The relationship of Pasargad Insurance with customers is always active.	.668	
	16	Pasargad Insurance staff knowledge and self-confidence is at the good level.	.710	
	17	Pasargad insurance company has predicted good services to the specific needs of the company.	.824	
Commitment to the brand	18	I have commitments to Pasargad insurance brand due to providing appropriate services.	.755	0/874
	19	The services that Pasargad insurance provides attract the satisfaction of the customres.	.791	
	20	I feel that I have commitments towards Pasargad Insurance brand and use my Insurance services in this company.	.812	
loyalty to the brand	21	In many cases, this brand meets my needs and expectations.	.785	0/851
	22	I have a sense of loyalty to the brand of Pasargad Insurance.	.751	
	23	I am satisfied with Pasargad Insurance.	.761	
	24	I recommend Pasargad Insurance to others.	.771	
	25	I am not willing to change the Pasargad insurance company.	.684	
The image of the brand	26	Pleasant	.731	0/880
	27	The high level of service	.785	
	28	luxury and modern	.805	
	29	Suitable for high class individuals	.692	
	30	Providing a good sense	.698	
	31	Distinctive image	.711	

Finally, after removing the items that had a low load factor, the structural model was developed to analyze the hypothesis of the study (Figure 3). In above model after modification, five variables related to

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the disapproval of the models were removed and final model become as Figure4. Structural indicators model in Table 3 show that the model is very satisfactory for evaluating the results.

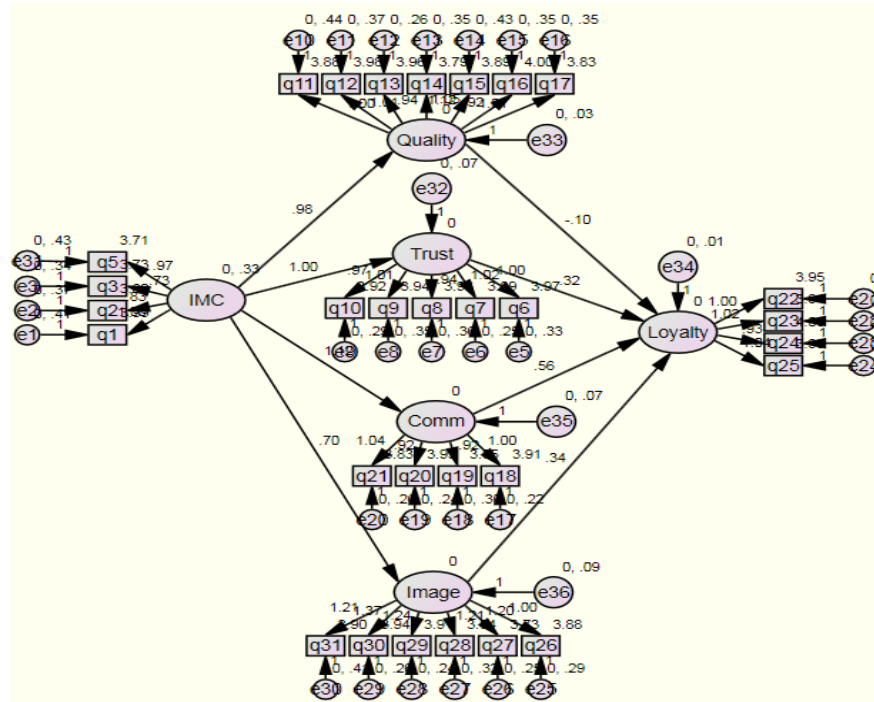


Figure 3: Structural model of the study

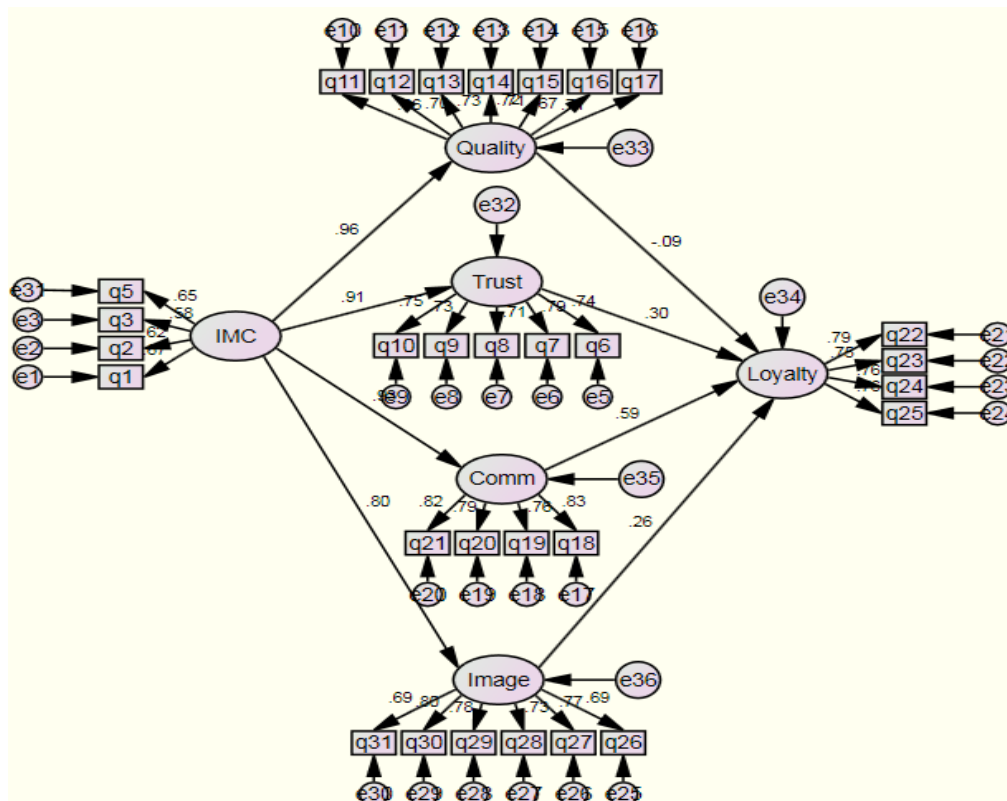


Figure 4: Structural model of the study (in the standard manner)

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Table 3: Indexes of measurement model estimation of the study

Index	The amount
Chi-square divided by the degrees of freedom	2/013
Soft fitness index (NFI)	0/92
Increasing fitness index (IFI)	0/92
Comparative fitness index (CFI)	0/91
The square root of the variance estimation inaccuracy, (RMSEA)	0/06

Table 3 shows the results of the structural model for the test of research hypotheses. According to the amounts presented in this table, when a significant number more than 1/96 or less than -1/96 is achieved, as well as the amount of error (P-Value) is more than 0/05, then the above hypothesis is confirmed. Thus, according to the results shown in the table, except hypotheses 5 and 8 other hypotheses are confirmed.

Table 4: Standard coefficient and significance for the hypothesis of the study

Hypothesis	Direction		Standard coefficient	The amount of t	The results of the hypothesis	
Hypothesis 1	Monolithic marketing relationships	----->	Trust in brand	0/91	12/217	Confirmed
Hypothesis 2	Monolithic marketing relationships	----->	The image of the brand	0/70	10/772	Confirmed
Hypothesis 3	Monolithic marketing relationships	----->	Understood quality	0/97	11/507	Confirmed
Hypothesis 4	Monolithic marketing relationships	----->	The commitment to the brand	0/92	13/553	Confirmed
Hypothesis 5	Monolithic marketing relationships	----->	The loyalty to the brand	-1/64	-3/172	Not Confirmed
Hypothesis 6	Trust in brand	----->	The loyalty to the brand	0/32	3/749	Confirmed
Hypothesis 7	The image of the brand	----->	The loyalty to the brand	0/34	4/997	Confirmed
Hypothesis 8	Understood quality	----->	The loyalty to the brand	-0/10	-0/878	Not Confirmed
Hypothesis 9	The commitment to the brand	----->	The loyalty to the brand	0/56	6/078	Confirmed

Thus, these results show that integrated marketing communication does not have a direct impact on brand loyalty and has influence through variables of brand trust, brand image and commitment to the brand. These are described in Chapter 5.

Conclusion and Recommendations

Integrated marketing communications which help organization to increase confidence in the brand recommended that a clear strategy be developed for marketing communication. Also, the adopted message can create a stronger image than a message full of contradictory and inconsistent in the minds of customers. To create integrated marketing communications, as well as creating a strong image in the mind of the customer, we need for a good communication system about customers to be able to transport the

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important messages at the right time and finally to be able to create a strong brand image in the minds of the customers.

By considering this fact that integrated marketing communications causes an increase in perceived quality, managers of insurance companies require to try very hard to maintain the desired quality in the mind of customers, hence the service providers should be given close attention to the provided services, adequate accountability after providing their service, which in turn affects the overall quality of insurance services.

By considering that integrated marketing communication causes to increase commitment to brand, and have a positive effect on the willingness of consumers and customers are more loyal to their favorite brands, it is proposed marketing plan can distinguish based on a commitment that customers feel.

By considering this fact that by increasing brand trust, brand loyalty increases, management should also pay attention to this issue and ventures to the affairs in this field that will increase confidence in the brand among Pasargard customers.

By considering this fact that positive image of the brand has a direct impact on brand loyalty, attention to the different pricing strategies would help the brand to create a powerful illustration of the organization to achieve competitive advantage. By considering this fact that by increasing commitment to the brand, brand loyalty increase, creating loyalty in the minds of the people can be one of the brand stability fields, companies in order to succeed in this field must use different ways than competitors in this field, in order to be able to compete with other brands and be able to make the crucial element of loyalty in the people.

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