

CUSTOMER TRUST TO INSURANCE COMPANY

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1. Introduction

Trust plays an important role in today's world. Every cooperation involves the element of trust, and its level is determined not only by the development of the individual, but above all, the social and economic development of the entire community [1, p.87]. This situation applies to Poland in a greater extent [2, p.64]. Trust leads to open, innovative and spontaneous actions; it enhances social relations, and as a result it develops the potential and subjectivity of the society [3, p.19–22]. Morgan and Hunt [4, p.20–38] indicate that the forerunner of trust is an authentic, open and honest communication, which is based on understanding, commitment and cooperation.

Trust is everpresent. No relationship is possible without it. Trust is one of the most important factors which help the customers take decisions. Business relations would not exist, but for the trust which can be built up for the particular institutions or its representatives. Trust is perceived as a feature of modernity, connected with division and specialisation of work [5, p.85].

When buying a new product, a customer does not want to take too much risk so he or she repeats their choices that were successful in the past, buys previously recommended products, or relies on the choice of a close and trusted brand [6, p.195–207].

Business reliance means positioning of the brand on the market at a satisfying level or even outstripping the consumers' expectations. The reliability of the brand is marked by loyalty which is based on the customer satisfaction. Trust is the most important and powerful marketing tool of the company [7, p.388]. Scientists prove that the ability of establishing and cultivating strong relations with consumers guarantees the possibilities of development and gaining a lasting and competitive position on the market [8, p.412]. In order to support the relations between the consumer and the marketer, it is crucial to understand its basics, particularly the building process as well as regulations and imperatives referring to trust. However, it should be noticed that building trust is a really difficult and complex task [9, p.211].

Factors such as offers, official statements and advertising campaigns influence the opinion about the company firmly. The image of business entity is an elementary notion raising its credibility in business relations. To exceed the necessary level of trust, the company must work on it for years.

Honesty and credibility of insurance companies should be at the highest level. Financial sector is often labeled as public trust.

The aim of this article is the analysis of the level of trust towards the biggest Polish insurance company, PZU S.A.

2. The characteristics of PZU

PZU is an insurance company. It provides services in the fields of personal and property insurance. According to Polish Financial Supervision Authority, PZU is both one of the oldest and biggest insurance groups operating on the Polish market**.

PZU is also one of the most recognisable brands in Poland. The research conducted by GFK Polonia has confirmed that the brand spontaneous awareness of PZU reached 87,0% whereas prompted awareness topped 99,9%.***

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** http://www.knf.gov.pl/Images/Sektor_ubezpiecze%C5%84%20_Iikw_2011_tcm75-24616.pdf, 18.11.2012

*** Relacje inwestorskie, http://www.pzu.pl/relacje-inwestorskie/spolka_z_dnia_1.07.2013

2012 was an auspicious year for PZU. Net profit exceeded 3, 25 billion PLN and it was almost 40% higher than in the previous year (in 2011 net profit was 2,34 billion PLN). Gross written premium reached 16.243,1 million PLN, in comparison to the previous year when it reached 15.279,3 million PLN. It indicates the growth of 963,9 million PLN, which is 6% in comparison to 2011. In 2012 ROE reached 24% and it was higher than in the previous year by 5,7%. ROA increased by 1,4 % and it reached 6%. ROS increased by 4,7% reaching the level of 20% *.



Fig. 1. The current logo of the PZU Group

Source: <http://media.pzu.pl/pr/212635/pzu-zmienia-sie-na-dobre-i-prezentuje-nowe-logo>, 1.07.2013

The redesigned logo of PZU (Fig. 1) harks back to the logo which has been in operation since 1952. The new logo is much simpler and legible. The rim of the sign has been brightened, which made it more modern and has created the three-dimensional impression. The new system of visual association is to stress the changes that the company has been undergoing in the last years.

The main concept of PZU is: „ZU Group – thanks to the strong consumer-oriented programme and high operational effectiveness – is bound to be the biggest and the most profitable insurance company in East-Central Europe” **.

3. Research method

The research has been conducted by means of diagnostic poll method. The main objectives of the method are to provide us with real facts and observations, determine real conditions as well as genuine characteristics and functioning requirements [10, p.30]. The typical techniques of the diagnostic poll method are a questionnaire, documents analysis, a questionnaire interview as well as statistics [11, p.51]. The research has been conducted by means of Computer Assisted Web Interviews. CAWI is an interview conducted by means of an internet questionnaire. Only people who own computers with the access to the Internet participated in the research ***. When choosing interviewees, it was assumed that they had used PZU offer. The questionnaire was created and diffused at www.ankietka.pl. The research was carried out in March and April 2013.

78 women and 62 men participated in the research. The people included in the survey were diversified in terms of age, education and income. The most numerous group among people questioned were those between 18 and 26 (40%). People between 27 and 35 (30%) constituted the second group in terms of amount. The participation of people between 36 and 49 constituted 20% of total. People above 50 were the least numerous group (10%). As to the education level of the interviewees, people with secondary education were a quite numerous group (35%). The biggest contribution was of the people with higher education – 50%. 10% of people claimed to have received vocational education whereas 5% of people just elementary. Interviewees with the monthly gross income of 2000 PLN were in the majority. Consecutively, the second group were the people with the monthly net income between 2001 to 3000 PLN (30%). People, whose income was above 3000 net, constituted 10% of the interviewed group.

* Wyniki finansowe Grupy PZU za 2012 rok – dynamiczny wzrost zysku i składki przypisanej <http://media.pzu.pl/pr/236662/wyniki-finansowe-grupy-pzu-za-2012-rok-dynamiczny-wzrost-zysku-i-skladki-przypisanej> 1.07.2013

** Relacje inwestorskie, <http://www.pzu.pl/relacje-inwestorskie/spolka/strategia>, 1.07.2013

*** <http://www.pentor.pl/20760.xml> 17.11.2011

4. The level of trust towards PZU

The employees are the flagship of insurance companies, as they are responsible for acquiring new clients and sustain relations with them. Interviewees' opinions on the qualifications of the agents as well as general opinions about the company are presented in Tab. 1.

Tab. 1. Evaluation of personnel PZU

Category	Rating scale from 1 to 5					Average rating
	1	2	3	4	5	
	Number of answers					
Employee PZU SA is sincere in dealing with customer	0	10	46	50	34	3,77
Employees PZU SA are friendly	0	2	28	62	48	4,11
Employees PZU SA have a high level of personal culture	0	4	28	48	62	4,24
Employees PZU SA have high knowledge about the insurance offered	0	4	10	71	55	4,26
I can rely on this company, because I am always professionally handled	0	4	35	62	39	3,97
The company PZU SA strives to make customers happy	0	10	21	65	44	4,02
There are convenient for customers working hours of the agency	0	8	34	53	45	3,96
There is a professional service in the process of settling the claim	10	7	35	52	36	3,69

Source: own work based on research

The highest number of respondents gave the best mark for the impeccable manners of PZU employees. The respondents also highly complimented the employees' knowledge of insurance offer. However, the company was criticised in the field of the claims adjustment process. It is the area which needs to be improved. Some of the interviewees do not seem to be fully satisfied with the claim they have received. The rest of the analysed factors were highly marked. The average marks on 5 point grading scale oscillate around 4. The service and assistance with claims adjustment received the poorest score of 3,69. Customers claim that they can rely on the company and it is trying to come up to their expectations.

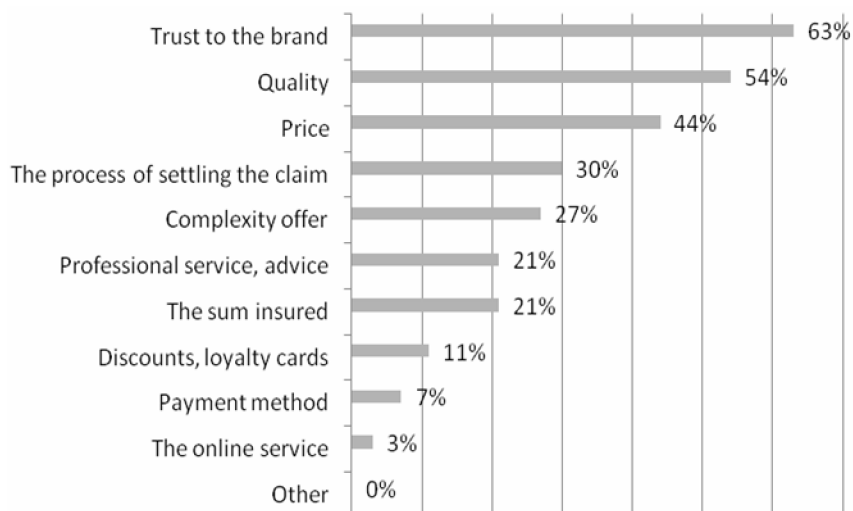


Fig. 2. Factors influencing the choice of insurance company

Source: own work based on research

Customer trust for the brand is the most important factor (Fig. 2), which influences the choice of the insurance company (63%). The quality of services provided by the insurance company also plays a major role (54%). The inessential factors when choosing an insurance company were the availability of online accessibility (3%) and the method of payment (7%).

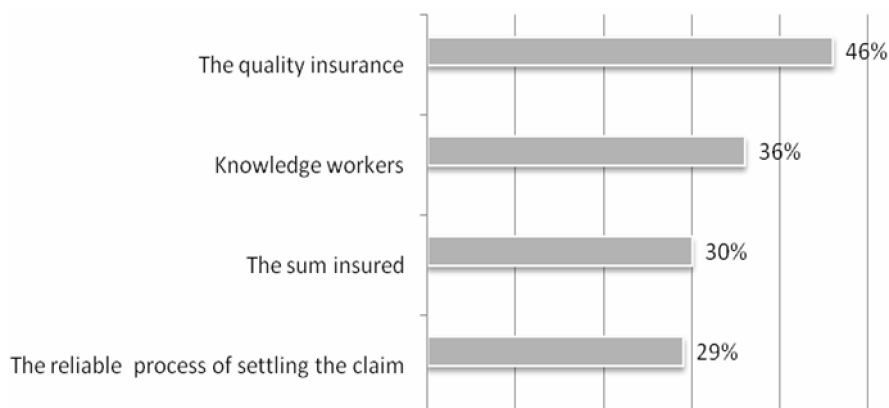


Fig. 3. Factors shaping confidence of respondents to the company PZU

Source: own work based on research

PZU Group offers its clients a wide range of insurance products. As a part of its regular insurance business, it offers property insurance, motor vehicle insurance, life insurance and other personal insurances. PZU clients can choose among 200 different kinds of insurances. Almost half of the respondents (46%) said that they had chosen PZU because of the high quality of its services (Fig. 3).

According to the respondents, another important factor is the professionalism of the employees (36%). Insurance services buyers attribute PZU the following features: tradition, wide experience and trust. Fig. 4 depicts the connotations connected with PZU brand.

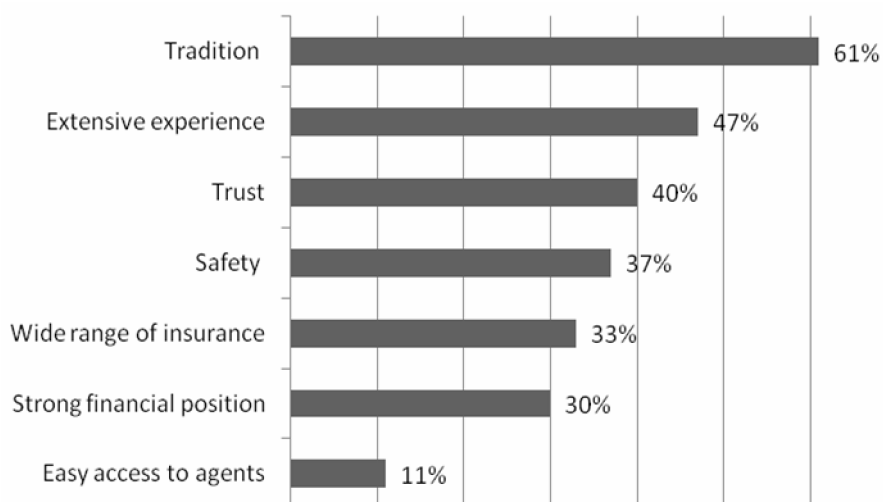


Fig. 4. Associations of respondents related with the brand PZU

Source: own work based on research

More than a half of the people surveyed (61%) indicated tradition as the first connotation with PZU. Not surprisingly, PZU dates back to 1803, the time when the first insurance company was established in Poland. PZU has got more than 200 years' tradition*. The second place was occupied by a wide experience (47%). PZU brand is also associated with trust – 40% of respondents gave such answers, as well as safety – 37% of the people surveyed.

* Relacje inwestorskie, <http://www.pzu.pl/relacje-inwestorskie/spolka/historia> z dnia 1.07.2013

5. Conclusions

Trust is an emotional issue. It is a belief in particular actions and it is a directed relationship between two individuals. It can occur between entities, people, organizations or institutions. Financial stability and tradition are the strengths of PZU. PZU has been on the insurance market for many years. It has developed its own well-associated and perceived brand, which is accompanied by great trust. Professional and just attitude of employees as well as high quality of products increases its credibility. PZU brand has positive connotations. The conducted research proved the strong position of PZU. The respondents appreciate the impeccable manners of employees and their broad knowledge of the products offered. Negative responses referred to the claims adjustment process. Customer trust for the brand is the most important factor, which influences the choice of the insurance company. The quality of services provided by the insurance company also plays a crucial role. The conducted research proved the strong position of PZU. The leading Polish insurance company possesses a wide product offer, and the interviewees are contented with the services provided by the company.

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Summary

Trust is one of the most important factors influencing consumers' decisions. Honesty and reliability of insurance companies are required to be of the utmost degree. The analysis of the degree of trust to the largest Polish insurance company, which is PZU S.A., constitutes the primary objective of the article. The method of diagnostic survey in the form of the Internet questionnaire was applied to carry out the research. In studies was used a random selection of people by definition who have used the services of PZU. 140 people were subjected to the survey. PZU is a company with a long tradition of operating on the insurance market. PZU brand evokes positive associations. The respondents particularly value high working standards of the company staff as well as their competence in selling products the company offers. PZU has a wide product offer, and its customers are satisfied with the services offered by the company. Critical opinions mostly concern the process of damage repairs.

Key words: customer trust, cooperation, economic development, business relations, business reliance.

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