

INSURANCE CONSULTANTS ATTITUDE TOWARDS RELATIONSHIP MARKETING ELEMENTS

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This paper aims to investigate how the insurance consultants apply the relationship marketing specific elements in their relationship with customers. "How to establish and, especially, how to maintain the relationship between supplier and consumer of insurance services?" represents the investigated problem. Obstacles in attracting clients, in gaining and maintaining confidence, in communicating with them represent the grounds for that particular subject. It features an analysis of the relationship between supplier and consumer of insurance services.

Keywords: relationship marketing, insurance market, insurance sales agents

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1. Introduction

Because of the specific area of insurance products, which involve signing a contract for one year for non-life insurance and at least 5 years for life insurance, the relationship between insurance consultant and client is by definition a medium or long term one. Also, the fact that in insurance domain, the transaction is spread out in several stages, through the insurance premium which the customer must pay, makes it even more necessary to maintain and develop the relationship between the two sides. Customer confidence in the insurance consultant and also in the insurance company is important both before signing the contract, and especially after this stage of the relationship, as customer's money is at stake. Also, the impact of the current crisis on the insurance field is reflected in the relationship between insurance agent and his clients. Failure to pay premiums, trying to find different reasons and different staged accidents to get the compensation are elements that increase the difficulty of maintaining and developing relationships. Similarly, in a time of economical crisis, the consultant has developed a pushy attitude that creates a negative image among customers, leading to the emergence of another factor influencing the relationship.

2. Purpose and research objectives. Methodology

Performance of insurance consultant on the market depends on investments that he makes in customer relationship. Investments that the insurance agent must make to create, maintain and develop relationships with clients are of several types: the time to prepare for each phase of the sales process, training, time spent communicating with customers, all knowledge in this area.

But, whatever investment you make in different stages, they have no value if the consultants don't prove their involvement. It is the most important method by which they can win their customers.

The aim of this study was to analyze the relationship between agent and client in the insurance market, in terms of agents.

Study objectives were:

- identifying specific elements of the relationship between consultant and client in different stages of the sales process;
- identifying the role of obtaining customer confidence in the relationship between consultant and client;

- identifying the role of consultant involvement in the relationship between him and the customer. The method used to achieve these goals has been the investigation. Population considered for the investigation was the consultants of an insurance firm operating on the Romanian market. The instrument used was a questionnaire that the consultants had to complete before their meetings. The final sample consisted of 122 consultants. In terms of experience in insurance, 33.6% of consultants had experience of less than 10 months, 29.5% of them had experienced between 10 to 24 months and 36.9% of consultants had more than 24 months experience in insurance.

3. Results

3.1 Specific elements of the relationship between consultant and client

The results regarding the specific elements of the relationship between consultant and client are presented in the following tables. Each table presents the results obtain for one of the three categories of consultants in terms of their experience in insurance.

<i>Consultants with experience of less than 10 months in insurance</i>	
Need identification stage	- there is a higher proportion of consultants, respectively 75.6%, compared to 65.8% overall sample, that sustain they never decide what products to offer based on their beliefs, not on the client's needs.
Presentation of Solutions stage	- there is a higher proportion of consultants, respectively 36.6% versus 29.5% overall sample, that sustain they often attempt to influence a customer by information rather than by pressure; - there is a higher proportion of consultants, respectively 85.4% vs. 76% overall sample, that sustain they always give the product according to clients needs; - there is a higher proportion of consultants, namely 48.8% versus 40.5% overall sample, that sustain they rarely try to sell a customer everything they can to persuade, even if they believe that is more than a wise customer would buy; - there is a higher proportion of consultants , namely 17.1% versus 9.1% overall sample, that sustain they always describe a „pink picture” of the products to make them sound better.
Completion of sale stage	- there is a higher proportion of consultants, 51.2% versus 42.6% overall sample, that sustain they never prefer to sell as much, without considering the customer’s satisfaction.
After-Sales Phase	- there is registered a larger proportion, 39% versus 23% overall sample, that sustain they always contact customers after signing a contract only for sending wishes for various occasions (birthdays, New Year).

<i>Consultants with insurance experience of 10 to 24 months</i>	
Need identification stage	- there is registered a larger proportion, 25% to 20.5% overall sample, that sustain they often identify their customers needs by asking questions; - there is a larger proportion, namely 16.7% versus 9.2% overall sample, that sustain they always decide what products to offer based on their beliefs, not on the client's needs.
Stage presentation solutions	- there is registered a larger proportion, 69.4% versus 62.3% overall sample, that sustain they never put pressure on a client to buy when they are not sure that the product is suitable for that client; - there is a larger proportion, respectively 69.4% versus 63.1% overall sample, that claim they always try to influence a customer by information rather than by pressure.

<i>Consultants with insurance experience of 10 to 24 months</i>	
After-Sales Phase	<ul style="list-style-type: none"> - there is registered a larger proportion, 13.9% versus 9.8% overall sample, that say they often prefer to sell as much, regardless of customer satisfaction; - there is registered a larger proportion, namely 63.9% versus 53.7 % overall sample, that say they rarely spend more time trying to convince a customer to buy than attempting to understand his needs.

<i>Consultants with more than 24 months experience in insurance</i>	
Need identification stage	- there is a higher proportion of consultants, 32.6% versus 20.8% overall sample, that say they rarely decide what products to offer based on their beliefs, not the client's needs.
Presentation of Solutions stage	<ul style="list-style-type: none"> - there is a higher proportion of consultants, 9.1% versus 4.1% overall sample, that sustain they never give to a customer the product according to its needs; - there is a higher proportion of consultants, namely 56.8% versus 45.5% overall sample, that say they never try to sell a customer all they can persuade, even if it considers that that's more than a wise customer would buy; - there is a higher proportion of consultants, 45.5% versus 38% overall sample, that sat they never describe a „pink picture” of the products to make them sound better.
After-Sales Phase	<ul style="list-style-type: none"> - there is registered a larger proportion of consultants, 24.4% versus 17.2% overall sample, that sustain they rarely contact the clients after signing the contract; - there is registered a larger proportion, namely 48.9% versus 36.9% overall sample, that sustain they often contact customers only after signing a contract for the transmission of greetings for various occasions (birthdays, New Year).

3.2 The role of trust and involvement

The results regarding the role of trust and involvement in the relationship between consultant and client are presented in the following tables. Each table presents the results obtain for one of the three categories of consultants in terms of their experience in insurance.

<i>Consultants with experience of less than 10 months in insurance</i>	
The role of customers confidence	<ul style="list-style-type: none"> - there is a greater proportion of consultants, namely 26.8% versus 14.9% overall sample, that sustain they are in agreement with the fact that customer confidence is very important until the contract is signed; - there is a greater proportion of consultants, 34.1% compared to 23.8% overall sample, that sustain they agree with the fact that presenting only the products advantages can make the client suspicious; - there is a greater proportion of consultants, 63.4% compared to 52.5% overall sample, that sustain they totally agree with the fact that calculating the solutions in front of the clients can make them have more confidence.
The role of consultant involvement	- there is a greater proportion of consultants, 39% respectively 30.3% overall sample, that sustain they agree with the fact that greater involvement on their part leads to a better relationship with the customer.

<i>Consultants with insurance experience of 10 to 24 months</i>	
The role of customers confidence	<ul style="list-style-type: none"> - there is a greater proportion, namely 19.4% versus 12.3% overall sample, that sustain they agree with the statement that earning customer confidence is the key to a good relationship with him; - there is a greater proportion of consultants, respectively 22.2% versus 13.2% overall sample, that declare to agree with the fact that in all actions they carry out the aim is to preserve their customers trust.
The role of consultant involvement	<ul style="list-style-type: none"> - there is a greater proportion, namely 41.7% versus 30.3% overall sample, that say they agree with the fact that greater involvement on their part leads to a better relationship with the client. - there is a greater proportion, namely 19.4% versus 13.1% overall sample, that declare to disagree with the fact that most times, too much involvement from their part gives the impression of aggression; - there is a greater proportion, namely 44.4% versus 28.7% overall sample, that sustain they agree with the fact that the use of computer applications during the meetings with the client would demonstrate a greater involvement from their part.

<i>Consultants with more than 24 months experience in insurance</i>	
The role of customers confidence	<ul style="list-style-type: none"> - there is a greater proportion, namely 88.9% versus 83.6% overall sample, that sustain they totally agree with the statement that earning customer confidence is the key to good relations with him; - there is a greater proportion, namely 86.7% versus 81.8% overall sample, that sustain they totally agree with the fact that in all actions they carry out the aim is to preserve their customers trust; - there is a higher proportion, respectively 56.8% versus 40.5% overall sample, that declare to totally disagree with the fact that customer confidence is very important until the contract is signed; - there is a greater proportion of consultants, namely 11.1% versus 4.9% overall sample, that sustain they totally disagree with the fact that the presenting only the benefits, without specifying customer requirements can awaken his suspicion; - there is a greater proportion, respectively 28.9% versus 23% overall sample, that declare to agree with the statement that calculating solutions in front of customers would increase their confidence.
The role of consultant involvement	<ul style="list-style-type: none"> - there is a greater proportion, namely 75.6% versus 64.8% overall sample, that sustain they totally agree with the fact that greater involvement on their part leads to a better relationship with the client; - there is a higher proportion, respectively 17.8% versus 11.5% overall sample, that sustain they totally disagree with the fact that most times, too much involvement from their part gives to the client the impression of aggression.

4. Conclusions

The first objective sought to obtain information on specific elements of the relationship between adviser and client, depending on the stage of the sales process. The results show that during the stage of identifying needs, most insurance consultants always identify customer needs by asking questions. Most consultants do not ever give products by their own beliefs, but based on customer's needs.

Regarding the stage of presentation of solutions, most consultants do not ever pressure the customer into buying the product. Most argue that consultants always provide the product according to customer needs and always try to influence a customer to buy based on the information and not by pressure. Almost half of the consultants don't ever try to sell to a customer everything they can to persuade him

to buy, even if they think it would be more than a wise customer would buy. Most consultants do not ever describe „in pink” products that sound better, or rarely do so.

Regarding post-sales, most consultants maintain contact with the customer after they sign the contract, but over half of them contact customers only to send "well wishes" on several occasions after signing contract.

The second objective sought to obtain information on the role of trust in the relationship with the client. Over 80% of insurance consultants consider winning the confidence of the client as a key element of establishing a good relationship with him. Therefore, most of them seek to maintain customer confidence throughout all actions that take place in relationship with them. Many consultants consider gaining customer trust as a condition for recommendation to other potential customers. But in terms of confidence importance during the sales process, more than half of consultants believe that customer confidence is only important to sign a contract.

Most consultants attach great importance to gain confidence through the methods of presenting solutions. They consider that presenting only the benefits, without specifying customer requirements, customer may arouse suspicion („too good to be true”). More than 70% of consultants argue that they would increase customer confidence if the solutions would be calculated in front of him.

The third objective sought to obtain information on the role of involvement. Regarding the consultant involvement in the relationship, most of them consider that a high involvement from their part leads to a better relationship with the client. However, just over half of them consider that, often, too much involvement from their part gives the impression of aggression. Computer software used during the meeting with the client is considered a demonstration of their involvement in the relationship. As regards to the involvement of clients more than 80% of consultants considered that their involvement is not sufficient for a good relationship with the client, but client’s involvement is also needed.

In achieving these objectives limits have been identified also. One of these was the possibility that respondents had the impression to be evaluated when they received the questionnaire and the possibility that they had responded as they ought to, not like they act in reality. Another limit was realizing the investigation only in one insurance company; therefore the results are presented at company level and not at market level.

At this stage, attention was paid to consultants and their attitude towards relationship marketing. The next step is to realize this study in several insurance companies to reach the level of the insurance market. Also, the next step involves analyzing the applicability of relational marketing in terms of consumer insurance.

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