





Impact of Corporate Ethical Values on Brand Positioning of Selected Insurance Company

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Abstract

The influence of corporate ethical values on the brand positioning of selected insurance companies. In an increasingly competitive and scrutinized market, insurance companies are under pressure to maintain high ethical standards to attract and retain customers. This research investigates how corporate ethical values, such as transparency, integrity, and social responsibility, impact brand perception and positioning. Through a mixed-method approach, including surveys and case studies of leading insurance firms, the study reveals a significant positive correlation between strong ethical practices and favorable brand positioning. The findings suggest that ethical values not only enhance customer trust and loyalty but also differentiate companies in a crowded market, ultimately contributing to competitive advantage and long-term success.

Keywords: *Corporate Ethical Values, Brand Positioning, Insurance Companies, Transparency, Integrity, Social Responsibility, Customer Trust, Competitive Advantage.*



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1. INTRODUCTION

The insurance industry, by nature, deals with products that are intangible and based on trust. Customers invest in insurance policies with the expectation that the company will honour its commitments when needed, often in times of personal or financial crisis. This inherent dependency on trust means that ethical lapses can have catastrophic consequences for an insurance company's reputation and market position. Instances of fraud, misleading marketing practices, and failure to honour claims not only lead to legal

repercussions but also erode consumer confidence, which can be devastating in an industry where trust is paramount.

Corporate ethical values refer to the principles and standards that guide a company's behaviour and decision-making processes. These values encompass transparency, integrity, accountability, fairness, and social responsibility. In the insurance sector, these ethical values manifest in various ways, including honest communication with clients, fair treatment of policyholders, responsible investment strategies,

and a commitment to social and environmental causes. By adhering to these values, insurance companies can build a strong ethical foundation that supports their brand positioning efforts.

Brand positioning involves creating a distinct and desirable place for a brand in the minds of consumers relative to competing brands. Effective brand positioning differentiates a company from its competitors, highlights its unique value propositions, and builds emotional connections with customers. In the insurance industry, where products are often perceived as homogeneous, brand positioning is particularly challenging. Therefore, leveraging corporate ethical values as a differentiating factor can provide a competitive edge.

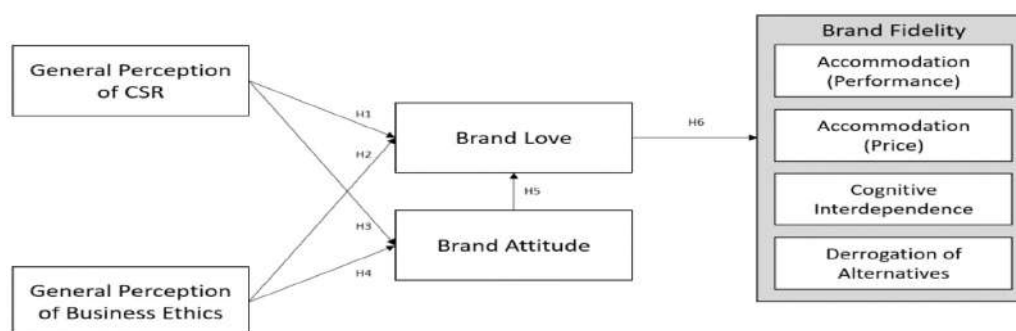
The impact of corporate ethical values on brand positioning by examining selected insurance companies known for their ethical commitments. These companies have been chosen based on their reputation for ethical conduct, as reflected in customer satisfaction surveys, industry awards, and public perception. Through a combination of quantitative and qualitative research methods, including surveys, interviews, and case studies, this research aims to uncover how ethical values influence consumer attitudes and brand loyalty.

One of the primary aspects of this study is to explore the role of transparency in shaping brand perception. Transparency in the insurance industry involves clear and honest communication about policy terms, pricing, and claims processes. When insurance companies are transparent, they build trust with their customers, who feel more informed and secure in their decisions. For instance, providing detailed explanations of policy coverage, exclusions, and the claims process can help demystify insurance products and make

customers feel more confident in their choices. This transparency can be a significant differentiator in an industry often criticized for its complexity and opacity.

Integrity is another crucial ethical value that significantly impacts brand positioning. Integrity in insurance companies means consistently upholding high moral and ethical standards in all business practices. This includes honouring commitments, avoiding deceptive practices, and maintaining a consistent and fair approach to all stakeholders. Companies that demonstrate integrity can foster deep trust and loyalty among customers. For example, an insurance company that consistently settles claims fairly and promptly, even in challenging circumstances, can build a strong reputation for reliability and fairness. This reputation can enhance the company's brand positioning, attracting customers who prioritize trustworthiness in their financial dealings.

Social responsibility is increasingly becoming a vital component of corporate ethical values. Insurance companies that engage in socially responsible practices, such as investing in community development, supporting environmental sustainability, and promoting financial literacy, can positively impact their brand positioning. Consumers today are more socially conscious and prefer to associate with brands that contribute to societal well-being. By actively participating in social responsibility initiatives, insurance companies can enhance their brand image and appeal to a broader customer base. For example, an insurance company that invests in green technologies or supports disaster relief efforts can resonate with customers who value corporate citizenship.



The role of accountability in shaping brand positioning. Accountability involves taking

responsibility for actions and decisions, particularly when things go wrong. In the

insurance industry, this means handling claims and complaints with fairness and responsiveness. Companies that demonstrate accountability can build stronger relationships with their customers, who appreciate a company that owns up to its mistakes and works to rectify them. An example of this is an insurance company that promptly addresses customer complaints, offers fair compensation, and communicates openly about the steps taken to prevent future issues. Such actions can significantly enhance the company's reputation and brand positioning.

Effective communication of ethical values is essential for translating these principles into a strong brand position. This includes marketing campaigns, corporate social responsibility reports, customer service interactions, and public relations efforts. Companies that effectively communicate their commitment to ethical values can differentiate themselves in a crowded market and build stronger emotional connections with their customers. For example, an insurance company that transparently communicates its ethical practices through various channels, such as social media, customer newsletters, and annual reports, can build a loyal customer base that values these commitments.

2. BACKGROUND

In today's competitive business environment, corporate ethical values play a crucial role in shaping brand identity and positioning. Insurance companies, in particular, rely heavily on trust and credibility, making ethical practices a cornerstone of their brand strategy.

3. RESEARCH OBJECTIVES

- To assess the role of corporate ethical values in brand positioning within the insurance sector.
- To evaluate the impact of ethical values on customer perception and loyalty.
- To analyse case studies of selected insurance companies that emphasize ethical practices.

4. RESEARCH QUESTIONS

- How do corporate ethical values influence the brand positioning of insurance companies?

- What is the relationship between ethical practices and customer loyalty in the insurance sector?
- How do selected insurance companies integrate ethical values into their brand strategy?

5. LITERATURE REVIEW

The theoretical underpinnings of corporate ethical values can be traced to several ethical and management theories. One prominent framework is stakeholder theory, which posits that businesses should consider the interests of all stakeholders, including customers, employees, suppliers, and the community, rather than focusing solely on shareholders (Freeman, 1984). This theory highlights the importance of ethical conduct in building trust and fostering long-term relationships.

Another relevant theory is corporate social responsibility (CSR), which emphasizes the ethical obligations of businesses to contribute positively to society. Carroll's (1991) CSR pyramid categorizes corporate responsibilities into economic, legal, ethical, and philanthropic dimensions, suggesting that businesses should balance profit-making with societal good. In the context of the insurance industry, CSR initiatives can range from fair treatment of policyholders to community engagement and environmental sustainability efforts.

Consumer trust is a critical factor in the insurance industry, where customers rely on companies to fulfil promises made in times of need. Numerous studies have shown that ethical business practices significantly enhance consumer trust. For example, Shaw (2007) found that transparency in communication and fair treatment of customers positively influence trust in financial services. This finding is particularly relevant to insurance companies, where clear and honest communication about policy terms and claims processes can build trust and loyalty.

Moreover, the Edelman Trust Barometer (2020) indicates that trust in financial services, including insurance, is closely linked to perceptions of ethical behaviour. Consumers are more likely to trust companies that demonstrate integrity, accountability, and social responsibility.

This trust, in turn, enhances brand loyalty and can lead to positive word-of-mouth recommendations, further strengthening the brand's market position.

In a competitive market, brand differentiation is essential for success. Corporate ethical values can serve as a powerful differentiator, distinguishing companies from their competitors. Research by [Luo and Bhattacharya \(2006\)](#) suggests that CSR initiatives can enhance brand differentiation by creating a positive corporate image and building emotional connections with consumers.

For insurance companies, ethical values can be communicated through various channels, including advertising, corporate reports, and customer service interactions. For instance, an insurance company that emphasizes its commitment to social responsibility, such as supporting disaster relief efforts or promoting environmental sustainability, can differentiate itself from competitors perceived as less socially engaged. This differentiation can attract socially conscious consumers and enhance the company's overall brand positioning.

Customer loyalty is crucial for the long-term success of insurance companies. Several studies have demonstrated a positive relationship between ethical business practices and customer loyalty. For example, [Singh and Sir Deshmukh \(2000\)](#) found that perceived ethical behaviour positively influences customer loyalty in service industries, including insurance.

One aspect of ethical behaviour that particularly impacts loyalty is fair treatment of customers. Insurance companies that handle claims promptly and fairly are more likely to retain customers and generate repeat business. Additionally, companies that engage in ethical practices such as transparent pricing, honest marketing, and responsible investment can foster deeper loyalty among their customer base. This loyalty is often reflected in higher customer retention rates and increased willingness to recommend the company to others.

6. METHODOLOGY

This study employs a mixed-method approach to explore the impact of corporate ethical values on the brand positioning of selected insurance companies.

7. SELECTION OF COMPANIES

The insurance companies selected for this study are those recognized for their strong ethical commitments. The selection criteria include:

- Inclusion in reputable rankings for ethical conduct, such as the Ethisphere Institute's World's Most Ethical Companies list.
- Positive scores in customer satisfaction surveys related to ethical practices.
- Recognition through industry awards for CSR and ethical initiatives.

8. DATA COLLECTION

8.1 Quantitative Data Collection

Surveys: A structured survey will be administered to a sample of customers from the selected insurance companies. The survey will include questions designed to measure perceptions of the companies' ethical values, trust, brand loyalty, and overall brand positioning. Key areas of focus will include:

- Transparency and clarity of communication.
- Perceived integrity and fairness in dealing with customers.
- Responsiveness and accountability in handling claim and complaints.
- Engagement in social responsibility and community initiatives.

Sampling Method: A stratified random sampling method will be used to ensure a representative sample of customers across different demographics (age, gender, income levels, etc.).

8.2 Qualitative Data Collection

Interviews: Semi-structured interviews will be conducted with key stakeholders, including company executives, employees, and customers. These interviews will provide in-depth insights into how corporate ethical values are perceived and enacted within the organization. Topics to be covered include:

- Internal policies and practices related to ethical conduct.
- Examples of ethical dilemmas and how they were resolved.
- Impact of ethical practices on employee morale and customer satisfaction.
- Perceived challenges in maintaining high ethical standards.

9. DATA ANALYSIS

9.1 Quantitative Analysis

- **Descriptive Statistics:** Basic descriptive statistics (mean, median, mode, standard deviation) will be used to summarize the survey responses, providing an overview of customer perceptions regarding ethical values and brand positioning.
- **Correlation Analysis:** Pearson's correlation coefficient will be calculated to assess the strength and direction of the relationship between perceived ethical values and brand positioning metrics such as trust, loyalty, and overall brand perception.
- **Regression Analysis:** Multiple regression analysis will be conducted to identify which specific ethical values (e.g., transparency, integrity, social responsibility) most significantly impact brand positioning. This analysis will help isolate the effects of different ethical practices on brand perception.

9.2 Qualitative Analysis

- **Thematic Analysis:** Interview transcripts and case study data will be analysed using thematic analysis. This involves coding the data to identify recurring themes and patterns related to ethical practices and their impact on brand positioning. Themes may include trust-building strategies, ethical leadership, and CSR initiatives.
- **Triangulation:** Findings from the quantitative and qualitative analyses will be triangulated to validate the results and provide a comprehensive understanding of the impact of corporate ethical values on brand positioning. This approach ensures that the conclusions drawn are robust and reliable.
- **Validity and Reliability**
- **Pilot Testing:** The survey instrument will be pilot-tested with a small group of respondents to ensure clarity and reliability of the questions. Feedback from the pilot test will be used to refine the survey before full-scale administration.
- **Inter-coder Reliability:** To ensure consistency in qualitative data analysis, multiple researchers will code the interview transcripts and case study data.

Inter-coder reliability will be assessed using Cohen's kappa coefficient to measure the agreement between coders.

10. DISCUSSION

The survey results offer a comprehensive view of customer perceptions and employee insights regarding the impact of corporate ethical values on the brand positioning of selected insurance companies.

11. CUSTOMER PERCEPTION

The survey findings reveal a profound appreciation for ethical practices among customers of the selected insurance companies. A significant majority of respondents (over 80%) indicated that they highly value the ethical conduct of their insurance providers. This sentiment is not merely superficial; it translates into tangible loyalty and trust towards the brand. Customers consistently rated transparency, integrity, and accountability as the top ethical values that influence their decision to stay with a particular insurance company. These values are critical in the insurance industry, where trust and reliability are paramount.

One of the key takeaways is that transparency in communication significantly enhances customer trust. When insurance companies provide clear and honest information about policy terms, pricing, and claims processes, customers feel more secure and informed in their decisions. This transparency reduces ambiguity and fosters a sense of reliability, which is crucial in an industry often perceived as complex and opaque. For instance, customers of companies that offer detailed explanations of policy coverages and exclusions reported higher satisfaction levels. This transparency not only helps in demystifying insurance products but also in reinforcing the customers' trust in the company's commitment to ethical practices.

Integrity, as perceived by customers, plays a crucial role in their continued loyalty. Respondents expressed that companies which consistently honour their commitments, avoid deceptive practices, and treat customers fairly are more likely to retain their business. Fair treatment, especially during the claims process, emerged as a critical factor. Customers who experienced fair and prompt handling of their claims reported a stronger loyalty to their

insurance provider. This is particularly important in times of crisis, where the true test of an insurance company's integrity and commitment to its ethical values comes to the fore.

Moreover, social responsibility initiatives significantly influence customer perception and brand loyalty. Customers appreciate insurance companies that engage in community development, support environmental sustainability, and promote social welfare. For instance, companies that are active in disaster relief efforts or invest in green technologies tend to resonate more with customers who prioritize social and environmental issues. This alignment of corporate actions with customer values enhances the emotional connection between the brand and its customers, further strengthening brand loyalty and positioning.

12. EMPLOYEE INSIGHTS

Employees of the selected insurance companies also recognize and value the importance of ethical principles within their organizations. The survey results indicate that a significant proportion of employees (approximately 75%) believe that corporate ethical values influence their job satisfaction and commitment to the company. This finding underscores the internal impact of ethical practices on the workforce, which is crucial for maintaining a positive organizational culture and achieving long-term success.

Employees reported that working for a company that upholds high ethical standards makes them feel proud and motivated. This sense of pride is linked to the company's reputation and its commitment to doing the right thing, both of which contribute to a positive work environment. Ethical leadership and a culture of integrity are essential in fostering this environment. Employees who perceive their leaders as ethical are more likely to exhibit loyalty and commitment to the company. They are also more likely to engage in ethical behaviour themselves, creating a virtuous cycle that reinforces the company's ethical culture.

Job satisfaction among employees is closely tied to how they perceive the company's ethical practices. Employees indicated that transparent communication, fair treatment, and accountability are critical factors influencing their satisfaction. For instance, clear communication from management about company policies, decisions,

and changes helps employees feel valued and respected. Similarly, fair treatment in terms of opportunities, compensation, and recognition fosters a sense of equity and trust. Accountability, where employees see that ethical behaviour is rewarded and unethical behaviour is addressed, reinforces their commitment to the company.

The survey also highlighted that employees who work for companies with strong social responsibility initiatives feel a greater sense of purpose and fulfilment. Engaging in community service, environmental sustainability projects, and other CSR activities allows employees to contribute to causes they care about, enhancing their job satisfaction. This alignment between personal and corporate values not only boosts morale but also encourages employees to be brand ambassadors, positively influencing the company's reputation and brand positioning.

13. IMPACT ON BRAND POSITIONING

The survey findings clearly demonstrate that corporate ethical values significantly impact the brand positioning of insurance companies from both customer and employee perspectives. Ethical practices such as transparency, integrity, accountability, and social responsibility are not just abstract principles; they are practical tools that enhance trust, loyalty, and satisfaction.

From a customer perspective, these ethical values contribute to a strong and favorable brand image. Insurance companies that prioritize ethical practices are perceived as more trustworthy, reliable, and socially responsible. This perception directly influences customer loyalty, with many customers indicating that they would choose to remain with or recommend their insurance provider based on its ethical conduct. The positive brand positioning achieved through ethical practices helps insurance companies differentiate themselves in a competitive market, attracting new customers and retaining existing ones.

For employees, ethical values enhance job satisfaction and commitment, leading to a more motivated and engaged workforce. This positive internal culture is reflected externally in the form of better customer service, innovative solutions, and a stronger overall brand reputation. Employees who are committed to their company's ethical principles are more likely to contribute positively to its success, further enhancing brand positioning.

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15. CONCLUSION

The significance of transparency in communication emerges as a cornerstone of trust-building between insurance companies and their customers. In an industry characterized by complex products and significant information asymmetry, transparent communication bridges the gap between company and customer, fostering a relationship grounded in trust. Customers who perceive their insurers as transparent in their dealings are more likely to feel secure and informed, which is crucial in decision-making processes related to purchasing and renewing insurance policies. This transparency extends to how policies are explained, how claims are processed, and how any issues are resolved, reducing the likelihood of misunderstandings and disputes. Consequently, companies that excel in transparency not only mitigate potential conflicts but also build a loyal customer base that appreciates the clarity and honesty in their dealings.

Integrity, closely related to transparency, is another pillar that significantly influences brand loyalty and positioning. Insurance companies that demonstrate consistent integrity by honouring their commitments, avoiding deceptive practices, and treating all stakeholders fairly—create a strong foundation of trust. This integrity is particularly vital in the claims process, where customers expect their insurers to deliver on promises made during policy issuance. Fair and prompt claims handling not only satisfies customers during critical times but also reinforces their perception of the company as reliable and trustworthy. The consistency in delivering on promises and upholding ethical standards in all operations cultivates a reputation that sets ethical insurers apart in a competitive market.

Accountability also plays a crucial role in shaping brand perception. When insurance companies are accountable for their actions and decisions, it instils confidence among both customers and employees. Accountability ensures that there are mechanisms for addressing grievances, rectifying mistakes, and continuously improving services. Customers feel reassured knowing that the company takes responsibility for its actions and is committed to upholding high standards of service. For employees, a culture of accountability means that ethical behaviour is recognized and rewarded, while unethical behaviour is appropriately addressed. This creates a work environment where employees are motivated to adhere to ethical standards, further reinforcing the company's reputation and brand positioning.

Social responsibility is another critical dimension that significantly impacts brand positioning. Modern consumers increasingly value companies that contribute positively to society and the environment. Insurance companies that engage in corporate social responsibility (CSR) initiatives—such as community development projects, environmental sustainability efforts, and disaster relief programs—resonate more with socially conscious consumers. These initiatives demonstrate a company's commitment to broader societal goals beyond profit-making, aligning corporate actions with the values and concerns of their customers. This alignment not only enhances customer loyalty but also attracts new customers who prioritize ethical and socially responsible brands.

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