

## **A Comparative Study On Brand Awareness Among Life Insurance Companies In Twin Cities Of Hyderabad And Secunderabad**

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Received: 14 April 2020 Revised and Accepted: 8 August 2020

### **ABSTRACT**

Insurance industry in India is one of the most vibrant and high octane industries. After the privatization of insurance industry a couple of decades ago, the business has grown exponentially and steadily growing at the rate between 15-20% per annum having contributed by 24 Life and 34 Non Life insurance companies. It is also worthy to note that Insurance and Banking industries together contributing anywhere between 6-7% of GDP. Despite so much positive indicators still the penetration of insurance in India is as low as 4% in comparison with other countries of the world and one of the reasons is awareness of insurance among the population and most of them perceiving it to be an expense rather than as an investment. With the growth in industry and the contribution to national economy the relevance of branding among insurance companies is very vital in order to distinguish among them in the market place and garner the customer premium for growth and substance. Hence increase of brand awareness among prospective customers becomes a very high priority to insurance companies and development of strategies in this regard is very crucial. Creation of a brand in insurance becomes very critical as thirty odd companies are competing for the same business in the market place. In order to garner more and more market share awareness of the brand is very essential. A study has been conducted in this regard in twin cities of Hyderabad and the data has been obtained through a survey method in the form of a questionnaire for the purpose of knowing brand awareness levels and recommendation of suitable remedies.

**Keywords:** Insurance, Brand, Brand awareness, Brand strategies

### **1. INTRODUCTION**

Insurance business in India has been there since 1818 when Oriental Life Insurance in Kolkata started its business to cater to the needs of especially to European community. It is Bombay Mutual Life is the first Indian insurance company to start its operations way back in 1870. Insurance business in Indian was largely governed by Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and General Insurance Business Act, 1972. But as far as today's business is concerned it is Insurance Regulatory and Development Authority (IRDA) Act, 1999 which has come up after Malhotra Committee recommendations which is largely responsible and having paved the way for number of insurance companies to come up and do business in Indian market with foreign companies tie-ups. Though the initial FDI allowed is 26% later it was increased to 49% and if news were to be confirmed IRDA may allow a 100% FDI in insurance companies in India. However LIC of India his still retaining its market dominance owing to its Indian connection others like ICICI, HDFC, Bajaj Allianz, Reliance and other companies are far behind. The business in FY 2018 has reached gross premium of Rs. 5.53 trillion (US\$94.48 Billion) with life insurance and general insurance contributing Rs.4.588 trillion and 1.51 trillion respectively. The estimation of insurance business in India would be around US\$280 by the year 2020.

With so many companies trying to snatch the market from one another it becomes imperative to have very good brand awareness among future potential customer. If you look at the awareness levels of insurance products or companies in India it is abysmally low which is a great concern and knowing well that insurance is a push based products it is of paramount importance to increase awareness from insurance companies point of view. LIC is leading the pack of awareness with its catchy tag line "Zindagi ke saath bhi aur Zindagi ke baad bhi" and having been in the industry for seventy odd years is also making its cause. Other insurers like ICICI Prudential's "Hum hai na", Birla Sunlife's "Yours dreams, Our commitment", Baja Allianz's "Jiyo Befikar" and HDFC Standard's "Sir utha ke jiyo" are some of the tag lines which have created a kind of awareness of the product and company. It is essential that the company especially in insurance industry where its product is sold on push based strategy awareness plays a critical role.

Branding not only creates awareness and is of utmost importance to companies economically in order to connect with the prospective customers and also engage with the existing customers. Internet and other modes of advertisement have changed the dynamics and more and more companies are spending good amount of their marketing or promotional budgets on branding alone. Branding is not only a logo or a symbol but it also means extending customer service and addressing other product related issues. Branding distinguishes the companies in the market place in the eyes of the customer and which has a unique level of awareness and image. So, in this paper the awareness levels of brand is examined and evaluated.

## **2. REVIEW OF LITERATURE**

The review of literature involves works of researchers in the area of branding in insurance industry in Indian context. The branding activity is customer centric with existing as well as future customers in mind. With respect to meaning of branding and its definitions are taken from Philip Kotler's (1991:442, Marketing Management). A brand is defined as 'a name, term, sign, symbol, design or combination of them. It makes the clear distinction between one's own products or services with that of the competitors who are offering same or similar products or services in the same market place. Marketing gurus both Kotler (1991) and Keller(1993) associated a brand to functionality and emotionality. Low and Lamb (2000:351) suggest that a brand differentiate, position to create positive attitudes and feelings towards suggest or purchasing of a specific product or services.

Eadie et all (1999:105) argue that 'conspicuous brands can perform a vital social function. Goodlad et all go further, arguing that brands provide the means to minimize the risks of incorrect purchase choices. Brand awareness concerns the strength of the brand node or trace in memory (Keller, 1993) and Rossiter and Percy, (1987) concerns how well consumers can identify the brand under various situations. It refers to how likely or easily it comes to customer mind during pre purchase or post purchase and they are called awareness and recall of the brand. Brand awareness remains an important criterion for understanding how brands work and become part of consumer's 'consideration set' (Nedungadi, 1990).

Branding in financial services is undergoing a substantial change owing to the dramatic increase in competition following deregulation (Denby-Jones, 1995 and Jones, 1999) and the threat posed by new entrants with retail branding experience (Watters and Wright1994, Cleaver 1999). Depending on effective brand differentiation and identification a product or a service can attain success. Financial services brands have historically exhibited little differentiation among them and are perceived as commodity.

## **3. OBJECTIVES OF THE STUDY**

- (1) Evaluate awareness levels of consumers towards Private Life Insurance companies
- (2) Identification of Private Life Insurance companies with highest brand awareness
- (3) Identification of most preferred brand among Private Life Insurance companies

## **4. RESEARCH METHODOLOGY**

### **4.1 PRIMARY SOURCES**

The study employed a survey method using a questionnaire to collect the data. A primary survey has been done to identify the consumer's attitudes towards life insurance. The survey was held in twin cities of Hyderabad and Secunderabad.

### **4.2 RESEARCH QUESTIONS**

They have been framed after considering customer demographics and market set-up. The questionnaire aims to understand awareness, recall and preference of the brand among the respondents.

### **4.3 RESEARCH DESIGN**

The study has been designed using survey method and a well framed questionnaire is finalized after discussions with faculty, industry and the review of literature. The questionnaire was circulated personally among the population between the age group of 21-50 and 51 above. A total of 200 respondents have been shortlisted and they are further divided into 45% of respondents from Hyderabad and 55% from Secunderabad respectively.

### **4.4 INSTRUMENT DEVELOPMENT**

A three page questionnaire was developed with two subscales. The first subscale addresses the questions pertaining to demographics like age, income, gender, educational level etc. And the second subset has questions related to attitude like awareness, recall and preference of the brand.

## **5. DATA ANALYSIS**

### **5.1 SAMPLE**

The population for the study consists of customers of life insurance from twin cities of Hyderabad and Secunderabad.

Exceptions: Population in the age group of < 20 years are omitted as the age group of < 20 years may not be keen in taking insurance. Between the ages of 21 to 50 are divided into different categories and 55 years above as one category. And a detailed break up data is given below.

Demographic Variables	Categories	No. of respondents (N)	Percentages
Gender	Male	119	59.5%
	Females	81	40.5%
Area	Hyderabad	91	45.5%
	Secunderabad	109	54.5%
Age (in years)	21-30	50	25.0%
	31-40	53	26.5%
	41-50	50	25.0%
	51 and above	47	23.5%
Education	SSC	26	13.0%
	Intermediate	30	15.0%
	Graduation	96	48.0%
	Post Graduation	48	24.0%
Income (monthly)	10001-20000	44	22.0%
	20001 - 30000	64	32.0%
	30001 - 40000	33	16.5%
	41000 - 50000	45	22.5%
	51000 & above	14	7.0%

**Analysis on Brand Awareness of Selected Insurance Companies**

**Analysis on Demographic Factors:**

Area of the Respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hyderabad	91	45.5	45.5	45.5
	Secunderabad	109	54.5	54.5	100.0
	Total	200	100.0	100.0	

**Interpretation:** From the above table it is clearly indicated 200 respondents are considered from two regions, i.e. Hyderabad and Secunderabad. 45.5 percentage of respondents are from Hyderabad region and 54.5 percent of respondents are belongs to Secunderabad regions.

Gender of Respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	119	59.5	59.5	59.5
	Female	81	40.5	40.5	100.0
	Total	200	100.0	100.0	

**Interpretation:** From the selected Respondents amounted to 200, out of the 119 are males and rest 81 respondents are females i.e. 59.5 Percent of respondents are males and remaining 40.5 are belongs to female category.

Age of Respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21 - 30	50	25.0	25.0	25.0
	31 - 40	53	26.5	26.5	51.5
	41 - 50	50	25.0	25.0	76.5
	50 and Above	47	23.5	23.5	100.0
	Total	200	100.0	100.0	

**Interpretation:** The above table states the selected 200 respondents are divided into five different class intervals based on their age. Majority of the respondents are belongs to 31 – 40 years and followed by the class interval 21 – 30 and 41 – 50. The least class interval based on the respondents age is 50 years and above.

Educational Qualification					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SSC	26	13.0	13.0	13.0
	Intermediate	30	15.0	15.0	28.0
	Graduation	96	48.0	48.0	76.0
	Post Graduation	48	24.0	24.0	100.0
	Total	200	100.0	100.0	

**Interpretation:** The above table values indicates majority of the respondents are graduates followed by the Post graduate class interval, i.e 70 percent of the respondents are having the qualification of graduation and above. 26 respondents i.e thirteen percent of the respondents are SSC level.

Income of Respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10001 - 20000	44	22.0	22.0	22.0
	20001 - 30000	64	32.0	32.0	54.0
	30001 - 40000	33	16.5	16.5	70.5
	40001 - 50000	45	22.5	22.5	93.0
	50001 and Above	14	7.0	7.0	100.0
	Total	200	100.0	100.0	

**Interpretation:** From the above frequency income table it is clearly drawn 64 respondents i.e, thirty five percent of the respondent’s income levels are lies between 20001 – 30000 and followed by the income class interval 40001 – 50000. Very few respondents are earning more than 50000 and above.

Name of Company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BAJAJ	30	15.0	15.0	15.0
	HDFC	49	24.5	24.5	39.5
	ICICI	54	27.0	27.0	66.5
	RELIANCE	24	12.0	12.0	78.5
	SBI	43	21.5	21.5	100.0
	Total	200	100.0	100.0	

**Interpretation:** The present is done on five above selected insurance companies, out of five selected companies majority of the respondents are from ICICI Company, and followed by the HDFC, SBI, BAJAJ and RELIANCE. Sixty three point five percentage of respondents are from ICICI, HDFC and Reliance Company.

**Analysis on Selected Companies Brand Awareness**

H<sub>0</sub>: There is no significant difference between Companies and Awareness

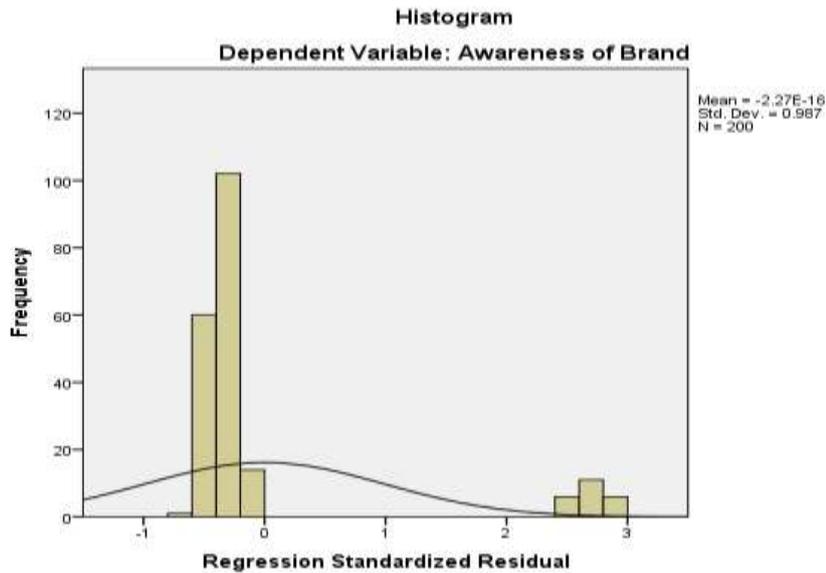
H<sub>1</sub>: There is a significant difference between Companies and Awareness

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.107 <sup>a</sup>	.011	-.014	.322		
a. Predictors: (Constant), SBI Company, Reliance Company, Bajaj Company, HDFC Company, ICIC Company						
ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.231	5	.046	.446	.816 <sup>b</sup>
	Residual	20.124	194	.104		

	Total	20.355	199		
a. Dependent Variable: Awareness of Brand					
b. Predictors: (Constant), SBI Company, Reliance Company, Bajaj Company, HDFC Company, ICIC Company					

**Interpretation:** From the above ANOVA experiment results the significant value i.e, p value is 0.816, the significant value i.e,  $p > 0.05$ . Hence null hypothesis is accepted. And the result drawn from the experiment is there is no significant difference between awareness and companies, from the experimental results we can conclude awareness about different companies are close to each another, i.e, majority of the respondents are aware about the performance of companies before making investment.

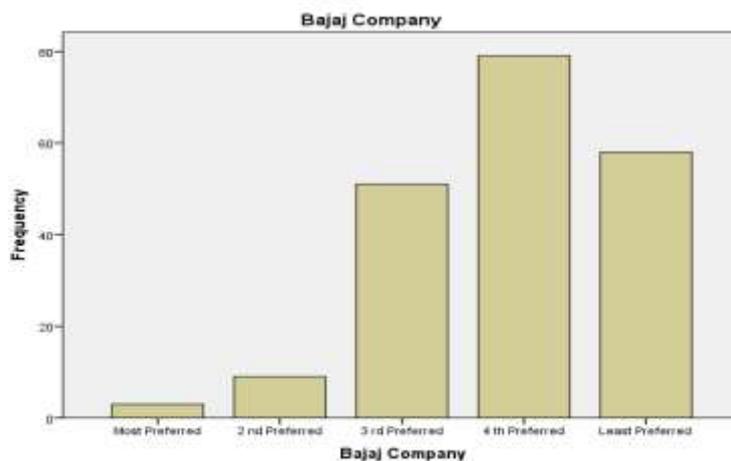
**Charts**



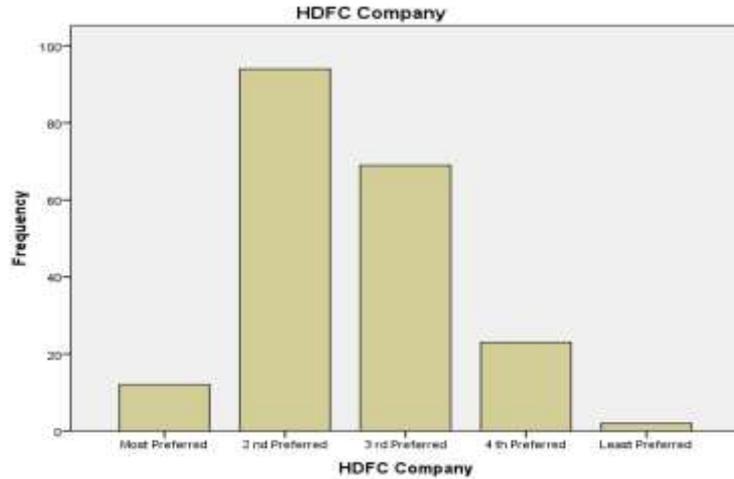
**Analysis on Preference of Brand Awareness of the selected companies by the Respondents**

Bajaj Company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Most Preferred	3	1.5	1.5	1.5
	2nd Preferred	9	4.5	4.5	6.0
	3rd Preferred	51	25.5	25.5	31.5
	4th Preferred	79	39.5	39.5	71.0
	Least Preferred	58	29.0	29.0	100.0
Total		200	100.0	100.0	

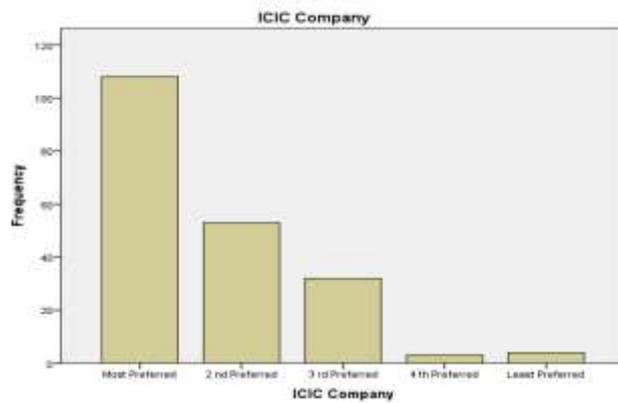
**Graphical Representation of Preference of BAJAJ Company**



HDFC Company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Most Preferred	12	6.0	6.0	6.0
	2nd Preferred	94	47.0	47.0	53.0
	3rd Preferred	69	34.5	34.5	87.5
	4th Preferred	23	11.5	11.5	99.0
	Least Preferred	2	1.0	1.0	100.0
	Total	200	100.0	100.0	

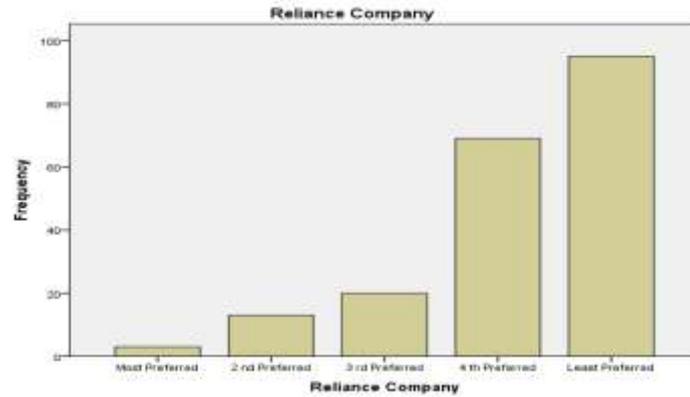


ICIC Company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Most Preferred	108	54.0	54.0	54.0
	2nd Preferred	53	26.5	26.5	80.5
	3rd Preferred	32	16.0	16.0	96.5
	4th Preferred	3	1.5	1.5	98.0
	Least Preferred	4	2.0	2.0	100.0
	Total	200	100.0	100.0	

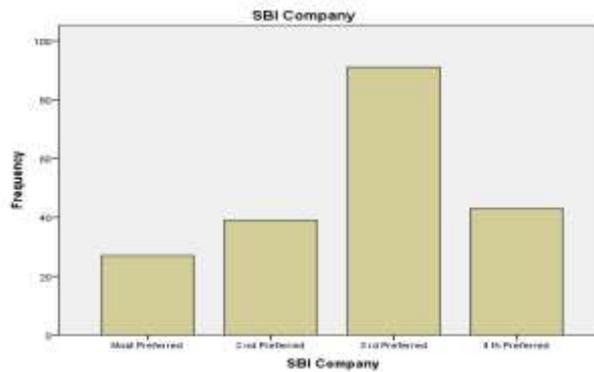


Reliance Company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Most Preferred	3	1.5	1.5	1.5
	2nd Preferred	13	6.5	6.5	8.0
	3rd Preferred	20	10.0	10.0	18.0
	4th Preferred	69	34.5	34.5	52.5
	Least Preferred	95	47.5	47.5	100.0

	Total	200	100.0	100.0	
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SBI Company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Most Preferred	27	13.5	13.5	13.5
	2nd Preferred	39	19.5	19.5	33.0
	3rd Preferred	91	45.5	45.5	78.5
	4th Preferred	43	21.5	21.5	100.0
	Total	200	100.0	100.0	



**Interpretation:** The above frequency tables of selected companies elucidates respondents choice and their preferences, Majority of the respondents are giving preference to ICICI due to their study performance in market, The second preferred company is HDFC and followed by the SBI. The least preference is given to Reliance Company based on its performance in market over few years.

**CONCLUSION**

The present study analyses the five different insurance companies brand awareness in a selected two region. From the results drawn from the experiments it is clearly drawn majority of the respondents are aware about the companies and their brand value in market. Different age people are having different opinion about brand value of the selected companies, Income level of the respondents or customers is influencing the investment decision, majority of the respondents age between 30 to 40 years are giving more priority to invest their money in insurance companies to avoid any unexpected future financial losses. The research study also suggest companies need to spend more on their promotional activities to increase their brand values in market it helps them to create more confidence on investors/customers.

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