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# Perceived brand reliability of insurance companies as customer loyalty factor



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# Perceived brand reliability of insurance companies as customer loyalty factor

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### **Abstract**

A regular obstacle in insurance business is the problem of attracting new users of insurance products / services while it is getting more difficult to keep the existing clients. Beside financial risk and barriers to exit which restrain clients contractually and legally from leaving an insurance provider and switching to another, there aren't many reasons why they should not do it, and the possibilities are vast. That is why it is important to continually strengthen the emotional bond with the clients and to affect their perception of insurance provider's brand strength, brand reliability and quality. Another limitation in attracting new clients is a significant similarity in the offer of all insurance providers, which is why they have to make effort to create a recognizable differential advantage which will be noticed by the clients and not easily imitated by the competitors. Not enough attention is given to strengthening the brand of insurance providers and brand equity is exactly what can affect the opinion of clients when choosing or changing an insurance provider. The feeling of belonging to a particular insurance provider is the most important factor because it is a generator strong bond with the brand. In order for insurance users to gain trust in the insurance provider, it has to make sure that users have solid understanding of types of insurance coverage and exclusions in their insurance policies. In practice it is often the opposite, which creates lower level of satisfaction on clients' side due to high expectations. By analysing market research results, the author examines aspects of perceived stability, trust and reliability of insurance providers' brands on Croatian market. After collecting insurance users' attitudes and opinions based on their previous experiences and perception, the author makes conclusions regarding their current and future loyalty by methods of synthesis and induction.

### **Key words**

perceived brand reliability; brand strength; brands of insurance companies; customer retention; customer loyalty factors; reliability assessment; service company marketing mix

### **JEL classification**

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## 1. INTRODUCTION

The majority of insurance companies at Croatian market, which are members of Croatian Insurance Bureau<sup>1</sup>, have been doing business there for several decades. They have established status in Croatian insurance industry and a good reputation among insurance products / services users. However, some of these companies, despite years of practice and investments in development and marketing, have not been able to achieve particularly impressive business results. Reasons for this can be certain difficulties in attracting new clients or some „clumsy” business decisions which resulted in a low customer retention rate. The crucial reason for this can also be the perception of reliability of brands of insurance companies in the minds of the consumers. In order for insurance providers to be able to achieve better business results, they need to gain insight in attitudes of their current, future and former clients. Most of insurance users believe that the perception of insurance provider's brand reliability is one of the most important psychological factors which can affect their decision on choosing or changing an insurance provider. Users of insurance products / services, be it physical persons or legal entities, make decisions of choosing an insurance provider in exceptionally rare occasions - only when there is a valid reason or a need to do so. At those moments, many factors can influence their decision and the reputation of the insurance provider is one of the most important ones.

When choosing an insurance provider whom to entrust their most valuable possessions, users generally rely on their intuition but this decision is also influenced by psychological factors such as attitudes and perceived brand reliability, which are based on long-term (unconscious) observation of activities of a particular insurance company. In other cases, users can be forced to change their insurance provider due to some unmet expectations or unfulfilled promises which, in their minds, point to unreliability of the insurance company. In insurance industry brand reliability is exceptionally important because of long-term character of business relationship between insurance companies and their clients. Considering their relationship is based on perennial financial payments, users will expectedly lean towards insurance provider towards whom they have the highest level of trust. The reason why users make purchasing decisions based on brand reliability is because of the fact that higher brand reliability causes better brand reputation. A brand which is more reliable than its competitor enjoys higher customer loyalty and higher brand equity. (Schenkelberg, 2018) Systematical customer relationship management can have a significant impact on brand equity because it can increase customer satisfaction and customer loyalty. (Mandić, 2007, 94)

When assessing the insurance providers, many users consider that tradition in doing business is an extremely important factor, along with perceived stability and quality of the insurance service. Other users believe that flexibility / adaptability of insurance products and services is the decisive factor, or the usage of modern technology in everyday business and even affability of insurance company's employees. All users have the same need, and that is to feel that they can trust the insurance provider. The feelings of belonging, pride and contentment are the exact reasons why many users remain loyal to the same insurance provider for years or even decades. However, if the clients perceive the brand as unreliable at any business segment, they will start considering switching to other insurance providers. The complexity of brand management lies in managing every single contact between the brand and its clients. (Mandić, 2007, 90)

Considering that the choice of an insurance company can be affected by the width and the depth of insurance products / services range, many insurance providers try to offer to the market as many different types of insurance, which isn't always the best business solution. Interestingly, three quarters (76,19%) of insurance companies, which are members of *Croatian Insurance Bureau*, offer life insurance services, while more than half of them (52,38%) offer vehicle insurance, casco insurance, boat insurance, insurance of real estate, movables and transport insurance<sup>2</sup>. Every other insurance company in Croatia

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<sup>1</sup> Source: <https://www.huo.hr/hrv/clanovi/3/>

<sup>2</sup> According to own desktop market research, by collecting and analysing online available information on offers of insurance companies - members of *Croatian Insurance Bureau*. The mentioned percentages are a result of own analysis and comparison

(52,38%) offers travel insurance and 47,62% of insurance companies offer insurance of goods and assets. Additionally, a 38,10% of insurance companies offer health insurance and every third one (33,33%) offers accident insurance. Insurance of home and household can be found in the offer of 23,81% of insurance companies. Both, liability insurance towards third parties and retirement insurance are offered by the same number of insurance providers (14,29%). In the offer of 9,52% of insurance companies there are: insurance of persons, insurance of passengers, group insurance, legal cost protection insurance and legal expenses insurance as well as insurance for companies. The smallest number of insurance companies, who are members of Croatian Insurance Bureau, (4,76% of them) offer services of supplementary health insurance, pet insurance, credit insurance, reinsurance and banc assurance. Due to these facts, it is not easy for an average Croatian citizen to choose an insurance provider which will be the best choice for him and to understand why.

## **2. IMPACT OF CLIENT LOYALTY ON CLIENT RETENTION**

Brand management at company level implies improvement and management of relationship between insurance provider and its clients, as well as relationship between the insurance provider and the general public. (Singh et al., 2011) Client loyalty is the main starting point of a long-term and a mutually satisfying relationship, and it is not at all easy to accomplish. In order for an insurance company to get the clients to want to be loyal to it, it should earn their trust and systematically fight to keep them. If the insurance company wishes to form a database of loyal clients, it should make effort to build relationship with them, prove them how reliable, trustworthy and how capable of satisfying their needs in the longer period of time it is. Brand reliability and client loyalty are very important factors for the growth of a company. Competitive advantage which is differentiating a successful insurance company from its competitors is its ability to connect with its users / clients in such a way which will have them trust it. Reliability as differential advantage is made out of several components. Firstly, users have to believe that company is worthy of their trust, and building trust takes time, which is why new companies have difficulties in gaining consumers' trust. Secondly, a company has to be able to prove consistency of doing business up to the point that it becomes predictable. It also has to be able to consistently follow its own business principles or chosen ideology, which is particularly important in more difficult business periods. Often, outside factors make it difficult for companies to remain unique and authentic. If a company does business in an authentic way, it will be easier to maintain the uniqueness of company's brand because customers will contribute to it. (Ferguson, 2014)

### **2.1. Trust as the foundation of a business relationship**

Company's most important goal should be achieving satisfaction, value and customer loyalty. The longer the client has trust towards a company; their relationship will be deeper and wider. „Clients want to do business with a company which they trust.“ (Vranešević, 2000) If a service provider gives promises to its clients only with the aim of achieving financial results, and at the same time, it is actually not able to fulfill the given promises, clients' trust will be replaced by distrust. „By ensuring value for the clients and not just value from the clients, companies can increase their income and by doing so progress with great speed so competitors will not be able to follow them. The result will be increased revenue and decreased cost, which creates potential for sustainable growth“. (Vandermerwe, 2000)

### **2.2. Market battle for customer loyalty**

Market conditions are getting more demanding for managing any business and market battle is getting crueler, which reflects on client loyalty as well. Out of many „weapons“ used for fighting the market battle, the most practical and least risky one is to choose to direct efforts in keeping of the existing clients, improving their satisfaction and working on relationship with them. The explanation lies in the fact that companies already know their existing clients, their needs, preferences and expectations, while getting to know the new clients would require significant endeavour, financial expenses and a lot of invested time. In order for a company to deliver greater value to the clients and to successfully manage the relationship with them, it has to know them well. (Mandić, 2007, 88) „Considering that clients' satisfaction lowers their wish to change the provider and generates great loyalty towards the existing

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of products / services of these societies, are of an approximate value and have not been officially published by any recognized institution so they can vary from the actual statistical data.

provider, every takeover attempt from competitors' side will become more expensive". (Vranešević, 2000) In other words, delighted clients are a competitive advantage of the company. If client loyalty is to be understood properly, it has to be analysed in the context of keeping the existing clients and satisfying their expectations (Khan, 2012), needs and wishes. „Brand loyalty can be identified by analysing customer retention rate“. (Kotler, 2004) Companies with great brand loyalty lose a maximum of 20% of clients in a five year period and average companies lose around 50% of clients in less than five years. Besides loyalty, high customer retention rate also points to the fact that some clients remain loyal to a brand by inertia because of indifference or due to a long-term contractual agreement which they are not able to cancel without penalties. Consequently, a growing retention rate of (satisfied) clients will generate a growing repeat purchase rate and, as a result, market share will be increased. „Customer loyalty is determined by the quality of the relationship between the company and its clients, and this relationship is defined by trust, bond, contentment and perceived service quality“. (Rauyruen et al, 2007) Bonding with clients suggests fulfillment of their needs in the way as they want it, which can be a source of decisive competitive advantage. (Mandić, 2007, 85)

### **3. DETERMINING FACTORS OF BRAND RELIABILITY OF INSURANCE COMPANIES**

When it comes to insurance companies, as in the case of all service companies, its clients have certain expectations which stem from the promises they are given by an insurance provider. The ability of an insurance company to fulfill those expectations will impact the level of its clients' satisfaction and consequently their perception of the reliability of the insurance company brand and their choice of that company. Clients most often choose solutions which offer them the biggest positive difference between the benefits and the costs for using that solution. Customers purchase solutions which offer them the highest perceived quality and the highest perceived value. (Mandić, 2007, 95)

#### **3.1. Elements of service company marketing mix**

In case of insurance companies, it is important to take into account all the factors which can affect clients' opinion and satisfaction with the insurance service. The aspects of insurance business which have to be analysed include seven elements of a service company marketing mix, namely: quality of insurance products / services, the network of offices, promotional messages, prices of insurance products / services, internal processes and procedures, professionalism of employees and internal culture, as well as tidiness and technological equipment of offices.

#### **3.2. Factors which impact the perceived brand strength of insurance companies**

Different factors affect the perception of brand strength of an insurance company, e.g. experience and perennial tradition in doing business, specialization in offering a certain type of insurance service, or a wide product range of insurance products / services, which points to professionalism and reliability in doing business. However, the most important goal is to gain trust of its users because this will prove to be the decisive factor for keeping of the existing clients and for generating brand loyalty among them. If the users are not under the impression that the insurance company is reliable, trust factor will be weaker. Similarly as in other industries, personal recommendation of satisfied users in insurance industry can have a strong impact on future users who are yet to decide which insurance company they will give their trust to. Additionally, a reference list of satisfied clients can affect the perceived reliability of an insurance company, especially at the business market.

## **4. MARKET RESEARCH ON PERCEIVED BRAND RELIABILITY OF INSURANCE COMPANIES**

### **4.1. Methodology of market research on perceived brand reliability of insurance companies**

Author of this article conducted market research autonomously in the period from 8 August 2018 to 16 September 2018 on the subject of brand reliability of insurance companies in Croatia. For the purpose of this research, a convenience sample of respondents was used, made out of author's friends, acquaintances, family members, and business colleagues. Instrument of this online market research was an online questionnaire, specifically designed for the purpose of this survey. The goals of this market research were unconcealed – meaning, the respondents were informed that market research results will be used for the purpose of statistical data processing and they were guaranteed anonymity of their

answers. Author set up the survey questions on her own and designed the questionnaire with the help of SurveyMonkey<sup>3</sup> online survey tool. Questionnaire was sent to email addresses to a total of 131 persons, out of which 53 persons (40,45% of initially contacted) agreed to participate in the survey. Due to a weak response to the invitation for participation in this market research, the sample is not representative. In order for the sample to be representative, the questionnaire should have had to be successfully completed by 88,55% of a total number of respondents who received the invitation for participation (i.e. 116 respondents). Persons who agreed to participate in the survey are of different profile age, occupation and qualifications. The author did not make a selection of participants based on sex, preferred geographical location (i.e. certain counties in Croatia), religion or other orientation. The selection of adequate persons to make the sample was made only based on the criterion of owning a permanent residence in Croatia considering that this research focuses on insurance companies at Croatian market only. The questionnaire was successfully completed by 49 respondents. Four questionnaires have not been successfully completed by the respondents so they cannot be considered valid and therefore have not been included in the final analysis of market research results.

A total of 25 female persons (51,02% of respondents) and 24 male persons (48,98% of respondents) participated in this survey. The questionnaire contained ten questions with offered answers among which respondents had to choose the ones which refer to them. Participants were initially asked about their prior experiences with contracting insurance for personal purposes and their general impressions of the impact of insurance company's brand reliability on the possible selection of that insurance company. Next, they were asked about the correlation of perceived insurance brand reliability and the possibility to switch to another insurance brand, which is what users would be ready to do as a result of low level of brand reliability. Also, survey participants were asked about which insurance company brand in Croatia they perceived to be the most reliable. The main factors and brand characteristics were determined, which have the ability to form trust towards the brand in the minds and hearts of the consumers. Also, the aspects of insurance business which cause higher trust were identified. All of the above mentioned factors influence the perception of any brand of insurance companies as trustworthy in the eyes of a random Croatian citizen.

In order to systematically analyse certain elements of a service company marketing mix, respondents were asked to evaluate the influence intensity of factors which can affect the perception of insurance provider brand reliability – precisely: product / service, distribution, promotion, price, processes, people and physical surroundings. With the aim of determining the decisive factor which could trigger clients' decision to switch to competitive insurance companies, and with the aim of achieving higher customer retention rate, the author decided to examine various reasons, customers' wishes and needs. Survey participants' attitudes towards the criteria which they use to evaluate the reliability of an insurance company were identified by ranking the importance of relevant criteria and by weighting the average values. The criteria included five aspects of insurance business which could potentially have the ability to improve or worsen the perceived brand reliability. In the end, demographic data on the respondents were collected in order to gain better insight in respondents' profile (their age group and Croatian county of residence). The questionnaire contained several different response scales, in accordance with the type of a particular question, including nominal scales, ordinal scales, measurement scales and interval scales – such as: closed answers (Yes/No response), drop-down lists of answers, multiple-answers questions, Likert scale for attitude measurement, as well as a ranking scale with grades from 1 to 5, importance ranking scale with grades from 0 to 100, and a matrix grading scale with grades 1 to 5.

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<sup>3</sup> <https://www.surveymonkey.com/>

Table 1. The questionnaire questions and related response options

No.	Questions	Response options
Q1	Do you have personal experience in contracting insurance for personal purposes?	Yes / No
Q2	How much the perception of insurance company's brand reliability affected your choice of that particular insurance provider?	Grading from 0 - 100
Q3	In your opinion, how important is brand reliability of an insurance company?	Grading from 0 - 5
Q4	In your opinion, which insurance company in Croatia is the most reliable?	Selection of a single option from drop-down list
Q5	Which are the most important factors that affect your trust in insurance companies?	Selection of multiple options
Q6	Please assess how much these factors affect your perception of an insurance provider...?	Evaluation of influence on the 1 - 5 ranking scale for each of the factors
Q7	The main reason why you would make a decision to switch to another insurance provider would be...?	Selection of multiple options
Q8	An insurance company brand seems reliable if...?	Ranking scale from 1 - 5 grades
Q9	Which age group do you belong to?	Selection of a single option from the list
Q10	Which Croatian county do you live in?	Selection of a single option from the list

Source: Author's work

#### 4.2. Market research results analysis of insurance companies' brand reliability

Forty respondents (84,63% of them) are citizens of Grad Zagreb county, six respondents (12,24% of them) are citizens of Zagrebačka county, one participant (2,04%) a citizen of Koprivničko-križevačka county, one citizen of Krapinsko-zagorska county (2,04%) and one citizen of Vukovarsko-srijemska county (2,04%). Respondents from other counties did not participate in this survey. Most of the respondents (59,18% of them) are 33-40 years old; 22,45% of them are 26-32 years old, 14,29% of them are 41-50 years old; 2,04% of them are 18-25 years old and 2,04% are older than 50 years. Forty respondents (81,63% of them) have a personal experience of contracting insurance for private purposes and 9 respondents (18,37% of them) do not have this experience. For respondents who have this experience, the importance of perceived insurance company brand reliability as a factor which impacts the choice of a brand, is rated with a grade 65 on the scale from 0 to 100. According to the opinion of almost one half of respondents (44,90% of them), brand reliability of an insurance company is extremely important, whereas 38,78% of respondents believe it to be very important; 12,24% of respondents believe it is important, and 4,08% of respondents believe that it is not important. Based on the opinion of almost all respondents (95,92% of them), an insurance company which will generate trust with the future users is generally the one which has years of experience, stability and tradition in doing business and which has been present at the market for a long time. Almost one third of respondents (28,57% of them) have greater trust in insurance companies which have wide offer of products / services and useful additional, supportive products / services. One fourth of respondents (24,49% of them) will give their trust to an insurance company which specializes in one insurance area (e.g. life insurance or vehicle insurance). Almost one fifth of respondents (18,37% of them) believe that serious visual identity of an insurance company (name, logo, motto / slogan, design, *trademark*, official colours, etc.) can contribute to a high level of trust which future users will have towards the company. Only 2,04% of respondents believe that foreign origin of an insurance company's brand, which is communicated in foreign words



that are contained in company's name / title, can affect the perception of a brand as the brand which can be trusted.

According to respondents' opinions, different factors can influence the perception of insurance company's brand reliability in different levels of intensity. Precisely, the quality of insurance products / services has a strong impact on perceived brand reliability in the minds of 32,65% respondents, and a considerable influence in the opinion of 42,86% respondents. It has the same level of intensity as other factors according to the opinion of 20,41% respondents, and it does not have any influence according to the opinion of 4,08% respondents. One tenth of respondents (10,20% of them) believe that office network and availability across Croatia significantly influence the perception of brand reliability of the insurance company, while 44,90% of respondents believe that office network and availability have a considerable impact. Around one fourth (26,53% of respondents) believe that this factor affects the perceived reliability in the same intensity as other factors, while 10,20% of respondents think that the impact of this factor is low and 8,16% of respondents believe it is small. One third of respondents (28,57% of them) believe that the perception of insurance company's brand reliability can be influenced by marketing communication (ads, activities, promotions, online presence, mobile applications, etc.), whereas the same percentage of respondents believe that marketing communication has the same impact as other factors. One fifth of the respondents (20,41%) believe that marketing activities have little impact, while 12,24% of respondents believe that this factor does not have any impact and 10,20% of respondents believe that marketing has a significant impact on the perception of brand reliability of an insurance company.

Table 2. The level of intensity of influencing factors on the perception of insurance company's brand reliability

Factors of influence on perceived insurance company brand reliability	The level of intensity of influence
Process quality (organization, transparency, promptness, meticulousness)	1
Professionalism and kindness of employees and developed internal culture of the company	2
Price of products / services	3
Word-of-mouth (Recommendations of pleased customers)	4
Quality of products / services	5
Large network of offices and availability across Croatia	6
Marketing communication (ads, activities, promotions, online presence, mobile applications)	7
Physical surroundings - tidiness and technological equipment in offices	8

Source: Own market research results analysis

More than one third of respondents (40,82%) believe that the price of products / services (if in proportion with the package of received values) can have a significant impact on the perception of brand reliability, while the same number of respondents believe that the impact of this factor is considerable. According to the opinion of 10,20% respondents, price factor has the same impact as other factors, and 8,16% of respondents believe that the price does not affect the perception of brand reliability in a significant way. More than one half of the respondents (51,02% of them) believe that the quality of business processes and procedures (organization, transparency, promptness and meticulousness) has a significant influence on the perceived insurance company's brand reliability, and more than one third of respondents (38,78% of them) believe that the quality of processes is considerably important. At the same time, 6,12% respondents believe that the quality of processes has a weaker impact or the same impact as other factors (4,08% of respondents). More than one half of respondents (53,06% of them) have the impression that insurance company brand is reliable if its employees are professional and kind, and if internal culture of the company is well developed. Around one third of respondents (30,61% of them) say that the factor of professional and kind employees considerably affects the perception of brand reliability, while

14,29% respondents say that it has the same impact as other factors, and only 2,04% of respondents believe it does not have a large impact.

In the opinion of 42,86% of respondents, a factor of physical surroundings (office tidiness and modern technological equipment) has the same impact on perceived brand reliability as other supporting factors. Around one third of respondents (30,61% of them) believe that this factor has a considerable affect, while 14,29% of respondents claim that its impact is little. Less than one tenth of respondents (8,16% of them) believe that its impact significant, and 4,08% of the respondents see this impact as less significant. Almost one half of the respondents (44,90% of them) mentioned that personal recommendation of other satisfied clients or insurance company's reference list can affect users' perception of the insurance company's brand reliability. One third of the respondents (32,65% of them) believe this factor can have a considerable impact, one fifth of the respondents (20,41% of them) say that it has the same influence as other factors, while 2,04% of respondents believe that it does not have a strong impact.

Table 3. Reasons why users would switch to another insurance provider

Possible reason for switching to another insurance provider	Level of importance	Percentage of respondents
Insurance provider disrespecting contractual terms and obligations.	1	87,76%
Bad impression of the insurance company due to an unpleasant experience or dissatisfaction.	2	81,63%
Lack of support from insurance provider, unavailability for customers' complaints or communication difficulties.	3	63,27%
Personal feelings of unreliability and distrust towards insurance provider.	4	57,14%
Falling behind other insurance providers in a certain segment of business (e.g. online calculations of insurance premium and the possibilities for online insurance contracting).	5	34,69%

Source: Own market research results

Based on the opinion of the majority of respondents (87,76% of them), the main reason for deciding to change the insurance provider would be disrespecting contractual terms and obligations from the provider's side. Four fifths of the respondents (81,63% of them) would switch if they had an unpleasant experience or if they were dissatisfied with the insurance provider, which would then result with an overall bad impression of them. At the same time, almost two thirds of the respondents (63,27% of them) believe that a lack of support from insurance provider's side, unavailability for clients' complaints or difficulties in communication could trigger this decision. In the opinion of more than one half of respondents (57,14% of them), personal feelings of unavailability and distrust towards insurance company could be the decisive factor, and in the opinion of one third of the respondents (34,69% of them) falling behind other insurance providers in a certain segment (such as online calculator of premiums or the possibility to contract the insurance policy online) could prevail. Based on general overview of the respondents, the most important criterion by which users evaluate brand reliability of insurance companies is a fast reaction to users' indemnification request and fast processing of compensation claim, in a simple manner for the user. Second most important criterion is assessing if the insurance provider provides average citizens a clear understanding of insurance terms, processes, conditions and obligations. The third most important criterion is timely payment of contracted amount to insurance users in case of occurrence of insured situation / endured damage. The next very important criterion is company's effort to provide the users with a simple calculation of potential wins and losses for every type of insurance - for an example, a practical online calculator on company's website. The final criterion is having an educated customer service department / call-centre and sales representatives who understand company's insurance products / services and internal processes very well.

Table 4. Ranking of the criteria for evaluation of brand reliability of an insurance company

Rank	Criteria for evaluation of brand reliability of an insurance company
1	Insurance provider's fast reaction to user's indemnification request and fast processing of compensation claim, in a simple manner for the user.
2	Ensuring that average users understand the insurance terms, processes, conditions and obligations.
3	Timely payment of contracted amount to users in case of occurrence of insured situation / endured damage.
4	Providing users with a simple to use online calculator of potential wins and losses for every insurance type.
5	Educated customer service department and sales representatives which know and understand insurance products / services and company's processes very well.

Source: Own market research results

According to the perception of almost one half of survey respondents (40,82% of them), the most reliable insurance company brand in Croatia is *Croatia osiguranje d.d.* Second most reliable brand is *Allianz Zagreb d.d.* (according to 28,57% of respondents) and *Grawe Hrvatska d.d.* is the third most reliable brand in the opinion of 10,20% of respondents. Less than 10% of respondents believe the following brands of insurance companies to be the most reliable in Croatia: *Generali osiguranje d.d.*, *Wiener osiguranje d.d.*, *Euroherc osiguranje d.d.*, *Wüstenrot životno osiguranje d.d.*, and *Merkur osiguranje d.d.* Other brands of insurance companies are not perceived as (the most) reliable.

Table 5. Ranking of brands of insurance companies according to the perception of respondents

Rank	Insurance company brand	Percentage of respondents
1	Croatia osiguranje d.d.	40,82%
2	Allianz Zagreb d.d.	28,57%
3	Grawe Hrvatska d.d.	10,20%
4	Generali osiguranje d.d.	6,12%
5	Wiener osiguranje Vienna insurance group d.d.	6,12%
6	Euroherc osiguranje d.d.	4,08%
7	Wüstenrot životno osiguranje d.d.	2,04%
8	Merkur osiguranje d.d.	2,04%

Source: Own market research analysis results

#### 4.3. Research limitations and recommendations for future research

The main limitation in this market research was a sample too small to be considered representative. It is recommended to conduct future research at a much larger sample in order to include citizens from all Croatian counties and to collect relevant data on respondents who belong to different age groups, and who will have different attitudes and experiences. Additionally, it is recommended to conduct research on business clients, because they were not included in this market research. Finally, a recommendation is to investigate how foreign people in Croatia (i.e. persons with temporary residence, tourists, foreign Ambassadors and consuls, etc.) perceive brand reliability of insurance companies at Croatian market.

## 5. CONCLUSION

The goal of executing market research on brand reliability of insurance companies in Croatia was to determine the main needs and expectations which their current and future clients have and to determine the causes of creating a perception of brand reliability or unreliability of insurance companies in the minds of their users. Research results show that perceived factor of brand reliability of insurance companies to be very important when choosing an insurance provider. In the opinion of the majority of survey respondents, an insurance company will successfully generate trust with its future users if it has perennial experience, stability and tradition in doing business at Croatian market for a longer period of time. As the number one factor, with the highest level of intensity of impact to the perception of insurance company's brand reliability, the respondents marked the quality of processes in business

(organization, transparency, promptness and meticulousness). At the second place is the factor of professional and kind employees, and developed internal culture of an insurance company. According to the respondents, the main reasons which could trigger insurance users to switch to another insurance provider include: the company disrespecting contractual conditions and obligations, an overall bad impression of the company due to user's unpleasant experience or dissatisfaction with an aspect of the relationship with the provider. Also, motivating reasons for making a decision on changing the insurance provider include lack of support from its side, as well as unavailability for customers' complaints and/or communication difficulties on a regular basis. The most important criterion based on which users evaluate brand reliability of insurance companies is fast reaction to users' indemnification requests and fast processing of a damage claim, in a simple manner for the users. It is interesting to find out that average users in Croatia do not understand general insurance terms, processes, conditions and obligations, so this criterion is at a second place when evaluating brand reliability of an insurance company. If users do not clearly understand all relevant aspects of business relationship (such as the possibilities of financial risk, insurance coverage or insurance exclusions which are included in their insurance policy), they could misinterpret them, which would cause their dissatisfaction in case of damage occurrence and consequently, the perception of insurance company as insecure and unreliable. If the insurance company does not make sure that users have a clear understanding of the all the aspects of business relationship in which they are about to enter, there is a slight possibility that they will gain the impression that some important information is being withheld from them on purpose. Brands of insurance companies in Croatia which the survey respondents find most reliable are *Croatia osiguranje d.d.*, *Allianz Zagreb d.d.*, and *Grawe Hrvatska d.d.* It can be concluded that brand strength of insurance companies that did not get any vote is pretty weak, so these companies should direct their future investment in activities of strengthening the brand and developing a quality relationship with their current and future clients.

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