

The Impact of Intra-organizational Brand on Customer Loyalty and Organizational Performance: Special Reference to Iran Insurance Company in Tehran, Iran

Afsaneh Parsamand^{1*}

¹Department of Management, Faculty of Humanities, Islamic Azad University, Marvdasht Branch, Iran.

Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

Article Information

DOI: 10.9734/AJEBA/2020/V19i430311

Editor(s):

(1) Dr. Chun-Chien Kuo, National Taipei University of Business, Taiwan.

Reviewers:

(1) Poongothai Selvarajan, The University of Jaffna, Sri Lanka.

(2) Bhagwat H. Kaulwar, Solapur University, India.

(3) Darsha Panwar, Sagar Institute of Research & Technology (SIRT), India.

Complete Peer review History: <http://www.sdiarticle4.com/review-history/62289>

Received 25 August 2020

Accepted 30 October 2020

Published 27 November 2020

Original Research Article

ABSTRACT

This study was conducted with the aim to investigate the role of intra-organizational brand and its utilization in purchasing portfolios of companies listed in the stock exchange with the approach of customer loyalty and organizational performance. The research method is descriptive-correlational. To this end, the researcher considered all employees of Iran Insurance Company in Tehran, which consisted of 440 people, as a statistical population. Using Cochran's formula, 210 people were determined as the sample size, and a non-random convenience sampling method was employed. In this study, the customer loyalty questionnaire, intra-organizational brand survey questionnaire, and organizational performance questionnaire were exploited. The content validity of the questionnaires was approved, and the reliability of the questionnaires was confirmed through Cronbach's alpha coefficient. For the data analysis, the Pearson correlation test was used. The results of the test indicated that the relationship between all variables of the research was significant, and the research hypotheses were confirmed. The results of the study demonstrate that as the t value is above 3, and the significance level is less than 0.05, so all research variables are significant.

*Corresponding author: E-mail: afsaneparsamand@gmail.com;

Keywords: Intra-organizational brand; strategic brand management; customer loyalty; customer performance.

1. INTRODUCTION

At present, competition between companies to attract regular and loyal customers is very intense, and achieving a permanent purchase of a fixed customer for several years requires high sales promotion costs for a company. However, companies are nowadays forced to offer big discounts to make their customers dependent on direct purchases. Besides, to inform customers of their products in today's atmosphere of ads, companies have to spend a lot of money. Customer needs and demands are continuously changing, and a company can succeed only in the case of recognition of these changes. Moreover, competitors are also looking to attract more customers for themselves and will spare no effort in this way. Changing market conditions and laws governing them, such as reforming technology and regulations, can also influence the success of institutions in a market, and recognizing and predicting these factors and providing appropriate solutions to deal with them will play a vital role in the success of the organization in the target market. Hence, successful companies are those that adapt their organization to the conditions of the day and establish a connection between their product and the needs of the people and strive to generate a product that meets the needs of customers and is consistent with their demands [1].

Internal branding is a novel concept that assesses the influence of employees in creating a more desirable mental image of the brand in the minds of customers. The idea of internal branding is based on the principle that branding begins from within the organization. Aflak Insurance Company is among the pioneers of internal branding that could save itself from imminent bankruptcy by designing a bold campaign. At some point in its business life, Aflak was in such a critical and challenging situation that it even decided to sell its office property. However, the company officials eventually realized that creating a favorable mentality and reviving the mental image of the company's brand in the minds of customers and audiences will be almost impossible without making a proper mindset and positive notion among employees within the company. Keller points out that more than 80% of companies employ brand development as an approach to

marketing their goods and services. The support that a brand provides for new products often leads to changes in the concepts related to the brand image and causes both the impact and specific knowledge in conjunction with the brand and the new product to be exchanged in the minds of customers [2]. This feedback process in the customer's mind can enhance brand memory and increase the power of brand-related concepts (Keller 2008 & Aaker, 2002) and therefore improve brand positioning (Kimpakorn et al., 1986). Nevertheless, some authors point out that it is more likely that the intensity of the current beliefs of customers affects attitudes about development. Even if development is not associated with negative information, this impact of current opinion intensity can take place [3]. The brand extension provides a means to exploit the brand image and brand recognition. Moreover, a brand extension can lower the cost of access to distribution channels and lead to more efficiency of promotional efforts (Sung, 1992).

The first comprehensive study on internal branding and its impact on employees' attitudes and behaviors and ultimately on the quality of customers' relationship with the organization's brand were carried out by Burmann et al. [4]. The researchers investigated 14 brands in various fields and came to the conclusion that an effective and efficient internal branding process that contains internal brand communication, brand-based human resource management, and brand-based leadership enhances employees' commitment to the brand (change of attitude) and then brand citizenship behaviors (change of behavior) on behalf of them, which ultimately strengthens the relationship of customers with the organization's brand.

Yeo and Park [5], in a study, explored the mediating role of leadership and employee commitment to intra-organizational brand. This study aimed to investigate the effect of employee commitment to intra-organizational brand behaviors. The results indicated that employees' brand knowledge supported leadership; besides, leadership and commitment influenced intra-organizational brand.

Sharifi et al. [6], in a survey, investigated job satisfaction in citizenship behavior on intra-

organizational brand, and the correlation test represented that there was a positive and significant relationship between job satisfaction and citizenship behavior on the intra-organizational brand.

Shukla et al. (2015), in their research, examined the brand on customer loyalty. The results revealed a significant relationship between brand and customer loyalty, and the level of customer loyalty enhances with increasing brand credibility.

Kimparkon et al. [7], in their study, evaluated the customer-based brand equity and examined evidence from the hotel industry. This study searches for the linkage between the four components of brand equity, i.e., brand awareness, brand loyalty, perceived quality, and brand image in the hotel industry and improving and upgrading the conceptualization of customer-based brand equity of the hotel industry. The results of this study supported the three-dimensional model of brand equity in the hotel industry. The dimension of brand awareness in hotel models was not so significant. The results indicate that hotel managers must influence the perceived quality, brand loyalty, brand image, and brand awareness in their organizations and design their service delivery process by the discovery of

relationships between customer-based brand equity components.

2. RESEARCH METHODOLOGY

The research method is descriptive-correlational. To this end, the researcher considered all employees of Iran Insurance Company in Tehran, which consisted of 440 people, as a statistical population. Using Cochran's formula, 210 people were determined as the sample size, and a non-random convenience sampling method was employed. In this study, the customer loyalty questionnaire, intra-organizational brand survey questionnaire, and organizational performance questionnaire were exploited. The content validity of the questionnaires was approved, and the reliability of the questionnaires was confirmed through Cronbach's alpha coefficient. The first part of the questionnaire contains questions that assess individual characteristics such as gender, age, education, etc. In the second part of the questionnaire, there are closed questions that measure the research hypotheses. The items in the second part have been designed on the basis of a 5-point Likert scale (strongly disagree to strongly agree). In order to measure reliability, Cronbach's alpha method was performed via SPSS software. The value achieved for this study was determined to be 0.87 and approved.

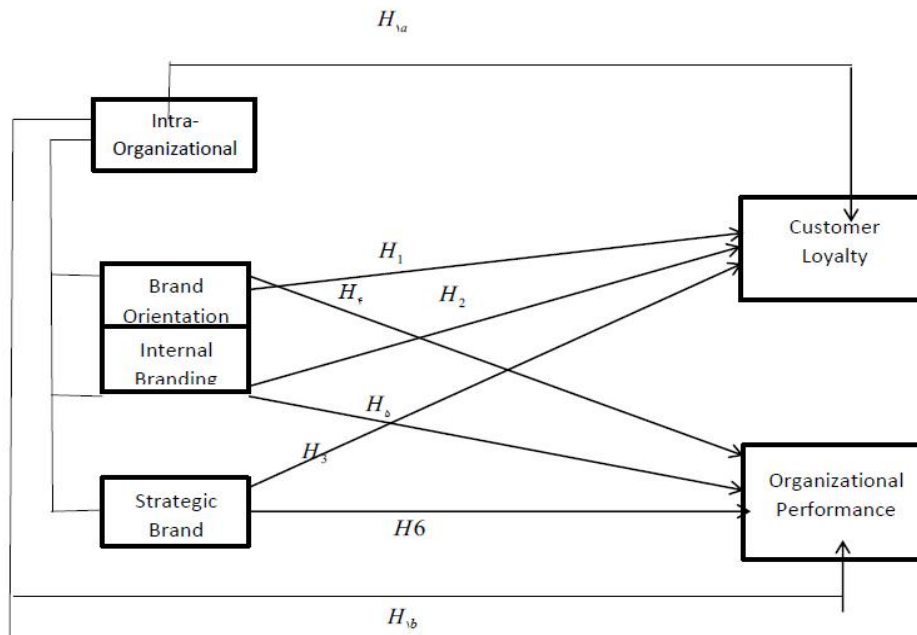


Fig. 1. Conceptual model by adapting the internal branding impact on customer loyalty and organizational performance

Moreover, the statistical methods exploited in this study include:

A) Descriptive statistics: In this study, descriptive statistics are used to illustrate demographic information. To this end, demographic data will be shown using frequency tables. Besides, at the descriptive level, drawing of charts and analysis of data were addressed using statistical characteristics such as frequency and percentage.

B) Inferential statistics: In this study, the statistical inference related to data analysis and hypotheses testing is exploited. At the inferential level, Cronbach's alpha was adopted to check the reliability of the questionnaire. The One-Sample T-test was used to assess the status of research variables. Also, confirmatory factor analysis, path analysis, and regression test were applied to test the research hypotheses.

3. INTERPRETATION OF RESULTS AND DISCUSSION

3.1 Descriptive Statistics

To collect raw information (views and opinions of the statistical community), the researcher distributed a questionnaire among the sample of the investigated population. After eliminating duplicate and incomplete items, 210 valid questionnaires were obtained. Also, the rate of return of

the questionnaires was 91%, which was appropriate.

3.2 Pearson Correlation Test

Before checking research hypotheses and specifying the presence or absence of the effects of variables on each other, it must initially be determined whether there is a relationship between the research variables or not. In order to investigate the correlation between the dependent variable and independent variables, the Pearson test was employed. The results of the Pearson test are provided in Table 4. It should be noted that, in the absence of the relationship between the dependent variable and each of the independent variables, the study of the hypothesis will be then ignored.

As is clear from Table 4, there is a correlation between all independent variables and the dependent variable. Therefore, the research hypotheses can be tested.

The results of evaluating the research hypotheses are as follows:

First Main Hypothesis: There is a significant relationship between intra-organizational brand and customer loyalty.

H0: There is no significant relationship between intra-organizational brand and customer loyalty.

H1: There is a significant relationship between intra-organizational brand and customer loyalty.

Table 1. Gender of respondents

Gender	Percentage	Frequency
Male	54.76	115
Female	45.24	95
Total	100	210

The Table 1 represents that 54.76% of all people are men and 45.23% are women.

Table 2. Education levels of respondents

Education Level	Percentage	Frequency
High School diploma	9.52	20
Associate degree	21.42	45
Bachelor's degree	50	105
Master's degree and higher	19.04	40
Total	100	210

The Table 2 indicates that the largest number of employees are bachelor's degrees (50%). Besides, 21.42% of people are associate degree. People with a high school diploma are included the lowest people (9.52% of the sample)

Table 3. Work experience of employees

Work Experience	Percentage	Frequency
5 years and less	16.66	35
5 to 10 years	64.28	135
10 to 15 years	12.85	27
More than 15 years	6.19	13
Total	100	210

The Table 3 also indicates that the highest number of employees have a work experience of 5 to 10 (67.28%); as well as, the lowest number of employees have a work experience of more than 15 years (6.19%)

Table 4. The results of the Pearson test

Variable	Intra-organizational brand	Customer loyalty	Brand orientation	Internal branding	Strategic brand management	Organizational performance
Intra-Organizational Brand	1	-	-	-	-	-
Customer Loyalty	0.427 **	1	-	-	-	-
Brand Orientation	0.062	0.344 **	1	-	-	-
Internal Branding	0.119	0.247	0.111	1	-	-
Strategic Brand Management	0.75	0.268 **	0.125	0.354 **	1	-
Organizational Performance	0.654 **	0.749 **	0.458 **	0.483	-	1
	<i>n</i> = 210		<i>P</i> < .01		<i>P</i> < .01	

Table 5. The result of significance test

Intra-Organizational Brand	n	Measured value = 3						
		Mean	Test Statistic Value	Degree of Freedom	Test sig Value	Mean difference	95% Confidence Interval	
							Minimum	Maximum
	210	3.83	11.883	209	0.0001	0.070	0.69	0.97
Statistical Result	H1 is accepted							
Statistical Analysis	The mean value with 95% approximation is not equal to 3							

According to the values achieved in the significance test, H0 is rejected at the significance level of 0.0001 and H1 is confirmed, which indicates the confirmation of the research hypothesis. Besides, given the positive value of the test statistic and the higher value of the mean than 3, it can be expressed that there is a direct and positive relationship between the examined variables

Second Main Hypothesis: There is a significant relationship between intra-organizational brand and organizational performance.

H0: There is no significant relationship between intra-organizational brand and organizational performance.

H1: There is a significant relationship between intra-organizational brand and organizational performance.

First Sub-Hypothesis: There is a significant relationship between brand orientation and customer loyalty.

H0: There is no significant relationship between brand orientation and customer loyalty.

H1: There is a significant relationship between brand orientation and customer loyalty.

Second Sub-Hypothesis: There is a significant relationship between internal branding and customer loyalty.

H0: There is no significant relationship between internal branding and customer loyalty.

H1: There is a significant relationship between internal branding and customer loyalty.

Third Sub-Hypothesis: There is a significant relationship between strategic brand management and customer loyalty.

H0: There is no significant relationship between strategic brand management and customer loyalty.

H1: There is a significant relationship between strategic brand management and customer loyalty.

Table 6. The result of significance test

Intra-Organizational Brand	Measured value = 3							
	n	Mean	Test Statistic Value	Degree of Freedom	Test sig Value	Mean difference	95% Confidence Interval	
							Minimum	Maximum
	210	2.72	2.58	209	0.0001	0.076	0.17	0.56
Statistical Result	H1 is rejected							
Statistical Analysis	The mean value with 95% approximation is not equal to 3							

In accordance with the values obtained in the significance test, H0 is rejected at the significance level of 0.0001 and H1 is confirmed, which represents the confirmation of the research hypothesis. Besides, considering the positive value of the test statistic and the higher value of the mean than 3, it can be stated that there is a direct and positive relationship between the investigated variables

Table 7. The result of significance test

Brand Orientation	Measured value = 3							
	n	Mean	Test Statistic Value	Degree of Freedom	Test sig Value	Mean difference	95% Confidence Interval	
							Minimum	Maximum
	210	3.65	8.210	209	0.0001	0.070	0.48	0.75
Statistical Result	H1 is accepted							
Statistical Analysis	The mean value with 95% approximation is not equal to 3							

Based on the values achieved in the significance test, H0 is rejected at the significance level of 0.0001 and H1 is confirmed, which indicates the confirmation of the research hypothesis. Also, given the positive value of the test statistic and the higher value of the mean than 3, it can be expressed that there is a direct and positive relationship between the examined variables

Table 8. The result of significance test

Internal Branding	Measured value = 3							
	n	Mean	Test Statistic Value	Degree of Freedom	Test sig Value	Mean difference	95% Confidence Interval	
							Minimum	Maximum
	210	3.75	8.750	209	0.0001	0.068	0.48	0.79
Statistical Result	H1 is accepted							
Statistical Analysis	The mean value with 95% approximation is not equal to 3							

Based upon the values gained in the significance test, H0 is rejected at the significance level of 0.0001 and H1 is confirmed, which indicates the confirmation of the research hypothesis. Besides, given the positive value of the test statistic and the higher value of the mean than 3, it can be expressed that there is a direct and positive relationship between the studied variables

Table 9. The result of significance test

Strategic Brand Management	Measured value = 3							
	n	Mean	Test Statistic Value	Degree of Freedom	Test sig Value	Mean difference	95% Confidence Interval	
							Minimum	Maximum
	210	3.62	8.540	209	0.0001	0.065	0.45	0.81
Statistical Result	H1 is accepted							
Statistical Analysis	The mean value with 95% approximation is not equal to 3							

On the basis of the values achieved in the significance test, H0 is rejected at the significance level of 0.0001 and H1 is confirmed, which represents the confirmation of the research hypothesis. Moreover, given the positive value of the test statistic and the higher value of the mean than 3, it can be expressed that there is a direct and positive relationship between the examined variables

Fourth Sub-Hypothesis: There is a significant relationship between brand orientation and organizational performance.

Fifth Sub-Hypothesis: There is a significant relationship between internal branding and organizational performance.

H0: There is no significant relationship between brand orientation and organizational performance.

H0: There is no significant relationship between internal branding and organizational performance.

H1: There is a significant relationship between brand orientation and organizational performance.

H1: There is a significant relationship between internal branding and organizational performance.

Table 10. The result of significance test

Brand Orientation	Measured value = 3							
	n	Mean	Test Statistic Value	Degree of Freedom	Test sig Value	Mean difference	95% Confidence Interval	
							Minimum	Maximum
	210	3.62	8.530	209	0.0001	0.065	0.45	0.82
Statistical Result	H1 is accepted							
Statistical Analysis	The mean value with 95% approximation is not equal to 3							

According to the values obtained in the significance test, H0 is rejected at the significance level of 0.0001 and H1 is confirmed, which indicates the confirmation of the research hypothesis. Besides, given the positive value of the test statistic and the higher value of the mean than 3, it can be expressed that there is a direct and positive relationship between the examined variables

Table 11. The result of significance test

Internal Branding	Measured value = 3							
	n	Mean	Test Statistic Value	Degree of Freedom	Test sig Value	Mean difference	95% Confidence Interval	
							Minimum	Maximum
	210	3.60	8.630	209	0.0001	0.063	0.42	0.80
Statistical Result	H1 is accepted							
Statistical Analysis	The mean value with 95% approximation is not equal to 3							

In accordance with the values achieved in the significance test, H0 is rejected at the significance level of 0.0001 and H1 is confirmed, which indicates the confirmation of the research hypothesis. Besides, considering the positive value of the test statistic and the higher value of the mean than 3, it can be expressed that there is a direct and positive relationship between the examined variables

Table 12. The result of significance test

Strategic Brand Management	Measured value = 3							
	n	Mean	Test Statistic Value	Degree of Freedom	Test sig Value	Mean difference	95% Confidence Interval	
							Minimum	Maximum
Statistical Result	210	3.72	8.720	209	0.0001	0.069	0.46	0.87
Statistical Analysis	H1 is accepted The mean value with 95% approximation is not equal to 3							

According to the values achieved in the significance test, H0 is rejected at the significance level of 0.0001 and H1 is confirmed, which indicates the confirmation of the research hypothesis. Besides, given the positive value of the test statistic and the higher value of the mean than 3, it can be expressed that there is a direct and positive relationship between the investigated variables

Table 13. Test significance result

Variable	T-statistic Value	Confidence Interval		Significance Level	Degree of freedom	Result
		Upper Bound	Lower Bound			
First Hypothesis	11.883	0.97	0.69	0.0001	209	Confirmation
Second Hypothesis	2.580	0.56	0.17	0.0001	209	Confirmation
First Sub-Hypothesis	8.210	0.075	0.48	0.0001	209	Confirmation
Second Sub-Hypothesis	8.750	0.79	0.48	0.0001	209	Confirmation
Third Sub-Hypothesis	8.540	0.81	0.45	0.0001	209	Confirmation
Fourth Sub-Hypothesis	8.530	0.82	0.45	0.0001	209	Confirmation
Fifth Sub-Hypothesis	8.63	0.80	0.42	0.0001	209	Confirmation
Sixth Sub-Hypothesis	8.72	0.87	0.46	0.0001	209	Confirmation

Sixth Sub-Hypothesis: There is a significant relationship between strategic brand management and organizational performance.

H0: There is no significant relationship between strategic brand management and organizational performance.

H1: There is a significant relationship between strategic brand management and organizational performance.

4. CONCLUSIONS AND SUGGESTIONS

In this study, the intra-organizational brand with the whole performance of the organization and the customer was investigated. In order to check these relationships, a questionnaire was

prepared. 210 questionnaires were distributed. Of them, 115 men and 95 women responded to the questions. Besides, the results for the description of the study samples represented that most respondents (50%) had a bachelor's degree. Moreover, to evaluate the research variables, 25 questions were designed. After reviewing the description of the survey samples, the research hypotheses and variables were explored. In order to evaluate the variables in terms of their significance, correlation test and one-sample t-test were exploited. This test was analyzed to check whether these variables were significant in the study or not. The results were specified in the table. The results of the table demonstrate that as the t value is above 3, and the significance level is less than 0.05, so all research variables are significant. Furthermore,

in order to evaluate the relationship between all research variables and hypotheses, the Pearson correlation test was used. Concerning the results of the research, the recommendations for implementation are expressed as follows:

1. Suggestion based on the first hypothesis: It is recommended that the managers of the organization of insurance companies, especially the studied company, i.e., Iran Insurance, should further investigate these factors and put them at the agenda of the brand system management and organization performance. Indeed, the more brand system management and strategic management are closely related to each other, so these components can be employed to improve performance. Improving performance can also result in better development of investment and more attraction of customers to the stock market.

2. Suggestion based on the second hypothesis: It is recommended that Iran Insurance Company should pay more attention to these two components in the stock market, which enhance and improve performance and, ultimately, customer satisfaction, for more improvements of the insurance stock index in the stock market can be realized.

3. Suggestion based on the first sub-hypothesis: Taking into account that there is a difference between work experience and brand orientation, it is proposed that managers identify this difference and pave the way. The older labor forces are usually less risk-averse; hence one needs employees who are more risk-averse to improve the stock market.

4. Suggestion based on the second sub-hypothesis: It is recommended that the brand system management of companies listed on the stock exchange be re-evaluated after the implementation of the results of this study so that the impact of this research and its outcomes on the performance of the whole organization to be explored.

5. Suggestion based on the third sub-hypothesis: It is proposed that the organization compare the results of the current research with similar organizations and study the gaps between them and explain customer orientation indices in order to improve loyalty.

6. Suggestion based on the fourth sub-hypothesis: We can say that, in order to

strengthen brand orientation in the organization, one should pay attention to other organizational factors alongside the organization's brand management and take into account their influences.

7. Suggestion based on the fifth sub-hypothesis: It can be expressed that companies require to strengthen their internal branding in order to upgrade their corporate performance levels and pay special attention to mechanisms such as market intelligence to respond more appropriately to the market.

8. Suggestion based on the sixth sub-hypothesis: Undoubtedly, the responsibility of managers to align and integrate the organization toward excellence and continuous improvement becomes more difficult with the spread of organizational dimensions and business complexity. In such situations, it is proposed that significant steps be taken benefiting from strategic brand management in order to establish organizational performance improvement and attempts to execute the listed capabilities for attaining purposeful and reliable results.

CONSENT

As per international standard or university standard, participant's written consent has been collected and preserved by the author(s).

COMPETING INTERESTS

Author has declared that no competing interests exist.

REFERENCES

1. Boland T, Fowler A. A systems perspective of performance management in public sector organisations. *International Journal of Public Sector Management*; 2000.
2. Barone MJ. The interactive effects of mood and involvement on brand extension evaluations. *Journal of Consumer Psychology*. 2005;15(3):263-270.
3. Megdadi YA, Aljaber JR, Alajmi EKS. An examine proposed factors affecting customer loyalty toward the financial services of Jordanian Commercial Banks: Empirical Study. *International Journal of Business and Social Science*. 2013;4(10).
4. Burmann C, Zeplin S, Riley N. Key determinants of internal brand management success: An exploratory

- empirical analysis. Journal of Brand Management. 2009;16(4);264-284.
5. Yeo J, Park J. Effects of parent-extension similarity and self regulatory focus on evaluations of brand extensions. Journal of consumer Psychology. 2006;16(3):272-282.
 6. Sharifi SS, Esfidani MR. The impacts of relationship marketing on cognitive dissonance, satisfaction, and loyalty. International Journal of Retail & Distribution Management; 2014.
 7. Kimpakorn N, Tocquer G. Employees' commitment to brands in the service sector: Luxury hotel chains in Thailand. Journal of Brand Management. 2009;16(8): 532-544.

© 2020 Parsamand; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history:
The peer review history for this paper can be accessed here:
<http://www.sdiarticle4.com/review-history/62289>