

# The role of Content Marketing in the vehicle insurance industry

**Thuso Gcabashe**  
University of Cape Town  
**Benedikt Hirschfelder**  
University of Cape Town

Cite as:

Gcabashe Thuso, Hirschfelder Benedikt (2019), The role of Content Marketing in the vehicle insurance industry. *Proceedings of the European Marketing Academy*, 48th, (8669)

Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.



# **The role of Content Marketing in the vehicle insurance industry**

## **Abstract:**

Marketing in the insurance industry is changing. There is a new perspective that emphasizes the importance of long-term relationships with consumers by placing them at the core of marketing strategies. Marketing strategies that shift towards the increased use of online and social media channels to provide consumers with valuable content and engage with them in a more personalized manner. This study proposes that Content Marketing as an emerging marketing trend, influences the vehicle insurance purchase decision-making process. In this matter, insurers utilize firm-generated content (FGC) as a trigger in order to drive positive consumer action. The results illustrate that FGC moderated by fear has an influence in the vehicle insurance purchase process. The findings can be used by insurers venturing into Content Marketing to formulate better online Content Marketing strategies.

*Keywords: Content Marketing, Firm-generated content, Social Media*

*Track: Digital Marketing & Social Media*

## **1. Introduction**

There is a new marketing perspective in the insurance industry. This new perspective emphasizes that insurance companies need to establish long-term relationships with their customers. This type of marketing is based on traditional marketing principles, but focuses on new elements (Eva-Cristina & Pop, 2009). The polarization between private and public media has gone through transformation due to the development of the internet (Miller et al., 2016). The internet has brought into existence new opportunities that allow companies to interact with consumers in new ways that were not possible through offline media channels (Drury, 2008). There has been a substantial shift in the way consumers make use of the user-friendly interface of Web 2.0. According to Drury (2008), this is noticeable in the success of social networking sites and eruption in user-generated content (UCG).

Looking at social media from a short-term perspective, it is characterized by constant change in its usage. In addition, some social media sites constantly evolve, and new platforms are introduced consistently. Whereas, the unique characteristics of social media such as speed, reach and its collaborative nature ensure the long-term appeal and success of social media (National Association of Insurance Commissioners, 2012).

Insurance companies utilize social media to increase their visibility, develop relationships and build trust with their customers. In addition, they use social media to provide customer service for the purpose of building and maintaining relationships with consumers (National Association of Insurance Commissioners, 2012). When it comes to why social media is important, Miller et al. (2016) emphasizes that it is the content rather than the platform that is important when it comes to why social media matters.

Pulizzi (2012) states that there is a noticeable evolution in marketing. Content Marketing as an emerging marketing trend (Content Marketing Institute, 2017) and storytelling are becoming a large part of marketing in general and is shifting and transforming into more of publishing (Pulizzi, 2012). Content Marketing is defined as a process of creating and distributing relevant and valuable content by a firm to a defined target market, to attract, acquire and engage, in order to drive profitable customer action (Pulizzi 2012). Kumar, Bezawada, Rishika, Janakiraman, and Kannan (2016) establish that FGC has a positive and significant effect on consumer behaviour. This study aims to uncover the influence of FGC on consumer insurance purchase decisions and evaluate the connection between the consumer perceptions and motivation for purchasing vehicle insurance.

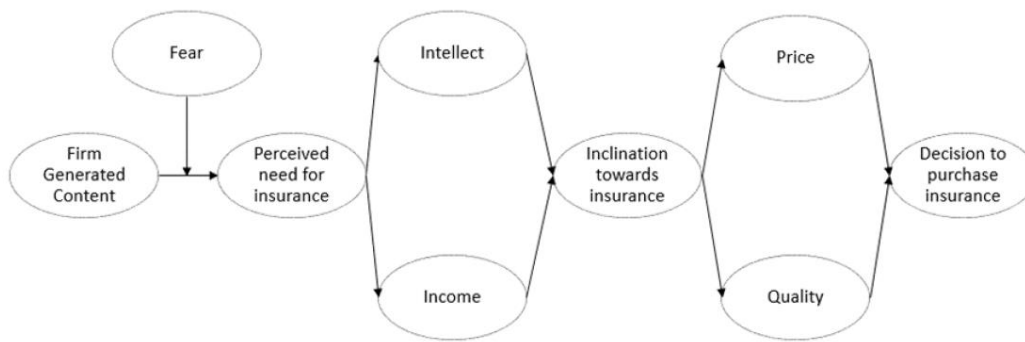
With a rising interest in sharing brand content online, a well-documented marketing strategy is vital for successful Content Marketing implementation (Du Plessis, 2015). Taking this into account, insurance companies need to include Content Marketing in their marketing mix and leverage social media platforms to communicate valuable FGC effectively to consumers.

## **2. Framework development**

Content Marketing is an emergent marketing perspective with limited academic publications (Content Marketing Institute, 2017; Du Plessis, 2017). Thus, there are complexities around the Content Marketing implementation strategies that are obstructed by the various perceptives' and ideas that are competing (Du Plessis, 2017). On the other hand, Untracht (2017) highlights that insurance is a highly challenging industry for content creation that will appeal to the target audiences and cause consumer engagement. That is why this study proposes a framework focusing on Content Marketing in the vehicle insurance purchase process (Figure 1). The conceptual framework aims to explain the role of FGC related to the vehicle insurance purchase decision process through the ten hypotheses developed for this study. The study demonstrates the vehicle insurance purchase journey in various consecutive stages. The purchase journey is triggered by FGC. It is then followed by the analysis of the need for insurance and affordability, and then the evaluation and rating of the insurance service in terms of quality and price (Ulbinaitė, 2014).

### *2.1 Moderation effect*

For content to work for an organization that seeks to provide a service or product in order for consumers to avoid risk or problems, they would need to communicate using compelling content. One way to do it might be using an element of fear (Content Marketing Institute, 2012). That is why the following is hypothesized: fear moderates the relationship between the constructs FGC and perceived need for insurance (H2). The representation of fear as moderator in the relationship between FGC and perceived need for insurance is illustrated in Figure 1.



**Figure 1. The role of Content Marketing in vehicle insurance purchase conceptual framework**

## 2.2 Vehicle insurance purchase constructs

This study discusses the purchase decision-making process that insurance consumers undertake. The framework highlights the various stages in this process, evaluating the factors that influence the insurance decision making process prompted by FGC. Trust is an essential characteristic in insurance marketing, as insurance marketers need to convince insurance consumers of their services and the reliability and solidity of the insurance company (Eva-Cristina & Pop, 2009). Therefore, FGC will operationalize the content only published officially by insurance companies directed towards insurance consumers and the target audiences at large. The factors in the framework leading to the stages of needs recognition, inclination and purchase decision evaluation are income, intellect, price and quality. Income will form part of the demographic factors influencing the decision-making process. Intellect, price and quality constructs are identified as intrinsic values in this study, as they are based on personal judgement and opinions of value (Kumar, 2017). An example of intrinsic value relating to quality is when improved quality of the insurance service rendered makes consumer engagement in the insurance service consumption stronger (Ulbinaitė and Le Moullec 2010; Ulbinaite, 2014). The perceived quality above is not measured in terms of physical or technical standards. It is an impressionistic judgment that is formed from intrinsic attributes of the service by an individual (Kumar, 2017).

## 3. Methodology

### *3.1 Sample and data collection*

This study opted to use non-probability sampling due to the lower costs and reduced time of the technique (Gogtay and Thatte, 2016). A self-administered questionnaire distributed electronically was used to collect the relevant data. The target group were insurance consumers between the age of 18 and 65. 192 questionnaires were used for the data analysis after the incomplete questionnaires were rejected as they were not suitable for this study. This research was not limited to a specific region, but open to participants that fulfill the criteria for participation in South Africa. Before the respondents were asked to proceed with the questionnaire, they were requested to view online video content relating to vehicle insurance.

### *3.2 Measurement*

In comparison to the 5-point scales, the 7-point scale produces more variations of options that increase the probability of meeting the research objectives. This happens because the 7-point scale reveals more descriptions about the topic (Cox, 1980; Chang, 1994; Joshi, Kale, Chandel, and Pal, 2015). For this study, the researcher measured and operationalized the independent and dependent variables using a 7-point Likert-type scale.

FGC was operationalized with 13 items 7-point Likert-type scale, fear was operationalized with 9 items 7-point Likert-type scale, perceived need for insurance was operationalized with a 6 items 7-point Likert-type scale, income was operationalized with 6 items 7-point Likert-type scale, intellect was operationalized with 9 items 7-point Likert-type scale, inclination towards insurance was operationalized with a 4 items 7-point Likert-type scale, price was operationalized with 5 items 7-point Likert-type scale, quality was operationalized with 5 items 7-point Likert-type scale, and decision to purchase insurance was operationalized with a 8 items 7-point Likert-type scale.

### *3.3 Characteristics of the research object*

The Miway “Your silence is our signal” online video was shown to the research participants, exposing them to insurance FGC. The link for this online video content was added to the questionnaire so the participants could view the content before proceeding with

the survey. In addition, the research participants remain anonymous and do not have to be insurance or Content Marketing experts, but rather consumers of vehicle insurance age 18-65.

### 3.4 Data analysis

Structural equation modeling (SEM) is a multivariate statistical structure used in research to model complex relationships between directly and indirectly observed variables (Stein, Morris and Nock, 2012). For the purpose of this study, the researcher used the SmartPLS software package in order to test the hypothesized model and five hypothesis using structural equation modeling (SEM).

## 4. Results

	<b>Hypothesized relationship</b>	<b>T-Value</b>	<b>P-Value</b>	<b>Hypotheses</b>
<i>H1</i>	FGC => Perceived need for insurance	3.303	0.001	Supported
<i>H2</i>	Moderating Effect 1 (Fear) => Perceived need for insurance	2.241	0.025	Supported
<i>H3</i>	Perceived need for insurance => Intellect	3.966	0	Supported
<i>H4</i>	Perceived need for insurance => Income	2.708	0.007	Supported
<i>H5</i>	Intellect => Inclination towards insurance	2.422	0.016	Supported
<i>H6</i>	Income => Inclination towards insurance	2.028	0.043	Supported
<i>H7</i>	Inclination towards insurance => Price	1.617	0.106	Supported
<i>H8</i>	Inclination towards insurance => Quality	3.352	0.001	Supported
<i>H9</i>	Price => Decision to purchase insurance	0.564	0.573	Rejected
<i>H10</i>	Quality => Decision to purchase insurance	4.722	0	Supported

**Table 1: Structural Results**

Figure 1 represents the structural model used for this study, with all the results based on this model reflected on Table 1. Nine out of the ten hypotheses are supported, with one hypothesis rejected. H1 reflects that FGC has a positive impact on perceived need for insurance. H2 confirms a significant relationship between FGC and perceived need for insurance that is moderated by fear. H3 and H4 indicate that there is a positive relationship

between perceived need for insurance and Intellect/Income. H5 and H6 indicate that the inclination towards insurance is formed by the consumer's intellect and income. H7 and H8 conclude that there is a positive relationship between inclination towards insurance with price and quality of insurance. H10 reveals that quality has a positive effect on consumer behaviour, leading to the decision to purchase insurance. Finally, H9 uncovers that the relationship between price and decision to purchase insurance is not significant. This shows that price does not have a significant influence on the decision to purchase insurance.

## **5. Discussion and managerial implication**

Kumar, Bezawada, Rishika, Janakiraman, and Kannan (2016) describe FGC as marketing communication initiated by a firm on its official social media pages. The results illustrate that FGC has a positive influence on insurance purchase decision making. Within this framework (Figure 1), moderation implies that there is a relationship between FGC and perceived need for insurance. This relationship changes positively as a result of the fear variable. The t and p values in Table 1 support the idea that the fear factor has a positive impact on the perceived need for insurance with a possibility of driving profitable action. This study illustrates that intellect and income are base factors that influence insurance perceptions and inclination prompted by FGC. The research hypothesis formulated about an existing positive relationship between price and the decision to purchase insurance is not supported by the results above. This indicates that consumer's inclination towards insurance causes them to review insurance prices but has no positive influence in the decision to purchase. Considering insurance quality perceptions, customers seek to find an insurance company that provides a service of quality in the form of competence (Ulbinaitė, Kucinskiene and Le Moullec, 2013). The results present a significant relationship between inclination towards insurance and quality and between quality and the decision to purchase insurance. Indicating that consumers have an intention to purchase insurance based on the quality perceptions of the service. Concerning price and quality, it can be concluded that consumers view price and quality variables as unequal in the insurance purchase decision making. The quality of insurance is viewed as more significant than price. This study proves the importance of FGC as a trigger in the insurance purchase journey in order to drive positive consumer action. Marketers need to understand that Content Marketing is an ongoing non-



disruptive process that should be integrated into an organizations marketing strategy (Content Marketing Institute, 2012)

## **6. Limitation and future research**

A limitation of this study that points towards future research. An area that can be investigated in the future is the influence of UGC on purchase behaviour, also based on Malthouse, Calder, Kim and Vandebosch (2016). Pulizzi (2012) states that publishing is the future of marketing. An area that warrants future research is the impact of the constant evolution of the internet and social media on the publishing of FGC and subsequent purchase decisions. In addition, an aspect that could be researched further based on H9 of this study is the relationship between price and purchase behaviour in relation to insurance. The communication of price through FGC affecting insurance purchase behaviour.

## **References**

Chang, L. A. (1994). Psychometric evaluation of 4point and 6-point Likert-type scale in relation to reliability and validity. *Applied Psychological Measurement*. 18, 205-215.

Content Marketing Institute. (2012). How to Create Compelling Content Using Fear and Desire. Retrieved from <https://contentmarketinginstitute.com/2012/01/create-compelling-content/> (Last accessed: December 3, 2018)

Content Marketing Institute. (2017). What is Content Marketing? Useful content should be at the core of your marketing. Retrieved from <http://contentmarketinginstitute.com/what-is-content-marketing/>. (Last accessed: December 3, 2018)

Cox, E.P. (1980). The optimal number of response alternate for a scale: A review. *Journal of Marketing Research*. 17(4), 407-422.

Drury, G.J. (2008). Opinion piece: Social media: Should marketers engage and how can it be done effectively? *Journal of Direct, Data, Digital marketing Practice*, 9, 274-277.

Du Plessis, C. (2015), Academic guidelines for Content Marketing: research-based recommendations for better practice. *Proceedings of the 2nd European Conference on Social Media* (p. 122). Lisbon, Portugal

Du Plessis, C. (2017). Towards a more universal understanding of Content Marketing: the contribution of academic research. *Proceedings of the 6th Business & Management Conference* (p. 41 – 54). Geneva.

Eva-Cristina, Petrescu & Pop, Nicolae. (2009). Particularities of the marketing activity in the insurance industry. *Annals of Economics*, 4, 788-792.

Gogtay, N.J., & Thatte, U.M. (2016). Samples and their Size: The Bane of Researchers (Part I). *Journal of The Association of Physicians of India*, 66-69.

Joshi, A., Kale, S., Chandel, S., & Pal, D. K. (2015). Likert scale: explored and explained. *British Journal of Applied Science & Technology*. 7(4), 396-403.

Kumar, M. (2017). Importance of Intrinsic and Instrumental Value of Education in Pakistan. *Journal of Education and Educational Development*, 4(2), 177-199.

Kumar, A., Bezawada, R., Rishika, R., Janakiraman, R., & Kannan, P. K. (2016). From Social to Sale: The Effects of Firm-Generated Content in Social Media on Customer Behavior. *Journal of Marketing*, 80(1), 7-25.

Malthouse E.C., Calder B.J., Kim S.J., & Vandenbosch M. (2016). Evidence that user-generated content that produces engagement increases purchase behaviours. *Journal of Marketing Management*, 32(5-6), 427-444.

Miller, D., Costa, E., Haynes, N., McDonald, T., Nicolescu, R., Sinanan, J., Spyer, J., Venkatraman, S., & Wang, X. (2016). How the World Changed Social Media UCL press

National Association of Insurance Commissioners. (2012). The use of social media in insurance. Retrieved from <https://www.naic.org/store/free/USM-OP.pdf> (Last accessed: December 3, 2018).

Oyza, I., & Edwin, A. (2016). Effectiveness of Social Media Networks as a Strategic Tool for Organizational Marketing Management. *Journal of Internet Banking and Commerce*, 21, S2

Pulizzi, J. (2012). The rise of storytelling as the new marketing. *Publishing research quarterly*, 28(2), 116-123.

Pulizzi, J., & Handley, A. (2017). 2017 Benchmarks, Budgets, and Trends - North America. Retrieved from <https://contentmarketinginstitute.com/wp->

content/uploads/2016/09/2017\_B2B\_Research\_FINAL.pdf (Last accessed: December 3, 2018)

Stein, C. M., Morris, N., & Nock, N. L. (2012). Structural Equation Modeling. *Methods in molecular biology* (Clifton, N.J.), 850, 495-512.

Ulbinaitė, A. (2014). Insurance services vs. free financial and alternative help and search for additional benefits besides the eligible compensation. *Contemporary Research on Organization Management and Administration*, 2, 100-112.

Ulbinaitė, A., Kucinskiene, M., & Le Moullec, Y. (2013). Determinants of insurance purchase decision making in Lithuania. *Inžinerine Ekonomika-Engineering Economics*, 24(2), 144 -159.

Ulbinaitė, A., & Le Moullec, Y. (2010). Towards an ABM-based framework for investigating consumer behaviour in the insurance industry. *Economics: Research Papers*, 89 (2), 95-110.

Untracht, A. (April 10, 2017). Insurance Content Marketing: How to Create Exceptional Content in a “Boring” Industry. Retrieved from <https://insights.newscred.com/insurance-content-marketing/> (Last Accessed: December 3, 2018).

Youtube. (April 5, 2017). Your silence is our signal – MiWay Emergency Alert. Retrieved from <https://www.youtube.com/watch?v=nM-B6UG4P1k> (Last accessed: December 3, 2018).