

# GAINING STRATEGIC ADVANTAGE THROUGH eBUSINESS FOR INSURANCE COMPANIES

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## BACKGROUND

Nowadays eBusiness is reality on every line of business. In Insurance business the use of eBusiness solutions has been more conservative and moderate than on many other areas. This is partly a result of strict legislative control and public regulation. Since 1996 when the first Finnish insurance company opened its www-sites the development has, however, been continuous.

At the beginning the focus of the Internet services provided by insurance companies was on information-based services. Since then insurance companies have moved to create and provide also interactive services in the Internet. The reason behind this development is e.g. cutting costs, speeding up transactions and service, better accessibility and other benefits (see Ahonen 2002). At the moment it is possible to buy some simple insurance services, such as travel insurance, via Internet, but so far full line of insurance cover is not available (See Järvinen et al. 2001; Ahonen 2002). However, many insurance companies have prioritised business-to-business Web-facilities that enable corporate customers to update their insurance cover, seek claim compensation and to get information via Internet.

The insurance industry has faced considerable problems as the complexity of identifier system has hindered the increase of electronic transactions. This concerns especially large companies (Ahonen 2002). From the consumers' perspective, electronic insurance services are not yet as developed as business-to-business services. Järvinen et al. (2001) have shown that consumers perceive electronic insurance services difficult to handle and sometimes obscure too. The small and medium sized companies are facing the same problems. Therefore, one of the main challenges in the future is to simplify electronic systems in order to get consumers and smaller companies as eCustomers.

The purpose of this article is to present the research proposal for the study titled "Gaining strategic advantage through eBusiness for insurance companies" and to discuss the contribution of the study together with consideration, how to carry out the research process as a whole. This study is a part of the large research project titled "eInsurance - Insurance eBusi-

ness and Management of eRisks" that is divided into three parts: 1) eRisks and risk management, 2) eBusiness and strategic advantage and 3) Legislation and other juridical issues.

The article is organised as follows. First we provide the background information and the purpose of the article, second section provides a short overview of the insurance industry in Finland, third section covers the research proposal and fourth section presents the previous research carried out in the area. Finally we discuss the contribution and the expected results of the study.

## OVERVIEW OF THE FINNISH INSURANCE INDUSTRY

In Finland only few non-life companies dominate insurance sector, and thus the situation can be called for good reason as oligopoly. Altogether 31 non-life insurers operate in Finland, but the market share of the five largest ones is as high as 92 % and the division between companies is as follows (cf. Ruuskanen 2002):

- Sampo Group (If-Insurance from the beginning of 2002)	36.1 %
- Pohjola Group + A-Insurance (owned by Pohjola)	23.5 %
- Tapiola Group	15.0 %
- Fennia	9.0 %
- Local Insurance Group	8.1 %
TOTAL	91.7 %

In the non-life insurance markets the gross premium written in 2001 was 2.6 billion EUR with premium increase of 5 % compared to year 2000. Non-life insurers' loss ratio weakened in 2001 and was 88, whereas expense ratio improved to 22. Thus combined ratio was 110. (Ruuskanen 2002) In many occasions Finnish non-life insurance markets are called matured markets, but in fact the study carried out by The Federation of Finnish Insurance Companies in 2001 clarified that only 76 % of Finnish households have some kind of home insurance and as far as the other voluntary non-life insurance is concerned, their maturity is even below that level.

Table 1. Lines of Non-life Insurance in Finland 2001 (details collected from Ruuskanen 2002)

Line	Gross Premium Written EUR	%
Workers' compensation	497	20.2
Other accident and health	143	5.8
Motor vehicle	390	15.9
Marine, aviation and transport	127	5.2
Fire and other damage to property	540	22.1
Motor liability	500	20.4
General liability	131	5.3
Other	125	5.1
TOTAL	2453	100.0

The non-life insurance breakdown of gross premiums written shows that the non-voluntary lines like workers' compensations and motor liability have quite a large share of non-life insurance business in Finland. Together they are 40.6 % of total gross premium written. Table 1 presents the figures in 2001. The loss ratio of workers compensations insurance was as high as 111 in 2001, but the other lines of insurance business varied between 86 and 69.

## **RESEARCH PROPOSAL: GAINING STRATEGIC ADVANTAGE THROUGH E-BUSINESS FOR INSURANCE COMPANIES**

### **Research Problems and Limitations**

The key issue of the study is to search new solutions for insurance companies to utilize eBusiness so that they are able to gain strategic advantage in their operations, which in turn leads to increase in their efficiency. The issue is approached through five research questions presented below.

- How can the electronic transactions be easily facilitated within the insurance industry?
- What kind of similarities and dissimilarities in requirements and ways of functioning concerning eBusiness can be perceived between different customer segments and how should electronic transactions for those segments be arranged in order to keep customers satisfied?
- What kind of insurance services are possible and strategically rational to be sold via the Internet, and how should the buying process and administration of insurance be arranged in the Internet now and in the future?
- Is it possible to increase the efficiency of insurance customers by the aid of eBusiness?
- Is it possible to facilitate the insurance terminology especially for electronic insurance customers?

As far as the first research question is concerned, user friendliness is playing a major role. Insurance companies have to consider, how to make the electronic services easier to use from the customers' perspective. So far, one of the biggest problems is the complexity of insurance terms and conditions and therefore, the use of electronic insurance services is not very common among customers (Järvinen et al. 2001). There is a lot of information and some other facilities available in the Internet but the path to find the information needed or the way to use services are poorly instructed. All this affects customer satisfaction.

The second research question deals with the needs of the insurance customers. Usually insurance companies divide their customers to following segments: private customers (i.e. consumers), entrepreneurs, middle-size corporate customers, large and international corporate customers and public sector customers. These customer segments have different needs and finding out what kind of electronic insurance service attracts each group is very important. On

the other hand, customer needs and expectations can and do change because of many reasons, for example technological development and firm strategies. A company has to be able to respond to these changes as fast as possible (Rust & Lemon 2001). Insignificant actions towards customization have already been utilized in the Internet pages of Finnish insurance companies as a form of user profiles for various customer groups. Naturally much more has to be done in the future but this kind of development shows that insurance companies have taken segmentation in eBusiness seriously. In addition, there may be opportunities to renew the current segmentation system by adding new variables.

The third research question is actually strongly related to the second one, and thus targets to fulfil the needs of customers. Here, however, the focus is more on consideration, what kind of electronic insurance services could be offered via the Internet or other electronic channel. It is good to remember that every wish of the customer is hardly possible to make come true. Maybe it is not even relevant and strategically important to aim at making all facilities electronic. Furthermore, there are still people who are not used to use computers for any kind of transactions, not to mention insurance purchase. Especially older people are often lacking these skills. On the other hand, it is good to maintain also personal customer relationships at least at some level, because otherwise the customers can feel the service faceless and this may lead to decrease of loyalty.

When considering the improvement of efficiency, in many cases the strategic question is “how can the efficiency of a company be increased by inside methods within the company?” Efficiency usually describes the degree to which an activity generates a given quantity of outputs with a minimum consumption of inputs, or generates the largest possible outputs from a given quantity of inputs. Efficiency is thus doing things right. (see e.g. Vuorinen et al.) In the fourth research question we are taking the opposite perspective. Here the perspective is, instead of the insurance company, its customers and how customers can be used to increase the efficiency. For example there are different kinds of application and adjustment forms available in the Internet. The insurance customers can fill them up and in some cases even send them electronically to the insurance company. Although the customers do the work, even they will save time compared to earlier manual practice. It also accelerates the handling process and makes the work of the insurance company faster because all the documents would be in the same format. The Internet also eliminates much of the documents handling and clerical work (Malone et al. 1987). In addition registers will be in time and customers are responsible to keep their information correct (Järvinen et al. 1996).

The fifth research question about the terminology is actually the one that requires connections to juridical aspects and legislation, as the terms and cover of an insurance policy are those that customers consider most difficult to understand. One option is to approach the question from the marketing and communication perspective. In that case the question would rather be: “how to transmit the electronic message for the insurance customers in a way that it would become more easily understood”.

The Internet is naturally only one electronic channel to offer services for the customers. This study, however, pinpoints the Internet as a mean of eBusiness but also the other possible electronic channels such as Digital TV and cellular phones, are considered. Another relevant issue concerned is the nature of the service offered via electronic channels. The purpose is not only

to study Internet as a self-service instrument but also the possibilities to link different support services to the concept are examined.

The other limitations of the study are following: the empirical research covers only Finnish non-life companies and other lines of insurance such as life and pension insurance are outside the scope of the study.

### **Theoretical Background**

eBusiness can be defined in many ways and from many perspectives. Karjalainen (2000) considers the issue from the competitive perspective and defines eBusiness as all the functions in the open information networks aiming at gaining competitive advantage. Competitive advantage on the other hand can be considered as an important element of any corporate strategy. Therefore, strategies, eBusiness and eCommerce are the key issues of this study, and in this literature of the areas mentioned will be utilized accordingly.

eCommerce, for one, can be defined as “all electronically mediated transactions between an organization and any third party it deals with” (Chaffey 2002) The impact of eCommerce is evolved in three distinct phases that can be separated. The first phase (1994-1997) was about being there. Everything was new and it was important to have at least some kind of Web sites. The second phase (1997-2000) concentrated on transactions – buying and selling electronically, even though one or two home pages designed were providing only general information. In the third phase (2000 onwards) the issue is how the Internet can impact profitability. Not until this phase the concept “eBusiness” has been used – or at least, there has not been the real ground to speak about eBusiness (Kalakota 2001).

According to Porter (2001) strategy cannot be ignored when thinking of the Internet. In fact his opinion is that the Internet actually makes strategy more important than before. Only going online is not any kind of strategy. The Internet should merely be viewed as a complement to, not a cannibal of, traditional ways of competing. Porter does not see the Internet as the revolutionary way of increasing business volume but as “enabling technology – a powerful set of tools that can be used, wisely or unwisely, in almost any industry and as a part of almost any strategy”.

Porter’s view, among others, represents the traditional way of competing and considering competitive strategy formulation. As this study is not technological in its nature, but merely business model oriented, organizational skills are also essential to consider. Hamel and Prahalad (1994) speak about core competencies and competitive advantage. Business networks and networking are strongly related to eBusiness. For that reason, it is arguable to consider utilization of the concept and the literature of networks and networking in the study. Networking, in vertical and/or in horizontal level, can provide new possibilities for satisfying the needs of more demanding customers (Möller & Halinen 1999).

The electronic services considered in this study are targeted for the insurance customers and therefore, the issues of customer satisfaction and customer value become essential. Liljander and Strandvik (1995) and Storbacka et al. (1994) define satisfaction as customers' cognitive and affective evaluation based on the personal experience across all service episodes within the relationship. This definition has also been accepted by Dabholkar (1993), but she argues

that although customer satisfaction has cognitive aspects, most researchers agree that the construct is quite likely to comprise affective elements, because customer satisfaction is an emotional reaction. According to Hill et al. (1999) customer satisfaction is a measure of how the organisation's 'total product' performs in relation to set of customer requirements. Yet, satisfied customers sometimes tend to change their service provider (Ganesh et al. 2000), but as Vuorela (1988) reminds, satisfaction is a construct of many elements and only part of them are connected to actual service offering.

Customer value can be defined as customer benefits relative to cost of purchase i.e. the input that a customer has to give to get the benefits (Best 1999). Woodruff (1997) has defined customer value as "a customer's perceived preference for and evaluation of those product attributes, attribute performances and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situation". Thus Woodruff emphasises the subjective evaluation made by the customer, whereas the definition by Best can be considered more objective. However, in this study the definition by Woodruff is more usable because customers cannot be persuaded to eInsurance unless they themselves prefer that option.

In this connection also the term added value seems to be justified to bring up. In this we rely to the definition by De Chernatony et al. (2000) who state that "added value is a multidimensional construct which includes functional and emotional benefits, as perceived by consumers, relative to the competition. These often result in benefits for the firm". In connection with the Internet this means that moving to the electronic channel has to offer something more compared to service encounters in branch offices or contacts with call centres. What is this "more" or value added, we have to find out in this study. Some of the research questions in section 2 also refer to that direction, for example easy facilitation, customer satisfaction and more understandable terminology.

When customers start using the electronic services in handling their insurance issues they will have different experience of the process. This experience determines customer's attitudes towards the electronic services and affects his/her evaluation of the service offered by that insurance company. Former expectations have also strong influence when considering the customer satisfaction (Storbacka et al. 1999). Feedback from customers, whether it is positive or negative, is very valuable for companies because otherwise some failures can be ignored and on the other hand, the feedback is important source to develop ideas.

The framework of the study is constructed from the theoretical aspects described above. The theoretical framework of the study is presented in Figure 1. It represents one aspect of the issue. The framework illustrates relationships between insurance company and its customers. Strategies of the company, including eBusiness strategies, are the key issues when considering how to operate efficiently within the market. This study concentrates on examining the strategic opportunities that any insurance company can create, develop and offer by the aid of electronic insurance services to their customers. The Internet, as mentioned earlier, is playing the main role, but other possible technical devices are also examined. As technological development is about to progress, there might be totally new solutions to be launched.

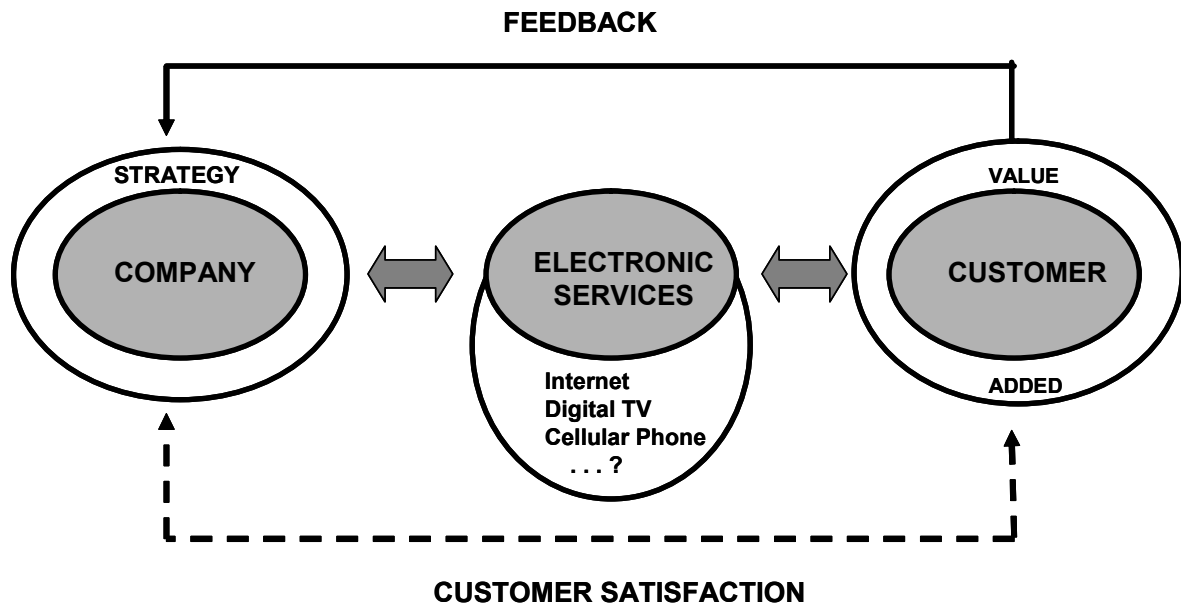


Figure 1. The theoretical framework

## Methodology

"People who write about methodology often forget that it is a matter of strategy not of morals. There are neither good nor bad methods but only methods that are more or less effective under particular circumstances in reaching objectives on the way to a distant good." (Homans 1949)

The above statement by Homans is extremely justified when discussing about methodology of this study. As section 4 shows, there is a lack of research in the area of this study and therefore, a pilot study seems to be the relevant starting point. A pilot study will serve the purpose to state more precise research questions together with limitations and offer a basis to divide the project further to smaller pieces of research. Namely, there will be few separate studies to be carried out within the project and together they should complement each other and form a nice entity.

The nature of the pilot study will be qualitative. To be more precise it will consist of theme interviews and documents provided by the companies involved in the study. Respondents will be selected among the management and the experts of eBusiness within the participating companies in the eInsurance research project. Through the results of the interviews we expect to get some fresh ideas how to move on in the study. Another goal of the pilot interviews is to find out the attitudes of insurance companies how to further exploit the insurance eBusiness and the thoughts of developing the eBusiness solutions.

The theoretical literature and previous research serve as a background to the pilot study. This method is accepted e.g. by Strauss and Corbin (1990). They also see that the very first inter-

views or field notes should be entirely transcribed and analysed before going on to the next phase. This early coding gives guidance to the next field observations and interviews.

On the basis of the pilot study methods and the theoretical framework of the study will be elaborated. Our way to proceed is near abductive logic, which is based on continuous interaction between theoretical and empirical data (see Alvesson & Sköldberg 1994).

As the study contains various customer segments, there are various alternatives to gather empirical data, namely panel discussions, theme interviews, structured interviews and surveys. At this point, we consider utilising panel discussions and workshop typed meetings while examining private customers and small sized companies, but we do not leave surveys totally outside the scope of the study. Middle size and large companies will be reached by structured interviews. When analysing the data we will follow the ideas of interpretations by Patton (1990). The credibility of the study will be evaluated by reliability and validity (both internal and external) according to qualitative research standards (see e.g. Miller and Crabtree 1994; Gummesson 1991; Yin 1990).

The research project will last three years and the participating companies are the two largest insurance companies in Finland, namely If Insurance and Pohjola. In addition, a software company called Profit will attend the project. Profit is specialised into financial sector and has quite a few banks and insurance companies as its customers. One of its main operating areas is to plan and materialize programmes for eBusiness and eCommerce. The companies participating in the project are also offering their resources by appointing liable people from their staff to take part to operative research work. In addition they serve as important discussants during the project.

## **FORMER RESEARCH**

Utilizing eBusiness within insurance industry, especially in Finnish insurance industry, has been researched only fractionally – at least so far. Therefore, the amount of public literature is very limited at the moment. One reason for the lacking research is the novelty of eBusiness within insurance industry (Ahonen 2002). Obviously the amount of studies will be increased as well as the interest of insurance industry because without adequate information and knowledge it is quite difficult to develop any new business solutions. The Finnish studies of utilizing eBusiness within insurance industry have are presented in Table 2 and it shows that there is no research alike this research project.

Table 2. Former Finnish research of eBusiness within the Finnish insurance industry

Author	Name of the study	Level of the study	Perspective
Ahonen Aki (2002)	Utilizing insurance company's Web-services in service chain with insurance brokers - Case: Varma-Sampo	Master Thesis	Business-to-business
Järvinen Raija - Järvelin Anne-Mari (2002)	How Consumers Can Be Engaged in e-Insurance?	Article in the Conference Proceedings	Consumer
Järvinen Raija et al. (2001)	Insurance on the Internet – Insurance companies' offerings and consumer expectations	Study for National Consumer Research Centre	Consumer / Insurance Company
Niinimäki Satu (1999)	Internet in insurance business – benefits from the consumer's and company's perspective	Bachelor degree thesis	Consumer / Insurance Company
Kajala Janne (2000)	<i>Juridical problems in insurance eCommerce, especially in consumer protection and insurer's obligation to disclose</i>	YVTS-Study	Consumer / Insurance Company
Kytölä Eero (1998)	<i>Utilizing Internet-technology in insurance sector</i>	YVTS-Study	Insurance Company
Saarikko Olli (2001)	<i>Are customers ready to use Internet as a service channel?</i>	YVTS-Study	Customer (consumer)
Sorvali Nicky (2001)	<i>Internet as a personnel tool at A-Insurance Company</i>	YVTS-Study	Insurance Company

The study of Ahonen (2002) examined the utilization of the Web-services of one insurance company related to its insurance brokers. The aim of the study was to research what kind of strategic advance the utilization of eBusiness compared to old manual practice, can bring for insurance company when dealing with insurance brokers. On the other hand the benefits for the insurance brokers were considered as well. The study showed that the Internet services of the target insurance company, and also the corresponding services of the rivals, were not yet so advanced that they could have facilitated the operations of the insurance brokers. The insurance brokers saw Web-services more like as good base for development but still they appreciated the efforts of the insurance companies in creating electronic services. The target insurance company was already aware of some defaults and agreed with the insurance brokers that at the moment they have a good basement to start with. However there were also some benefits the insurance company saw that eBusiness has brought. For example, updating information is much easier than before because it can be executed faster and with lower costs by only conducting the changes needed in the Web. The interaction between the company and customers also becomes faster but more development in identifier systems is required.

The study of Järvinen and Järvelin (2002) targeted to test the ICDT-Model by Angehrn (1997). That model includes four strategies that are 1) information channel strategy, 2) communication strategy, 3) distribution channel strategy and 4) transaction strategy. All four

strategies were found in the case company that was one of the leading Finnish insurance companies, but in addition to them, Järvinen and Järvelin realized that ICDT should be widened to cover two additional strategies, that were called internal strategy and external strategy. Therefore, the model was renamed as e-Six Strategy Model. The model assumes the view of the insurance company and neglects the customer perspective.

The focus of the study of Järvinen et al. (2001) was twofolded: the Web-sites of Finnish non-life and life insurance companies were examined and in addition to that consumers were interviewed concerning their experiences and expectations of insurance services in the Net. The study revealed that there were considerable differences in the range and content of the online insurance services and it was impossible to obtain full insurance coverage over the Internet. The most suitable insurance-related services for the Internet are simple insurance policies and all kinds of supplementary services. A part of the insurance policies are so complex that selling them online will hardly ever be successful. In spite of that result, consumers attitude towards insurance Web sites were positive, even though none of the respondents had purchased insurance in the Internet. The study concluded that both consumers and insurance companies still have a great deal to learn before consumers will develop into skilled Internet users and insurance companies into competent in online business.

Niinimäki (1999) has researched the benefits of the Internet for insurance industry. The research was executed by comparing the Web sites of one Finnish and three foreign insurance companies. The issue was approached from the perspective of both the insurance company and consumer. User friendliness on the Web sites was one of the key issues researched and compared in the study. In addition the offerings of the Web sites were considered. Implementation of the Web-services seemed to vary within the compared insurance companies from poor to quite good. All the researched companies provided basic service such as inquiries, compensation claims, contact requests and feedback forms on the Web-sites, but there were considerable differences in providing some additional services. The Internet was, however, found as a useful tool for insurance companies to provide services even though there were some problems concerning the nature of insurance product and low user volume – at that time.

The YVTS-studies written with italics in Table 2 are theses of Advanced Insurance Examination coordinated by Finnish Insurance Training Center. These studies are merely practical in their nature and they do not have a scientific value. The research made so far is, however, very minor and for that reason these YVTS-studies are also worth mentioning.

As a conclusion of the above mentioned research, it can be emphasized that only the study of Ahonen has a strategic perspective to the electronic insurance services, and in his study it is the pension insurance company that is studied and its connections to the insurance brokers, whereas parties of this study are various customer segments and non-life insurance companies. Furthermore, concepts of value and satisfaction do not play any major role in the previous research, neither is the efficiency aspect studied earlier. Moreover, the earlier studies rather explored hindrances for eInsurance usage, but this study will go one step further. Namely, the solutions to avoid the hindrances will be suggested. This short discussion shows clearly that there are "gaps" in the present knowledge of the electronic insurance business and our study on its part will omit some of the gaps. The discussion of the contribution of the proposed study will continue in section 5.

Insurance business and banking are nowadays extremely close to each other. Within banking industry eBusiness is being utilized longer and some electronic practices, like electronic payments, are already quite established. The research work is also more advanced when compared to insurance industry. Some examples of the research of eBusiness within the Finnish banking industry are shown in Table 3.

Table 3. Finnish research of eBusiness within the Finnish banking industry

Author	Name of the study	Level of the study	Perspective
Karjaluoto Heikki (2002)	Electronic Banking in Finland: Consumer Beliefs, Attitudes, Intentions and Behaviors	Dissertation	Consumer
Mattila Minna (2001)	Consumers in the Dawn of Interactive Banking	Dissertation	Consumer
Uusitalo Olavi (2001)	The Early Success of the Finnish e-Banking	Article in the Conference Proceedings	Consumer / Company

## DISCUSSION

The purpose of this article was to present the research proposal for the study titled "Gaining strategic advantage through eBusiness for insurance companies". First we presented five research questions and their reasoning, then the theoretical framework followed and finally methods to be used. Especially the last research question will be tackled once again carefully in the sense that even if the problem itself is important, it may require a unique perspective compared to other research questions. If this is the case, it deserves to be moved to the other part of the project.

The research project will be continued by more exact theory formulation including more reading of the chosen theoretical areas: strategies, eBusiness and eCommerce. Simultaneously with this phase the pilot interviews will be started in order to find more precise theoretical focus for our project. This way of functioning is actually necessary at the moment because the scope of the study is too wide for one dissertation. The issues left outside the dissertation project will be divided to smaller studies finally aiming at combing all the results to one solid entity.

So far our review of previous research covers insurance sector in Finland but this review will be widened to international research on the area. In this we stick ourselves to insurance and financial context as we consider these sectors so specified that even the research carried out in other service sectors could not be applied to this context (see e.g. Järvinen 1998; Järvinen et al. 2001). In addition, the common studies of eBusiness, eCommerce, business strategies, customer satisfaction and service development, published in scientific journals, will be utilized to give more theoretical contribution for the study. We are aware that there is no single theoretical model to be used as a reference. Instead, we have to develop our own model at the basis what is already known in the area.

One of the main objectives of the study and the whole eInsurance project is to increase especially scientific but also practical knowledge and competence, how to utilise eBusiness solutions within at least Finnish insurance industry. The participating companies will naturally take advantage of the information produced through the research project but as the scientific knowledge will be published both in the domestic and international arenas, the results will freely be of use for what so ever practical purposes.

Taking the expected results of the study into consideration, it is obvious that new technology provide new possibilities to serve insurance customers in electronic environment. However, now that the hype of eCommerce is over, it is good to remember that service is not, or at least should not be, only technology driven. In the reality it is usually quite short sighted and might lead to disaster, which often means the end of the story for a company (Kalakota 2001). Implementing new technology should be supported by the values and strategic decisions of a company. With the help of knowledge produced through this study and backed up with theoretical issues we hope to give our contribution to the process of implementing new eBusiness solutions and fit them to the strategic basis of the insurance companies - without forgetting the insurance customers.

We also believe that through this research project it is possible to affect on the attitudes of insurance customers towards the electronic services. So far the insurance customers have preferred traditional ways of taking care of their insurance cover. One reason is, of course, the lack of trust which is strongly related to information security issues. Gathering information from the customers and processing that information with the participating companies it might be possible to find some solutions to the problem. On the other hand, these problems are not solved that easily because electronic identifier systems are not yet decided but these efforts might facilitate and possibly accelerate that process too.

As a summary, we expect that as a result of this research various customer segments will be served through the Internet better than before and their special needs and wishes are taken into account when insurance companies design their eInsurance services. This is the way that customers are able to get added value for using the Internet, which in turn assists to keep them satisfied and loyal towards their own insurance company. The other main result will be connected to efficiency that will no doubt improve when customers learn to use the Internet and the inhouse service processes will be planned to support Web-operations accordingly. Both these actions will gain strategic advantage to the company that exploits them.

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