



Online Car Insurance, an efficient strategy or just a trend?

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Abstract

Online insurance is a new and advanced business model in the field of insurance market and seems to be gaining sufficient and reliable ground not only in the Greek society, but mainly world widely. It initially made its appearance in the Greek market in 2007 and has reached a remarkable level of popularity among Greek consumers by the year 2010. Its extended use of promotional strategies through network support, especially the web and social media as well as a series of targeted TV advertisements, has rendered online insurance a sustainable and effective method of consumer coverage for the companies using it, as well as a dynamic and strong in terms of competition field with respectable profit shares in the insurance market. Even though the model is still new in the market and exact results cannot be reached, our findings generate important theoretical and managerial implications as to its future implementation and success.

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1. Introduction

The concept of insurance made its appearance in the 3rd millennia BC in China (Wikipedia, n.d.), as for traders to insure the vessel and cargo from pirates attacks and invasions. Ever since, several types of insurance coverage have been designed, modeled and launched in the market with more important those of health or even credit insurance, while others like car insurance have even become mandatory globally.

Going online in order to deal with a car insurance contract is a new (Dumm & Hoyt, 2002), contemporary and innovative strategy internationally (Yao, 2004) and the Greek insurance market is not to be exempted (Pollalis & Vozikis, 2007). This new business model uses the internet facility to promote insurance coverage, with the client and the online insurance company as unique transactors related and thus obviating a vital hoop of the traditional chain: that of the insurance mediator, the person responsible for insurance contracts. In more detail, the companies applying this sales service model appear to be providing more cost-effective services than those of their competitors in order to attract new customers, taking into advantage the severe economic recession society is being faced with. On the other hand, consumers, since their income diminishes, are in search of more affordable pricing rates for their car insurance mandatory by law respectively. Provided that this new business model is applied by very few insurance companies so far, it seems to be gaining ground increasingly and rapidly, which consequently creates a setting opportunity for increased market share.

Online car insurance, or unofficially e-insurance, is a service that combines the characteristics of an online service with the tactics of e-commerce respectively (Kaiser, 2002). Given the fact that e-insurance is a service applied with the model of e-commerce, few studies have mainly investigated the implications or effects caused to insurance brokers and intermediates (Giaglis, et al., 2002) and this is the topic on which the current dissertation will focus mainly on. As such, this study initially examines whether this new insurance sales model has penetrated in the insurance market and how reliable it can be for consumers. Additionally, it defines what the role of insurance mediators represents and how they are influenced by this new sales model, how the new current competition standards among insurance companies are

molding and whether this strategy is eventually considered successful since this is a recent, updated and innovative development strategy in the Greek insurance market, thus creating vital elaboration and speculation regarding its effectiveness.

As far as the methodology is concerned, the study employed qualitative methodology. For this reason, primary data were collected through experts in the field that have been interviewed, based on a constructed questionnaire prepared, containing related questions adjusted from related studies within a period of 3 months. In addition, secondary data such as past interviews and journals have been gathered and analyzed in order to draw more accurate conclusions and further back up our primary data analysis findings.

The most important findings were that even though this type of service provides an apparently economic and faster-due to the use of internet- solution, it creates an impersonal relationship between the consumer and the insurance company. In this case, it seems that the provisions offered by the insurance consultant (or mediator) are pushed aside, as it is he or she conducting the needs analysis for each customer, providing the best coverage for the customers' needs as well as constant information on new programs. So, this dissertation concludes that online insurance should not be considered just a trend, but it sets pivotal modernization of services in the insurance sector without disturbing the balance between the insurance company, the mediator and the consumer.

The current dissertation contributes in the following ways. Firstly, at the theoretical level, the expected outcomes reinforce the already existing literature regarding e-insurance, as for example it enhances Giaglis, Klein and O'Keefe's (Giaglis, et al., 2002) study based on the disintermediation scenario. Secondly, it provides a managerial guideline as to how both insurance companies and insurance mediators should innovate and modernize their management strategies and procedures, taking advantage of the capabilities and benefits of the internet and social media.

With regard to the dissertation's structure, firstly, a historical background of the insurance institution, legislation along with respective penalties defined by law as well as the private insurance's contribution to society are presented, while a general frame and overview of the current insurance market is mentioned based on statistical figures. At a second stage, consumer inclination and e-commerce turning are

described focusing mainly on the survey's part of direct online insurance and specifically on the car insurance sector as mandatory. Finally, emphasis is given on the mediators' role in the insurance market and possible implications emerging from their coexistence with this kind of alternative insurance sales contracts. To this end, the dissertation includes a literature review of this specific field, followed by the methodology section. Next, the basic findings are further presented and thoroughly discussed. Last but not least, limitations of the current study together with future research directions are depicted in reaching the final conclusion estimates on the present survey.

2. Literature Review

Separated into three sections, an in depth terminology, legislation and costs regarding insurance services, possible penalties occurring from the lack of car insurance, the contribution of insurance industry to the economic and social environment in Greece as well as the current situation of the Greek insurance market are described on the first whereas the second part provides an analysis of the new e-insurance model in connection to e-commerce and the use of online markets. Finally, the last section presents the gap appearing in literature regarding the efficiency of the insurance model as it is formed by means of online insurance policies.

2.1.Review of the legal framework and contribution of the insurance industry

As part of the thesis entitled, it is appropriate to clarify the meaning of insurance as a service, the difference between private and public insurance and its contribution (private insurance) to contemporary society. Insurance thus, as a legal term, represents the association of people exposed to similar risks and generally have the privilege of separating mutual legal claims concerning insurance provision (Μιλτιάδης, 2003). The connecting link between public and private insurance is the insurer carrier, with whom the individual belonging to the association creates a multitude of insurance relations. These insurance relations render the backbone of insurance service and can

be based either on the contract, in terms of private insurance or by law, in terms of public insurance. However, having private insurance as object in this work, a further analysis will be undertaken, explaining the meaning of the insurance contract and the factors defining its cost.

According to the Law, it is mandatory for every owner of automotive vehicle to have their vehicle insured for third party liability in the case of a car accident that can be occurred. However, except for the compulsory one mentioned above, there are other types of insurances (optional insurance), which aim to the fullest possible coverage of the vehicle, concerning fire, theft security and natural disasters.

Basic laws governing insurance agreement of Automobile Sector are included in the law 489/76, as codified by Presidential Decree 237/86 and are valid until today containing the basic provisions "on compulsory liability of car insurance" and in the Law 2496/1997 that regulates the insurance contract in general. So, according to the definition, Article 1 § 1 of the law 2496/1997, *«Insurance is a contract according to which, an insurance company (“the insurer”) undertakes to make payments or, if specifically agreed, make provision in kind to the other party (“the policyholder”) or to a third party, in return for a premium, on the occurrence of the event on which it has been agreed that the insurer’s obligation is depended(“the insured event”)*. The insurance contract is the one with which the insurer provides protection (acceptance of risk), in return for a premium. (Μιλτιάδης, 2003)

The Law provides for the imposition of harsh sanctions against driving, ownership and car holding offenders who are in circulation or make use of uninsured vehicles. Specifically:

In the provisions of article number 5 of the law 489/76 it is provided that, without carrying the special, insurance evidence signs, imposition of the above sanctions can be induced in vehicle circulation:

a) Vehicle plates and driver’s license removal by police authority act for one year. The provocation of a car accident by this vehicle without the above mentioned special sign can decipher plates removal and driver’s license for two years and on three years recurrence.

b) Financial fine over the Auxiliary/Subsidiary Fund entitled by police authority act and collected with relevant provisions of CGC, 1000 euro for buses and Public Utility Trucks, 500 euro for passenger ships and other kinds of vehicles as well as 250 euro for bicycles.

Also, with the provisions of the article 12 of the above law, a set of harsh sanctions is defined according to which:

a) Imprisonment from two (2) to twelve (12) months and a financial penalty of 300 euro at least at the expense of the owner or keeper of the vehicle put in circulation or submission to the release of the third without meeting the prerequisites of the L.489/76, meaning the fulfillment of insurance coverage obligation.

b) With the same above penalties the keeper-non owner putting the vehicle in circulation is punished as well.

Further administrative repressive measures are also included in the traffic regulations code (article 103 par.1), which render the removal of the driver's license as well as the registered by the state plates of the vehicle for ten (10) days.

2.1.1. Insurance costs

Calculation insurance premiums (pricing) is given freely from every insurance company based on danger parameters each company has assessed as crucial and significant for this purpose. Indicatively, usual factors affecting insurance contract costs are:

- Driver's age
- Vehicle use (car, Truck etc.)
- Vehicle features (engine capacity, horsepower, vehicle's value, manufacturing year etc.)
- Historical claim of damage
- Insurance premium payment method (3month, 6month, annual)
- The geographical region of the vehicle in circulation

A basic, also, pricing factor is the one dealing with coverage limits (insurance premiums) which are undertaken to be covered by each insurance company.

As already mentioned, the minimum coverage amounts for third party liability insurance from car incidents are regulated in legal terms recently concerted (L.3746/2009) along with the 5th Community Directive and provides for the gradual increase of the minimum insurance coverage premiums for physical damages as well as those for property damages caused to others until the 1st of June 2012.

The above forthcoming mandatory increases in coverage limits represent undoubtedly an increase as well in the risk involved by insurance businesses which, on the other hand should be noted that those will be appreciated and assessed by each insurance company separately and which will eventually determine the requested insurance premiums for this kind of coverage provision.

2.1.2. The Contribution of Private Insurance

Concerning the issue of contribution, it should be noted that the insurance industry contributes to the economic, psychological and physical health of members in modern societies. Moreover, it is commonly accepted that the more developed the insurance institution is in a society, the fewer the social problems that may occur. Regarding economic contribution, insurance companies as modern economic units constitute by definition an important sector of employing workers but also a source of tax revenue for the state, serving simultaneously as an institution with multiple positive factors for the economic prosperity of a society, such as:

1. **Damage Restoration:** By restoring any kind of damage, serious disruption of economic business is prevented; professional, social activities, stability and continuity are ensured.
2. **Encouraging and Promoting Savings:** The funds collected from premiums are actually available stored funds, which contribute to the creation of a healthy and strong national financial market.

4. Encouraging Business Initiative: It is certain that under current conditions of globalization and fierce competition, business initiatives would be much less if entrepreneurs were not provided with the protective network of insurance while these business initiatives are innovative in most cases and therefore more risky.

3. Financing Investment: A corollary creative asset management is the reliable strengthening of productive investments, which contributes to the development and empowerment of the national economy and GDP growth.

5. Research and Technology Development: The insurance industry financially supports and encourages scientific research linked to health as well as the causes of accidents occurred while making the production of advanced technology products feasible, through ensuring obvious risks.

6. Rescue of Personal, Family and National Resources: Significantly less would be the total Gross Domestic Product in the absence of the insurance institution. Sufficiently estimated would be the loss and the damage of tangible goods, without opportunities, if these goods were to be recreated, from individual (traffic accidents - fires) or collective disasters (earthquakes, floods, hurricanes, volcanoes), if there was no possibility of their replacement by insurance compensations.

Respectively, the contribution of private insurance is huge for health, stability and family cohesion not only as the core of the social fabric, but for society itself. In detail:

1. Mental and Spiritual Health: Perhaps the most important of all goods offered by the insurance industry to the citizens of modern societies is the sense of security that reduces mental pressure, anxiety and stress, which are considered the root of psychological and organic diseases.

2. Quality Life: Completion of public insurance on a personal and family level, on issues of ensuring family income (in cases of incapacity for work), health and death, additionally to the restoration of any damage, contributes to peace, tranquility and family cohesion and thus their quality of life. In parallel,

private insurance ensures children and young people by creating a "family capital" to build a potential new nuclear family.

3. Wealth Preservation and Income: Compensations, in case of accidents and lengthy illnesses, ensure financially the insured person and his family, while preventing the growth of social problems. At the same time, compensations dealing with property damage prevent the marginalization of wealthy families.

2.2. The Greek Insurance Market

During the economic recession, the Greek Market has undergone a lot of changes as far as the insurance sector is concerned, whereas as far as the market share is concerned, according to 2010 data, the 5 strongest companies cover 71% of the life insurance business when in 2009 they covered 65.33% and on the non-life business they reached 41.84% of the total market share, increased by 2.5% compared to 2009 respectively. An important figure is that the 20 strongest companies of the non-life business consist 88.54% of the total market, increased by 6% compared to 2009 (Companies, 2011).

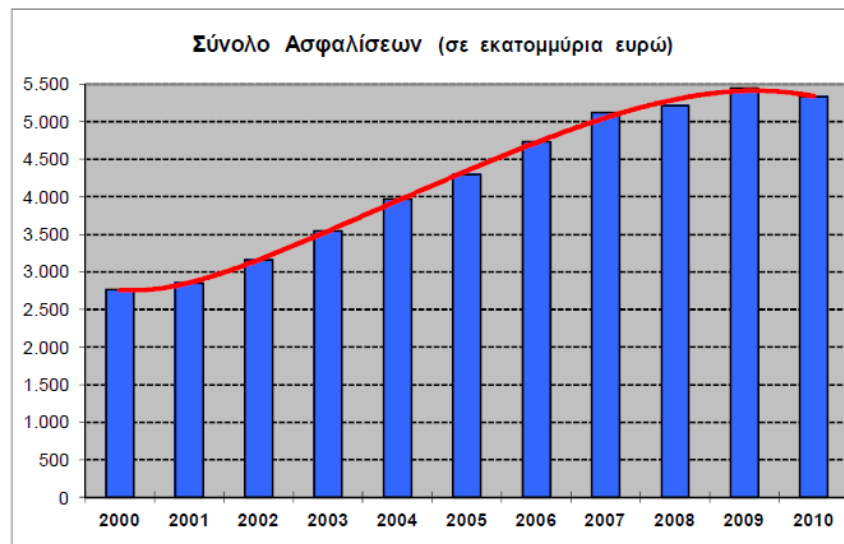


Figure1: Annual Turnover of Greek Insurance Companies [www.eaee.gr]

Figure 1 demonstrates the turnover of the insurance companies having doubled throughout the last ten years, showing a steady increase yearly, except for the last two years with a negative slope depicted in 2010.

Finally, the data indicate that the total premiums as percent of the GDP have always exceeded over 2% and the per capita premiums in 2010 reached 471.22€ in contrast to 253.21€ in 2000.

In 2011, a partial separation took place from 71 insurance companies in existence, out of which 13 are life insurance providers, 47 are non-life and 11 are mixed (allowed to write both services), while the size of the market might probably change in the near future as a number of mergers have been unofficially announced (insuranceworld.gr, n.d.). Over the period of 2000-2011, the total amount of companies shows a decreasing trend from 110 to 71, a phenomenon caused mainly by the increased capital requirements regarding their reserves, poor managerial practices and insufficient network and service strategy.

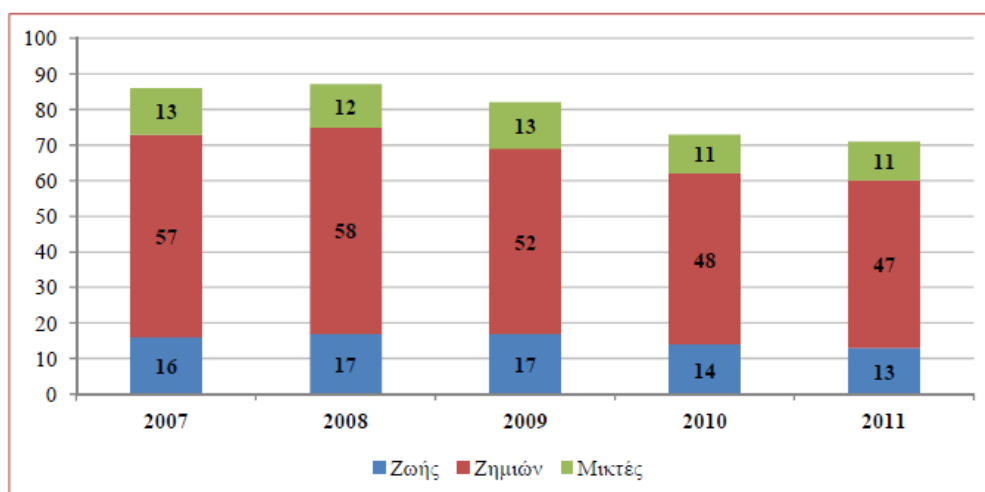


Figure2: Number of Insurance Companies [www.eaee.gr]

The economic crisis and the difficulties of the majority of Greeks to cope with their basic daily needs, resulted in the restriction of car insurance policy, which is by law required, choosing to be insured on basic liability coverage.

Thus, apart from the increase of uninsured vehicles, as a consequence of economic crisis, car insurance is restricted as to the extent of insurance coverage chosen by consumers, despite car insurance being in fact the most developed private insurance industry in Greece.

According to the statistical yearbook published by the Hellenic Association of Insurance Companies in 2012 (Hellenic Association of Insurance Companies, 2012),

involving 29 companies from a total of 31 working in the industry, income premium reached € 1.84 billion. From this entire production of premiums, insurance against civil third party liability (compulsory coverage) reached € 1.49 billion in 2011.

According to the data, it is indicated that the frequency of car accidents diminished to 10.7% from 11.4% compared to 2010, the loss ratio increased to 60.9% from 59.9%, the ratio of insurance commissions to 18.4% from 18.1% respectively, whereas the cost ratio decreased to 9.8% from 10.5%, while the mixed ratio increased to 89.1% from 88.5%.

2.3.Review of e-commerce and online markets

In the era of mass media communication and interaction the internet has been of significant importance as it has unveiled new networks of conducting not only research but also business and trading affairs .The use of the internet has established new data dealing with e-commerce and online markets standards in such a way that new approaches have emerged and trading procedures have been simplified. As it will be reported below, e-commerce has invaded the online market field in several ways and its impact is catalytic both to the business field and consumers individually, since all transactions and purchase fields of interest are in direct access through advanced network strategies. It should be noted that its implementation has simplified the role of trading without though entailing certain repercussions as to its credibility and security features. A certain explanation of e-commerce and its effectiveness is presented and a further presentation on the online market traits is depicted so as to fully acknowledge the effectiveness of e-commerce and online insurance in the market and more specifically in the Greek one. All things considered, the importance of e-commerce in combination with online market existence in the field of online insurance is such that, it is preferred by a high percentage of businesses and consumers due to its direct availability and competition pricing product provision.

2.3.1.E-commerce

With the advent of mass media development such as radio and television the necessity for advanced communication and interaction establishment found its counterpart via the inauguration of the World Wide Web thus the internet. More specifically, even though face to face contact has been considered the most fundamental means of communication, online network gained ground offering innovative and pioneering opportunities especially in the commercial field. In fact, the necessity to serve the consumers needs for immediate access to differentiated products and offering coverage information through research, made the internet the most common tool of communication and interaction mode. E-commerce has rendered its place as one of the most challenging and effective means of conducting differentiated buying and selling exchanges through a wide range of product and service availability and in limitless time boundaries enabling both consumers and businesses', small or big, satisfaction towards their demands.

E-commerce involves all kinds of potential purchases online through the use of network channels simplifying consumers and businesses transactions in such a way that all potential commodities available can be succeeded in immediate response internationally thus assuring that all products and services are instantly delivered. Moreover, in terms of payment methods e-commerce's reliability towards security issues enforces its dynamic trading correspondence between consumers and manufacturers involved respectively. This kind of online trade succeeds in capturing not only simplistic forms of purchasing but also supporting online business trading through a network of data available for businesses to enhance potential profits without wasting time and paper and satisfying their customers' demands.

There are different kinds of e-commerce applying to different buying, selling and trading approaches when conducting various transactions online. E-commerce is mainly divided into two main broad categories (Office, 2002), those of business to business (B2B) and business to consumers (B2C) and those dealing with governmental monetary transactions and services through businesses third category lies in among consumers including online offers for third party counterparts. It should be noted that all categories depict the revolutionary impact of e-commerce trading as a

means both for buying and selling and carrying out business expansion methods in more adequate and trustworthy surroundings.

Taking all the above into careful consideration, e-commerce has entered the global market in such a way that all products are available on screen and consumers can be in immediate access to all concerning purchases of interest by simply searching on the web. Its effectiveness is due to the fact that a network is constructed to offer consumers the possibility of obtaining any kind of product they wish to purchase without having to visit stores and waste valuable time. In this way e-commerce enables consumers to compare product and price availability in a relaxed home environment without privacy disturbance. As a result, e-commerce's catalytic role has led to the economy enhancement and has improved the pre-existing restrictions on retail, services and what makes the economy work. Consumers can be reassured that any kind of product can be reached without time boundaries rendering multiple product possibilities and thus making decisions more easily or buying alternative ones. In terms of business trading, e-commerce has established a dynamic role not only in business transactions but also in the job market since new job opportunities have emerged creating new positions for the network's needs. Especially in the case of niche products businesses have accomplished in offering their products and services in much affordable prices thus making e-commerce the ultimate panel of distribution exchanges more effective and cooperative through immediate access to all parties interested. Last but not least the very existence of e-commerce eliminates the risk taken in terms of security and error processing which is a vital factor when conducting buying and selling purchases online.

There are, however, some downsides (Gopal, 2012) on the co-effectiveness of e-commerce mainly concerning security, delivery and consumers' reluctance when trading occurs online. It is believed that not all networks can be safely reached and consumers raise doubts whether payments via credit cards are of total reassurance and if impersonal transactions are safely implemented. In fact, there are many cases where low priced insurance contracts have been observed not to fully depict the actual coverage provided (Sarapovas & Cvilikas, 2006). Moreover, specific products such as those of home equipment cannot be purchased without immediate contact by nature thus consumers hesitate to conduct purchases online which emerges the need for empowering the network in all potential ways to make it more viable and safe for

consumers to overcome their sense of insecurity. Delivery time is also an issue since not all products are in due time or some are delayed so improvement of the system can despair all possible inadequacies. Consumers find themselves mixed in between since they wish to have immediate access to all products considering though that the experience of shopping online cannot be compared with the one when shopping as a means of entertainment. In particular, even though the significance of searching online and purchasing through a wide range available is essential, consumers get frustrated since different accessible online networks offer multiple opportunities but lack in providing adequate information or there is no immediate response to the customers' optional field of correspondence (Trembly, 2004).

All things considered, e-commerce has domineered the economy industry in such a way that all possible transactions and services available globally can be achieved online establishing a new era of conducting trading for consumers and businesses. What should be of paramount awareness is the efficiency of the network to correspond instantly to the customers and businesses needs by improving services online and making them a priority so as for the network to continuously provide a safer and easily accessible and payment processing environment successfully. Companies offering such availability should focus both on quality service and price demand and successfully construct and adopt a corresponding business strategy aiming at improved customer relationships as well as client retention. In the long run, e-commerce's dominance is due to human reaction having been evolved through social networking channels and this kind of communication enforces its very reason of existence (Deapo, 2010).

Apart from e-commerce and its dominance in the trading market online insurance is a parallel trend that is already well established in the European market. More precisely, according to a recent survey by Ernst & Young (Ernst & Young, 2012), 32% of European customers use a wide range of online channels in order to be informed or even buy online insurance contracts, while this percent is expected to grow as a 37% percentage of consumers are expected to make more use of these sites in the future since the necessity of attaining a quality service in combination with low pricing access renders the need for careful and incessant research the internet sufficiently incorporates (Trembly, 2007). This distribution channel is mainly preferred in the UK and mostly by consumers aged 18-34 who make internet interaction the basic means

of their correspondence as well as consumers aged 25-35 seeking specific information concerning their purchases online. According to estimates, the online insurance holds a large share of the market in the European countries; in the UK it reaches 63%, in the Netherlands it is over 50% and in Germany one customer out of four shows a preference to issue an insurance contract online (26%). (NextDeal, 2011)

The past few years, online insurance has entered Greek society in an attempt to bring consumers to an advanced world of network communication and make their lives easier and their purchase demands to come into realization. What is mainly observed is the fact that Greece is faced with an unprecedented current economic recession and consumers are seeking more flexible potentials to fulfill their desires concerning their insurance premiums and in particular when insuring their car which is a mandatory prerequisite by law. Insurance companies in the Greek market are taking further steps to enhance their customers' loyalty and are trying to be equipped with such a network so as to provide accurate and updated information based on their needs and demands. Even though in the insurance sector there are several e-agencies developing their strategies, there is tremendous delay to the network's credibility and security formalization that the role of insurance brokers cannot be discarded or ignored since the Greek society has always been characterized as the one placing high regard to interpersonal relationships and more specifically the ones of insurance intermediaries. All in all, the Greek market insurance sector has been in constant alertness regarding insurance policies but there should be some kind of improvement as far as insurance premiums pricing availability, coverage provision and security network credibility are concerned so as to render it a vital key factor among the European Union's countries developmental insurance policies (Pollalis & Vozikis, 2007).

Going online was initially launched in Greece by Interamerican with Anytime Online. The company has managed to offer lower premiums compared to its competitors mainly because of the absence of intermediaries. The customers of the company are served using a platform provided by the company through their website (www.anytimeonline.gr, www.mydirect.gr etc). What is required is to fill in the car's characteristics and the personal characteristics and in just a few seconds an offer with the insurance contracts that each company offers is available to possible customers. The next and last step of the procedure is to fill in their credit or debit card number and print the contract until the original copy will reach your door a few days later. The

online method is considered a simplistic form of procedure since the Greek market has yet to expand its horizons concerning insurance companies' online services, as well as sustaining an effective business strategy targeting consumers' demands.

Many companies have followed the example of Interamerican, either identically by issuing contracts online or by creating an online platform that can compare the prices of different insurance providers (this is mainly used by insurance brokers and intermediaries). In each case, the industry has invested on building the IT infrastructure and strategically improving and using new and up-to-date promotional Marketing techniques. More specifically, the insurance companies attempt to build a strong brand name by using the traditional TV and Radio campaigns, together with investing on Internet campaigns (website banners, Google Adwords, etc) and Facebook Marketing. According to Accenture, Social Media is a one way street in contacting with customers, network of partners and employees (Accenture, 2010) and as the flow of information is continuous with no boundaries, social consumers use social networks as a main search tool and their use is becoming more popular over the time. Online companies are actually based on this exact network interaction and have thus invested time, money and efforts to build upon these strategic insurance patterns to attract consumers.

On the other hand, insurance brokers and individuals follow the same strategy and update the services provided in order to keep up with the latest insurance trends of the current network's developmental insurance advances. Julier Knight, Director at Marketforce Business Media (Social Risk Europe, n.d.), stated that "There's a growing consensus that insurers who successfully manage their reputations through social media will benefit significantly. In the future, social media could play a key role across both commercial and personal lines insurance in aiding genuine, non-price-based differentiation". Therefore, specific technological flexibility and credibility on the part of insurance consultants is advisable so as to establish and stabilize their fundamental role in the insurance market standards.

Last but not least, an important issue concerning both online insurance and insurance companies and their intermediators to be taken in mind as well is the authorization of online banking insurance availability provided in the insurance field. It is observed that the banking sector due to its network sustainability and direct interaction with

consumers of differentiated insurance needs and coverage demands is in the privileged position of attracting a wide range of potential customers, since their empowerment in electronic advances is fundamental. In this way bank delegates have managed to integrate all kinds of insurance strategic programs in order to achieve highly respected insurance premium standards towards consumers along with the accomplishment of immediate access procedures for the benefit of consumers' availability. Since online banking is considered the most useful means of internet usage, it is concluded that consumers are using it as a means of information regarding all possible banking issues and specifically the one of insurance coverage. The benefit actually lies in the fact that consumers are given different pricing and comparable quoting information for just one specific service and thus can make their own choice respectively according to their needs. As a result, online banking insurance increases its leading role in the insurance market with the exception, though, of not accumulating sufficient revenues from these purchases and thus making the role of insurance intermediators the only trustworthy relationship in the insurance market. So, online banking influences the insurance domain and insurance consultants' method of conducting insurance contracts and providing accurate information in order to meet with the consumers' demands and it should be noted that online banking is properly fulfilled with the demands that online insurance market poses, especially online car insurance as the most preferable coverage case in the years to follow (Eyler, 1998).

2.3.2. Online markets

During the last decade, the internet has become a powerful communicational and informational tool that earns new loyal users every day. The Interactive Advertising Bureau Europe (IAB Europe) characterizes internet as an "All Consuming media device", as 65% of Europeans from 28 countries spend more than 14.8 hours a week using the internet (426.9mill) (Mediascope Europe, 2012). Except for online information and interaction, 51% of customers use the internet for online shopping, while 96% conduct online research essential when buying or selling online due to the infinite existence of networks. Social media represent a significant role for the brand image of a company as 30% of Europeans find it very likely to purchase a product from a brand advertised on social media websites. The most loyal customers of the

online markets are British in a range of 32% out of the total population, followed by Germans at 25.4%.

The main reasons someone would prefer online markets have always been lower prices, more simple procedures and the convenience in finding some products more easily than in normal stores. Nowadays, due to economic recession and reduction of purchasing capacity of the households, customers tend to seek for more deals online, either by online shops or by the recently created “daily deal sites” and through general research, so they would be provided with all the necessary information when reaching to finalize their purchase decisions.

According to a research from Observatory for the Greek Information Society, 70% of total customers search the internet in order to find information about products and services (Vergi, 2010). Apostolos Apostolakis, C.E.O. of e-shop.gr (Mallas, 2010) stated that, “During 2010 an increase of 5% in the amount of total orders received has been observed”, while in 2011 the total online purchases reached 1.7€ bill, recording an increase of 30% in contrast to 2010 (E-Business Research Center, 2011). More specifically, 70% of Greek online buyers spend more than 10 hours per week for their purchases via the internet and they are considered to be professional buyers as half of them shop online at least 2 times a month. Likewise in the same survey, online banking is preferred at 68% of total online buyers, bill payments at 64%, and life insurance contracts at 36% and finally e-gambling at 26%. The most important key factors of trust are after sales quality, clarity in terms of use and ease of use. E-commerce is equipped with a system to support online safety regulations thus enhancing its dominance in the market field, whereas lack of credit or debit card along with lack of trust of internet security panels remain the most important factors for avoiding online purchases and sticking to traditional ways of conducting business.

2.4. The research gap

Despite online insurance' preexistence in Europe, it came into realization in Greece by Anytime Insurance (supported by INTERAMERICAN insurance company) in 2006 and presented a new way of approaching new customers, having already shown signs of a dynamically growing distribution channel. This last year, two more companies,

myDirect (supported by DEMCO insurance company) and Hellas Direct (supported by Prime insurance), decided to enter this field of providing impersonally direct insurance through the use of the web. As described above, e-insurance model uses online markets as its distribution channel and builds its strategy according to the requirements that e-commerce imposes. Under these circumstances, it is clear that this specific promotion model is considered a novelty for the Greek Insurance market and Greek consumers gradually learn about this opportunity to be insured online. Therefore, due to the fact that this is a new promotion strategy, no actual results from any survey conducted on the issue of its efficiency and response to consumers has been made. As a consequence, a gap is observed with regard to the way in which a channel selling insurance products directly through the internet, can be established in an environment where consumers until recently addressed to insurance consultants (intermediates) and had interpersonal relationship with them for any problem concerning their contract. It is this kind of gap instability that has influenced the insurance market and has actually provoked a constant competition among insurance brokers and online insurance agencies in the insurance market.

3. Methodology

From the discussion presented above, it is evident that there are a limited number of studies regarding direct insurance. Especially regarding the Greek market, the majority of opinions are gathered through articles and interviews in relevant websites, blogs or journals, which are all used for the purposes of this study as secondary data.

In our effort to add our personal contribution to the research gap regarding the particular topic, we decided to employ qualitative research. The specific tool used is unstructured in-depth interviews in order to obtain a deep understanding of the importance of direct insurance and coexistence with insurance consultants. Probing has been used in a small extend as for the collection of beliefs regarding the sensitive part of the effects that the increase of direct insurance causes to the insurance broker.

The questionnaire used for the needs of this study was generated in accordance with evidence sought from the literature review and opinions cited by professionals during our research regarding the industry and concerning the role of online insurance and its

impact on the insurance industry. The majority of interviews were tape recorded, while others were conducted via Skype video calls to accommodate the current research needs.

Sample: For the accomplishment of this study we conducted in depth interviews with five experts on the insurance industry. All respondents were specially selected as each one represents the sector from a different angle and with different business perspectives. The interviewees are aged between 26 and 62 years old. The high range of the sample provides objective findings to this survey due to the long experience of the interviewees, as well as their personal beliefs about the insurance sector respectively. More particularly, the sample consists of an insurance consultant, a General Manager of an insurance broker, a Marketing Manager of a Greek insurance company, an insurance employee in the claims department and finally a journalist and owner of an insurance magazine and an informative website regarding insurance industry.

Context: This study concentrates on evaluating the new distribution channel that some insurance companies follow and set as priority methods in order to increase their market share and their profits in the insurance market respectively in such a way that it becomes a strategic and advanced point of consumers' interest.

Research Design & Process: The interviews were contacted using Skype video-calls for those interviewees that were in Athens, while for the rest the interview was conducted while they were at work. The procedure lasted less than an hour for each respondent

Questionnaire: The questionnaire consists of initially some basic questions that helped us draw a conclusion about the experts' profile. As each one holds a different position, the benefits obtained for each respondent are slightly different, so this helped us come up with an overall outcome. Thereafter, the interviews continued with more specific, close ended questions that were mainly influenced by Giaglis, Klein and O'Keefe's research coupled with an interview given by Panagiotis Lissaiou, C.E.O. of Marsh Ltd. Insurance Brokers (Lissaiou, 2012). Among the procedure, probing was done, so the exchange of information was constructive and the interviewees could give a clear impression of the topic.

According to the above it is concluded that the methodology approach followed consists of different sources from the academic environment and thus combined with the primary data sourced from experts of insurance industry, would lead us to a more reliable position about online car insurance in Greece. As a consequence, there is an attempt to adopt an overall point of view studying all the data we have recorded. Thus, the findings will provide information about the insurance sales environment and the high competitiveness existing among insurance companies and also among the insurance intermediates.

4. Data Analysis

The following data analysis entails the summaries of the respondents' responses to a series of corresponding evidence regarding the current online insurance situation in the Greek and international market, as it is being modulated the recent years taking into account all aspects of the existing economic crisis. In particular, the respondents found themselves willing and eager to participate and engage their point of view towards online insurance and the role of insurance intermediates in the insurance market, since confidentiality of the qualitative findings will be maintained and this brought about a more reliable and indicative outcome. These specific findings, however, are one kind of source of the general aspect of online insurance that cannot entirely reflect what online market represents on the whole. It is thus a reflecting frame of a long existing situation that would contribute to reaching to a more standardized conclusion concerning the impact of online insurance and its implications to consumers and their coverage preferences.

Interviewee 1: The respondent is 25 years old, male and is currently working as an insurance broker in Thessaloniki.

In the first part of the questionnaire according to his estimates, online insurance has been on the forefront the last two years in Greece and its main target concern is the provision of low insurance premiums as it is observed in Europe and mainly in England. What is set as the main focus in this kind of service is the competitive advantage offered as well as the immediate access customers attain which, from his point of view, does not correspond to the actual interaction, advice and guidance

insurance brokers could inherently and thoroughly provide to their customers respectively. It is mainly supported through advertising which nowadays exists everywhere with the intention of attracting a large percentage of the insurance market only to serve its profit purposes enhanced by the economic recession consumers are being currently faced with. Consumers are bombarded with so many low pricing products and are not willing to conduct the appropriate research so as to be informed of the very existence of intermediaries and tend to make not only low pricing but also low quality purchases especially in the case of car insurance rendered mandatory by state law. As a result, problems could emerge on the co-effectiveness of such online contracts in case of accidents since there is a procedure between the companies and insurance brokers which is ignored by consumers even though they are the ones who pay the premiums in the first place.

As far as the second part is concerned, no-one can, however, deny the influence of online insurance in the insurance market as an ideal network of conducting business since many companies are facing portfolio diminishing and therefore profit marginalization and this trend has led especially in the car sector to the decrease of insurance premiums so as to attract new customers and some to quit from their interpersonal bonding with their insurance brokers. Considering this trend is here to stay, according to his opinion, but even online or through the telephone the procedure is not fully realized by consumers and there are those who support this kind of intermediary relationship especially the Greek society. Insurance brokers are doing their best to provide accurate coverage guidance so even if in certain cases companies ignore them it certainly is not a key factor for consumers nor has there been any tremendous decrease or change to our portfolios. Consumers need to be fully aware of the potential and different perspectives when reaching a decision concerning their insurance premiums and find it difficult to process all the network information so the role of insurance intermediaries will always be a reliable source of insurance evidence.

At the personal level, the respondent firmly is of the opinion that online insurance and more specifically car insurance should be perceived as just a trend and is characterized of more downsides than benefits. The reason is that there has been a sharp rise in the insurance contracts with no specific evidence when choosing one, while consumers are not confident enough about the online network's credibility as

far as security measures are concerned. There is though a certain amount of car insurance demand mostly in the cases where there are no actual interpersonal relationships between consumers and their insurance intermediaries.

The existence of online insurance leads to the notion that insurance brokers are not of necessity but in terms of service and guidance online insurances are not able to satisfy the consumers' demands in such a way insurance brokers are available.

Interviewee 2: The respondent is 42 years old, female and is currently working as an executive in sales and management department for 22 years.

Regarding the first part of the questionnaire according to her estimates, the internet has always been of fundamental usage since all people implement it to search or obtain information for work or entertainment issues and it is this kind of network development that has established online insurance, especially online car insurance, in the Greek market community. Even though online insurance is considered a new trend in Greece, in Europe it is common knowledge that all consumers insure their cars or houses via the internet since it is more affordable for both companies and consumers. As a result it is increasingly spreading everywhere since consumers are attracted to this kind of low pricing premiums and find the internet a useful and immediate source of information. In addition , due to infinite advertising consumers do not make specific research when buying online and more specifically they are unaware of what actually occurs when choosing insurance companies online for insurance coverage since advertising overwhelms them with excessive information to process.

In the second and more personal part of the questionnaire on the other hand, consumers in the Greek society tend to appreciate interpersonal relationships with their insurance intermediaries since some are aware of the risks when choosing online insurance coverage. What insurance brokers should do is be constantly alert and informed about coverage, pricing and differentiated choices so as to provide guidance and flexibility towards their consumers 'needs. The world of insurance market can be implemented by both insurance companies and online e-agencies provided there is technological and interpersonal development towards consumers.

To conclude, the respondent is of the opinion that the online insurance market will increase its profits since consumers are affected by low pricing provisions but the

market can effectively coexist with insurance intermediaries as long as they are equipped with appropriate knowledge and combine pricing and service successfully so as to retain their credibility towards their clientele.

Interviewee 3: The respondent is 33 years old, male and is currently working as an insurance employee in the damage restoration department.

Regarding the first part of the questionnaire according to his estimates, the internet is a means of communication, recreation and information research. He is of the opinion that online insurance and especially online car insurance is useful to consumers in terms of immediate access and response as well as low pricing insurance premiums. However, online insurance should not be considered a secure way of alternative service since it entails multiple risks taking into account several drawbacks. In particular, when consumers choose online car insurance they are not familiar with certain terms those contracts entail nor are in a position to be given assurance or further assistance in case of emergency situations or any kind of additional coverage requested and more importantly the payment is conducted instantly with no actual deposit evidence. What is more, in a free market as online insurance exists the rule of what you pay is what you receive applied to everyone so it is reasonable to presume that even though e- agencies provide low pricing premiums, it does not necessary account for the service and guidance offered respectively. It is advisable for consumers therefore to carefully research which insurance company or insurance broker to choose in order to avoid negative implications concerning their coverage demands.

Moreover in the second and more personal part, the respondent is of the opinion that online insurance has vigorously penetrated the insurance trading market in such a way that insurance intermediaries are being excluded from the competition while insurance companies have gained specific profits in order to retain their customers and consequently their position on the insurance forefront. Since car insurances will always have a commission for the insurance broker it is highly unlikely for online insurance to cease its dominance. Statistics indicate that the internet is everywhere so the immediate access of online insurance policies overwhelms consumers so as to make it impossible to resist of obtaining a low insurance coverage. As a result, all insurance companies will eventually turn to online insurance provision with low

pricing the key factor of immediate demand, since they would otherwise have to deal with the risk of losing profits or potential business closure.

To conclude, online insurance is regarded of paramount importance in the insurance sector so the role of insurance brokers is in competition against low pricing and direct availability towards consumers' needs. Online insurance's strategy has accomplished in keeping up the pace of interest mainly due to the economic recession the world is faced with and this kind of strategy will apply to all parameters of life leading to the marginalization of insurance intermediators.

Interviewee 4: The respondent is 30 years old, male and is currently working as a reporter in an insurance periodical.

Regarding the more general part of the questionnaire according to his estimates, the online insurance policy has entered the insurance market in such a way that it cannot be ignored from insurance companies and insurance intermediaries as well as consumers. Since Greece is facing a current economic recession, the Greek consumers are searching for more economical insurance premiums so the pricing factor is one way to render online insurance of privileged importance among insurance standards overwhelming the market. In terms of influence there is no definite clarity as to whether online insurance will be on the forefront since it has not made its circle in the market and there is no position to jump into conclusions from current estimates so far. What should be noted, though, is the fact that, especially in the car insurance sector, the pricing factor is what determines the consumers' preferences engaging immediate and sustainable coverage, rendering online insurance the key factor of insurance coverage standards.

In the second and more personal level of the questionnaire, the respondent suggests that there is the potential of certain coexistence between online insurance and insurance brokers as long as there is a steady pricing situation so as for consumers to be fully aware of the insurance premiums availability and thus credibility so that there is a certain competition enhancement among the parties involved. It should be noted though that online insurance has yet to reach its maturity stage since its only satisfactory advantage is low pricing and apart from the car insurance domain the role of an insurance broker is undoubtedly indispensable since in terms of house, business and property insurance further guidance is necessary to meet consumers demands.

Therefore, it is concluded that it should not be ignored the fact that a certain pricing balance can make insurance brokers coexistence with online insurance feasible in the future.

Interviewee 5: The respondent is 28 years old, female and is currently working as an insurance agency general manager.

In the first part of the questionnaire the respondent claims that the use of the internet is essential in order to keep up with the latest current news on insurance market and for the insurance contracts deals. In particular, online insurance is the new trend since it provides customers with the unique potential of low pricing which enables insurance companies to both reduce their costs and retain their profit share in the market. In this way insurance companies have accomplished in maintaining a high profile since consumers' dominant factor in insurance coverage is low pricing due to the financial instability the Greek society is currently facing. As a result the insurance industry is losing its balance and the role of insurance brokers is diminishing since consumers no longer support their insurance intermediaries' relationships and thus lose their credibility standards in the insurance market.

In the second part of the questionnaire the respondent in a personal estimate is of the opinion that online insurance should and can harmoniously coexist with insurance intermediaries as long as there is a steady balance in the pricing figures and moral values are kept within the market so as not for consumers to feel frustrated with differentiated pricing. She firmly sustains that insurance brokers are the only ones who can fully correspond to a well organized and guided insurance planning since they can be available any time the consumer is in need to offer assistance and provide a more accurate coverage deal.

To conclude, online insurance is here to stay even if it is not fully supported by the network's credibility since it is characterized by low insurance pricing and this demand will be followed by many more insurance companies in the long run. Last but not least, even though insurance brokers are essential in the insurance market policy and are the ones who are aware of their customers' demands and acknowledge vital information techniques to incorporate insurance coverage, consumers will continue to regard pricing the only means when choosing where to be insured despite not having all the appropriate information from online insurance networks.

5. Discussion

5.1. Discussion based on Interview Findings

Concerning the first part of the questionnaire, all interviewees were provided with specific questions concerning the current online insurance situation in the Greek market as well as worldwide and from their responses to a certain number of questions on issues correlated with insurance policies, specific findings were brought about to be thoroughly presented as follows . It should be taken into account that all respondents are related to the insurance market in different ways either as being part of their current work field or by means of being informed about ways to attain insurance coverage or acquiring a new one. Moreover, the interviewees are of different age group and different gender distinction, two factors that indicate the wide range of potential customer demand on insurance coverage.

To begin with, four out of five respondents expressed their preference about the importance of internet usage as a means of interaction, communication, obtaining information on several working and employment issues as well as in terms of recreation and entertainment for all possible tastes. It is undeniable the fact that the internet has invaded in the consumers' life realization and experience and as a result its influence has been rendered remarkable the past few years and its contribution to society has led consumers to become fully attached to its network capabilities provided. Needless to say, the internet has improved vital daily needs and has unraveled new panels of research and correspondence in immediate timely conditions and infinite source material.

Since the internet has proven to be in the forefront of information as mentioned already, consumers have come into contact with new and innovative ways of conducting multiple transactions and purchases through the push of a button. One such is online insurance coverage provided and supported through a network of technologically advanced systems in order for consumers to be aware of the possibilities when choosing to be insured. Online insurance, according to all respondents has emerged in the insurance market as a need for more affordable pricing rates and especially in the case of car insurance which is compulsory by law. Regarding online car insurance, the interviewees stressed the importance of its

existence via the net, since it has made it more accessible and economical for consumers to support it due to its increasing popularity through online advertising. In particular, when choosing the appropriate insurance coverage consumers' main concern tends to be pricing standards and secondly availability, service and product credibility, since the Greek society is nowadays being ravaged by economic recession. As a result, consumers' vital demands have been swapped causing turbulence in the insurance industry standards. Insurance companies and insurance intermediates are in a relentless competition with online insurance offerings and thus rendering low pricing the key factor of all potential coverage transactions. However, it is alleged by two respondents that consumers should be alerted in those cases of low pricing and other factors concerning the service and security supplied by the network.

This brings upon the issue of whether going online is preferable in comparison to being insured through an insurance consultant. The respondents claimed that online insurance affects the role of insurance consultants and one out of 5 declares that its business field has been totally left out in such a way that new methods are out of reach. Since the overall impression is that online insurance has managed to simplify business procedures and has enforced its share in the market strategically, it is therefore reasonable for insurance consultants to be faced with infringement and disbelief towards insurance coverage premiums. As mentioned, consumers are eager to be instantly informed, as such online insurance offers them the benefit of reaching more easily the information they need to acquire according to their demands. In contrast, three out of five alleged that especially Greek consumers, even though they are fully experienced on internet usage, they have also a special relationship with their insurance brokers, so no one can deny the indispensable position an insurance broker renders in the field of insurance matters.

In the second part of the questionnaire concerning the influence of online insurance in the insurance market, all respondents eagerly underlined the importance of conducting such purchases via an elaborated and updated network system available in all unlimited possibilities through the privacy of their homes. Online insurance has penetrated in the insurance market in such a way that consumers find themselves in contact with new forms of coverage information and provision with the most fundamental factor the one that deals with low pricing figures. The respondents strongly support the notion that since the Greek society is struggling to survive the

economic recession's aftermath; it is therefore absolutely justified for consumers to be apprehensive towards insurance companies and their insurance consultants and seeking more affordable means of insurance coverage not only for their car but also for potential health premiums. On the other hand, two out of three respondents are of the opinion that consumers are being frustrated by too much pricing rates and for this reason they do not make adequate research concerning their personal insurance coverage preferences. What is more, insuring online, despite not being so popular in Greece than in countries like England as well as internationally has successfully invaded the Greek market by mainly providing low pricing standards in order to gain popularity and consumers' attention through advertising reduced prices in order to attract the public's interests.

In the case of online insurance affecting the insurance sector and to what extent, all respondents but one stress out that online insurance is evolving through advanced network systems as well as improved service availability in order to establish its share in the insurance market and stabilize its profitable position in it. What seems to be an issue of importance is the fact that online insurance agencies and its delegates have acquired the appropriate means of providing information to consumers in such a way that insurance companies and more specifically insurance consultants are no longer viable options since everything can be of immediate reach through the internet. Online insurance, however, as respondents proclaim has not made its circle in the Greek market and consumers should be in alertness when choosing the correspondent insurance coverage premium. As long as, though, it continues to provide consumers with reduced rating cost its impact on the insurance market will continue to increase and its profits and competition standards to be enhanced.

On the other hand, all respondents claim that online insurance is not the ultimate source of obtaining accurate insurance contracts since in the case of low pricing there could be certain downsides regarding its credibility and security provisions. It is observed that online insurance has the tendency of offering such premiums without detailed information or accessibility via telephone procedures and as a result consumers feel frustrated when seeking to be further notified on specific coverage demands. All respondents claim that online insurance agencies cannot fully supplement for the interpersonal relationships insurance consultants have established with their customers and especially Greek consumers are not in the position to

estimate their preferences by being insured online. Furthermore, two out of ten are of the opinion and judging by their own work field experience that online insurance's influence has not altered their clientele nor have there been any significant reductions in their portfolios since the Greek consumers are still greatly attached to being guided by their insurance consultants as a means of choosing their insurance premiums.

Taking into consideration the fact that the majority of the respondents are of the opinion that online insurance has influenced the insurance industry, it is of paramount importance to comprehend its role in the insurance industry in contrast or even more specifically in combination with the role of insurance consultants. The interviewees, when asked, clearly stated that insurance consultants' contribution is undeniable and has come a long way to familiarize consumers with the benefits of being insured as a means of quality service and unlimited access to an information panel suitable as well as adjusted to their personal needs and demands depending on coverage requirements. Moreover, three out of five respondents claim that insurance companies and their intermediaries existed long before the internet became a necessity and online insurance invaded their lives in such a way that has deciphered changes in the insurance market that leading to the marginalization of their role as the main source of precise and guided information of multiple insurance premiums. In fact, since there is ardent competition among all the parties involved struggling to establish their own profit challenges in the market it would be fairly reasonable a certain situation of coexistence among insurance companies and their insurance brokers with online insurance networks. Two out of five of the respondents are of the opinion that online insurance can learn to coexist and support insurance consultants and the opposite by balancing the pricing factor available so that the insurance market can reach its high levels of profit and retain a slight form of competition concerning quality and service simultaneously. In this way there will be cooperation among the parties targeting their customers with means of credibility and pricing maintenance so as to succeed in keeping up the pace of the insurance market.

However, three out of five respondents declared that as long as online insurance's methods lie in the direction of providing attractive package deals entirely attached to advertising and marketing techniques the role of insurance consultants is actually infringed and undermined since its main factor of existence is the authentic interpersonal relationship adopted by their customers. All respondents strongly

support that insurance consultants are those who are capable of catering to the needs of consumers in such a way that a kind of bonding is formed due to their accurate and advanced knowledge of the insurance market's trends and demands and can also provide a safe and satisfying insurance coverage in a guided and effective way so that consumers can feel they are a priority when it comes down to seeking insurance coverage through an insurance consultant. In a more personal point of view, two out of five respondents address the issue with absolute fairness suggesting that even though there has been a dramatic fall in the number of their clientele the same stands for online insurance due to the economic recession the Greek society is facing and not so much because low pricing is the only key factor that can affect their coverage demands on the current economic conditions.

Last but not least, all respondents are of the opinion that online insurance has affected the way business is conducted by leaving aside the role of insurance consultants and causing a level of frustration among the insurance chain pattern in order to reach potential consumers demands especially in the case of car insurance which is compulsory by law and other forms of insurance as well. This situation though has caused a bewildering in consumers since up until recently there has been given great value in the role of insurance consultants and consumers have been entirely reliant upon them. Therefore, all respondents conclude that insurance consultants should carefully identify technological advances and be enlightened in terms of flexibility so as to fully support the notion of what e-commerce with consumers is all about in the insurance market.

In the third and final part of the questionnaire the respondents claim that online insurance should not be regarded only as a trend due to the fact that its influence in the market is characterized of advanced upheaval and technological development and can be regarded more as an efficient strategy without though entailing all the necessary prerequisites in order to be considered a must in the insurance field. More specifically, the majority of the respondents support that online insurance due to advertising policies and network supplies has rendered itself a viable form of insurance method taking into account the unlimited existence of internet interaction on the part of consumers in the Greek society in combination with low pricing standards offered as the only vital privilege to justify its immersion in the insurance market. In particular in the case of online car insurance and taking into account the

economic crisis consumers are dealing with it is undeniable the effect of this model since consumers are seeking alternative and economically flexible insurance coverage premiums with low pricing the only key factor without being totally aware of certain risks their lack of research could entail in the long run.

Overall, the respondents estimate that online insurance is here to stay and actually could increase its profit share in the insurance industry by means of providing the necessary network support through low pricing and beneficial product offerings so as to attract more customers. One respondent, though, strongly claims that online insurance cannot fully substitute the role of insurance consultants and their knowledge on viable matters of interest nor can the fact that insuring online can offer direct solutions to consumers when the needs are such that further guidance is requested on their part. However, four out of five interviewees conclude that consumers should be alerted and make careful considerations that correspond to their personal insurance coverage needs. All things considered, online insurance is presented more as an efficient strategy domineering the insurance market, but the respondents conclude that it is the role of insurance consultants to sustain the competition and value their capabilities in order to meet with the insurance market's current trends and demands.

5.2. Discussion based on Secondary Data Analysis

The following part includes an overall assessment of certain aspects domineering in the international literature and for this purpose a substantial resource material was processed to serve this purpose. A more extensive report on the data recorded and accumulated regarding the Greek journalism is represented and further analyzed as well as blog and intermediates interviews are being discussed, which are those who are mostly affected by the online insurance network policies and its implications in the current insurance market.

5.2.1. International Data

Online insurance's fundamental purpose is primarily to inform consumers and raise insurance awareness by providing professional advice and service and product

credibility via a technologically updated and sophisticated network of data in order for potential consumers to reach a satisfying, conclusive and effective decision in accordance with their demands. So far, though, it is observed that, even though companies conducting business through those networks have successfully increased both their clientele and profit, more emphasis is placed on pricing and specifically making the consumer realize that pricing matters above all issues either car, or health, life and home insurances are concerned respectively. Consumers have been dragged into a state of competitiveness between insurance companies and insurance mediators without doing actual research on the sources provided. As a result it is advisable for consumers to fully investigate and consider that pricing is equally important to obtaining steady and effective coverage as well as quality service when dealing with online insurance transactions (Liang, 2008).

This situation has made the role of different insurance e-agencies (Emmerson, 2004) to increase competition among not only online companies but also those who are in cooperation with insurance brokers or intermediaries. In fact the role of insurance brokers has been marginalized to such an extent that it is of paramount importance for all brokers to be in constant seeking and updating trends to meet the market's evolution. In the case of e-agencies it is essential to continuously update their network channels with technological equipment so as to allow themselves to be alert to changes in the insurance market and offer competition premiums to satisfy their clients. This kind of equipment deals with new sources of network panels, as well as the appropriate capital to maintain their position in the market. What is more, e-agencies should be aware of the fact that a sustainable cooperation with insurance brokers is essential so as to provide their clientele with immediate advice and information any time available (Australian & New Zealand Institute of Insurance & Finance, n.d.).

In the case of insurance brokers it is urgent to be alerted as well not only due to competition but also because consumers are in need of someone who will guide them towards the right decision when choosing the appropriate insurance premium since consumers develop a trustworthy relationship with their brokers so as to be able to communicate if problems arise. Thus, insurance brokers should be in constant alertness to sustain a reliable place in the market and satisfy their customers 'demands

despite the fact that e-agencies consider their role to lead to the marginalization of their profits (Kaiser, 2002).

All in all, insurance brokers or intermediaries are faced with extreme competition due to the online insurance development and they should come up with innovative and flexible ideas to demonstrate to their customers since face to face interaction is considered a human factor when conducting business concerning insurance premiums. Consumers should thoroughly research all potential insurance contracts but the role of insurance brokers is the one that will decipher the appropriate insurance coverage and the one that consumers can be of immediate access in the long run.

5.2.2. Domestic Data

More and more insurance companies design and establish new pricing policies in the car insurance sector, expecting a market share increase and more specifically a cash flow rise, while the car insurance sector is the only sector which can bring 'fresh' cash to the companies' budget.

In the past, the increase of the limits of the amount of insurance coverage gave the opportunity for an increase in the car insurance premiums, but nowadays insurance companies have to adapt their pricing policy in lower levels due to the fact mentioned above. From 1st of June 2012, according to the law 3746/16.02.2009, new lower limits are applied in third party liability coverage, which are formed up to €1.000.000 per person. The reduction of insurance premiums is a result of the following three factors (Karageorgiou, 2012):

1. High competition, which started from the distribution of insurance coverage through internet, providing lower prices, such as ANYTIME supported by Interamerican Insurance Company. All online insurance platforms offer lower premiums due to the fact that they do not include intermediate's commission. In the near future there will be ascertained how profitable this strategy is for insurance companies and how useful for the insured consumers.

2. In the recent economic situation the Greek consumer struggles to reduce any possible costs in order to maintain with low income and as a result a certain delay

occurs in payments. This situation has been understood by insurance companies, while they see their portfolios and premiums collected to be reduced and their cash flows too. As a consequence, they aim in car insurance premiums in order to balance their financial figures. In case an insurance company has a lot of automotive vehicles insured and it cannot achieve to maintain this number, then it loses the respective income while it is obliged to pay older claims.

3. The application of newer model of pricing according to the driver's and car's characteristics, additionally to the accident history of the car.

According to Mr. Panayiotis Lissaiou's interview, CEO of Marsh Ltd Insurance Brokers, which is published in insurancedaily.gr, his response on the question of the future of intermediation and direct sales network presence is that the role of intermediaries will be more and more intensified in complex and particular risk categories. The future of Greek intermediation, where the institution has been inserted in correct development orbit, is characterized as bright and full of opportunities. As far as direct sale networks, he presupposes that the network's role in consumers' briefing on insurance products is dynamic and that in the future the products will be normally purchased via online even though the insurance product market will no longer be valid as exists in its present form (Lissaiou, 2012).

According to the article entitled "Do not pinch" (Vermisso, 2012) on the wrong/false competition, the reporter of the insuranceworld.gr site Mr. John Vermisso comments that those insurance companies which pinched the challenge to advertise by any possible means that sell and provide low pricing insurance premiums, as well as flexible deals are many. In this harsh effort, following this specific strategy, they have struggled not only to retain their insurance market shares but also gain new insurance profits. Moreover, the reporter mentions that the outcome of such strategic methods has been the revival of low pricing insurance premiums in the case of car insurance, which is evolving as being problematic for the market and a loop for those insurance companies having chosen this low pricing insurance premiums strategy in the first place. The reporter also claims in his article that this competition outcome in the car insurance sector even for those who are oblivious to certain regulations concerning insurance matters, are aware of the impact it has occurred meaning that there are no actual benefits, it kills the market standards, market shares are not profitably enhanced

and everyone is in strong attachment to accumulate a potential but small number of consumers. What is even worse though is that those who advertise improved insurance premiums in pricing in the long run make additional charges and as a result consumers are in frustration, competition is deteriorating among the parties since the only paramount factor for them is to make profits that would enhance their market shares. The above situation not only is in the wrong direction, but is also an indicative element of the kind of tolerance the Greek insurance market is being faced and challenged with, since it hinders its evolution and development as well as its advancement through the international insurance market even on the car insurance field, taking into serious considerations that international insurance capabilities have reached the point of seeking alternative ways of insurances as is the case with space insurance.

6. Theoretical and Managerial Implications

All aspects considered and taking into account the overall issues of the studies conducted concerning the nature and gradual progress of the case study of online insurance and whether it should be regarded more or less as a trend or an efficient strategy, there have been some important and unique findings referring to the online insurance model in the insurance market. In particular, this case study is of the few ones conducted on the issue of online insurance specifically targeted in the Greek insurance market according to Pollalis & Vozikis (2007) and Giaglis (2002) depicting the current trends and strategies adopted by insurance companies in order to provide more affordable and attractive products and bargaining deals to gain more profit shares in the insurance market as well as customers credibility and coverage demands. Moreover, this study, through specific academic and interpersonal information, fills an important literature gap since it analyses and presents the situation in the Greek insurance market and its implications on insurance companies and insurance consultants involved.

When it comes to the managerial implications, the study provides insight as to the co-effectiveness of online insurance and its network reinforcement in such a way that is highly preferred by a vast majority of the public, as well as in which ways insurance

companies and insurance consultants should learn to coexist in antagonistic and competitive surroundings in order for their customers to consider them reliable and trustworthy potentials when choosing to be insured. These ways rely on the need for the creation of a culture that would support such an effort and accommodate the necessary guided and organizational preparation and constant alertness regarding online insurance and consumers demands, along with insurance companies' policies and their insurance consultants respectively. In order for this integration to be viably accomplished and successful, appropriate leadership, a certain co-operational participation management style and support should be the means to its fulfillment. Last but not least, this research demonstrates the deficiencies of the online insurance system in terms of security, product availability and quality service in comparison with insurance companies and insurance consultants.

7. Limitations and Future Research Directions

Overall, the outcomes of the study cannot be characterized as a generalization of the present situation in the Greek society. Having relied on empirical studies and since it attempts to examine a phenomenon within the Greek society's economic standards and instabilities due to the economic recession, a certain adaptation to the new data is recommended so as to correspond to the insurance market current demands. What should be the key factor is the modernization and elaboration of the applied and supplied services of online insurance, since society in general and its surroundings is vigorously in constant demand for updated and innovative coverage needs that would live up to their expectations for improved living conditions, which the findings of our study present thoroughly and are expanded and benefited by individual interviews for this overall purpose.

8. Conclusion

Taking all the above into consideration and based on the imprinted and recorded findings of research, it is depicted that online insurance cannot be considered as just a trend. The online insurance's dynamic network framework enforced in the insurance

market in all parameters, on the one hand by consumers' integration and internet influence as a daily means of interaction and on the other side by entrepreneurs in the insurance field, shows that the future of the insurance market seems rather blurry and unstable. The Greek market is dealing this developmental process with frustration since the insurance standards have so far been interlinked with the contribution and guided operational techniques of insurance consultants, so that an advanced and reliable service coverage is realized since the role of insurance consultants is vital in the case of insurance products with the exception of the car insurance sector. What clearly seems to be considered a short-term feasible solution of the current situation is the modernization of procedural standards on behalf of insurance companies and insurance intermediators through a wide range of network applications offered, such as marketing implementation techniques, sales methods and most importantly consumers' flexible and updated acknowledgement on insurance interest coverage concerns. All in all, the online insurance sector is regarded as a highly respected means of insurance coverage, without disregarding the fact that consumers are the ones who determine the role of insurance consultants and online insurance in their search of satisfying insurance coverage in the long run.

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10. Appendices

10.1. Appendix 1: Questionnaire

1. Gender of the Interviewee.
2. Age of the Interviewee.
3. Profession / Department of the Interviewee.
4. Working Experience of the Interviewee.
5. What are the main reasons of using Internet and how often?
6. What is your opinion about online car insurance?
7. Should cost be an important factor when choosing an insurance contract for our car?
8. How can insuring online affect insurance market?
9. How much can online insurance affect insurance market?
10. How can online insurance coexist with insurance consultants?
11. What are the benefits sought from going online compared to insuring through an insurance consultant?
12. Do you think that online car insurance is an efficient strategy or a just a trend?
13. Does the existence of direct insurance undermine the role of an insurance consultant?