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Creating customer e-loyalty in B2C insurance business

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ABSTRACT

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In recent years, customers in insurance industry have started seeking, buying and handling claims services more and more in an online environment. This thesis aims to investigate what is the role of content and content marketing in attracting, retaining and creating loyalty in an online environment. The study uses previously written theory from customer buying process, e-loyalty and content marketing. In the qualitative case study 25 customers and 2 people from the case company were interviewed.

The study shows that content is a critical factor in being able to first attract, then retain and finally create loyal customers, when the personal influence of an in-person meeting is not present. There are altogether nine different antecedents of e-loyalty and the study has found out that these antecedents influence at the different steps of the buying process. Meanwhile, the customers require different kind of content to be produced at these steps. The study reveals that customers are longing for timely, customized and interesting content that creates value to them at right moments.

TIIVISTELMÄ

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Nykypäivän vakuutusasioiden hoito siirtyy enemmän ja enemmän verkkoon. Tämä pro gradu työ pyrkii selvittämään, mikä on sisällön ja toisaalta sisältömarkkinoinnin rooli asiakkaiden houkuttelemisessa, säilyttämisessä ja lopulta lojaalin asiakassuhteen rakentamisessa verkkoympäristössä. Tutkimus käyttää hyväkseen aiempia tutkimuksia asiakkaan ostoprosessiin, internet uskollisuuteen ja sisältömarkkinointiin liittyen. Laadullinen tapaustutkimus tehtiin haastattelemalla 25 kohdeyrityksen asiakasta ja 2 henkilökuntaan kuuluvaa henkilöä.

Tutkimus osoittaa, että sisältö on kriittinen tekijä yrityksen tavoittellessa houkutella, säilyttää ja luoda asiakasuskollisuutta verkossa. E-uskollisuutta on yhdeksän eri tekijää ja tutkimuksessa havaittiin, että nämä tekijät vaikuttavat ostoprosessin eri vaiheissa. Täten myös sisällön tarve vaihtelee eri ostoprosessin aikana. Tutkimus paljastaa, että asiakkaat odottavat ennen kaikkea ajankohtaista, kohdennettua ja mielenkiintoista sisältöä, joka luo arvoa ja jota tarjotaan heille oikeaan hetkeen.

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In Helsinki, 21.09.2017

A handwritten signature in blue ink, appearing to read 'J. Savo', with a stylized, cursive script.

Jonne Savo

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1 INTRODUCTION

The advances in Internet and Web technology and the proliferation of network access have enabled the rapid growth of electronic commerce and multiple organizations have turned to business-to-customer (B2C) e-commerce initiatives to meet the future business needs and objectives (Chiu et al., 2009, pp. 347). Hence, the basic rules of business apply in both offline and online business. But what has dramatically changed is the pace how companies need to be agile and innovate to stay ahead of the competition (Reichheld et al., 2000, pp. 178).

Customer loyalty is a phenomenon that has been widely studied over the last decades and organizations have started to acknowledge that existing customers are easier to sell to and most times more profitable than new customers (Payne, 1994, pp. 30). However, the world is changing at a rapid pace and the ways and means to build loyalty are changing. This research aims at studying how an insurance provider can attract, retain and finally create customer loyalty online (e-loyalty) and what role the content marketing has in the process of building the loyalty. While the topic is timely in the industry and there has not been any scientific research, there is a clear need for the study. This thesis will give managerial implications by providing relevant ideas on how to build e-loyalty based on previous studies. The study also aims at providing feedback on how customers feel about their loyalty toward the company, how do they feel about the various content from different sources the company provides for them and what type of content can or could help creating or increasing loyalty online without the human interaction.

The first chapter will give a brief background of the research, present the research questions, make the topic clearer for the reader through literature review and theoretical framework, explain the most relevant terms around the topic, justify the delimitations and methodology of the work and finally give a thorough overview of the structure of the rest of the thesis.

1.1 Background and the need for the research

The internet provides a modern marketplace where buyers and sellers carry out transactions interactively in real time with no physical limitations of the traditional stores (Butler & Peppard, 1998, pp. 600). The first time insurances were available to buy online dates back to 1996, when two insurance carriers made their life insurance policies available for purchase on the Internet. Since then, many other industry players have introduced their online shops around the globe. (Wilder, 1996, pp. 77)

Insurance companies in Finland are fighting for their customers harder than ever. New players, incremental and radical innovations and recent changes in legislation of motor liability insurance (LVK, 2017) have increased the competition even more. While switching an insurance provider has been made easier and easier over the years and the price competition is tougher than ever, companies are trying to find novel ways to attract new customers and hold on to their current customers while attempting to keep their financial solidity strong. At the same time, statistics show that while insurance premiums have increased by 1,0% in 2016, the claims paid have increased by 5,5% (Finanssialan keskusliitto, 2017). This development requires companies to seek for other ways to compete and create value to customers than competitive or even cheap pricing of the insurances.

1.2 Research problem and the aim of the study

The purpose and the scientific goal of this study is to investigate what is the role of online content in creating customer loyalty to create long-lasting, mutually beneficial relationship in insurance business. Thus, the study aims at providing the company with information about the type of content the customers look for to present on different online channels and what are the most relevant characteristics of the content in different stages of the buying process. The managerial goals are to discover the most important factors creating e-loyalty for current customers and find the relevant channels to provide content the customers of insurance companies are especially looking for.

The main research question of the study is as follows:

What is the role of content in attracting, retaining and creating customer e-loyalty in online environment in B2C insurance market?

The sub questions to help reach the goals of the study are:

- 1. What is e-loyalty and how it develops?***
- 2. How do different online channels support the creation of e-loyalty?***
- 3. How does the content communicated in different phases of the buying process support the creation of e-loyalty and lead to longer customer relationships?***

The sub questions help to analyze and gather all the necessary and relevant information from the previous literature to help to create a theme interview for the customers of the company to analyze the situation on this specific insurance market.

1.3 Literature review

The literature review aims at providing quick overview of the studies previously conducted about the key concepts. This chapter will give a closer look at the main theoretical concepts of this study; customer buying process, e-loyalty and content marketing.

Customer loyalty has been studied in multiple ways and over the years it has also evolved to comprehend the online based loyalty. Early views saw brand loyalty as repeated purchase behavior. Brown classified loyalty into 4 different categories which were 1) undivided loyalty, 2) divided loyalty, 3) unstable loyalty and 4) no loyalty. Since then, Engel & Blackwell (1982) have defined brand loyalty as consumer's preferred and behavioral response toward one or multiple brands in a specific product category expressed over time. Jakoby (1971, pp. 655), on the other hand, expressed that loyalty is only a biased purchase process that results from psychological behavior. Gremler (1995) has concluded it well that in any loyalty research both attitudinal and behavioral dimensions need to be incorporated since some researchers (Day, 1969; Jacoby & Chestnut, 1978) have suggested that behavior based approaches do not distinguish between true loyalty and spurious loyalty (Anderson & Srinivasan, 2003, pp. 124).

In literature, customer loyalty and customer retention are often seen to have separate meanings. However, in this study, customer retention and repeated buying is viewed as a subset of loyalty (e.g. Reichheld, 1993; Yi & Jeon, 2003) and taken for granted as a part of behavioral loyalty, which means the interest of the brand that occurs in repeated purchasing (Bandyopadhyay, 2011, pp. 7). Attitudinal loyalty then, refers to function of psychological processes (Jakoby, 1971) of seeing the brand in a positive way and wanting to tell about it to others.

Srinivasan et al. (2002) have specifically studied e-loyalty and found altogether eight factors that potentially impact e-loyalty and what is the nature of those impacts. They have also concluded that two major positive outcomes follow from customers' e-loyalty: 1) word-of-mouth behavior and 2) willingness to pay more. Bilgihan (2016, pp. 103-104) has studied the same area but narrowed his study to concern only the generation Y (or the millennials) and has studied how they develop loyalty toward online hotel booking websites. He found that utilitarian and hedonic characteristics of online stores act as stimuli in positive online experiences and they will influence the loyalty of the people towards the brand, eventually leading to higher brand equity.

Storbacka et al. (1994, pp. 21) have argued that a loyal customer is more profitable than a less loyal customer and Xiao et al., (2016, pp. 433) have complied that e-loyalty can be considered as a key path to profitability for e-vendors. Yun & Good (2007) and Reichheld et al. (2000, pp. 173) have depicted the importance of loyal customers' influence on new customers and the role of word-of-mouth.

Storbacka et al. (1994, pp. 22-23) have taken a different perspective to loyalty concentrating on the service quality and customer satisfaction leading to relationship longevity. There is a thin line, however, between satisfaction and loyalty. According to Reichheld (1993, pp. 67), a satisfied customer is not necessary loyal if a good offer is on the table.

On *Table 1* below are listed the most influential studies and authors to this thesis from customer loyalty perspective. The table represents the focus of the authors study, the context and method, and especially the key findings the authors have made.

Table 1 Literature review on e-loyalty

Author/Year	Topic/ Focus/ Question	Concept/ Theoretical model	Paradigm/ Method	Context/ Setting/ Sample	Key findings	Future Research
Reichheld, 1993	Loyalty-based management	Customer loyalty Finding right customers	-	State farm insurance company customers	Finding great customers compensate the company and the personnel	-
Srinivasan et al., 2002	E-loyalty	Antecedents of e-loyalty E-loyalty is an attitude toward the e-retailer that results in repeated buying decisions	Multiple item scale based on an online survey	Random 5000 online customers (1211 usable responses)	E-retailers can benchmark the scale to identify their comparative strengths and weaknesses	The findings provide a basis for further research both in theoretical and empirical dimensions
Tan & Sutherland, 2004	E-trust	Dimensionality of trust	Synthesize current literature on trust	Previous research	Conceptual trust model	Overall intention to trust in online environment
Yun & Good, 2007	E-loyalty	E-merchandise E-service E-shopping atmosphere E-tail store image	Individual web- based survey	College students who made at least two purchases the previous year	E-store image and e-store attributes affect the buying decisions; consumers also give a personality to an e-store	Study should be replicated with various types of e-tailers
Wang & Lu, 2014	Success of online insurance websites	E-trust E-satisfaction Repurchase intention	Web-based survey	270 online insurance website customers	Perceived product complexity, trust and satisfaction are determinants of repurchase intention	The results cannot be generalized so future studies should involve similar research in different countries
Bilgihan, 2016	E-loyalty	E-loyalty	A standardized, self-administrated questionnaire	Generation Y	Trust is the most important antecedent of e-loyalty for Gen Y customers	Models with different dependent variables such as intention to buy
Xiao et al., 2016	E-loyalty	Multi- dimensional trust-based framework	Web-based survey at surveymonkey.com	Actual customers who have bought products or services online more than once	All the three trust dimensions have significant impacts on e- loyalty	To further examine the multidimensional nature of trust in e-commerce

One way to form long-lasting relationships with customers that might eventually lead to customer loyalty is attractive content. Content marketing has only been introduced in recent years and is a relatively new concept. Holliman & Rowley stated in 2014 (pp. 271) that there hadn't been any prior academic and peer reviewed research about the topic; only surveys and books from well-regarded marketing agencies. The same situation still occurs in this line of study.

Halvorson & Rach (2012, pp. 13) see content as a customer means to read, learn, experience and see the brand. The objectives of content marketing are to increase or reinforce brand awareness, to nurture, have customer conversation, to give customer service, to aim at customer upsell and to receive passionate subscribers (Rose & Pulizzi, 2011). Martin (2016, pp. 10-14) has highlighted the importance of creating content for brand awareness and lead generation and introduced multiple metrics that matter to the companies.

Gattis (2014, pp. 52) has stated it well that whereas traditional marketing is about selling, content marketing is about helping the customers. The author has added that by providing useful and valuable information the customers will seek the company out. Nowadays this requires firms to act like media companies to attract and retain customers. In the future, it seems that the requirement for any marketing department is to practice half marketing and half publishing (Pulizzi, 2012, pp. 116)

Again, *Table 2* has collected together the most influential theories and studies from the thesis' point of view.

Table 2 Literature review on content marketing

Author/Year	Topic/ Focus/ Question	Concept/ Theoretical model	Paradigm/ Method	Context/ Setting/ Sample	Key findings	Future Research
Lieb, 2011	Content marketing	How to use content to market online and in social media	Real life examples	-	Content marketing is effective when it's highly creative and right-brained discipline	-
Pulizzi, 2012	Content marketing and storytelling	Storytelling, act like media companies	Observation	-	Six differences that separate good content marketers from the great ones	-
Holliman & Rowley, 2014	B2B digital content marketing	Theoretical understanding of the role of digital content marketing	Semi-structured interviews	15 key informants in different countries and different industry sectors	Creating content requires brands to take "publishing" approach, understanding information needs	To provide exemplars and benchmark studies in different sectors
Simpson, 2014	Content marketing	ROI isn't everything in content marketing	Interviews for professionals	Professionals	Results of content marketing shouldn't be measured only in dollars	How to find the "magic metric"?
Martin, 2016	Metrics of content marketing	Return on investment (not all actions should be evaluated in terms of their impact to the bottom line)	Qualitative research interviewing experts in the field	Experts in content marketing	-Close collaboration with sales & marketing - Evaluation of expenses -The importance of research -Customization -Downloadable content	-

1.4 Theoretical framework

The focus of this work is presented in the theoretical framework in *Figure 1*. This is an easily understandable illustration of the key concepts the study is going to focus on. The research is limited to an online environment and comprehends B2C insurance market.

As illustrated in *Figure 1*, the work involves theory of previous studies about customer buying process, e-loyalty and content marketing. The aim is to understand how the loyalty constructs along the ladders of loyalty at different stages of the buying process and how content marketing in different online channels reinforces the process. What the company wishes for is a loyal customer who is also willing to give personal references to family, friends and other communities the customers influence.

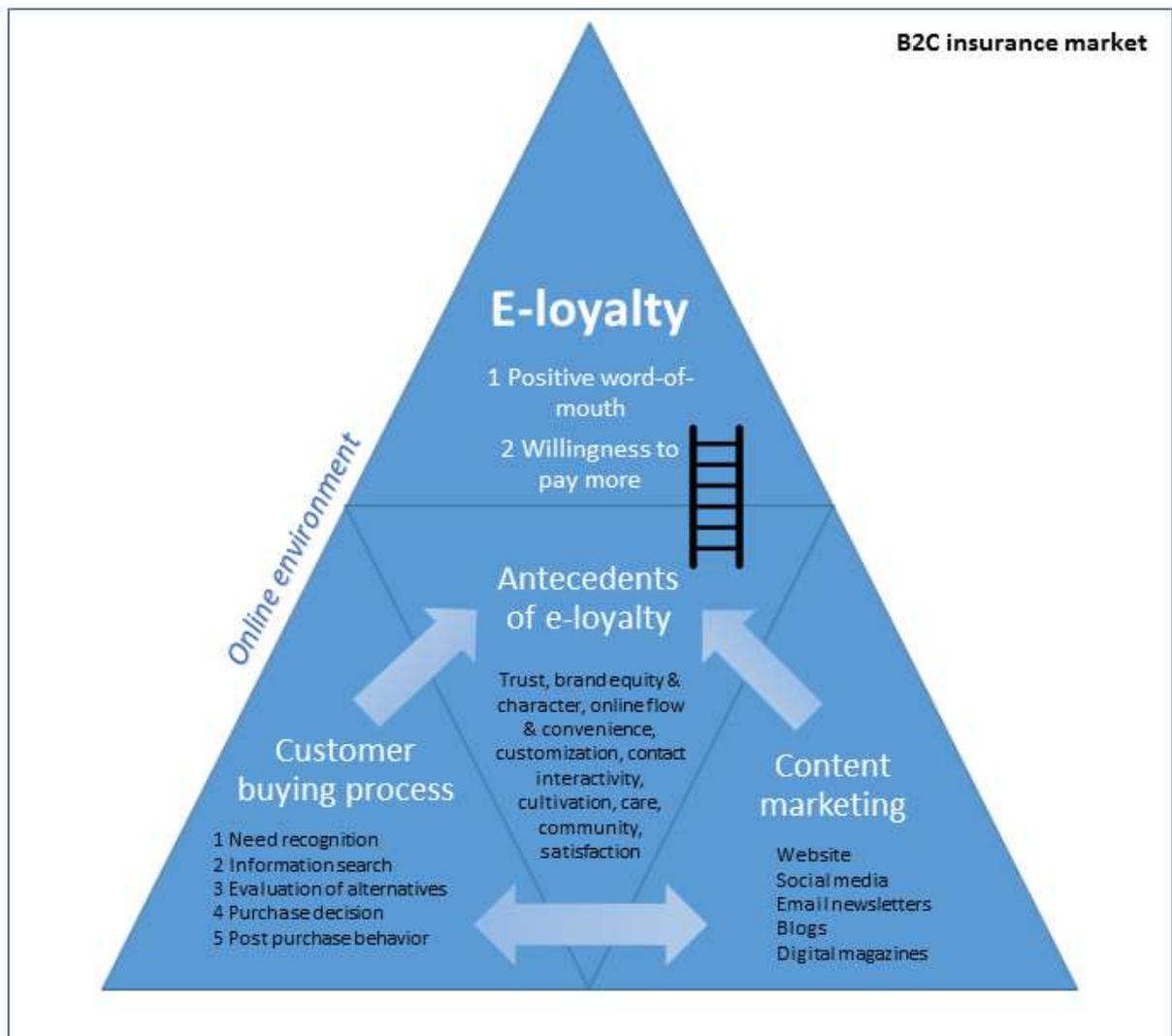


Figure 1 Theoretical framework

1.5 Definitions of key concepts

Content marketing: “The creation and distribution of educational and/or compelling content in multiple formats to attract and/or retain customers.” (Pulizzi & Barret, 2008, pp. 8)

Customer retention: "The fact of keeping a customer for a period of time." (Cambridge dictionary, 2017).

E-loyalty: “A commitment of repeatedly buying a preferred product/service online and positive word-of-mouth consistently in the future” (Chang et al., 2009, p. 428)

Flow: “Shift into a common mode of experience when people become absorbed in their activity: by narrowing of the focus of awareness so that irrelevant perceptions and thoughts are filtered out, by loss of self-consciousness, by a responsiveness to clear goals and ambiguous feedback, and by sense of control over the environment.” (Csikszentmihalyi, 1977, pp. 72)

Multichannel marketing: “Multichannel marketing enables firms to build lasting customer relationships by simultaneously offering their customers and prospects information, products, services, and support through two or more synchronized channels” (Rangaswamy & Van Bruggen, 2005, pp. 6)

Relationship marketing: “All marketing activities directed towards establishing, developing, and maintaining successful relational exchanges.” (Morgan & Hunt, 1994, p. 22)

Trust: “The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.” (Mayer et al., 1995, pp. 712)

Word-of-mouth (WOM): “Oral, person-to-person communication between receiver and communicator whom the receiver perceives as non-commercial, regarding brand, product or service” (Arndt, 1967)

1.6 Delimitations of the research

Insurances are services. But they can be seen as products too. In this thesis, from theory point of view, insurances are seen as services and therefore the theory part is concentrated on the service side and excludes or modifies existent literature that has been comprehending products only. Also, some channels to distribute content has been left out of the thesis since the case company does not use the channel or it has no importance at the moment.

This research is conducted in Finland focusing on Finnish customers and covers only the B2C insurance market. The study is an assignment given by one of the largest companies operating on the market and aims at providing them with deeper knowledge about the perceptions of their clients. The thesis aims to provide qualitative information for the case company and thus doesn't provide causalities or correlations of the studied topics. As explained earlier in this chapter, this study concentrates on customer e-loyalty and how content marketing can enhance it.

The study takes advantage of the data gathered from online and offline resources but requires that the customers interviewed for the study are company's current customers, have bought their insurance/insurances online and want to primarily transact in an online environment in the future too. As the focus of this study is in an online environment, it does not give thorough feedback of the possible solutions to create loyalty or provide content in offline channels. This eliminates for instance face-to-face meetings and personal selling, phone calls, customer events and offers through mail.

1.7 Research methodology

The research is conducted using qualitative case-study research to ensure deep and thorough understanding about the customer perceptions on online content marketing and in what ways it can influence customer loyalty. In-depth, open-ended interviews were used to help solving this specific problem for the case company.

The study was divided into two different types of theme interviews: one for 25 customers of the case company and one for the marketing department personnel of the case company. The customer interviews were done over the phone and they lasted 15-20 minutes each whereas the interview with the case company employees was done in a face-to-face setting, lasting

35 minutes. A lot of concentration was required to make the interview setting as reliable and clear as possible to gain generalizable, consistent and objective data for the study while taking a reflexive approach.

More about the methodology and data gathering process can be read from chapter 6.

1.8 Structure of the thesis

In this subchapter, the contents of the whole research are presented. The thesis has been divided into two parts: to the theoretical and empirical sections. The theoretical part of the research is discussed in chapters two to five and the empirical part in chapters six and seven. The eighth chapter ties the results of the study together and concludes the thesis.

Chapter 1 started by presenting the background and the need for the study. It then introduced the research questions and shed a light on the previous literature on the topic and the theoretical framework. It also provided key concepts related to the research topic. Lastly, the chapter provided the scope of the study by narrowing the wider topic in delimitations and briefly explained the research methodology the study will use.

Chapter two, three and four explain the two main theories examined in this study. In chapter two, the thesis introduces the five steps of customer buying process to give an understanding of where the loyalty can be formed and also what are the steps where company can utilize different kind of content marketing. In chapter three, online loyalty is paid attention to. E-loyalty is explained, the ladders leading to customer loyalty are presented and the antecedents of e-loyalty presented in previous literature are discussed. Chapter 4 then focuses on the relatively new concept of content marketing. It introduces the meaning of the concept, different online channels that can communicate the content to the customer and describes how the content requirement changes through the different stages of the buying process. Chapter five goes briefly into the insurance market and presents the case company.

Chapter six introduces the qualitative research methodology and design the study required. Chapter seven will present and discuss about the data received from the theme interviews and compare these findings with the theory presented in the thesis.

Chapter eight will eventually conclude the study by comparing the findings with previous literature. The chapter also gives theoretical contributions and managerial implications for the case company. At the end, the limitations of the study are stated and proposals for further research are raised.

2 CUSTOMER BUYING PROCESS

In business, it is crucial for the seller to understand how the company can enhance customer satisfaction and retail performance (Puccinelli et al., 2009, pp. 15). Before it is possible to analyze how the customer loyalty can be created and what type of content customers require to repeatedly buy and stay loyal for the company, it must be presented how the customer buying process builds up.

It has been found that there are certain steps customers take before and after they have made the actual purchase. Depending on the author(s), prior literature has been acknowledging three, five or six steps to depict the customer buying process. In this thesis (*Figure 2*), the used method is the five-step-one that includes need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior (Engel et al., 1995, pp. 95; Puccinelli et al., 2009, pp. 16).

According to Frambach et al. (2007, pp. 26), there is evidence that customers may vary sales channels according to the stage of the buying process, especially if they are buying a complex product or a service, such as insurances. Relatively, in pre- (steps 1-3) and post-purchase (step 5) stages, consumers in Frambach's study preferred online channel but wanted the security of offline channel at the point of the purchase (step 4). Since the thesis focuses on the online environment, the world has changed and time has passed since Frambach et al. (2007) publication, this chapter examines the buying process mainly from the online perspective. Puccinelli et al. (2009, pp. 22) have discovered that also emotions might influence the decision making. On a bad day, customer would rely on familiar brand and as on a "good-mood" day they might want to try something brand new.



Figure 2 Customer buying process according to the EKB framework by Engel et al. (1995, pp. 95)

Need recognition

As could be reasoned by the name of the first step, the buying process starts by a customer recognizing a need. In fact, the need is the catalyst that triggers the buying decision of individuals (MSG, 2017). And to satisfy the need, consumers attempt to achieve this goal by purchasing a product or a service (Ratneshwar et al., 2000). Goals can afterwards be used by customers to measure the satisfaction with their purchase experience (Puccinelli et al., 2009, pp. 16). Wen et al. (2014, pp. 1512) have declared that in need recognition phase, consumers need to figure out whether they want to choose an online or an offline channel to satisfy the need and the decisive factor can be the perceived e-channel quality.

Information search

Once the need has been identified, the information search can begin. At this stage, consumers seek the information based on the attributes of products or services they consider purchasing (Frambach et al., 2007, pp. 28). Many of the decisions consumers do on daily basis are so routine and repetitive that they require only little thought, if any. But occasionally consumers face more important and complex decisions that require more information and usually include several different options to choose from. Initially high knowledge customers can focus and reduce excessive search by utilizing their vast knowledge structures to both specific and abstract information. Also, it is claimed that customers, who do not need to

justify their actions to others, spend less time in searching for information. (Huneke et al., 2004, pp. 67-69)

Another factor affecting the information search as well as to the evaluation of alternatives is the consumers' sensory; short-term and long-term memory. Retrieval of for instance reference prices (Moon et al., 2006, in Puccinelli et al., 2009, pp. 19) increases the price sensitivity if a customer refers the newly offered prices to the past prices, not to the prices competitors offer now. Since all the memory traits are unique, they have different effects on consumer decision making. (Puccinelli et al., 2009, pp. 19)

Evaluation of alternatives

When the customer has enough information about the products or services that can help him/her to satisfy the identified need, a thorough assessment of the alternatives is made. In resolving how to decide the decision maker evaluates the effort and accuracy and seeks a decision of acceptable quality for an appropriate level of effort. The result of the decision will highly be influenced by the amount of relevant information available, by the amount of knowledge brought to the decision from internal and external sources, and by the allocation of the search effort. (Huneke et al., 2004, pp. 67-68)

In the stages 2 and 3 (information search and evaluation of alternatives), the consumers are accessing the website quality in online buying. The most important factors that affect the decision making are system quality, information quality, website design and website security. In this phase, online shoppers are viewed as website users. (Wen et al., 2014, pp. 1512)

Purchase decision

As consumers move on to the actual purchase stage, they have decided to buy based on the knowledge gathered what to purchase and where. At this point the consumer has assessed the gathered facts and come to a logical conclusion, has made a decision based on emotional experiences or connections; or has surrendered to marketing or advertising campaigns; maybe all of these factors combined have led to the decision. (Professional Academy, 2017) Puccinelli et a. (2009, pp. 26) argue that the likelihood of purchase, purchase quantity and timing depend on the reasons to the event. If the costs have for instance increased, the

customers want to be sure whether it is about the increased costs of production or whether the company just wants to increase its profits.

Some researchers (such as Liao et al., 2010, pp. 54; Wen et al., 2014, pp. 1513) have divided the purchase stage into two or three categories in their studies. They see purchase as a process of ordering (agreeing) and fulfilling (delivery and return) the order. In the case of service purchase such as insurance, these two or three phases cannot be separated as once the order has been submitted, the insurance is valid.

As mentioned, in buying complex products or services Frambach et al. (2007, pp. 29) have noticed that customers rely heavily on offline channels especially if they are buying a certain product or service for the first time. They justify this by saying that customers tend to rely on personal advisors in this sort of situations as they are able to correct incomplete or incorrect knowledge. As it appears, the Internet is seriously lacking behind on this dimension. (Frambach, 2007, pp. 29)

Post-purchase behavior

After the purchase has been done, the customer analyses and evaluates whether the product or service has been useful or not and whether it has satisfied the need (MSG, 2017). Customer's satisfaction to the fulfillment process (product or service) is equally important to their continuance intention with the company than the ordering process (Liao et al., 2010, pp. 54). If the relationship with the provider continues, it is dominated by communication at specific moments in time. Due to consumer's experience with the product or service, such communication can be administered in an efficient way. (Frambach et al., 2007, pp. 30) Positive experiences to customers may include time or monetary savings, increased knowledge and enhanced satisfaction to the choice (Cook & Coupey, 1998).

The wanted outcome of post-purchase behavior is to get customers to come back and make a repurchase or at least in the case of insurances, maintain their policies within the company. The other wanted outcome is recommendations to friends and family. According to Ha et al. (2010) online repurchase intentions are heavily influenced by multiple variables such as interest, customized information, perceived interactivity and consumer satisfaction. In the following chapter about e-loyalty, the thesis views different antecedents of e-loyalty according to the existent literature.

3 BUILDING CUSTOMER LOYALTY ONLINE

The traditional buying process gives an understanding of how consumers behave. When it has been acknowledged that companies want customers to be satisfied with their purchase and want them to repeat the buying to increase the revenue and profits, we need to access more on what companies can do to influence their customers and build loyalty.

Oliver (1999, pp. 34) has defined customer loyalty as a deeply held commitment to rebuy or repatronize a preferred product or service in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences or marketing efforts might have the potential to cause switching behavior. In other words, it can also be viewed as the strength of the relationship between an individual's relative attitude and repeat buying. And therefore, the central thrust of all marketing efforts in a company is customer loyalty. It creates an underlying goal for strategic marketing planning and represents a vital basis for the development of a sustainable competitive advantage. (Dick & Basu, 1994, pp. 99)

There is a fundamental goal for all service providers and retailers to develop loyal customers (Grewal et al., 2008, pp. 32), but building loyalty and collecting the rewards are still ongoing challenges (Watson et al., 2015, pp. 790). By developing and managing customer loyalty, a company can achieve considerable economic benefits and gain more profitability compared to its competitors. When the firm consistently creates superior value to its customer market share and revenues go up because of the increased loyalty. At the same time, the overall cost of acquiring and serving customers goes down. (Reichheld, 1993, pp. 64)

In the traditional business, the key to a customer loyalty and customer retention is the employee retention. Employees are far more valuable to a single customer retention than the executives. (Reichheld, 1993, pp. 65-66) But what occurs when the business happens online? How does the loyalty form? How is it possible to create loyalty without personal interaction?

Even though the internet has been cited as the biggest impact to affect business since barter was replaced by currency, the same rule still holds that successful (online) sellers base their marketing strategy on the pursuit of profitable and loyal customers. That way the company can assure that future revenues are safe against competitive attacks. Thus, there are no guarantees of long-term profits if there is lack of loyalty with company's customers.

Therefore, companies are required to offer added value to justify their price premiums for customers so that price competition will not lead to bad margins. (Reichheld et al., 2000, pp. 173-174)

Reichheld (1993, pp. 65-66) states that companies should select and target the customers with most lifetime value. That means that they should find the most likely ones to stay loyal to the company for a long period of time. The author adds that people who buy because of a personal reference tend to be more loyal than the ones buying because of an advertisement. This means that loyal customers do frequently refer new customers to their preferred online stores and experiences (Yun & Good, 2007, pp. 9) and some of these recommendations can reach customers the company would otherwise not sway (Reichheld, 2000, pp. 77) Also the initial pricing seems to have an impact on the customer loyalty: if the customer buys the product or the service at a standard price they tend to be more loyal than the ones buying discounted products or services Reichheld (1993, pp. 65-66).

This chapter introduces the ladders of customer loyalty from the relationship marketing perspective which gives us an understanding of the significance of customer loyalty and returning customers in today's competitive markets. Then, it specifically sheds a light on the antecedents of loyalty that online environment enables. Lastly, it highlights the importance of personal reference in this context.

3.1 The ladders of customer loyalty

Traditional transaction marketing focuses on obtaining new customers on a short timescale with little emphasis concentrated on customer service. In turn, relationship marketing aims for customer retention and longer customer relationships by putting effort on customer service. As certain markets are constantly maturing, the customer retention becomes increasingly important. Relationship marketing is a framework that can successfully coordinate marketing, customer service and quality programmes. (Payne, 1994, pp. 29-31) Therefore, this study concentrates on relationship marketing perspective.

The relationship marketing views customer loyalty as a ladder. It shows the customer's relationship progression with an organization. Ladder also illustrates that there are two main marketing goals: attracting new customer and retaining the current ones. The difficult task

of this is to balance the limited marketing resources between the two in reasonable and profitable manner. (Payne, 1994, pp. 29-30)



Figure 3 Ladder of customer loyalty (Buttle, 1998, pp. 224)

The ladder (*Figure 3*) has altogether six steps, which are prospect, customer, client, supporter, advocate and partner. Through different marketing activities the firm aims to persuade their customers to climb up the ladder to reach the partner- step. The first goal is to convert a prospect into a customer; a person who makes his or hers first purchase with the company. The natural continuum for the company is to turn their customers into clients, which are people who conduct business with the company repeatedly. Clients are neutral or even have some negativity towards the company (Payne, 1994, pp. 29)

When the company has identified that the customer is on client level, the aim is to get them becoming supporters. That is converting the customers' neutral or negative emotions about the company to positive and satisfied. Still, supporters of a company are seen as passive and not outspoken about the company's performance, so the next aim is to exceed customer expectations so that they become advocates. An advocate is a person who is so pleased with the company's product or service that they are actively recommending the company to others. (Payne, 1994, pp. 29) Buttle (1998, pp. 244) has highlighted the importance of word-of-mouth (WOM) in pursue of prospects becoming customers and the advocates play a crucial role in this context. The author has, however, reminded that not all WOM will migrate

a customer up the company's loyalty ladder. Other WOM may equally promote defection off the loyalty ladder. For instance, if the communicator is disappointed with the brand, product or service the company has provided and the communicator has already reached the advocate level, where the customer wants to talk about the experiences with the company, bad WOM will occur.

According to Payne (1994, pp. 30), the final step of the ladder is to turn advocates into partners. This ladder is mostly related to business-to-business relationships as a partner is a very close and long-term companion between a supplier and a customer and it is based on satisfaction of mutual needs.

Overall, there is a high correlation between customer retention and company's profitability. Retaining customers allow the company to develop deeper relationship with them, leading to repeated and increasingly frequent buying activity. As markets mature, the significance of customer retention increases. (Payne, 1994, pp. 30-31) Therefore, the next chapter introduces several antecedents the company can use to persuade their customers to make another purchase or payment and stay loyal to the company in an online environment.

3.2 Antecedents of e-loyalty

In this thesis, e-loyalty is defined as "the customers' favorable attitude toward an electronic business resulting in repeated buying" (Anderson & Srinivasan, 2003, pp. 125). The authors have highlighted the role of e-satisfaction affecting the loyalty but also found out that there are other factors, such as inertia, convenience motivation, purchase size, trust and perceived value, that affect the formation of e-loyalty. Chang et al. (2009, pp. 423) has also found the relationship between customer satisfaction and loyalty in an online environment and therefore calls for better e-service quality. According to Reichheld & Sasser (1990) e-loyalty results in lower price elasticities and customers are willing to pay premium. Sambandam & Lord (1995) have added that when the amount of effort expended in searching for alternatives reduces, the willingness to purchase from the same e-business in the future increases.

This research has taken advantage of the previous frameworks from Srinivasan et al. (2002), Liao et al. (2010) and Bilgihan (2016) and created a new framework that is suitable for online service providers, such as insurance companies. There are altogether nine factors (*Figure 4*) that can be seen as crucial factors to e-loyalty according to previous literature: (1) Trust (2) Brand equity & character, (3) Online flow & convenience, (4) Customization, (5) Contact interactivity, (6) Cultivation, (7) Care, (8) Community and (9) Satisfaction. This chapter will introduce these factors briefly.

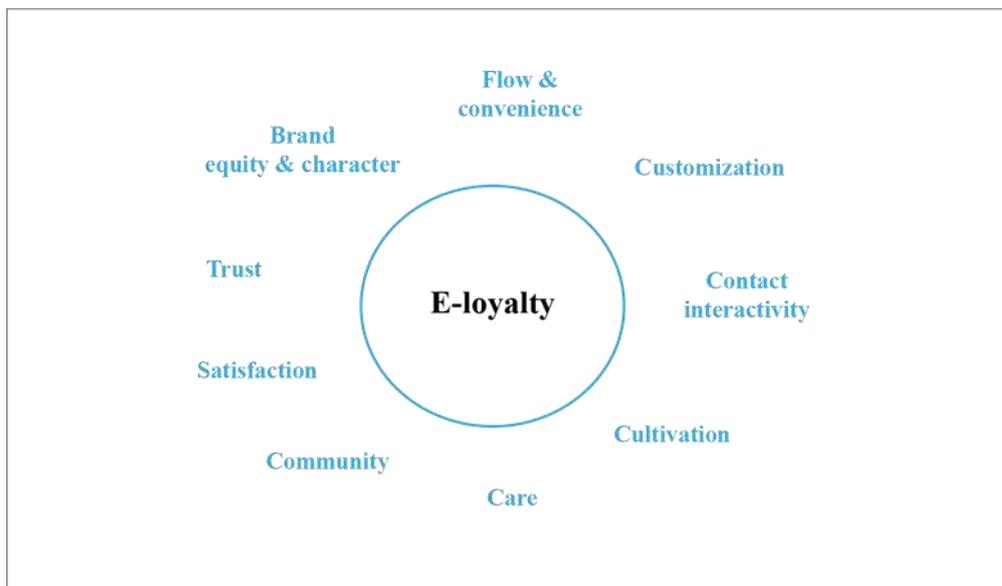


Figure 4 Antecedents of e-loyalty (Modified from Srinivasan et al. (2002), Liao et al. (2010) and Bilgihan (2016))

3.2.1 Trust

Trust is the single most important factor for the customers in choosing their online supplier (Reichheld et al., 2000, pp. 176; Kim et al., 2008). So, the statement by Grabner-Kräuter & Kaluscha (2003, pp. 783) that “the lack of trust is one of the most frequently cited reasons for consumers not purchasing from Internet vendors” is pledged. Since exchanging goods or services are based on impersonal nature, trust is vital in e-business context (Pavlou, 2003). Before the relationship can be built the customer needs to be sure the company is worth his or her trust (Reichheld et al., 2000, pp. 176). Building trust is extremely important in online shopping due to the ease of switching among different e-stores in a matter of seconds (Xiao et al., 2016, pp. 432). Tan & Sutherland (2004, pp. 44) also point out that when the offering of a company is more intangible and felt as “pure service”, there is a greater degree for consumer risk.

Trust is emphasized as a multidimensional concept covering three aspects, including dispositional trust, institutional trust and interpersonal trust (McKnight & Chervany, 2001a). Dispositional trust can be understood as the tendency of a person to be dependent on others across a broad spectrum of situations and persons. Institutional trust depicts consumers' perceptions about the online environment, like safety and security. Interpersonal trust means that the consumer believes that the seller will behave according to the consumer's expectations by showing integrity, ability and benevolence. In e-business the interpersonal trust measures the trustworthiness of the e-seller perceived by a customer (McKnight & Chervany, 2001b; Xiao et al., 2016, pp. 432-437).

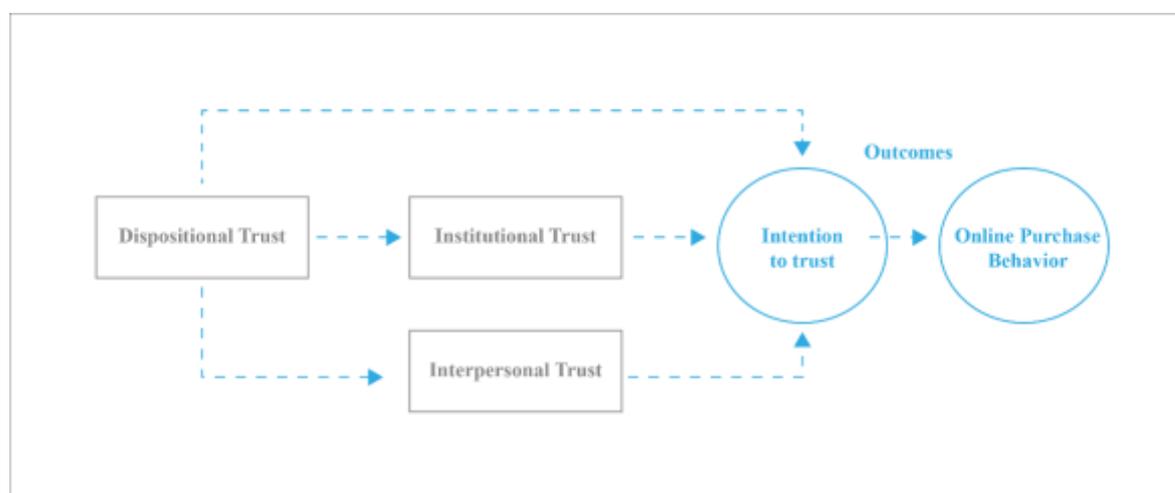


Figure 5 Multi-dimensional trust model by Tan & Sutherland (2004, pp. 47)

Dispositional trust

Dispositional trust is important in determining customers' behavior in an online environment (Xiao et al., 2016, pp- 438). It is the extent one person is willing to depend on another person in general (McKnight et al., 2002). Dispositional trust is related to online context in a sense that if individuals have overall difficulties in trusting, they are not likely to trust internet as a comfortable and secure platform for business and are likely to develop a relatively low level of trust in a specific brand or a selling party. On the other hand, a person who finds it easy to trust will probably hold little reluctance in making a purchase online. (Tan & Sutherland, 2004, pp. 47-48; Xiao et al., 2016, pp. 438)

Dispositional trust can be looked upon as the necessary foundation and a prerequisite of other dimensions of trust. Dispositional trust is often dependent on different personality traits and researchers have found five factors a personality can be described: extraversion (level of

focus on the outside world), neuroticism (high level of anxiety, fear and low self-esteem), agreeableness (ability to agree/disagree), conscientiousness (dutiful and responsible) and openness to experience (open mindedness as opposed to traditional and conservatism thinking. (Tan & Sutherland, 2004, pp. 47-48; Costa et al., 1991) On top of these factors, it is also evident that a culture has an overall impact concerning dispositional trust. According to Tan & Sutherland (2004, pp. 49), individuals from collectivist cultures hold a lower disposition to trust whereas the individualistic cultures are the opposite.

Institutional trust

The decision to buy online is not only dependent on the trust in the e-vendor but also on the system related uncertainties such as the IT infrastructure and an individual's Internet experience in general (Grabner-Krauter & Kaluscha, 2003). Individual also requires that regulatory, legal and technical environments are in order (McKnight & Chervany, 2001b). Therefore, institutional trust becomes relevant pre-cursor for the approval of online store. (Grabner-Krauter & Kaluscha, 2003)

Signaling theory from Spence (1973) has been used to understand the types of signals sellers give to buyers to reduce the uncertainty and information asymmetry. That helps buyers make their decision and assessment of quality when information about the product or service is otherwise limited (Cheung et al., 2014, pp. 51). Although, in e-commerce, those information asymmetries accompany a technology mediated channel (Pavlou & Fygenson, 2006). If an individual is familiar with the Internet, he or she has a higher level of trust in the medium and therefore higher level of institutional trust (Tan & Sutherland, 2004, pp. 49).

Interpersonal trust

Interpersonal trust focuses on the trust formed in another party and in online world, formed to the trustworthiness of the electronic vendor (Tan & Sutherland, 2004, pp. 49). According to Gefen (2002, pp. 40), the most important constructs of online trust are integrity, benevolence and ability. Many aspects of integrity such as obeying the rules and fulfilling various promises are evidently present in the e-commerce context. Benevolence refers to the goodwill of a firm to do good to the customer and ability consists of the appropriate skills the company has in order to fulfill the expectations of a customer. Tan & Sutherland (2004, pp. 49) have added predictability (perceived reputation for providing consistent service) attribute to the list of cornerstones that enable the formation of interpersonal trust.

Each of the mentioned attributes are measured by individual's impression of the online vendor, gathered from outside sources or drawn from previous experience. Outside sources might be closer friends and family that have used the online store before and have positive experiences. But these sources might as well be third party feedback sites that provide valuable and additional information. In these situations, it is however important to take account that these third parties need to have individual's trust before the endorsement can be transferrable. (Tan & Sutherland, 2004, pp. 50)

3.2.2 Brand equity & character

Brand equity is the strength of an individual's attitude towards a specific brand and the added value a brand endows a product or a service. Brands continuously investigate virtual environments to enrich customer experiences with intentions to enhance the value of their brand. Brand equity is a strategic asset that creates competitive advantages and causes resistance or barriers to competition. (Bilgihan, 2016, pp. 105; Farquhar, 1990).

Character, on the other hand, refers to the e-retailer's ability to create a website design that builds positive reputation and characterization for itself and for its customers. Character is an overall image or personality that the e-retailer communicates to its customers through website inputs such as text, style, colors, logos and slogans. It is important for an e-retailer because websites can be rather impersonal and character is a way to differentiate the website from the competitors' one. (Srinivasan et al., 2002, pp. 45)

It is a lot easier for customers to get familiar with brands through virtual environments than before. Through the websites customers can acquire greater brand awareness and brand associations. If a brand has a strong name, customers are more easily able to differentiate and convey the quality of a brand and are likely to choose these brands over less familiar brands. (Bilgihan, 2016, pp. 106; Aaker, 1996; Nedungagi, 1990) Henderson & Cote (1998) have noted that graphic symbols can invoke shared associations and meanings that may lead to positive shopper attitudes toward the company. This might then eventually lead to repetitive buying and e-loyalty.

3.2.3 Flow & convenience

In e-commerce, customers are always seeking benefits. There are at least two types of benefits the customers are looking for in the context of e-commerce: utilitarian benefits, such as price comparison possibilities and hedonic benefits, such as appealing website designs to provide enjoyable online shopping experiences (Bilgihan et al., 2014, in Bilgihan, 2016, pp. 104).

The utilitarian and hedonic features on websites are expected to support the flow experience (Bilgihan et al., 2014, in Bilgihan, 2016, pp. 104). Even though the hedonic features are usually not directly related to purchase, these features still matter in terms of customer satisfaction (Cai & Xu, 2011, pp. 163). Flow is described as an intrinsically enjoyable experience that arises in network navigation (Hoffman & Novak, 1996, pp. 57). Koufaris (2002, pp. 205-208) has stated in his research that even though flow might be too broad and ill-defined concept to measure customer retention and satisfaction, it still holds some emotional and cognitive components that are possible to be used as valid metrics in online consumer experience. These components are intrinsic enjoyment, perceived control and concentration. Overall, the research has shown that the greater the user perception of the utilitarian features (e.g. easier website navigation) are, the greater the opportunity is to achieve flow (Bilgihan, 2016, pp. 105).

In the marketing context, flow experience might be able to give relevant outcomes about persuasion, attitude belief, product belief, product awareness, customer confidence, purchase intention, user satisfaction etc. Thus, flow experience consequences may offer chances to enhance an online retailer's marketing efforts. (Bilgihan, 2016, pp. 105)

Convenience is related to the extent to which a customer feels the website is user friendly, simple and intuitive; and therefore, a vital characteristic to achieve flow. Important antecedents to the successful completion of transactions are for instance accessibility of information and the simplicity of the transaction processes. (Srinivasan, 2002, pp. 44) Schaffer (2000, pp. 194) admits that even 30% of e-commerce customers sign off from a website without making a purchase only because they do not know what else to do. Yun & Good (2007, pp. 5) justify this by admitting that on the web the customer is only a click away. Cameron (1999) has listed some factors that make a website feel inconvenient from the user-perspective: information is in illogical place or buried too deeply inside the

webpage, the information might not be presented in meaningful way or the information needed can be totally absent.

Overall, a convenient website should offer short response time, facilitate fast transactions, and minimize customer effort (Schaffer, 2000, pp. 194). If customers are frustrated in their efforts to find information or the webpage works inappropriately, they are less likely to return (Cameron, 1999). When the website operates properly, guides customers and provides all the necessary information they need, the probability to enhance e-loyalty is high.

3.2.4 Customization

By customization, Srinivasan et al., (2002, pp. 42) refer to the ability of an online retailer to tailor products, services and the transactional environment for individual customers. Coelho & Henseler (2009) have studied that customization increases customer loyalty through better service quality and customer trust towards the service provider. They found that customization has both direct (satisfaction, trust) and indirect (perceived quality) impacts to the loyalty aspect.

Website customization aims at recognizing customers and offering them tailored products, services according to customer's personal interests and online characteristics. The goal of customization is to increase the probability that the customer finds something he or she wants to buy by enabling a quick focus (Srinivasan, 2002, pp. 42; Shostak, 1987). If the company can minimize the time customers use scrolling through different alternatives trying to find the right one, they most likely visit the site again in the future (Srinivasan, 2002, pp. 42). Overall, service customization is an important co-creator of customer loyalty (Coelho & Henseler, 2009).

3.2.5 Contact interactivity

Contact interactivity refers to the engagement between a customer and an e-retailer that occurs through e-retailer's website (Srinivasan et al., 2002, pp. 42). Prior research has found the significance of interactivity to customer e-loyalty. Among others, Deighton (1996, pp. 151) argued that interactivity allows good marketing to become a good conversation. But

unfortunately, Srinivasan et al. (2002, pp. 42) say there are still major problems with websites concerning interactivity: remarkably many are extremely hard to navigate, provide incomplete information or answer inquiries via emails instead of chat messages after a delay of at least a day.

Luckily, there are multiple ways how interactivity can help customers on company's website. Alba et al. (1997, in Srinivasan et al., 2002, pp. 42) have explained that interactivity enables search process to be fast and make it easy for customers to find what they are looking for and minimize the consumer's need for reliance on their memory. Interactivity also empowers higher amount of information the website can offer (Deighton, 1996). By tailoring and gathering information about the tastes and preferences of their customers, a website can help its customers to make a desired decision while also feeling the freedom of choice and higher level of control. That way the customer has the incentive to return, gain from and add to the knowledge repository of a company and therefore interactivity also plays a vital part in the pursue of e-loyalty. (Alba et al., 1997 in Srinivasan et al., 2002, pp. 42-43)

3.2.6 Cultivation

Cultivation means the relevant information and incentives an e-retailer provides to its customers to extend their purchases over time. By proactively reaching customers by offering them desired information, a company can try to lure customers to come back. This can be done by the means of email promotions which are relatively inexpensive, highly targetable and have a potential to persuade a customer to purchase again. (Srinivasan et al., 2002, pp. 43)

By actively cross-selling its products and services, a company can provide and collect its customers lot of information that could be otherwise burdensome to gather. Srinivasan et al. (2002, pp. 43) argue that when a company has lot of information about the customer's preferences and former buying behavior, it eliminates customer's incentive to select another seller who must build the knowledge about the customer from scratch.

3.2.7 Care

The attention the company pays to a customer in pre- and post-purchase activities to facilitate both immediate transactions and long-term customer relationship is referred as customer care (Srinivasan et al., 2002, pp. 43). The aim of caring about customers and practicing relationship marketing is to put the customer at the center: to place emphasis on the individual customers and to seek establishing a long relationship with those individuals (Payne, 1994, pp. 29). The sought outcome is to satisfy the customer, since then the profitability of the company enhances when costs decrease while customer retention and revenues increase (Storbacka et al., 1994, pp. 22-23). Therefore, it is logical to assume that customer care has an effect on e-loyalty.

Care is increasingly important in an online shopping era since online customers have usually instant access to competitors and switching is relatively easy in any circumstances. That is why the customer service and the website need to work and service breakdowns must be informed to customers clearly and preferably in advance if possible. Uninformed service failures might affect the future business by weakening customer-company bonds and lowering perceptions of service quality. (Srinivasan et al., 2002, pp. 43; Bolton & Drew, 1992)

Customer care is also strongly related to routine and critical episodes. Critical episodes are moments during the customer life-cycle that have great importance for the continuum of the relationship. On the other hand, routine episodes require only low-level mental involvement and routine behavior. Especially, critical episodes are important from the customer care perspective since there the relationship is at stake. A successfully handled critical episode can strengthen the relationship and overwrite many unsatisfactory routine episodes in the eyes of a customer. In turn, unsuccessful critical episode can end the relationship even though the relationship would have been strong and there had been several satisfactory routine episodes. Thus, it can be stated that a routine episode can become a critical episode in customer care situations, if the adequate level of performance is not met from the customer point of view. (Storbacka et al., 1994, pp. 30)

3.2.8 Community

Community is an online social entity and platform maintained by a e-retailer to facilitate existing and potential customers to exchange opinions and information regarding company's products and services. Communities can enable customers to identify themselves with a larger group of people with shared interests and over time firms have come to realize that there is a growing importance of these communities to its customers and consequently the effect to e-loyalty. (Srinivasan et al., 2002, pp. 43-44)

A research by Hagel & Armstrong (1997, pp. 142) has shown that communities are highly effective in facilitating word-of-mouth, expanding demand for products and services, stimulating customer feedback and generating richer information on customers and markets. Frank (1997; in Srinivasan, 2002, pp. 43-44) also found out that customers are willing to exchange information and compare product and service experiences that can contribute to e-loyalty. In particular, some customers stay loyal because they value the comments and input of other community members, and some stay loyal because they enjoy contributing to the input (Srinivasan et al., 2002, pp. 44).

3.2.9 Satisfaction

Eventually and most of all, e-loyalty requires customers to be satisfied; at least to a certain extent. And in online context, according to Oliver (1997; in Anderson & Srinivasan, 2003, pp. 125), e-satisfaction is defined as "the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm". In online context, many authors have found out that satisfaction really generates increased loyalty. Furthermore, the difficulties to create loyalty are even higher in an online environment than in offline; and so, satisfaction becomes even more important for long lasting relationships. (Lopez-Miguens & Vazquez, 2017, pp. 399)

A dissatisfied customer, again, is more likely to search information on alternatives, more likely to resist attempts to develop a closer relationship and may wish to redefine the relationship with previous supplier (Anderson & Srinivasan, 2003, pp. 125). But even if the customer is satisfied, does not mean that the company is ultimately safe from its competitors. According to Reichheld (1993), between 65-85% of customers who have been satisfied with

their former supplier have still changed their supplier. Anderson & Srinivasan (2003, pp. 125) have also declared that satisfied customers might seek other websites and choose another supplier if they feel they are not getting the best value. Therefore, customer satisfaction is not a surrogate for customer retention and loyalty, but the odds of these increase if the customer is satisfied.

3.3 Personal references through word-of-mouth

The aim of all the previously mentioned antecedents is to create great, satisfied and positive feelings for the customers and push them higher on the loyalty ladder towards the advocate and partner -steps. Reichheld et al. (2000, pp. 175) have highlighted that in online environment the ability to target right customers, win their trust and use technology both to serve and understand your customers better leads to high customer understanding and improved service offerings. Not before creating loyal, satisfied customers, can the company assume that they would get customers through personal references in the form of word-of-mouth (WOM). So to say, the outcome of the company successfully investing in the different antecedents is the personal reference.

Word-of-mouth communication is an important source of information about consumers (Grewal et al., 2003, pp. 188). In this thesis, WOM is defined as an “oral, person-to-person communication between receiver and communicator whom the receiver perceives as non-commercial, regarding brand, product or service” (Arndt, 1967). Back in the day, Seth (1971; in Buttle, 1998, pp. 242) argued that WOM was more important than marketing or advertising in raising awareness of an innovation and it has been shown to influence multiple conditions such as awareness, expectations, perceptions, attitudes, behavioral intentions and behavior. Arndt (1967) noticed that negative WOM proves to have more impact on behavior than positive WOM.

As mentioned in the literature review, loyalty can be divided into two categories: into behavioral loyalty and attitudinal loyalty. In WOM, attitudinal loyalty is transferred from a communicator to a receiver. Amine (1998; in Bandyopadhyay, 2011, pp. 9) stated that the customer loyalty is not fulfilled until both repeat purchase behavior (behavioral loyalty) and positive attitude toward a brand (attitudinal loyalty) are present. However, PR Loyalty

Solutions (2012) dictate that some people might shop at a certain place because they have no other option or the shopping elsewhere is just not worth the effort. Also, they write that a person might be keen into a certain business and talk about it, but do not shop there since it is too expensive or too inconvenient).

Chaudhuri & Holbrook (2001) identified that behavioral loyalty (purchase loyalty) leads to greater market share but the attitudinal loyalty leads to higher prices the customers are willing to pay. Thus, positive word-of-mouth increases both the attitudinal and behavioral aspect. Customers who hear good things about a company most certainly want to try it and already have a positive feeling about it. Then it depends on the performance of the seller to create a satisfied customer experience for the new customer, so that the positive word-of-mouth keeps spreading and more warm leads come into the upper stages of customer buying process.

4 CONTENT MARKETING

The basis of the relationship marketing philosophy and customer loyalty is that the attraction of new customers is only the first step in the marketing process, and the key for success is retaining those customers. Marketing should not end when the deal is sealed – it must also help the company to keep and improve the customer’s relationship with the company. (Payne. 1994, pp. 29) Therefore, in this thesis, and in this chapter, the goal is to evaluate the role of content marketing from the perspective of customer loyalty and customer buying process. Content marketing, in this thesis, is viewed as a way to create value to a customer from the purchase decision all the way to the loyal relationship that lasts over years and leads to repeated buying and personal references.

4.1 Content marketing, what is it?

“Content marketing is a creation of valuable, relevant and compelling content by the brand itself on a consistent basis, used to generate a positive behavior from a customer or prospect of the brand” (Pulizzi, 2012, pp. 116).

It is a unique set of branding and direct-response marketing with a little word-of-mouth activity included (Martin, 2016, pp. 11). Lieb (2011, pp. 1; 22-23) dictates that the purpose of content marketing is to make customer and clients more informed and educated, and help them to make the purchase decision, by simultaneously promoting brand recognition, trust, authority, credibility and loyalty. Eventually, it is about engaging with the community by sharing information, experiences and ideas that benefit others, without asking anything in return (Blank, 2014).

Content marketing is not push marketing where messages are sprayed out for groups of customers, but rather a pull strategy. Today, content marketers are modern publishers and editors and brands are the media. To be successful in content marketing, the companies need to follow a predetermined strategy that involves among others audience recognition, definition of key themes and messages, establishing frequent material, developing regular and repeated features, utilizing multimedia, answering to comments and feedback, and capturing leads. Content marketing means being present when the customer needs the

company's services and wants to seek it out because of the relevant, educational, engaging, helpful and compelling information the company produces and shares. When the customer has already sought the company out, and not the other way around, they are more interested, open and receptive from the first interaction onwards. The research has shown that buyers find 99% of the purchase information by themselves which means company's own sales force has only a minor effect on the final decision (Lieb, 2011, pp. 1-2; 20-35)

Content marketing does not have any limits and hard rules, only guidelines. Lieb (2011, pp. 4) has reminded that a content marketer needs to bear in mind that the content that works for one company might not work for another enterprise. The audience, offering and the company personality always differ and therefore every company needs to include their own style and approach to the content provided. Davis (2012, pp. 23) has even stated that companies should only publish content that is something the audience wants and needs and that most times the content might have little to do with the actual products or services the company sells and the aim of the content is to attract the audience the company pursuing for. However, the basic rule is that companies, who would like to get more publicity in different search engines, need to create more content to help the brand to rank higher in the search engine results. Lieb (2011, pp. 4)

Most importantly, especially for insurance business, quality content supports the reinforcement of current relationship by inspiring to upselling and cross-selling, maintaining customers and leading to upgrades and positive word-of-mouth. In insurance business, content must also educate and inform customers, since the "products" are complex and the intimidation factor needs to be removed. Therefore, rather than only selling, companies are starting to share their knowledge, expertise and know-how. Some customers, who might not even use 30 seconds to see a commercial might spend 30 minutes to dive into truly useful content. Content marketing's success can be measured by monitoring the rise of the web traffic and -engagement, direct sales and leads, customer feedback and the increased customer loyalty. (Lieb, 2011, pp. 224)

4.2 Various channels of digital content

Content marketing is not a new phenomenon. Businesses have been publishing papers, newsletters and brochures for decades. But recently, the radical innovations related to the world-wide web and other digital channels have significantly lowered the cost of producing content to profitably attract prospects and customers and have removed many of the hard cost barriers that previously were obligatory part of creating interesting content. Already in 2011, content marketing accounted for more than 33% of companies' marketing budgets. (Lieb, 2011, 23-25)

Search engine optimization (SEO) is increasingly important to companies to expose themselves for the right customers. According to Berman & Katona (2011, pp. 645) the search engines have divided their search results into two categories: to the organic ones and to the sponsored or paid ones. The authors have found out that there are two types of strategies to improve the companies' position in the search results in the organic results category. Companies can either make the website more relevant to consumers by improving the site content, thus increasing the visitor's satisfaction. This strategy is called the white hat SEO. The second option for companies is to use the black hat SEO which means the company only focuses on improving the site among search results without affecting the quality of the content. Lieb (2011, pp. 28-117) believes that SEO efforts can create virtuous channels together with content: the more relevant and engaging content the company creates, the higher it ranks in search engines and the easier it is for customers to find the company before the rivals. On the other hand, Halvorson & Rach (2012) have argued that less content is more user friendly and that too much content on the website can create frustration and lead to leaving the website even though there might be the need to buy.

The possibilities to convey the messages through digital channels to customers are almost limitless: there are websites, social media networks, video-sharing sites, blogs, newsletters, webinars, online communities, and many more. Companies need to figure out which ones suit the best for their purposes and which ones comprise both the company's strategy and company's goals. In this chapter, the most common channels that enable the distribution of the content the company creates are introduced.

4.2.1 Website

To enter and become successful in e-marketing, building a sufficient website is a requirement. A website is the priority information resource for customers on the web and the content has become one of the most important issues for companies that seek to maximize their profit by promoting their products and services in a competitive market. (Rahimnia & Hassanzadeh, 2013, pp. 240-241) Therefore, customers' satisfaction and website content are inseparable and have an impact on each other and many customers form their perception about the company solely based on the interactions with the company's websites (Ha & Stoel, 2009; Kim & Stoel, 2004). Hernández et al. (2009) have added that, according to their study on main factors of commercial website design, companies need to provide content on their websites which is accurate, informative, up-to-date and relevant for the customers.

Rahimnia and Hassanzadeh (2013, pp. 241) have divided website content into two dimensions (informational dimension and design dimension) and have researched how these and e-trust effect on e-marketing. The authors support the division by stating that the separation is favorable since a website cannot present useful information for users if the design is inappropriate. According to them, informational dimension refers to what type of information should the company present. Researches by Chen et al. (2002) and Palmer (2002) have shown that the primary purpose of the website is to offer useful information about the products and services and tell the latest news. On the other hand, the design dimension determines how customers can access the information on the website (Beth et al., 2008). Rahimnia and Hassanzadeh (2013, pp. 241) have expressed that a good design and the use of interactive features on a website helps customers finding the relevant information more quickly and making information more usable. To conclude, website is the face of the organization in an online environment and therefore the single most important channel to control and publish content that helps customers.

4.2.2 Social media

According to Evans (2008), social media relates to an authentic and self-generated conversation between people about a specific subject of their mutual interest. This discussion is based on the thoughts and experiences of the participants.

Nowadays business practitioners are using social media marketing to raise awareness and promote their brand to the customers. However, the main point in social media marketing is to create content that attracts more consumer engagement and conveys more effective information. A good and valuable content can help the company to drive the engagement on social media and therefore it is vital for the social media marketing campaigns. (Ahmad et al., 2016, pp. 331-332) This sub chapter presents couple of most known social media sites such as Facebook, Twitter, LinkedIn and YouTube.

Facebook

Facebook has over a billion users around the world (Facebook, 2017). It is the online mass media channel and people spend a lot of time on the website on daily basis. The user base is vast covering individual people, companies, brands, products, services, events, etc. This vast user base has made it one of the most important marketing platforms for nearly everyone and everything.

The pros in Facebook are that the users can share content so that their friends will also encounter the same information and the users are also able to engage with companies and give them direct feedback. The companies, on the other hand, can behave proactively and engage in communication with their clients or prospects. Facebook also allows to share all types of media and content, which makes it attractive for many kinds of consumers and businesses. However, Facebook's privacy policy limits the data collection for companies which is a minor downside with the media. (Lieb, 2011, pp. 83-86)

Twitter

Twitter is a lightning-fast form of microblogging where messages are broadcasted in near real-time. Companies can leverage the platform for different types of messaging and it is an excellent tool to monitor both positive and negative conversations about the company, and their products and services. Publicly addressing breaking news and time sensitive issues (i.a.

problems in customer service, websites) indicates that the company cares. Twitter is also a great way to promote deeper content on the web by posting direct links. What limits Twitter's information sharing ability is that it only allows tweets of maximum 140 characters and it is not useful for reaching consumers uninvolved with the channel. (Lieb, 2011, pp. 101-102)

LinkedIn

LinkedIn is the largest global professional social network for employees and employers with more than 500 million registered members from all around the world (LinkedIn, 2017). It allows individuals to showcase their professional and academic experience to potential employers and on the other hand it allows people to connect with current colleagues and to view their connections (Lieb, 2011, pp. 86).

The media is about professional networking such as recruiting and job-seeking. Marketers manage the position of their organizations against the competitors by sharing relevant and attractive content for possible talented workforce. The drawback in using LinkedIn is that it only allows a sole administrator to run and update the company pages. (Lieb, 2011, pp. 86-87).

You Tube

Video sharing websites enable users to upload and share their videos online within the site or through the service in company's own website as a server. You Tube is the largest one on the market with millions of videos embedded. The company manifests the freedom of expression, the freedom of opportunity, the freedom of information and the freedom to belong in their mission statement (You Tube, 2017).

During the last years, sharing and hosting video content has become cheaper and easier than creating it. Quality videos are much worthier than pictures for businesses since they enable deeper customer engagement, offer visual guides and provide entertainment as well as rich metrics and analytics for companies. Thus, the videos the company shares, need to be polished with good quality footage and editing skills. (Lieb, 2011, pp. 97-98)

4.2.3 Email newsletter

Usually email newsletters are for press releases, news alerts, order confirmations, and so on. What does not always come to consideration is that all these messages are a way to create content that is engaging, compelling and beneficial for the receiver. The emails can contain news about new products and services offered and they should guide traffic onto the company's website. (Lieb, 2011, pp. 93-94)

According to Lieb, (2011, pp. 94) emails are a great way to keep the company's customers informed and promote it to people who have opted to receive the newsletter and want to receive company related messages. However, the author continues that nowadays inboxes tend to fill up and customers' attention is getting more difficult to achieve. Thus, a thorough email newsletter strategy is required, so that customers know what to expect.

4.2.4 Blogs

Blogs are publishing platforms that display entities in reverse-chronological order. Recently they have become increasingly popular among professional- and personal bloggers. They enable the writer to post multimedia content and majority of the blogs are interactive where the readers have the possibility to comment on entities. They should be targeted to a specific audience (for example to clients, customers, prospects, or the media, etc.) with a clear strategy. (Lieb, 2011, pp. 94-96)

Blogs are the center for countless content marketing efforts if the company only is willing to commit in publishing posts regularly and defining careful plans for the blog. By quickly addressing relevant news and developments; and by offering commentary on industry news or relevant trends the company can show thought leadership and get into two-way conversation with its customers. Blogs can address some issues that customer service encounters on daily basis to reduce the number of similar contacts by customers and blogs can also contribute to boost organic search engine ranking. (Lieb, 2011, pp. 94-95)

4.2.5 Digital magazines

Digital magazines as well as E-books and whitepapers suit to companies who operate in B2B market, or in tech industry; or have plenty of intellectual capital and are needed to educate prospects and clients on relatively complex services and products. Lieb (2011, pp. 102-103) has acknowledged that digital magazines aim at providing informative and educational content with entertaining and immersive grasp. The author adds that distribution strategies are required with this medium and unfortunately this channel is slow in providing marketers with consistent and usable data.

4.2.6 Apps

Apps, or mobile applications for smartphones, enable users to perform specific tasks or access in specific information. Nowadays most apps are easy to use and people have compelling reasons to use them regularly either to collect important information or accomplish different tasks. Apps are especially great for brands and companies with high degree of user loyalty and engagement, because they can extend their loyalty into everyday life by offering valuable and time-sensitive information. And since most apps operate on mobile platforms, users will have the ability to access the information whenever they need. (Lieb, 2011, pp. 106-109)

Obviously, apps are meant for younger and technically sophisticated user base who have grown up with smartphones. Therefore, the audience anticipates that the app will work right from the launch and companies cannot afford to make mistakes in launching the apps in the fear of abandonment. (Lieb, 2011, pp. 106-109)

4.3 Content marketing at the different stages of the buying process

Today businesses are required to leverage the content they produce to guide their customers from the top to the bottom of their sales funnel to convert prospects into paying customers (Martin, 2016, pp. 11). According to Martin (2011, pp. 12), the measurement of the content marketing efforts are needed, and determining the right key performance indicators (KPIs) is essential part of its success. The areas he advises to show special interest are the relationship between marketing and sales departments, the evaluation of the content marketing expenses, the conduction of external market research, the ditching of dead end content while same time offering downloadable content and the attention on email marketing.

Content marketing has the power to make unaware into aware customers, turn the non-engaged into advocates and web browsers into customers (McCrea, 2013); to lift customers higher on the buying process. Jones (2014) suggests, that companies should use content marketing to first create the need for a customer and then actively highlight how the company can solve it by utilizing its products or services. Neslin et al. (2006; in Frambach et al. 2007, pp. 27) have argued that consumers who are looking for information impose different sort of requirements for the marketing channel compared to for instance purchasing stage. Internet is very convenient in information search phase as it offers efficient and effective ways to find, organize and evaluate comparable information from multiple sources. Since Frambach et al. (2007) argued that offline channels work better for customers with concerns about buying a complex product or a service, the internet content must be effective, understandable and give enough information for the customer about the product or a service that the customer can rely on his/her decision in an online environment at the purchase stage. After the purchase, the content needs to support the buying decision. There needs to be enough information about the different services the company offers for buyers, different ways to get in touch with the company if something goes wrong or if there is a need for a new product or a service in the future.

Pulizzi (2011) has concluded the ideas into a framework and introduced a model that describes the sales process and relates content marketing goals to the subject (*Figure 6*). According to his findings, every step on the buying process requires different kind of content

according to the goal of each step. It is interesting to see whether these findings go along with the findings with this research about insurance market.

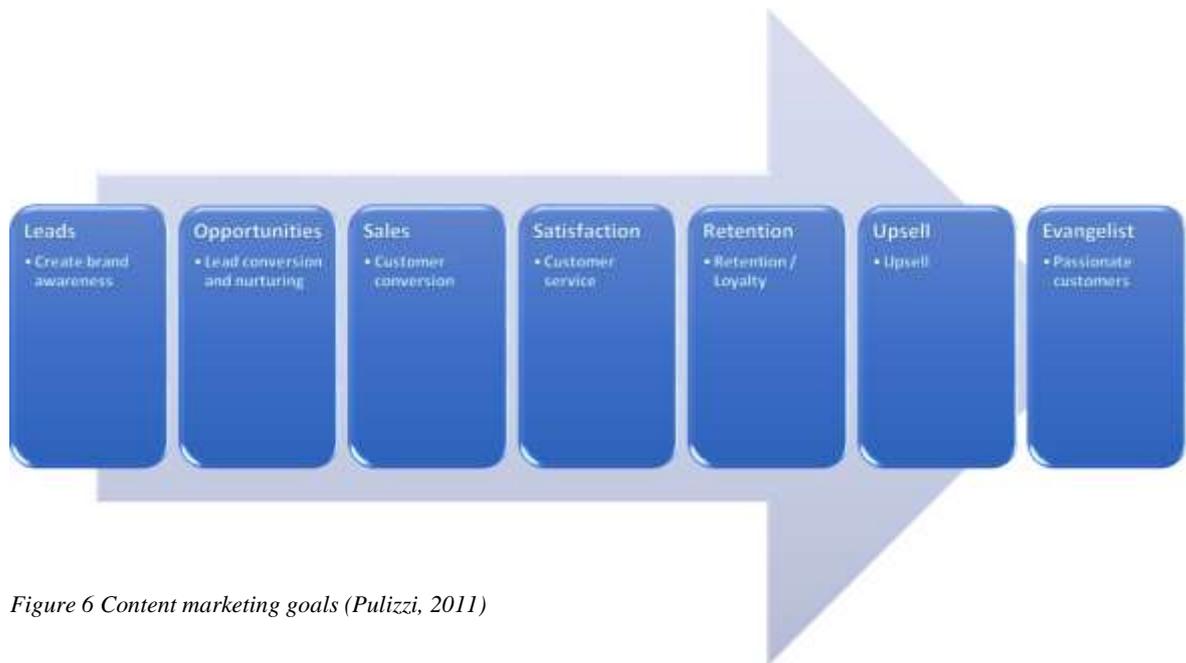


Figure 6 Content marketing goals (Pulizzi, 2011)

5 RESEARCH METHODOLOGY

The method of this study is qualitative since the qualitative data is better at describing the phenomenon and connection between e-loyalty and content marketing. Qualitative research is also better at displaying individual customers' opinions. This chapter presents the theory behind the chosen methodology and reviews the data collection and analyzing processes.

5.1 Qualitative research

“Qualitative research is a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that make the world visible and transforming. They turn the world into series of interpretations, including field notes, interviews, conversations, photographs, recordings, etc. This means that qualitative researchers study things in their natural settings, attempting to make sense of phenomena in terms of meanings people bring to them.” (Denzin & Lincoln, 2000, pp. 3)

Qualitative research involves the studied use and a variety of empirical materials such as case study, personal experience, life story, interviews, cultural texts, and so on that describe routines and problematic moments and meanings in individuals' lives (Denzin & Lincoln, 2000, pp. 3). There are two phases in qualitative research: reduction of observations and solving the puzzle. The reduction of observations -phase can be divided into two sections as well. First, the observations should be viewed in a way that serves the purpose of the study's theoretical framework and is meaningful from the research questions' point of view. Secondly, the raw data is lopped off by combining observations. The combination process assumes that there are samples of the same phenomenon. The second phase of qualitative study, solving the puzzle, means that the interpretation of studied phenomena is conducted from produced clues and available hints. (Alasuutari, 1994, pp. 30-34)

The word qualitative points an emphasis on processes and meanings that are not experimentally examined or measured in terms of quantity, amount, frequency or intensity. (Denzin & Lincoln, 2000, pp. 8) Metsämuuronen (2003, pp. 171) has declared that case study is the most common method of qualitative research. Case study focuses on observing and explaining a limited entity (Yin, 2003), which in this research setting is the most suitable.

According to Patton (2002), qualitative findings result of three different methods of data collection: in-depth, open ended interviews; direct observation; and written documents. The aim of the research was accomplished through action-oriented method which concentrated on solving specific problems within an organization (Patton, 2002, pp. 221). In this thesis, the customer study as well as the company interview were done with an in-depth, open ended theme interview; which is the closest to a normal conversation and all the topic areas may not be discussed with all the interviewees (Eskola & Suoranta, 2003, pp. 85-86). The study and the interview questions required the researcher to actively participate to the discussion and observe experiences and perceptions in a reflexive manner. Reflexivity, according to Greenaway (2010), means the researcher's voice in qualitative research while Watt (2007) thinks that reflexivity is essential in understanding the phenomenon under study and the research process itself.

A well implemented qualitative study requires certain criteria. Patton (2002) has stated that validity and reliability are factors that also qualitative researcher should be concerned about when designing the study, analyzing the results and judging the quality of the research. Patton (2002, pp. 544-545) has also highlighted the importance of objectivity, consistency, correspondence of findings to reality and generalizability in every qualitative study. Qualitative research is always based on subjective views of individuals and it cannot be taken out of the context. Therefore, repeated research might give varying results since interviewees may understand the questions differently as intended or they may not give completely honest answers. (Tuomi & Sarajärvi, 2009) This research gives a good overview of the customers' opinions but as the sampling is still quite narrow, the results can only be considered as directive.

5.2 Data collection method

The research was done by conducting altogether 25 open-ended phone interviews for LocalTapiola's customers. The questions for the interview were based on the theory of this research and therefore incorporated three different areas of theory: customer decision making process, content marketing and loyalty. The people that participated to the interview had recently added insurances to their portfolio online and therefore had current experience about the websites. The interviewees were selected through their voluntary action and were handled anonymously so that their answers could not have been attached to their customership. The goal was to receive different kind of feedback from customers to see whether people really feel that online environment and different social media platforms are able to share content that might increase their loyalty.

Altogether three email invitations for the interview were sent to hundreds of customers in July and in August (Appendix 1) and 25 replied to have an interest in participating. There were two interview sessions organized: one on 19th of June and the second one between 7th and 10th of August. As a reward, 5 gift certificates were randomly drawn after all the interviews.

The customers were to answer an inquiry that lasted around 15-20 minutes and had multiple open-ended questions about social media activity on different platforms, about LocalTapiola's online content and the quality of the website, and about loyalty (Appendix 2). Altogether 16 women and 9 men participated, which of whom 14 were old customers (had insurances in LocalTapiola before the recent add to the insurance portfolio) and 11 were completely new customers (*Figure 8*). Out of all the men, only one person was a new customer of LocalTapiola. Since the interviewees were not asked to give any other information about themselves so that their answers could not be connected to their customership, no generalization based on the age could not be made. However, the available demographics might reveal, whether old customers and new customers thought the same way about the interviewed topics.

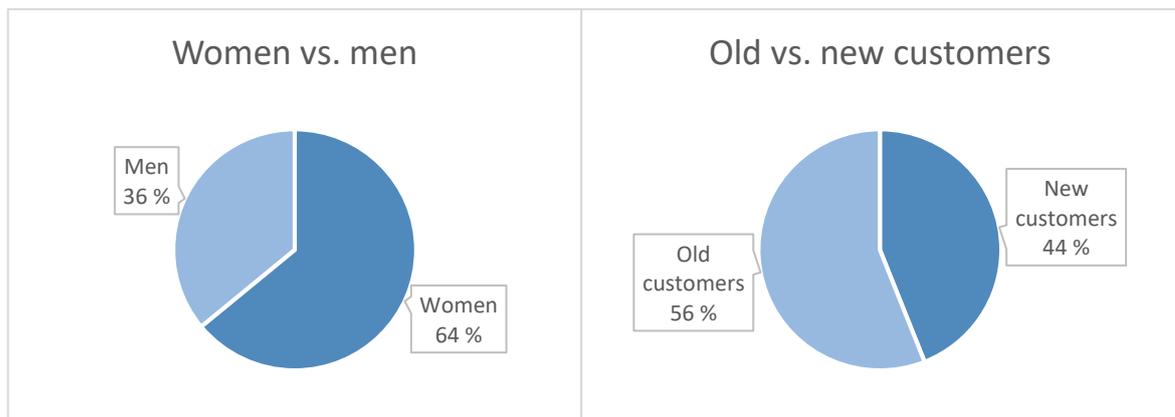


Figure 7 Participants of the interview

In addition to the customer surveys, two members of LocalTapiola's marketing department were interviewed in depth on 24th of August (Appendix 3). The interviewed persons were Kirsi Juusti (Planning Director, Marketing) and Minna Niemelä (Marketing Manager). Their interview was formed a bit differently compared to the customer's questions to get right information from the company point of view and whether company's and customers' views of online customer experience, content marketing and loyalty had same values and importance.

Since all the interviews have been conducted and the transcription compiled in Finnish, only the straight quotes from customers used in this research have been translated into English. If a customer quote is made in Chapter 7, the interviewees' gender and whether he/she is a new or an old customer of LocalTapiola is mentioned. During the interviews, the aim was at avoiding personal bias while getting systematic but also consistent and reliable answers from the interviewees. For LocalTapiola's customers it was made very clear that the answers would not affect their relationship with the company to gain better trust.

5.3 Data analysis method

After the data was collected, it needed to be analyzed. This research used a case study constructing process introduced by Patton (2002, pp. 450). The construction of the case study started by assembling the raw data. Since the interviews were done by phone, the first task was to transfer the spoken answers on paper through transcriptions (altogether over 100 pages of written text). Once this was done, the raw data was constructed as a case record by organizing, classifying and editing the data into manageable file. This required dividing the different topic areas of the interviews and combining different areas of similarities in interviewees' answers and drawing conclusions based on them. After the data was in easily accessible form, the last part of writing the case narrative could be done. The narrative is written in a way that cautiously generalizes the results of the study and does not aim to generalize the answers outside the case industry.

6 INSURANCE INDUSTRY & THE CASE COMPANY

The empirical part of the thesis begins by firstly giving a brief introduction to insurance industry by determining insurance policies as products. It then illustrates the current state of insurance market in Finland and finally introduces the case company of this research; which is LocalTapiola.

6.1 Insurance policies

Insurance policies are contracts that are most times valid infinitely and made to renew every year. That means that in insurance market, loyalty and repeated buying mean keeping the policies within the same company for a long period of time. Of course, different events in life may add, modify or terminate some of the insurance policies in customers' portfolios. Insurance companies offer both private insurances and company insurances starting from entrepreneurs to big multinationals. The range of different insurances is broad and the insurance terms are a nightmare to most of the customers. In the past, insurance business has heavily relied on personal selling and personal assistance and now it is interesting to see how companies are able to take advantage of the new possibilities the internet brings to the market.

Because the insurance policies are sometimes stiff, switching barriers occur in the industry, especially with more complex policies. Switching barriers, in this context, mean factors, that make it more difficult or costly to change an insurance provider for a customer (Jones, Mothersbaugh & Beatty, 2000; in Lopez-Miguens & Vazquez, 2017, pp. 401). Liljander & Strandvik (1995; in Storbacka et al, 1994) have listed altogether ten bonds that might play as exit barriers to some of the customers. The bonds can be legal, economic, technological, geographical, time-related, knowledge-related, social, cultural, ideological or psychological.

An example of a bond in insurance business is an old, personal health insurance policy, which is superior in terms of the price and quality combination compared to the equivalent insurance available nowadays, that there is no reason to change the provider. Another is that usually the health insurances require medical declaration to be filled in (when applying for

a new one) and if a person has had some sort of illnesses or accidents, the new insurance most likely will not cover the costs from an old symptom; and therefore, it doesn't make sense for the customer to switch the provider. Even though the bonds and switching barriers exist in the industry, they are all the time vanishing, while more and more insurances are made available in online channels also. Therefore, the companies cannot rely on the old customers' "loyalty" just based on the switching barriers anymore.

6.2 Insurance market in Finland

Insurance market in Finland is highly competitive with three big players covering the majority of the total market share: IF, OP and LocalTapiola. The companies are either owned by their customers (mutual insurance companies) or they are listed on stock exchange. Recently, some of the world's largest insurance providers have also started their operations in Finland. However, so far, the success of the large multinationals has not been that prominent. From the *Figure 6* below can be seen that the three biggest companies have over 80% market share of the Finnish non-life insurance market.

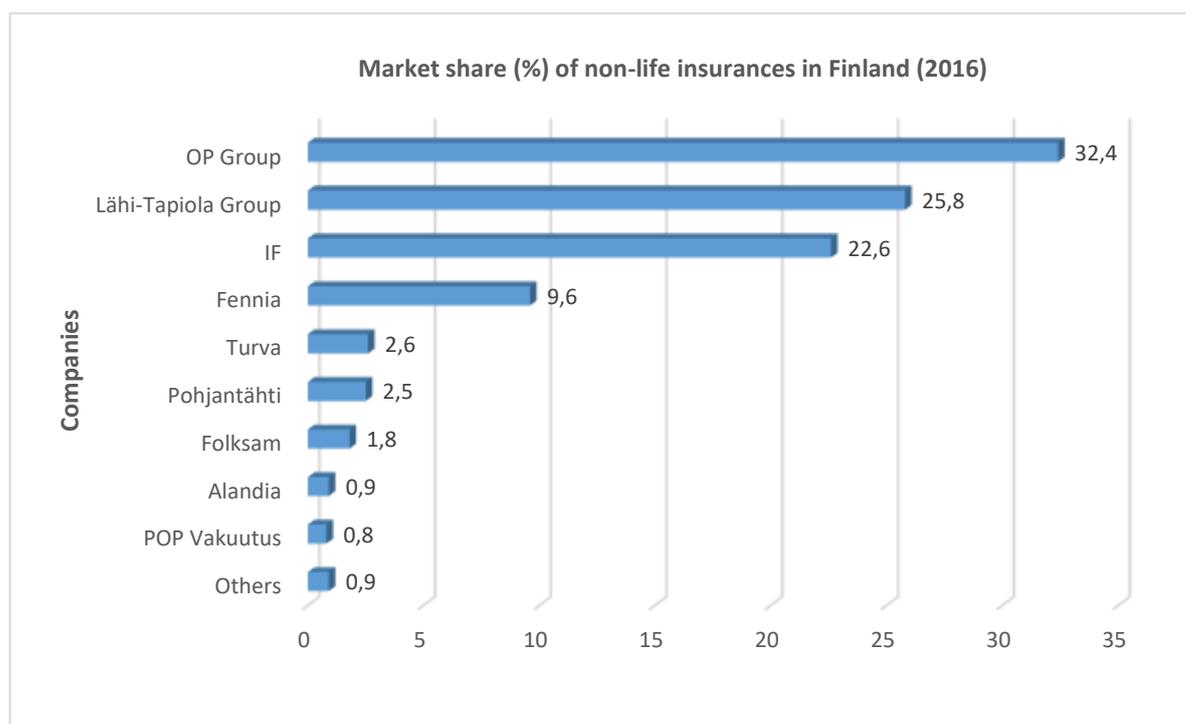


Figure 8 Market share of Finnish insurance companies in non-life insurances (Finanssiala, 2017a)

According to EPSI Rating (2016), the overall customer satisfaction among private customers on Finnish insurance companies is high (75,9 points on a scale of 0-100). According to the

research, the most crucial factor that affects to the overall satisfaction is the company image. In 2016, Turva's customers were most satisfied customers among all, LocalTapiola was the second best. Both companies were above the industry average and the study showed that the customers' expectations towards these companies were increasing. Customers also trust the industry and rely on their insurance service providers. Therefore, the customer loyalty numbers are relatively high. (EPSI Rating, 2016)

Another research conducted by IROResearch Oy (Finanssialan keskusliitto, 2016) investigated customers' opinions about insurances and insurance companies. Even three quarters of insurance customers think that insurance companies do everything they can to appeal on insurance conditions to be released from the payment of insurance claims. Customers also find it difficult to compare different company offers because of different type of products and insurance conditions. However, in recent years the comparability has been improving.

Digitalization is an inevitable driving force that will affect the future of insurance business. It enables smaller and more agile SME's as well as global giants to enter the market previously dominated by traditional players with concentration on limited service entities (PWC, 2017). Many of the products will change in the near future since the need for insurances is changing. An example is an apartment rented through Airbnb. According to Talouselämä (2015), the need to assess how the accident that happens inside this Airbnb apartment is divided between the customer's travel insurance, the home owner's home insurance and the liability coverage of Airbnb requires fast development of new type of insurance coverages.

So far, insurance company customers in Finland think that the websites and web services are adequate, comprehensive and easy-to-use. Nearly 60 per cent of the respondents usually handle their insurance related issues on a computer and only one of ten persons would visit insurance company's office. Also, 66 per cent of people that made insurance claims in 2016 used the internet. However, insurance providers' mobile services are so far limited and even 60% do not take a stand on the issue; and none of the customers had been using mobile apps to make insurance claims in 2016. (Finanssialan keskusliitto, 2016) Therefore, it is evident that the need for better digital solutions is a key to succeed in the insurance market in the future.

6.3 LocalTapiola

LocalTapiola (LähiTapiola in Finnish and LokalTapiola in Swedish) is a mutual insurance company that was established in 2013 after a merger between two traditional Finnish insurance companies Lähivakuutus and Tapiola (LähiTapiola, 2017a). The company has almost 1,6 million customers in Finland and it is formed by 20 different regional mutual insurance companies which employ approximately 3400 people altogether. LocalTapiola's mission is to secure their customers' life and success by offering different kind of services related to insurances, investments and savings. The vision is to offer more secure and healthier life for the Finns. LocalTapiola's new strategy called "Elämänturva" means comprehensive and anticipatory service for the customers. This means being a partner through life covering their customers' security, health and financial success. (LähiTapiola, 2016) Based on the EPSI Rating (2016), LocalTapiola's customers were mostly appreciating the ease of being a customer and getting help when needed.

LocalTapiola offers insurances, investment advisory and related services to private household customers and company clients. The 20 regional mutual insurance companies cover the whole Finland with vast office network that enable face-to-face meetings, direct phone calls and claims service nearby to their customers. But the changing business has also required the company to start thinking about the online sales and web-based services. So far, only couple of insurances (such as car insurances or house insurances) can be bought online which can be seen from the *Figure 7* below as the online sales from the total sales are still below 20%. However, the increase in online sales in recent years means that customers look for more web based services and in the future the demand will increase even more.

Juusti (2017, Planning Director, Marketing) and Niemelä (2017, Marketing Manager) at LocalTapiola's marketing department have acknowledged the need to concentrate more and more to company's online content and online image to generate leads and eventually sales. Niemelä (2017) referred to this by explaining that the share of non-life insurance sales online has increased from 5% to 11-12% of the total sales in two years. More about their thoughts combined with customer feedback and discussion can be read from chapter 7.

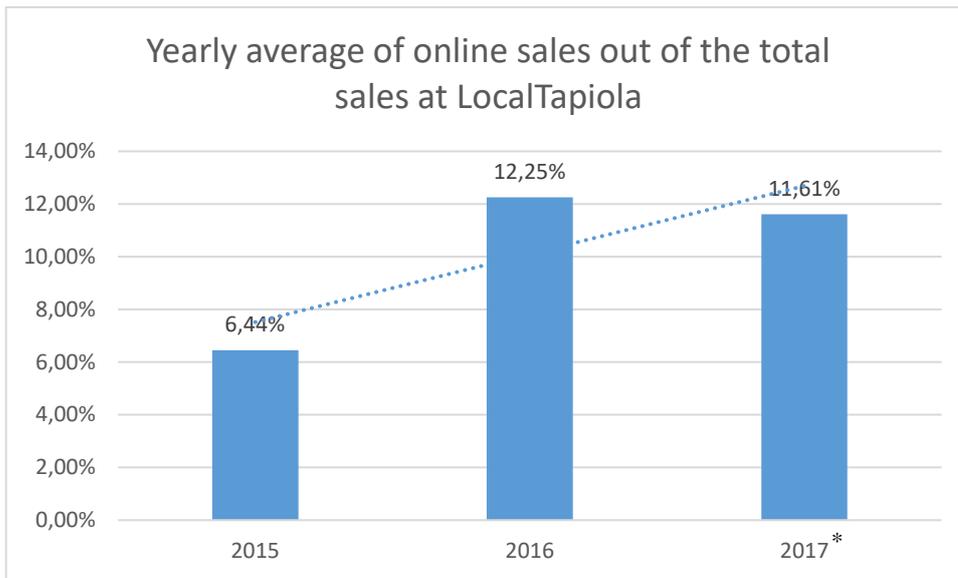


Figure 9 Online sales' share of new sales of non-life insurances at LocalTapiola (2015-2017)

*Months Jan-Aug

7 EMPIRICAL FINDINGS

This chapter will present the findings of this study and will relate the debated themes with the customers and the company representatives to the theoretical findings of previous literature. The chapter starts by introducing the reasoning customers have for buying an insurance and what they expect from their insurance providers. This question was chosen to make customers think about the topic right from the start. Then, the chapter concentrates on the buying decision process: how customers see differences in the way insurance companies present themselves online, which factors influenced and attracted that the customers bought insurances from LocalTapiola lately and how did they find information. At the same time, LocalTapiola's view on increased online sales is taken into conversation.

Thirdly, the chapter focuses on presenting customers' views on different channels and which ones are best for LocalTapiola to reach and support the customership. LocalTapiola's choices and justifications for their used channels and goals for each channel are also presented and discussed at this part. Lastly, the chapter will present and analyze the actions customers would appreciate and expect from LocalTapiola to remain as their client and establish a long-lasting, loyal relationship.

7.1 Customer expectations for insurances and insurance companies

All the customer interviews started with a simple question: What are your primary expectations for an insurance provider? The answers mainly followed the same transcript: over half of the customers stated that they were expecting insurance compensation, if an accident happens.

“Well, of course, if the damage happens, you will get the compensation. And, of course, the sooner the better.” – Male, old customer

The similar sentence came first from altogether eleven people that answered to the interview. Other aspects that people generally were expecting from their insurance provider were reliability, clear and foreseeable terms for the insurances, expertise, competitive prices, personality, customer service accountability and transparency.

“Hmm, well, I do expect a certain kind of straightness and fairness, and that the terms are easily readable. And that it is not possible to find so-called small print, which can be invoked that nothing would be compensated.” – Female, new customer

LocalTapiola, as mentioned previously, is well known for its extensive office network in the whole country. It was also asked from the customers at this point whether they appreciated more about the local service and expertise or whether pricing was the most important factor when selecting their insurance provider. Many of the customers said that reliability and effortlessness in dealing with their insurance provider were more important than the price. But there were also many admitting that price is a big factor when deciding between different providers. Chapter 7.2 reveals whether there were any differences between the thoughts of new or old customers of the company.

7.2 Factors that led to the purchase decision of LocalTapiola’s insurance

After the interview had started with a relatively easy conversation beginner, the customer purchase behavior was taken into discussion. The research aimed to find out whether there had been clear reasons why customers had selected to buy their insurance online from LocalTapiola. The first question about this topic was related to the ways insurance companies present themselves online and whether there were any differences between different providers.

Most of the customers felt that the Finnish insurance companies share similar characteristics on their websites even though the layout differs from brand to brand. In general customers thought that the information is easily available in every insurance providers’ web page even though Juusti (2017) mentioned that insurance companies tend to be too product-centered, focusing too much on the product data over the purchase experience and ease:

“Not really, I did not notice anything about it. They are pretty simple, eventually, they show you the price, and roughly, that’s not a problem, it’s pretty clear.” – Male, old customer

“I think they are quite alike. The same questions were asked and I don’t mind whatever the color of the page is. For me the main thing is the insurance related information. – Female, new customer

On the other hand, some customers felt that all the insurance providers were being “squiggly” and provided non-transparent information, which makes it hard comparing some insurances, such as health insurances, between companies. Therefore, it made the evaluation of alternatives from different companies extremely hard. This problem, according to Jones (2014), is avoided by an American insurance provider Geico. The company enables to compare different providers’ fees compared to its own at the company’s own website. Unfortunately, experts believe that this sort of service will not be seen in Finnish market anytime soon, even though similar sort of price-comparison websites are already operating on the market (Juusti, 2017; Niemelä, 2017).

But there were also some customers that saw some differences in insurance companies’ websites:

“At OP’s websites, I was unable to get clarification to certain things and I needed to call them to ask for more information. But at LocalTapiola’s website I got all the information I needed and didn’t need to make the call to you” – Female, new customer

Juusti (2017) mentioned that the online buying experience has improved a lot during the last couple of years and therefore people buy more and more insurances there. Niemelä (2017) added that this follows from consumers’ increased experience in buying products and services online. However, individuals have different amount of experience in making purchases online and sometimes the customer might need assistance over the phone too even though the goal is to make the final purchase online. Therefore Niemelä (2017) calls for improvements for customers’ purchase path on the websites in the following years. There should be enough content that has value for customers but would also offer enough information about the different insurance related information, that is required by law. Also, authors like Halvorson & Rach (2012), say that less content is easier to manage, and more user-friendly. The more there is content, the harder it gets for a customer to make a decision.

The interview also revealed, that there were some customers who thought that IF provides the best websites in the industry. On the other hand, some customers didn't like that they required the customer to fill in all personal information to even calculate what the insurance would cost. One customer also raised an observation, that an old-fashioned, poorly functioning website let's assume, that the company must have terrific customer service on the phone to be able to make business. These answers from the interviewees but also from the personnel give the company feedback that the webstore requires lot of improvements in the following years even though it currently is satisfactory. The easier it is for customers to purchase an insurance, the easier it is to create trust with the company which will eventually lead to more repetitive purchases and to loyalty.

Next in the interview, the customers were asked to define couple of key characteristics that led to their buying decision. 18 out of all the 25 interviewees highlighted the price as the most crucial factor to their purchase decision.

“Well, I’m retired and my pension is small. That’s what I’ve been thinking that I need to find something cheaper since I don’t want to lose my car. So, the price was the main reason. And of course, that the insurance is comprehensive enough.” – Female, new customer

However, there were interviewees who wondered whether the best cheapest is always the best:

“.. over the years there have been bids from other companies. And when you have started analyzing these, it has been comparing the price with respect to the uncertainty.” – Male, old customer

This was part of the interview where there could have been differences among old and new customers. But according to the result of the study, it does not really matter whether the customer is old or new, price matters in most cases.

Other aspects that people were mentioning as decision leading factors were the expertise of the company, comprehensiveness of the insurances, customer service, maximum compensation in the case of an accident, collaboration with S-Group, domesticity or the ease to modify and customize the insurance to fit the purpose of an individual.

“It was just easy to buy the insurance. And the fact that you could decide the comprehensiveness of the insurance yourself, as well as the deductibles, and play around to see the prices. I liked that.” – Female, new customer

“I’m a type of a person who ends up losing temper and changing to another channel/provider if things do not go smoothly. This time everything went pleasantly.” – Female, new customer

The factors customers highlighted are directly related to the different antecedents of loyalty previously presented in the thesis (Chapter 3.2). Expertise of the company refer to the reliability and therefore company needs to have a clear and credible image in the eyes of their customers. This requires certain amount of built trust and built brand equity beforehand, for instance, through advertising. Trust in an online environment requires both trust to the internet itself and trust to the company who is selling on the internet, as mentioned in chapter 3.2.1. Trust and character of the company are also heavily linked to their service offering and to their “products”. Customers who are seeking comprehensive insurances with maximum compensation that chose LocalTapiola believe that the company can carry their risk of an accident better than the competitors.

Customer service requires the company to take good care of their customers in various situations. The better customers can reach the company through its online channels, phone calls or in-person meetings, the better the customer satisfaction is. One customer raised an issue during the interviews that he had experienced several service breakdowns during the customership on LocalTapiola’s web pages. This irritates especially if you have filled in all the information to an insurance claim or you are planning to buy an insurance. These problems need to be accessed, fixed and effectively informed to customers prior to any intended service breakdowns. Lastly, customers also believe that they get more value from S-Group community when they assemble all their insurances under LocalTapiola. They feel this way they are getting better value for their money. Lastly, some customers feel that the customizability on the website to select the type of an insurance and self-risk that is best for the customer was a great merit for LocalTapiola.

Thirdly, customers were asked to recall through which way did they found themselves onto the company’s web page. And it became obvious that almost half of the customers had used Google. Other channels the customers used the most were recommendations from family and friends, prior personal knowledge of insurance operators in Finland, advertisements they saw on TV or in different online channels, Vertaa.fi website or personal encounters with LocalTapiola’s staff at the office (*Figure 9*).

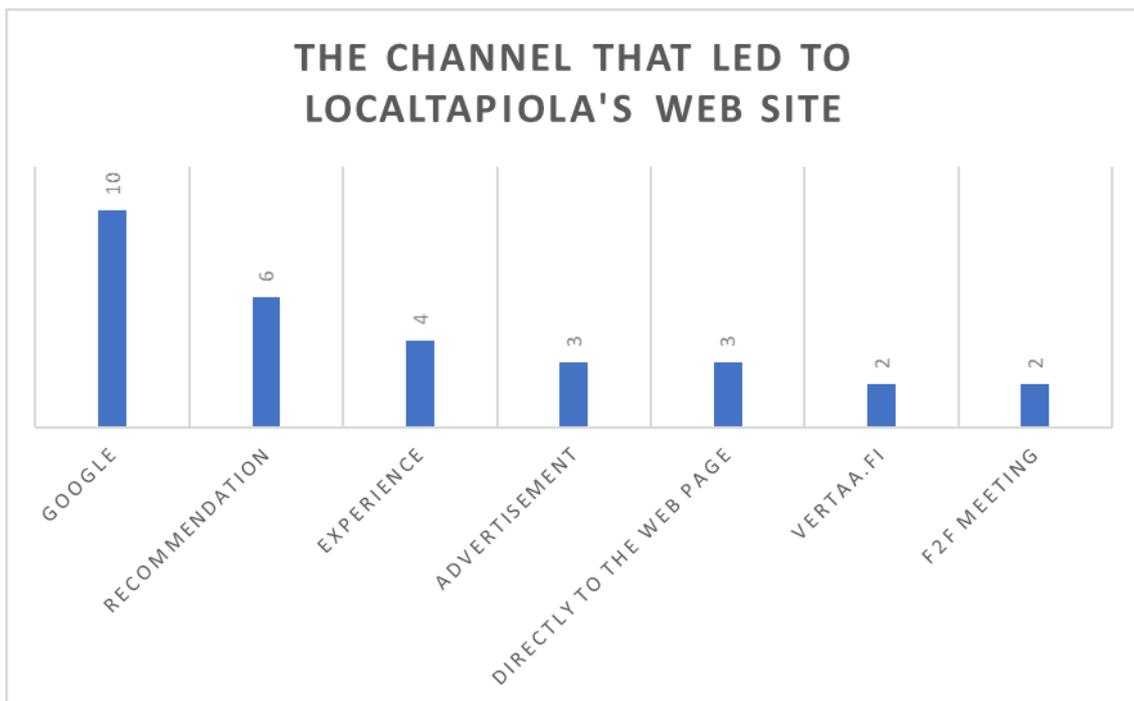


Figure 10 The channel that led the customer to browse LocalTapiola's website

These results show that the importance of search engine optimization and visibility in general in search engines is vital for LocalTapiola. This requires the company to constantly analyze and view customer behavior and the different search words customers use. It also shows the importance of word-of-mouth. The company needs to align its websites, customer service, claims service etc. to show similar characteristics and values the company wants to feature. Recommendations are highly common and affective among families and friends, but also in different communities. Some customers pinpointed that the dog registration authority Kennel-liitto recommends certain insurance companies to the dog owners. Also, other communities share information about insurances. One customer was part of a “car community” and stated:

“.. I’m talking about car insurance now. So, I’m so to speak, a part of a car community. There’s quite a lot of talking going on about insurance companies, their practices; and how they compensate in specific situations. I get quite a lot of information about certain issues from there.” – Male, new customer

The study also shows that price-comparison websites (such as Vertaa.fi) are getting more and more popular and require attention at the company level. Even though internet sales are increasing, the study also shows that most of the customers still require assistance over the phone or in face-to-face meetings and therefore it seems as a requirement to maintain these functions in the company for years to come.

7.3 Best ways to reach customers with content marketing

After the interviewees had explained about their purchase decision process, the social media and other platforms of content marketing were taken into discussion. These themes were also closely discussed with LocalTapiola’s personnel.

According to Juusti (2017), LocalTapiola uses variety of channels to exploit content marketing. The company sees that content marketing is not restricted to an online world and therefore all the online and offline channels can be seen to promote content marketing. The biggest channel of content marketing are the regional companies; their salesforce and their insurance agents. On top of that, car dealerships are also a big channel in new sales and there LocalTapiola shares different campaigns and message content. On top of those, customers still receive a lot of mail from LocalTapiola and the company actively participates in different events and shares a lot of advertising through TV commercials and radio. Niemelä (2017) adds that online channels that LocalTapiola is actively exploiting are emails, social media, online advertising and partnership-channels. The presence in social media and on other online platforms has been a must lately and many types of campaigns have been developed to satisfy the need of the online savvy customers.

Different online channels have very different roles according to Niemelä (2017). Social media and Facebook especially is more a channel for information sharing and therefore LocalTapiola uses only funded campaigns on social media when they want to promote new offers.

“On our own Facebook channel LocalTapiola does not actively advertise, promote or practice push marketing activities. The focus is more on information and brand promotion related messaging. Overall, the online channels we use depend on the target audience.” Niemelä, 2017

“Facebook is no longer the best way to reach young customers, it is sort of out among young people and students. However, it has been used quite a lot and it has been functioning really well.” Juusti, 2017

LocalTapiola also uses Instagram actively, even though Juusti (2017) mentions that it could be used more determinately, especially among the younger people. Twitter, again, has a strategy of highlighting the expert image of the company; that LocalTapiola aims at securing customers life in multiple ways. LinkedIn is more or less used as an expertise sharing and brand building channel as well, but it is not used as much. Above all these, LocalTapiola also plans at starting collaboration with couple of YouTubers and see, how do the customers take this sort of approach. (Juusti, 2017) In the *Table 3*, all the followers, likes and subscribers of LocalTapiola channels are presented.

Table 3 LocalTapiola's social media followers on the 1st of September 2017

	Likes	Followers	Subscribers
<i>Facebook*</i>	26 350	25 653	-
<i>Instagram*</i>	-	1 370	-
<i>Twitter*</i>	3 024	2 019	-
<i>YouTube*</i>	-	-	281
<i>LinkedIn*</i>	-	4 999	-

**not including regional companies*

The table only includes the company's own channels and therefore excludes the 20 regional companies that might have more and different people following them on their social media channels. One important observation is that Facebook appears to be by far the most popular channel among customers in the number of likes and followers.

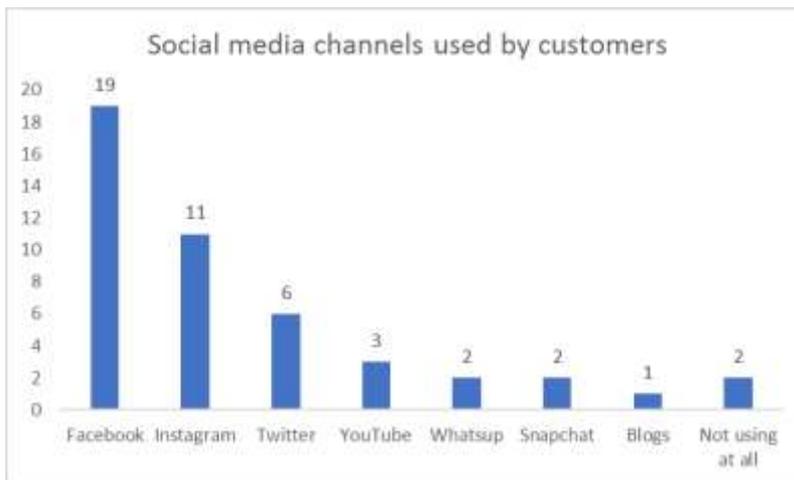


Figure 11 Usage of social media among interviewed customers

As it also appears from *Figure 10*, Facebook and Instagram seem to be the most popular social media channels, where 19 out of 25 interviewees admitted the usage of Facebook. Nonetheless, from the number of followers and subscribers can be deducted, that only a fraction of all the LocalTapiola's private household customers are following them on social media. Of course, people can find themselves to LocalTapiola's social media channel through their friends' likes and activity, but still the number is relatively low. However, this appears to be the trend in the industry in general and according to customers, not many tend to follow companies on social media.

“I don't really follow insurance companies through social media even though I get quite a lot of spam through Facebook and Twitter. And lot of insurance companies are contacting me through various hobbies and associations. – I would probably follow a company on social media if I feel I'm in their target group and whether they have campaigns that interest me. But it is difficult to say.” – Male, old customer

“Well yes, I'm using a variety of channels on social media every day: Facebook, Instagram, Twitter, well actually that I don't use that much, then Snapchat, Blogs, Vlogs, YouTube. I can't think of many more social media channels. I tend to follow interesting Finnish companies, in general interesting and “cool” companies, mainly on Facebook and on Instagram. – Female, old customer

The greater part of the interviewees told that they do not actively follow companies on social media. The one's who do, usually tend to follow companies which are interesting through hobbies, lifestyle or brands. Many of the participants, told to follow different vacation and flight-related booking websites. It became evident, that insurance companies in general were not seen that interesting, even though some customers had read articles or watched videos published by LocalTapiola on social media. Yet, customers felt that they would contact and seek information from the insurance company only when they feel there is a need for it. Therefore, customers did not see that insurance companies could influence their buying decision directly through their online content and advertising. Meanwhile, some still acknowledged that a message, that would be well targeted and interesting, might encourage to seek more information.

“Well in today’s word it should be highly targeted. You can see my insurance portfolio where you should be able to extrapolate pretty much anything, something tailored to me.” – Male, old customer

“Maybe I buy something when I feel I have a need for it. And I would not buy anything based on just one ad. But it would make me to get to know the offering better. However, I would also check other alternatives.” – Female, new customer

As mentioned previously, LocalTapiola uses multiple channels and different kind of content marketing depending on the target customers. Juusti (2017) states that the content that is produced and targeted to customers depends on the mix of the target group, the role of the channel and the stage of the customership. Juusti (2017) adds that some things can be taken granted in online environment; such as the fact that young people know how to use computers. However, seniors might need help with “simple” commands on computer and therefore the content produced for them needs to be different.

The best way LocalTapiola sees that it can target the right customers with right messages and customize content according to their needs and desires is email.

“We use marketing automation in emails. In the most advanced phase we have identified certain sensitive moments during customership such as new customer, migration, child going to college, retirement; these sort of moments

in life. These sort of delicate moments where customer feels that hey wow, now they are serving me. The point is that all kind of messages should feel like a service, not like push marketing to increase sales.” Juusti (2017)

This way Niemelä (2017) believes LocalTapiola can create value for their customers by identifying the desired target group and the customer’s life situation. Unfortunately, LocalTapiola only sends these targeted emails to people who have given the company a permission to do so. At the moment, only 20% of all LocalTapiola’s customers belong to this group and therefore there is a huge room for improvement. The company should make the collection of these email addresses as their primary goals. Then the targeted email messages that customers expect and LocalTapiola wants to send can lead to better customer satisfaction and more sales, therefore also to increased loyalty.

In the interviews, the customers were also asked to answer what type of content an insurance company offers would interest them the most. The different alternatives were:

1. Facts about insurances and different offers
2. True stories of insurance compensations and how people managed to live under these circumstances
3. Interesting content that is unrelated to insurances (and what might this be)

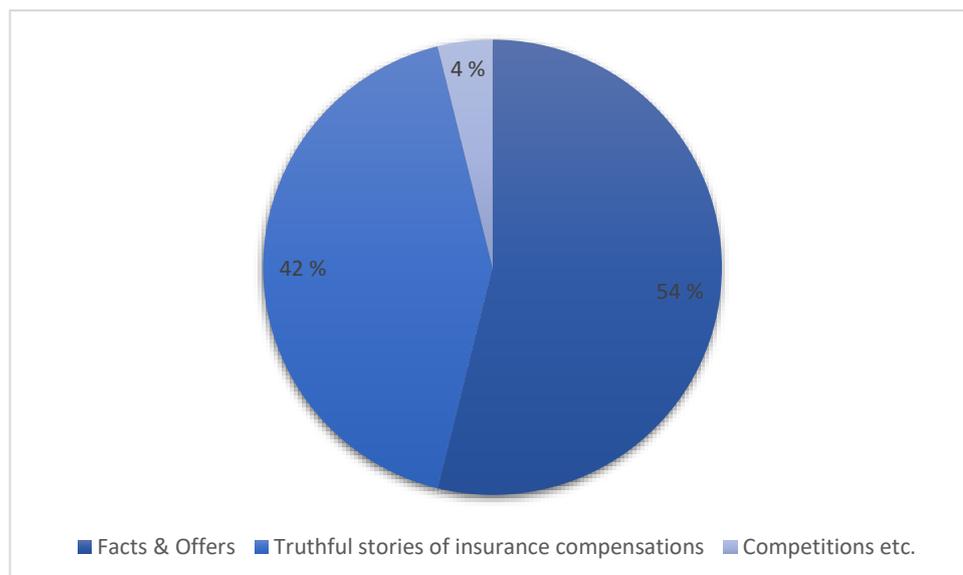


Figure 12 What type of content customers expect from insurance provider

The results presented in *Figure 11* show that customers are really divided on what type of content would interest them. Over half of the 25 participants (14) wanted to hear more about the facts about different insurances, about timely observations on people's everyday lives or about the benefits and offers LocalTapiola's customers are entitled to.

“Well yeah, I have LocalTapiola's newsletter coming and there are some tips, just came to my mind. – And there I'm interested to read about new product launches and notions like have you considered this and this, blaa blaa. A good example, that most people are not aware of, is that the home insurance will not cover the leakage from a dishwasher if there is no guard rack underneath the machine. This sort of information can be highly valuable” – Male, old customer

Eleven (11) of the interviewees then voted for the truthful stories they would like to read.

“Well, the actual terms and facts about insurances are so dull that no one wants to read about those. So, I would go with the option b (stories) since I don't expect any entertaining content from an insurance provider either”. – Male, old customer

“Maybe about those real cases, how are different kind of accidents compensated. Of course, if the insurance company is the story teller, the risk of whitewashing, making things more silhouetted that happened, increases. So, if there would be courage, would be great to hear about bad experiences too, so that people can take these sorts of things into consideration later, so that there will be less disappointments” – Male, old customer

Only one of the interviewees imagined to be interested in other kind of content such as competitions held by LocalTapiola. Based on the answers, it is great to hear that LocalTapiola is putting more and more effort into finding a way to create and spread highly targeted content for their customers, since the values and tastes of customers do differ a lot. This sort of service gives a feeling to a customer that the company cares and on the other hand gives the company the possibility to cultivate for potential additional sales. Once the company has been able to create the customership, deepening the relationship and finding novel ways to do that becomes more relevant.

7.4 Customer e-loyalty towards an insurance company

In the last part of the interview the customers were asked to define loyal customer; what it means for them, whether they saw themselves as loyal customers, and what kind of factors were affecting their decisions to stay loyal to a company for a long time. Some customers referred to these questions by simply stating that when the customership has been built, it is easy to be a customer. The other characteristics interviewees were highlighting were satisfaction to the service, rewards or at least attention for being a loyal customer, trust and remaining competitive and topical with products, services and prices.

“A loyal customer? Well, I guess a person who stays as a customer then. So that the customer feels the service is so good that there is no need to change and therefore remains as a customer.” – Female, new customer

“In general, customers will remain loyal when the company praises the same values as you do and serves you the best. If it does not serve you anymore, I don't see why you should be loyal anymore.” – Female, new customer

On top of the factors mentioned earlier, some customers also admitted that their loyalty is sometimes only based on the laziness of finding a better offer.

*“I feel like being a loyal customer for the reason that I am too lazy to change”
– Female, old customer*

“Hah, I am really a loyal customer but that has mainly to do with that I just don't have time to make biddings. It's too time consuming.” – Female, old customer

Overall, customers feel that customer loyalty is about staying long as a customer of a certain brand or company. The relationship needs to be easy, effortless and caretaking. This refers more to the behavioral side of loyalty. But if the company wants their customers to be loyal in an attitudinal level as well, the company needs to gain more trust and create the superior value that makes customers see the company in a really positive way; in a way where they want to talk about it to the peers.

After the interviewees had explained how they imagined and felt customer loyalty overall, they were asked about the actions LocalTapiola could make to keep them as their loyal and satisfied customers for a long time to come. The customers had really good ideas for the company to think about.

The customers were mainly concerned about the company taking good care of their loyal, old and profitable customers. Many had an opinion that whereas new customers do get certain discounts from the first purchase, old customers should be entitled for similar price reductions or should be compensated otherwise:

“If you have a “Loistokasko” or equivalent car insurance and you have been a customer for the company for a year, you would get a price reduction. Like, thank you for being our good customer. There is no need to send a cap or anything, but ... something that could be related to the insurance. It doesn’t need to be anything big, but I bet many customers would be like wow, that was great. Or then, if I would recommend the company to my friend and he or she would be a new customer to your company, I would be rewarded somehow” – Male, new customer

Beyond the price sensitive approach, customers also mentioned issues that can be covered through effective content marketing. Some customers raised issues related to the information the company is providing and were hoping more customized and personal messages:

“The more relevant and useful the messaging is for the customer, the better. I would personally appreciate a lot, if someone from the insurance company would just say that now you are safe, that you would not need to search for the information about the limits of the insurance coverage yourself.” – Male, old customer

“The fact that services remain sort of customer oriented and the customers are informed of the changes that might affect them. And, that the company would ask their customers’ opinions.” – Female, new customer

“When the traffic insurances were updated, I would have hoped for LocalTapiola to actively offer me the new alternative and how I could possibly save money by updating the insurance. I bought a new car in June and found out about this. I complained a bit to the customer service, that why didn’t you tell me this before, that I could have possibly saved money so far. When you have this sort of benefits to the customer, then they should be offered and not to wait that the customer would understand to ask.” – Male, old customer

“By defining different segments because there are different kind of customers. There are pensioners, families with kids, single parents, students, unemployed, etc. I think it would be good that the insurance company would survey the different segments and their needs. That would be customer oriented approach.” – Male, old customer

There were also customers who wished for better online web service and more transparency to giving insurance information in short and understandable way. One interviewee would also like to see the company there, where the people are; for example, in different events. However, the technology nowadays gives the company better tools to interact with their customers in online channels in real time. That is something LocalTapiola could invest in and come up with solutions in the future.

To serve their customers the best way possible, LocalTapiola invests more and more assets on their content marketing every year. According to Juusti (2017), it is impossible to say how much is invested in percentages of the whole budget, but the number is high and the goal someday is to reach the 90% mark (both in online and offline content marketing). The aim is to provide customers with content that is always helpful, positively reminding and serving.

LocalTapiola believes that there is a connection between content marketing and loyalty, as did the customers feel too. Juusti (2017) explains that the customized service they have begun with new customers is fruitful. It has given the company references that the customer loyalty is higher, when the customer experiences the service and knows more about what the company has to offer for the specific customer. Juusti (2017) adds, that this requires timely and smart communication and might not work if a customer only has one insurance from the company. Niemelä (2017) adds that if the message is timed wrong or the customer receives

too many emails or other messages from LocalTapiola in a short period of time, it might feel irritating.

8 CONCLUSIONS AND DISCUSSION

This chapter aims at concluding all the theories and results of this study to one coherent entity. It answers to the research questions stated in the first chapter of the thesis. It also sheds light on the different theoretical contributions the study has revealed and gives some managerial implications and recommendations for the case company. Lastly, the chapter recommends future studies to be conducted from the topic.

At first, the sub research questions are answered to be able to give a thorough answer to the main research question.

What is e-loyalty and how it develops?

E-loyalty, as defined many times in the thesis, is about a commitment to be repeatedly buying from the same online provider. E-loyalty, at its ideal status, leads to positive word-of-mouth through recommendations. E-loyalty constructs of different antecedents that appear to be influencing on different phases of the buying process, depending on the role of the antecedent. The antecedents this research used were gathered from many practitioners' studies from the same topic. The idea was to create a valid criterion for only the service related online businesses, such as insurance providers. The antecedents this study comprehended were trust, brand equity & character, online flow & convenience, customization, contact interactivity, cultivation, care, community and satisfaction.

How do different online channels support the creation of e-loyalty?

Different online channels have an important meaning: not only for the company, but also for the customers. It is crucial for company's success that it is able to use multiple different channels in contacting its customers. Since LocalTapiola's customers vary from young singles who study to the elderly people, the channels to provide interesting, compelling and informative content need to be varied according to inter alia the technological capabilities of the customer segments and global trends. LocalTapiola admitted that they use different channels to create different type of content, but they also use specific channels to reach out to their customers. Therefore, the company must create a coherent content marketing strategy: that they find their target customers with right channels, with right type of content and on right time that creates value to the customer. But the content for every channel and

for every customer needs to have similar characteristics and symbols that creates the brand equity. For instance, Juusti (2017) and Niemelä (2017) mentioned in the interviews that email newsletters are mainly used to send targeted information and deals for existing customers, whereas Facebook channel is used to inform customers about current issues and give expert advisory and tips in general level.

As it appeared in the customer interviews, they expect to hear targeted and relevant insurance related information. However, it is hard for LocalTapiola to approach their customers with these messages at a right time unless the customer is known. The other downside with targeted messaging is that LocalTapiola only sends these emails to customers that have accepted to receive these. And at the moment, roughly 20% of the customers have this consent (Juusti, 2017). That is something the company needs to invest in to be able to provide its customers with content they really seek; in a form, they want to receive it.

In social media LocalTapiola has divided the roles of different platforms as well. In Twitter, they want to create an image of a company that has expertise and takes global events into consideration. On the other hand, Facebook is a medium where LocalTapiola aims at providing timely news and current information about their campaigns without advertising or producing other types of push-marketing content. This way LocalTapiola believes they get the best out of the different channels. But as world changes and different aged people use different kind of platforms, LocalTapiola needs to bear in mind that some segment may want to see different kind of material on one platform than another segment.

How does the content communicated in different phases of the buying process support the creation of e-loyalty and lead to longer customer relationships?

The research as well as the previous literature shows that the content company produces can be seen to have different roles and goals according to the phase of the buying process. One type of content makes the customer interested about the service by giving a good first impression. Another kind of content may make the customer to search for more information from the company's website. The content on the website again tries to lure the customer to buy the service by making the purchase effortless and interactive. When the purchase is made, another kind of content can reinforce the relationship by encouraging to buy more or to get familiar with the additional services customers get with the price of their recently bought service. Eventually the content will be about nurturing the current, established

customership and trying to deepen it. As mentioned in chapter 4, content marketing is more about pull-marketing than about advertising about different discounts and offers.

In the research, it was also discovered that not only the content matters, but also the channel where it is presented and the right timing matter. As the study revealed, LocalTapiola had received good feedback from customers who had received targeted content marketing after their purchase and their loyalty had increased meaning that they were not as eager to change their insurance provider after a period of time.

What is the role of content in attracting, retaining and creating customer e-loyalty in online environment in B2C insurance market?

From the answers to the sub questions can be drawn that in online environment, content has a crucial significance for helping to build loyal customership. As the market gets more and more competitive and pricing of insurances gets more and more alike between companies, content is a way to differentiate the company from the others and create value to customers they would not get from another company. In an online environment, content is present from the moment the customer first interacts with the company all the way to the end of the customership. The initial interaction may be a logo or an advert on social media or an application to calculate insurance prices on car selling website. Since it is impossible to create an in-person influence online, content is a way to replace this void. Content must be precise, informative and interactive so that the customer can build the trust the same way the process goes in a personal encounter.

8.1 Theoretical contributions

According to the research and based on the previous literature, customer e-loyalty is a process that starts when the customer first time interacts with the content provided by the company. It seems that the model introduced by Pulizzi (2011) which sets goals for content marketing in every purchase decision phase is accurate. But what this research has found what is not included in previous studies related to content marketing or e-loyalty, at least to the knowledge of the researcher, is that the antecedents of e-loyalty influence at different phases of the buying process, at different steps on the loyalty ladder and therefore require different kind of content (*Figure 13*).

At first, when the prospect first acknowledges the need for a purchase, company must be able to provide compelling and timely content that builds trust and enhances brand equity and character. Since customers of insurance companies tend to rely on peer reviews, it is important for the company to create and be present at different online communities to create awareness. Information search and evaluation of alternatives phases must provide customers with an easy access to the information.



Figure 13 Theoretical framework based on the findings of the study, and on the ladders of loyalty presented by Buttle (1998, pp. 224)

At the purchase stage, company needs to provide content that interacts with the customer and builds trust. When the customer buys the insurance online, it is important that the flow guides customers through the purchase application with giving right amount of information at the right time so that the customer does not feel like leaving the website or does not frustrate. Customizable solutions and interactive guides are a perfect additional help to increase the likelihood of customer making the purchase.

When the prospect has become a customer, the goal for the content is to get the customer to deepen the relationship with the company by buying more. In this phase, the cultivation and customization antecedents play a crucial role. By cultivating customers with right type of

targeted and customized offers and information, they are more likely to increase their portfolio.

In the post purchase stage, the content that the company should target towards the customers are more caretaking. The aim is to make customers really happy with their choice and genuinely care and listen the customers. When the company can make satisfied customers, they are more likely to speak about the company and recommend it to others. Then the loyalty is built. Not only on the behavioral level, but also on the attitudinal level.

8.2 Managerial implications

The research on this topic gave lot of recommendations and ideas to the case company. This sub chapter goes through these recommendations building a story around the rules of successful content marketing by McNulty (2016).

1. Talk Sense

LocalTapiola needs to focus that the language they convey in their content is understood at the receiving end. Therefore, the company cannot use words that people are unaware of or terms that are hard to understand. It became evident in the interviews that customers look for transparent and easily understandable content, that is targeted to the specific customer. For instance, people do not want to read about accidents and insurance compensation cases that have happened to a building if they live in a rented apartment.

2. Solve Problems

The customers who attended to the interview claimed that marketing has no effect on their purchase decision. That customers only look for information when they realize that there is a need. Based on this, LocalTapiola needs to make sure that they are able to solve customers' problems when they approach the company. It can be informative and interactive content on the website or a timely tip on social media. Where ever the customers are, the company must try to be too to help.

Customers also raised an issue in the interview that changing an insurance company is tough since it is hard to compare the prices and the contents of different companies. To solve this problem, LocalTapiola could think about making their rates available to compare with

others, as Geico has done in United States (Jones, 2014). However, it would be a great addition to attach product information to the description and pinpoint, what the customer really gets with a price from the company. This would make insurances easier to compare and would probably lead to higher trust ratings that could eventually create loyal customers.

3. Make it About Them

The most important catch from this advice is to create content that is really valuable and appreciated by the customers. This requires that the customer data is well analyzed and targeted customers receive important content from their point of view. As previously mentioned, this requires the company to have permission to send email marketing since it is the best way at the moment to approach customers with targeted content. The challenge is to receive these consents and the company needs to figure out the best way to do so.

Content marketing is not about pushing and trying to sell. Therefore, the content needs to be thought carefully that it interests the receiver, makes the receiver think about it and then the customer might find a deficiency in the insurance portfolio. The content can also be something that is not related directly to insurances. However, the interviews showed that customers do not expect insurance companies to arrange competitions or creating amusing videos. On the other hand, if there is enough information about the customer and his/her hobbies or preferred topics, a well targeted non-insurance related content might work. One customer had found out about car babysitters on Liikenneturva's website and said that he could have imagined insurance companies to also provide such content.

4. Mix It Up

Not all the customers in the same segment absorb the information in the same way. Thus, the company needs to be able to utilize multiple different online channels and formats to tell about them. In social media, it is easy to create content that is similar in terms of the contents but is in different forms: some might want to read about the timely news on Facebook or on Twitter while others would prefer seeing a video of it on YouTube. Videos could also be used to give product information on LocalTapiolas website. On the other hand, videos could be attached in the online store where a computer "advisor" would guide the customer through the purchase and would tell product detailed information and give recommendations on the way. According to Lieb (2011, pp. 98), this has proved to be successful for shoe retailer

Zappos, who found out that the sales increased and also their product returns decreased when they released video explanations about their products.

FAQ section on the website could be another way to mix it up and create some value to customers who might be unaware of the basics about insurances but do not want to handle their insurance related issues in person or over the phone.

5. Fast & Easy

In today's world, customers do not want to spend much time on issues they do not strongly care about. Insurances are usually not the most frequent topic on dinner table conversation and customers only think about them when they receive invoices or they have suffered an accident. Thus, LocalTapiola should focus on producing content that can be quickly and easily skimmed through. If the content is in written form, the company should focus on bringing the essential information at first or highlight it. In videos, the company should focus on producing lively and short films that still create a feeling of expertise.

8.3 Limitations and recommendations for future research

This research was conducted by only focusing on one specific industry and made as a case study for a Finnish company which only operates on Finnish market. Even though the framework and the previous studies about e-loyalty and content marketing are universal and can be utilized in other industries, the outcomes of this research cannot be generalized to any other industry and should also be carefully adapted in other countries when companies are operating in the same insurance and banking industry.

The framework presented on chapter 8.1. which combined the theory of content marketing, customer buying decision making and loyalty construction would be great to see being utilized in different contexts or in different countries. It would be great to see whether the antecedents of e-loyalty stay the same in other industries, where the purchase decision and especially comparability of the products is easier. It would also be interesting to see whether the results and recommendations this thesis gives to the case company actually lead to more loyal customers. The future research could also include more information about the interviewees so that it would be possible to make distinction between different content needs for different segments.

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Interviews:

Juusti, K. (2017). Planning Director, Marketing at LocalTapiola. F2F Interview held on 24th of August at Espoo, Finland. Duration 35 minutes.

Niemelä, M. (2017). Marketing Manager at LocalTapiola. F2F Interview held on 24th of August at Espoo, Finland. Duration 35 minutes.

APPENDICES

Appendix 1: Invitation for the interview (in Finnish)

Arvoisa LähiTapiolan Asiakas,

Me LähiTapiolassa haluamme välittää asiakkaistamme ja aidosti ymmärtää, miten voimme paremmin auttaa teitä. Olemmehan asiakkaidemme omistama!

Teemme yhdessä Lappeenrannan kauppakorkeakoulun opiskelijan Jonne Savon kanssa Pro Gradu -tutkimusta ja haluaisimme kuulla sinun ajatuksiasi. Tutkimuksen aiheena on internet-sisältö ja sen rooli asiakasuskollisuuden rakentumisessa.

Tutkimus tehdään noin 30 asiakkaalle puhelinhaastatteluna, joka kestää noin 20 minuuttia ja toteutetaan joko juhannusviikolla (19.6.–22.6.2017) tai elokuussa 7.8.–11.8.2017. Sinulta tämä tutkimus ei vaadi mitään muuta valmistautumista kuin puhelinkeskustelun verran aikaa. Tutkimukseen osallistuneiden kesken arvomme viisi (5) 50 euron arvoista S-ryhmän lahjakorttia! Nimeäsi tai tunnistettavia tietoja ei päädy julkaistavaksi.

Mikäli haluat auttaa ja osallistua tutkimukseen, otathan yhteyttä vapaamuotoisella sähköpostilla suoraan Jonne Savoon (jonne.savo@lahitapiola.fi) kertoen sinulle sopivan ajankohdan tai aikavälin, jolloin Jonne on sinuun yhteydessä. Hän vahvistaa vielä haastatteluajankohdan sähköpostitse.

Ystävällisin terveisin ja mukavaa kesän alkua toivottaen

LÄHITAPIOLA

Appendix 2: The interview questions for the customers (in Finnish and in English)

1. Vakuutusyhtiöön voi suhtautua monella tavalla. Millaisia odotuksia sinulla on vakuutusyhtiölle? // *There are many ways to take an attitude with insurance companies. What are your primary expectations for an insurance provider?*

2. Selasitko läpi muita vakuutustarjoajia ennen kuin päädyit ottamaan vakuutuksen LähiTapiolasta? Tuleeko mieleesi selkeitä eroja yritysten tavassa kertoa itsestään ja palveluistaan? // *Did you browse through other insurance providers before you decided to take out insurance from LocalTapiola? Do you think there are clear differences on how companies are telling about themselves and their services online?*

3. Mikä vaikutti ostopäätökseesi, jotta ostit vakuutuksen LähiTapiolasta? Olivatko esimerkiksi nettisivut helpommat verrattuna muihin vakuutustarjoajiin? // *What affected your buying decision to get the insurance from LocalTapiola? Were the web pages, for instance, easier to use than other insurance providers'?*

4. Miten löysit tietoa ja miten päädyit ostamaan vakuutusta? // *How did you find the information and how did you end up buying the insurance?*

5. Mitä sosiaalisen median kanavia käytät? Onko sinulla tapana seurata yritysten julkaisuja siellä? // *Which social media channels are you using? Are you following any corporate publications there?*

6. Oletko lukenut yritysten kirjoittamia artikkeleita tai katsonut yritysten julkaisemia videoita esimerkiksi sosiaalisessa mediassa tai yritysten internet-sivuilla? Miten suhtaudut näihin? Voivatko ne vaikuttaa ostopäätökseesi? // *Have you read articles written by companies or watched business-published videos, for example, on social media or on corporate websites? How do you deal with these? Can they have an affect your purchase decision?*

7. Pystyisitkö kertomaan, millainen vakuutusyhtiön tuottama sisältö internetissä mahdollisesti kiinnostaisi sinua?

- Faktatieto vakuutuksista ja kaikista niiden eduista?
- Tarinat aidoista korvaustapauksista ja ihmisten arjesta
- Vakuutuksiin liittymätön, mutta jollakin tavalla mielenkiintoinen sisältö. Mitä se voisi teille olla? //

Would you be able to tell what kind of content provided by your insurance company might interest you the most on the internet?

- *Facts about insurances and all their benefits?*
- *Stories of genuine compensation cases and people's everyday lives during these*
- *Non-insurance, but somewhat interesting content. What could it be for you?*

8. Mitä sinulle merkitsee olla uskollinen asiakas? Koetko itsesi uskolliseksi asiakkaaksi? Mikä siihen vaikuttaa? // *What does it mean to you to be a loyal customer? Do you feel like a loyal customer? What affects to that?*

9. Mitä LähiTapiola voisi tehdä, jotta saisimme pidettyä sinut asiakkaanamme pitkän aikaa? // *What could the LocalTapiola do in order to keep you as our customer for long time to come?*

Appendix 3: Questions for LähiTapiola's marketing personnel (in Finnish and in English)

1. Paljonko nettisivukävijöiden määrä on lisääntynyt prosentuaalisesti viime vuosien aikana? Paljonko ostetaan netistä verrattuna aikaisempiin vuosiin/kokonaisuudessaan verrattuna kaikkeen uusmyyntiin? // *How much has the number of online visitors increased in percentage over the last few years? How much is purchased online compared to previous years / in total compared to all new sales?*
2. Millä kanavilla sisältöä julkaistaan? Miten näihin kanaviin on päädytty? // *On which channels do you publish content? How and why did you decide to use these ones?*
3. Tuotetaanko erilaisissa kanavissa erilaista sisältöä? Voitko antaa esimerkin/esimerkkejä? // *Do you produce different kind of content in different channels? Could you give an example / examples?*
4. Miten päätetään, millaista sisältöä tuotetaan nettisivuille ja toisaalta sosiaaliseen mediaan? // *How do you decide what kind of content is produced on a website and on the other hand on social media?*
5. Mikä on tällä hetkellä sisällön tuottamisen tavoite? Saada lisää asiakkaita vai kouluttaa ja tehdä olemassa olevista asiakkaista tietoisempia/lojaalimpia? // *What is currently the goal of producing content? To get more customers or to educate and make existing customers more consious and loyal?*
6. Kuinka paljon sisältömarkkinointiin panostetaan? Kuinka suuri osa markkinointibudjetista? // *How much is invested in content marketing? How much from the marketing budget? Are there any estimates?*
7. Onko joku, ketä vastaa kaikesta julkaistavasta sisällöstä? // *Is there someone who is responsible for all the content being published?*
8. Miten sisältömarkkinointia mitataan tällä hetkellä? // *How is content marketing measured at this time?*
9. Oletteko huomanneet sisältömarkkinoinnin ja lojaliteetin välillä yhteyttä? // *Have you noticed the link between content marketing and loyalty*