

**AN EMPIRICAL STUDY; INTERNAL BRANDING, BRAND COMMITMENT AND BRAND
CITIZENSHIP BEHAVIOR IN INSURANCE INDUSTRY**

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Abstract

Brand Citizenship Behavior is comparatively new concept, which explores the behaviors of employees towards customers in order to respect them or create intimate relationship to attract them and improve activities in organization. The main objective of this study is to identify the effect of internal brand (IB) management on brand citizenship behavior (BCB) in presence of brand commitment (BC) in insurance industry of Sri Lanka. Therefore, this study integrated internal branding, brand commitment and brand citizenship behavior of employees; then, the influence of internal brand management on BC and BCB was examined. Data was collected from 123 employees including both executives and non-executives selected through limited sampling technique. A standard questionnaire was employed together data and in order to check the reliability of the questionnaire, Cronbach's alpha coefficient was used. For data analysis correlation test and regression analysis were used. The data base was created using SPSS (version 23) software and then the research hypothesis were tested accordingly. The findings reveal that internal branding has a positive and significant effect on brand citizenship behaviors of employees, at 95% confidence level, along with it mediates the effort of brand commitment on those behaviors. The results provide valuable insight for brand managers in insurance industry on how an internal branding can be used to ensure the delivery of the brand citizenship behavior, with the meditational effects of employees' brand commitment.

Keywords: Brand Citizenship Behaviour, Insurance Industry.

Introduction

Insurance plays a critical role in society and business by spreading risk and where risk materializes spreading the resulting loss. For most people, insurance is the most important technique for handling risk. Insurance and economic development of our country moves together towards the direction of growth. Both life and non-life insurance companies play the role of financial intermediaries and performing extremely useful functions in our economy. The insurance companies that provide insurance also represent a significant component of the Sri Lankan financial service sector. In 2016, insurance companies had accounted for 3.4% of total assets of financial sector. With such a large population and untapped market area of this population insurance happen to be a very big opportunity in Sri Lanka.

However insurance penetration in Sri Lanka is just about 1.21% of the GDP (IBSL, 2016). This is quite low given that the population of Sri Lanka now stands at over 21.203 million. According to the IBSL the life insurance contribution to the economy is almost negligible when compared to the other sectors. The opinion of the Insurance Ombudsman, Sri Lankan society is yet to learn about the benefits of insurance. Due to lack of awareness the penetration level of insurance is very low. Lower than in India.

Insurance industry is different with other service industries because of its code of ethics. Trustworthiness is the base of the existence of the insurance industry. Branding at corporate level is

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essentially about enhancing and managing the relationship between the organization and its various stake holders as well as general public. Hence, Brand Citizenship Behavior (BCB) is the main key of the corporate branding.

Brand citizenship behavior is, to a large extent based on the organizational citizenship behavior theory which states that organizations need voluntary behavior of their employees apart from their job responsibilities (Ucanok & Karabati, 2013, p. 89). Based on the idea of “enthusiasm to corporate” and “individual innovative behavior” proposed by Barnard (1938), this field was founded by Organ (1964) (Katz, 1964). Managers ought to provide customers with a reassuring message of their brand which is possible through internal marketing and brand citizenship behavior and finally leads to some positive results for the organization. This requires a collaboration of marketing and human resources management in the process of branding (Porricelli, Yurova, Abratt & Bendixen, 2014, p. 751). In theoretical and experimental studies on organizational citizenship behavior, Podsakoff et al. (2000) have identified seven dimensions of organizational citizenship behavior which include: helping behavior, sportsmanship, organizational loyalty, organizational compliance, individual initiative, social knowledge, and self-development. They also identified four categories of organizational citizenship behavior records (e.g. job satisfaction and organizational commitment), work features (satisfactory work), organizational features (e.g. coherent groups) and leadership values (e.g. explanation of prospect, providing an appropriate model, and reinforcing the group goals) (Porricelli et al., 2014, p. 745). Brand citizenship behavior is an overall structure which includes the voluntary decisions of employees for doing some behaviors which are outside their official and mandated tasks and strengthen brand identity. Burmann and Zeplin (2005) examined the 7-dimensional map of organizational citizenship behavior identified by Podsakoff et al. (2000) in the area of marketing and, thus, created the concept of brand citizenship behavior. These dimensions later on were reexamined by Burmann, Zeplin, and Riley (2009) and were shrunk to three dimensions of willingness to help (brand acceptance), brand enthusiasm (brand advertising), and tendency for further development (brand development) (Porricelli et al., 2014, p. 746).

In the dynamic insurance market condition insurance companies realize the inherent value of brand and consider it as a valuable asset. Brand equity built-up brand due to positive perception of customers. Branding is building image in the customers’ mind.

Insurance employees have key roles when they do an action with several roles and their performance is evaluated based on quality and effectiveness of their action. So the employees are the most important factors shaping an organization’s brand in the mind of customer and the consumers of product and services. Good relationship and appropriate behavior of employees with customers of the insurance company is one of the main factor in choosing an insurance company.

In recently there significant changes in how insurance companies treat their employees and type of services they provide for their customers. The competitive environment of Sri Lankan insurance sector push insurance companies to enhance strength towards concepts such as strategic marketing, advertising, strategic management and towards brand management. But only few attentions paid to the above conceptual changes.

Objective

Attention to internal brand management and its impact on brand commitment as well as identification of the determinants of BCB in Sri Lankan Insurance Industry.

Literature Review

Internal Branding

Internal brand management (IBM) is a subset of internal marketing which focuses on the development, reinforcement, and maintenance of the brand. This concept emerged in 1970 by Berry et al. In 1976 it was proposed that employees are the same as internal customers who should be satisfied

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23rd – 25th October 2018 – Sabaragamuwa University of Sri Lanka**

with the organization. This concept has evolved over three decades to become a multidimensional concept. While some researchers such as Chang (2009), Jou et al. (2008), and Punjaisri and Wilson (2007) believe that internal marketing is operational through internal communications, others such as Nahavandi (2008), and Gazen (2007) believe that training is the most important dimension. Additionally, according to Lee et al (2005) and Wildes et al. (2005), internal marketing research is the most important dimension (Porricelli et al., 2014, p. 746).

King and Grease (2008) argue that internal brand management is more important than “internal communication with the brand” and believe that a comprehensive network of cognitive and emotional training is essential for the realization of this demand (Porricelli, 2013, p. 15).

Internal brand management functions as a potential tool in obtaining competitive advantages. It, through the creation of a strong brand, makes it difficult for the competitors to threaten and copy the brand's position (in terms of customer loyalty, market share and premium). Although professional marketers are the main players in creating and maintaining strong brands, the proponents of internal brand management believe that employees, regardless of their hierarchical role or performance in the organization, play an important role in the creation of competitive advantage through branding. Although each employee has a various degree of contribution in “brand life”, the contribution of each of them in the construction of a strong brand is undeniable (Burmam, Zeplin, & Riley, 2009, p. 265). Burmann and Zeplin (2005) argue that internal brand management consists of three levels. The first level is human resource management which is based on the brand and emphasizes personal identity of the brand through recruitment and promotion of the employees.

A new version of internal brand management in which three leverages have been predicted: brand identity, brand communication and brand leadership (Porricelli, 2013, p. 15).

Brand Commitment

Burmam and Zeplin (2005) define brand commitment as the mental attachment of employees to the brand, the tendency of employees for the brand, and strive to achieve the goals and strategies of the brand. Brand commitment is a key element in organizational success of many industries such as tourism and hotel industry (Ahn, Hyun, & Kim, 2016, p. 332). Brand commitment has been defined as the mental and emotional connection with the brand. In fact, brand commitment is the strong desire of the organization's employees to protect that brand. Making a commitment to a brand, one knows the brand as his/her personality and nature and goes through all the effort to protect the brand (Punjaisri, Wilson, & Evanschitzky, 2009). In the case of corporate brand, brand commitment (BC) is synonymous with organizational commitment (Porricelli et al., 2014, p. 746).

Brand Citizenship Behavior

Prior to the 1990s, in order to investigate the relationship between occupational behavior and organization effectiveness, researchers paid more attention to the inrole performance of employees. In-role performance refers to those occupational behaviors of employees expressed in the official job description of the organization. Nowadays, researches have made a distinction between in-role performance and extra-role performance. Extrarole performance refers to those occupational behaviors of employees which are voluntary and do not usually have formal rewards (Golipour, Tahmasebi, & Monavarian, 2009, p. 133).

The concept of brand citizenship behavior (BCB), suggested by Burmann and Zeplin (2005), has been derived from the concept of organizational citizenship behavior including the voluntary behavior of employees. While organizational citizenship behaviors are considered within the organization, brand

citizenship behaviors have a scope beyond the scope of organizational citizenship behavior and are considered as the behaviors which are beyond the scope of the organization.

Brand citizenship behavior is an overall structure which includes the voluntary behavior of employees to strengthen brand identity (Verma & Dhar, 2015, p. 69). Brand citizenship behavior is an overall structure of employees' behavior which reinforces brand identity and involves the voluntary decisions of employees for some behaviors outside of their determined and official duties (Porricelli, 2013, p. 18).

Burmann, Zeplin and Riley (2009) decreased Organ's seven dimensions of brand citizenship behavior into three dimensions including brand acceptance, brand enthusiasm/ proselytization, and brand self-development.

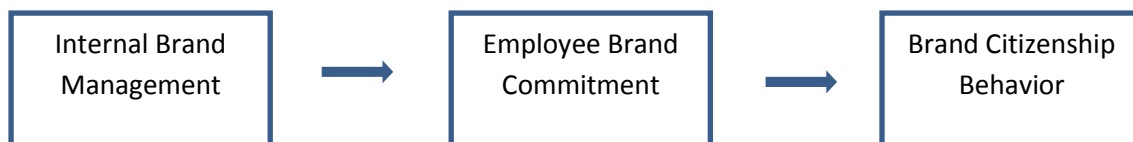
- Brand acceptance: refers to the positive attitude, help, empathy for and response to others because of the organization's brand (Porricelli, 2013, p. 19).
- Brand enthusiasm: refers to employees' tendency to perform additional tasks related to the brand (Porricelli, 2013, p. 19).
- Brand self-development: is reflective of willingness to learn and continuous improvement of the knowledge and skills related to brand (Porricelli, 2013) (Verma & Dhar, 2015).

In this research these three dimensions are used to measure BCB.

Conceptual Model and Hypothesis Development

Based on literatures the integrated model of this research based on Porricelli model and in combination with other theories and models as follows.

Figure 1: Conceptual Model



By considering the conceptual model of the research, the research hypothesis as follows,

H₁: Internal Brand Management in Sri Lankan Insurance Companies has positive impact on their employees brand commitment

H₂: Employee Brand Commitment in Sri Lankan Insurance Companies has positive impact on Brand Citizenship Behavior in Sri Lankan Insurance Industry.

Table1: Variables

Hypothesis	Independent Variable	Dependent Variable
H ₁	Internal Brand Management	Employee Brand Commitment
H ₂	Employee Brand Commitment	Brand Citizenship Behavior

Research Methodology

This research, in terms of objective is an applied research and in terms of data collection method and data analysis is a correlational descriptive-survey research. Because it describes the situation of variables and the relationships among them and, using statistical analysis techniques, tests and explains the relationship between the variables.

A set of attitudinal statements explaining the underlying phenomenon were formulated and administered with a sample of employees in an Sri Lankan Insurance Industry (n=123) who are following degree and diploma at SANASA Campus in Colombo, Kegalle, Galle and Kurunegala Centers. The questionnaire is the primary research instrument that was used in the study. The questionnaire included self-developed items, as well as items from questionnaires used in previous research. The questionnaire consisted of one section which is questions where the respondents are given specific limited-alternative responses and asked to choose the one closest to their viewpoints. Questionnaire was in the format of a five-point Likert type scale ranging from 1 (strongly disagree) to 5 (strongly agree). This part covers all the aspects of the conceptual model and measured the items of Internal Brand Management, Employee Brand Commitment and Brand Citizenship Behavior. A number of quantitative and qualitative methods, including Correlation analysis and Regression were used to analyze the data using the SPSS (version 23) software.

Data Analysis and Discussion

Following tables show the frequency of the demographic variables of the respondents.

Table 1 Demographic Analysis

Gender	Frequency	%
Male	69	69
Female	54	54
Marital Status	Frequency	%
Single	48	48
Married	75	75
Age	Frequency	Percent
20-30	26	26
31-40	39	39
41<	58	58

Experience years with Company	Frequency	%
1 Year	22	22
2 Years	39	39
3 Year	15	15
4 Years	16	16
>4 Year	31	31

Above table shows that more males (69%, n = 69) than females (54%, n =54) participated in the study. The majority of the respondents were married (75%, n =75). The balance of the respondents were single (48%, n = 48). The majority of the respondents belonged to more than 41 years age group (58%,

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23rd – 25th October 2018 – Sabaragamuwa University of Sri Lanka**

n =58). The smallest percentage of the respondents belonged to the 20 - 30 years age group (26%, n = 26). The most of the respondents (39%, n =39) work with the insurance company 2 years. The respondents (31%, n=31) have experience with insurance company more than 4 years. This may be an indication that sample employees have experienced with the insurance company.

In order to test the research hypotheses, first descriptive analysis is tested. Finally the research hypotheses are tested using correlation and regression.

Table 2 Descriptive analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Internal Brand Management	123	2	5	3.86	.521
Brand Citizenship Behavior	123	2	5	3.70	.556
Brand Commitment	123	1	5	4.14	.636
Valid N (listwise)	123				

Most of the respondents agree about that their Insurance Company have an internal brand management system. That means Insurance companies handle their internal brand management process through developing, strengthening and maintaining the brand. Most of the respondents agree about their commitment to the company brand. The Insurance employees' citizenship behavior towards the brand is in high level.

Table 3 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.632 ^a	.400	.395	.495

a. Predictors: (Constant), Internal Brand Management

b. Dependent Variable: Brand Commitment

Table 4 ANOVA^a

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.723	1	19.723	80.512	.000 ^b
	Residual	29.641	121	.245		
	Total	49.363	122			

a. Dependent Variable: Brand Commitment

b. Predictors: (Constant), Internal Brand Management

Table 3 model summary shows the multiple regression results of the study. There is a high level of correlation between dependent variable and the independent variable as R value is 0.632. High level of model fit was observed with 0.395 of R² value. Internal Brand Management accounted for 39.5% of the

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23rd – 25th October 2018 – Sabaragamuwa University of Sri Lanka

variability in Brand Commitment. Table 4 affirms the model fit of the study with significant P value which is 0.000.

Table 5 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.468 ^a	.219	.212	.494

a. Predictors: (Constant), Brand Commitment

b. Dependent Variable: Brand Citizenship Behavior

Table 6 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.258	1	8.258	33.861	.000 ^b
	Residual	29.509	121	.244		
	Total	37.767	122			

a. Dependent Variable: Brand Citizenship Behavior

b. Predictors: (Constant), Brand Commitment

Table 5 model summary shows the multiple regression results of the study. There is a moderate level of correlation between dependent variable and the independent variable as R value is 0.468. High level of model fit was observed with 0.212 of R² value. Brand Commitment accounted for 21.2% of the variability in Brand Citizenship Behavior. Table 6 affirms the model fit of the study with significant P value which is 0.000.

Table 7 Correlation

			Internal Brand Management	Brand Commitment	Brand Citizenship Behavior
Internal Management	Pearson Correlation		1	.632**	.600**
	Sig. (2-tailed)			.000	.000
	N		123	123	123
Brand Behavior	Pearson Correlation	Brand Citizenship	.600**	.468**	1
	Sig. (2-tailed)		.000	.000	
	N		123	123	123
Brand Commitment	Pearson Correlation		.632**	1	.468**
	Sig. (2-tailed)		.000		.000
	N		123	123	123

According to the results of table 7, the significance level of the impact of Internal Brand Management on Brand Commitment of the insurance company is less than 0.05 and their relationship is positive. It can be said that Internal Brand Management, through developing, strengthening and maintaining the brand leads to the employees' commitment to the company brand. So, H₁ is confirmed.

The significance level of the impact of Brand Commitment on Brand Citizenship Behavior is also less than 0.05 and their relationship is positive. The employees' commitment to the company brand leads to the creation of Brand Citizenship Behavior among employees. Hence the H₂ also confirmed.

Conclusion and Recommendation

According to the findings of this research, Internal Brand Management has positive effect on Brand Commitment of the employees. And also there are positive relationship between Brand Commitment and Brand Citizenship Behavior. So the human resource managers in the insurance companies are recommended to pay special attention to the increase of internal brand activities. It can be done through trainings and increasing employees' awareness about the brand identity, brand communication and brand leadership. Managers should try to increase interest of employees in insurance company and make them match with organizational goals in order to increase brand commitment of employees. In this case, the increased employee brand commitment would lead to increase brand citizenship behavior and customers of insurance services would receive high quality service.

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