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Improving the Marketing of an Insurance Brokerage Case: Brokerlink Oy

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ABSTRACT

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This Bachelor's thesis was commissioned by Brokerlink Oy, an insurance brokerage in Oulu. The purpose of this thesis is to find ways to improve the marketing of the brokerage to aid in gaining new clients.

The theoretical framework consists of key concepts explained with literature relevant to the research as the source. Other sources include articles from the internet. The main concepts for this thesis are B2B-marketing, services marketing, and the 7P's marketing mix.

Due to the author having worked with the commissioning company for nearly a year at the time of beginning the thesis, the author possessed prior knowledge of how the company operates, and their current marketing situation. Therefore, the only empirical research done was one interview with the key personnel of Brokerlink, including the CEO, the VCEO and PR/HR personnel, as well as an analysis of the external strengths and weaknesses of competition based on publicly available sources. The aim of this research was to gain deeper knowledge of the goals, values and other marketing related matters of the commissioning company.

The interview along with other sources of data were used to form a situation analysis. A SWOT analysis was conducted, which gave insight onto both the internal and external micro and macro environments. Through the literature research, the empirical research, and the SWOT analysis knowledge was gained on how to improve the marketing situation. The main issue which Brokerlink faced was lack of visibility and reach in the market. During the interviews Brokerlink set a goal of 10% of clients from passive marketing, and methods to help reach this goal were formed, along with methods to improve other aspects of marketing as a bonus.

Keywords: Insurance Broker, B2B-Marketing, Services Marketing, SWOT-Analysis, 7P's Marketing Mix

CONTENTS

1	INTRODUCTION	5
2	THEORETICAL FOUNDATION	7
2.1	Introduction to an insurance broker	7
2.2	B2B-Marketing.....	8
2.3	Services marketing.....	10
2.4	SWOT	12
2.5	Google Ads & Search Engine Optimization	13
3	METHODOLOGY	14
4	SITUATION ANALYSIS	15
4.1	Current marketing situation at Brokerlink.....	15
4.2	SWOT	16
4.2.1	Strengths.....	16
4.2.2	Weaknesses	17
4.2.3	Opportunities.....	18
4.2.4	Threats.....	18
5	PLAN OF ACTION & CONCLUSIONS	20
5.1	Marketing mix.....	20
5.2	Conclusions.....	23
6	DISCUSSION	26
	REFERENCES	27
	APPENDICES.....	29

1 INTRODUCTION

The purpose of this study is to come up with ways to improve the marketing of Brokerlink Oy. The main research question of the study is simply “how to improve the marketing of an insurance brokerage?”. Brokerlink Oy is at a point where their yearly turnover is beginning to stagnate, and gaining new clients is proving more and more cumbersome. The study aims to find ways to improve the situation by gaining an insight of the current situation, and then applying knowledge gained from the theoretical material.

Brokerlink Oy is an insurance brokerage company, based in Oulu, Finland. The company was founded in 2018 by insurance broker Juhani Matila. Another company called Brokerlink Pohjoinen Oy is also under the same management. In 2021, Brokerlink had a turnover of 679 000 €, and the financial year resulted in a net loss of 2 000 €. (Taloustieto 2022). At the time of this thesis, Brokerlink employed four personnel, two of which are licensed insurance brokers, but in addition they also work closely with entrepreneurs who do sales on a contractual basis. This helps Brokerlink keep their costs down while maximizing their output.

Brokerlink deals in the insurance broker industry. Their services can be narrowed down to two main ones: **insurance bidding**, and **insurance upkeep**. In insurance bidding, Brokerlink does the bidding for the customer, almost always another business. Brokerlink focuses on business clients, as the prices of private insurances have been driven down to similar levels between the providers, therefore making the potential for profit small.

The insurance bidding process is the following:

- 1) Either the client or Brokerlink approaches the other party
- 2) The client signs documents, which give Brokerlink the power to manage their insurances
- 3) Brokerlink forms an analysis of the current insurance situation
- 4) A request for offers is sent to all major Finnish insurance providers
- 5) A neutral comparison between different offers is made
- 6) The comparison is presented to the client, who makes the final decision about which insurance provider they wish to choose
- 7) Brokerlink bills the client for 50% of the achieved yearly savings

The insurance upkeep process often begins after the bidding is finished, but some clients are solely upkeep clients. After the client signs the insurance upkeep documents, Brokerlink gains the right to manage all of the client's insurance related matters, such as enacting new insurances, terminating old insurances, access to insurance bills and such. The pricing of the upkeep service varies from client to client but is based on the insurance broker net price policy, where the clients of insurance providers who are also clients of insurance brokers are granted discounts on their insurances. All major insurance providers in Finland except LähiTapiola have this policy, and the overall amount of discount is around 8 %, but varies between insurance companies. Brokerlink then bills the client for at least the amount of this discount depending on the client's level of service chosen, as well as damages history and other variables. This practice means that often the upkeep service introduces no additional cost for the client.

2 THEORETICAL FOUNDATION

Before starting to develop a plan of action, it is important to understand the theoretical background behind different concepts and frameworks. In this chapter the key concepts of this thesis/case study are explained by referencing relevant literature to each subject. The 7P's marketing mix is the main concept, and it is covered in addition to services marketing, B2B marketing, SEO and Google Ads, and the insurance broker as a concept.

2.1 Introduction to an insurance broker

An insurance broker is an expert specialized in the insurance business, and they work as the middleman between the client and the insurance company. (Suomen Vakuutusmeklariliitto 2022). According to the Finnish Financial Supervisory Authority (FIN-FSA), insurance brokers “act only in their customers’ interests on the basis of a service agreement concluded with the customer. Insurance brokers are independent of insurers, and they cannot accept remuneration from insurance companies.” Each insurance broker must register to FIN-FSA, and their information can be found from the FIN-FSA website. (Finanssivalvonta 2018).

In order for an individual to become an insurance broker, they must pass the insurance broker exam, held each year in Helsinki. The exam has two parts, the general part, and the damage-/life insurance part. To begin working as an insurance broker one must pass the general part, and at least one of the other parts, and the other one must be completed in five years after passing the first one (Finanssivalvonta 2022). The FIN-FSA is the governmental entity responsible for overseeing that the insurance brokers obey the law and act in good faith.

Insurance broker as a term is global, but there are fundamental differences in how the brokers work and how they are regulated between different countries. One common trait across the globe is that insurance brokers always represent the client, compared to insurance agents who represent the insurance provider. (Insureon 2022, CanLII 1985). There are however differences in legislation and the way the brokers/brokerages make money, the common ways being commissions and fees.

2.2 B2B-Marketing

B2B marketing is all marketing which is performed by businesses, aimed at other businesses. It can also be described as all actions by organizations which promote their products or services to other organizations. (Hall 2017, 1). To further understand the subject, some key marketing concepts relevant to this thesis are explained in the following paragraphs.

The first concepts relevant to marketing are needs, wants, and demands of the customer. Needs are the basic requirements that humans have, for example the need for food, shelter, water, but also for entertainment and education. These needs form into wants when individuals are presented with something to fulfil said needs. Demands are wants, backed by the ability to pay. Marketing however is not responsible for creating a need, only for presenting something to fill a need. After recognizing the need for something, marketers can begin segmenting their potential customers by different demographics. In B2B marketing demographics such as the size of the company, the area they operate in or the year they began operating can help marketers aim their efforts more efficiently. (Kotler & Keller, 2016, 31-32).

One of the key concepts are marketing channels. According to Kotler & Keller, there are three kinds of marketing channels. Communication channels are the channels which targeted buyers are contacted through, and include channels such as magazines, television, internet, and billboards. Beyond these, companies also communicate passively through their websites, newsletters, and blogs. Distribution channels are the channels responsible for displaying, selling, or delivering the product, be it tangible or intangible, to the customer. These channels can be direct, like e-mails or telephone calls, or indirect, like intermediaries such as agents or retailers. The third type of channel is the service channel, through which transactions are carried through, for example transportation companies, banks, and insurance providers. (Kotler & Keller, 2016, 32,).

Creating value and satisfaction is also important in marketing. Buyers are most likely to choose the product or service which creates the most value for them in their mind. Value is the sum of both tangible and intangible costs and benefits, and the combination of quality, service, and price. This concept is called the customer value triad. The customers perception of value increases along with quality and service but decreases as the price increases. Satisfaction is the reflection of the cus-

tomers feelings toward the delivered product or service. If the product or service falls short of expectations, the customer is understandably disappointed, and if the product or service matches or exceeds their expectations, they are satisfied. (Kotler & Keller, 2016, 33).

Although similar to B2C (business to consumer) marketing when it comes to the end goal, there are also vast differences. The main differences between the B2B market and the consumer market are:

1. **The level of demand.** In the B2B market, there are fewer potential buyers, but these buyers, and often the quantities and numbers involved are larger.
2. **The buying unit.** In the consumer market, the buying decision is often made by an individual person, often with little thought behind it. However, in the B2B market buying processes often involve more people, and perhaps even entire departments.
3. **The decision-making process.** As mentioned, these processes might involve the opinions of multiple people and departments, and the relationships between these parties come into play, which makes the process more complex. (Kotler & Keller, 7, 2016)

Gillin and Schwartzman also write in support of these points, while also bringing forth some differences of their own. According to them, "B2B marketing is more likely to focus on value than experience." However, it must be pointed out that these differences are not absolutes. The value of relationships in B2B markets is also significantly more important than in consumer markets. As sometimes the buying decisions made by employees can either make or break the company, the individual or department in charge of the purchase must be confident in their success, and it is up to the marketer to invoke said confidence in them. The relationships also come into play when it comes to the longer buying cycles, as negotiations can often last for months. (Gillin & Schwartzman, 2011, 6-7).

2.3 Services marketing

Lovelock et al defines services as “economic activities offered by one party to another. Often time-based, performances bring about desired results to recipients, objects, or other assets for which purchasers have responsibility.” (Lovelock & Wirtz, 2011, 15)

Services marketing is the act of marketing these services, either to consumers, or to organizations. When it comes to services marketing, the concepts and methods used are often not the same as in marketing tangible goods. One of the fundamental concepts of marketing goods is the marketing mix, a term coined by E. Jerome McCarthy in the 1960s. The marketing mix consists of four basic strategic elements: product, price, place, and promotion. However, these four elements, or the 4 P's, are not sufficient when considering the marketing of services, as they do not cover the management of the customer interface. Therefore, the marketing mix was later modified, with the additions of three more P's: process, physical environment, and people. These additions help with managing the customer interface, and therefore make the marketing mix more functional for services marketing. (Lovelock & Wirtz, 2011, 21-22).

The product elements create the foundation of the organizations' marketing strategy. The quality of the service product determines whether it creates value for the customer, therefore it is wise to design the product element first and focus on making sure that the product element: (1) creates wealth for the client, and (2), satisfies the needs of the client more than the competition. Service products often bring value to the customer in two ways: by the core service product, and by supplementary services, that help the customer use the core product to its full extent. (Lovelock & Wirtz, 2011, 22)

When it comes to services, the place element can come into play through both physical and electronic channels, depending on the service. An example of these elements combining are the services of a bank: customers have a choice on whether to manage their banking via the internet, or by making a visit to the bank, or by using an ATM etc. When designing the service product, decisions must be made to figure out where and when and what methods and channels are used. (Lovelock & Wirtz, 2011, 22)

“For suppliers, pricing strategy is the financial mechanism through which income is generated to offset the costs of providing service and to create a surplus for profits.” (Lovelock & Wirtz, 2011,

23-24). The price levels often vary between clients, depending on factors such as time and place of delivery, level of demand, and the capacity in which the service can be offered. Customers might however look beyond just the price and begin assessing the outlays of their time and effort. Service marketers must therefore know how to set prices so that possible burdensome outlays are minimized. These outlays might include factors such as additional costs, for example travel expenses to a service location, time expenditures, and all-around unwanted effort. (Lovelock & Wirtz, 2011, 24).

Communication is key for a successful marketing program. The promotion element plays three important roles:

1. **Providing customers with required information.** It is important that your customers know where to find more information about the benefits of the service, and how to use the information to get the best results.
2. **Persuading target customers.** The promotion element is responsible for gaining new customers. This persuasion might happen via salespeople, advertisements, or other ways of communication.
3. **Encouraging said customers to take action at specific times.** Well-timed promotional activities which offer a monetary incentive can help in stimulating potential customers when demand is low in the market. These promotional activities can be discounts, or trial periods with a specific pricing. (Lovelock & Wirtz, 24).

Poorly designed service processes can lead to slow and ineffective service delivery. This might lead to time wasted and an overall disappointing experience for both the organization and the customer. Streamlining the service process and making it more straightforward helps with successfully delivering the service and helps avoid service failures. Tools to make the service process more efficient include matters such as adopting standardized procedures, training employees more, implementing service quality management, and automating tasks. (Lovelock & Wirtz, 2011, 25-26).

If your offered service requires customers to come to your location, it is important to be aware of physical factors which might affect the customer's experience. Matters such as clean uniforms, indoors cleanliness, appearance of buildings and walkways outside etc., can impact the customer's view of your business, and therefore impact their satisfaction with the service. (Lovelock & Wirtz, 2011, 26).

Even though the world and service environments are quickly becoming more and more virtual, with many service processes there are still humans involved. Sometimes the only difference between two service providers is the quality of their service employees. Organizations with service employees need to ensure that their human resources department does a good job with hiring, training, and motivating their employees. (Lovelock & Wirtz, 2011, 26).

2.4 SWOT

According to Kotler et al, the SWOT analysis is “the overall evaluation of a company’s strengths, weaknesses, opportunities and threats.” (Kotler & Keller, 2016, 71). Conducting a SWOT analysis allows for the inspection of the current marketing environment, both internal and external. These environments should be observed from time to time in order to gain insight on current trends and market conditions. The SWOT can be split into two different environments, the external and the internal environment.

The internal environment takes the strengths and weaknesses of the business into account. To aid in forming a plan of action, these strengths and weaknesses should be listed, and analysed carefully in order to figure out the importance of each. An opportunity matrix can be a great visualiser for this process. Each strength and weakness does not have to be addressed, but the most important ones to the operations of the business should be highlighted for later analysis. (Kotler & Keller, 2016, 73)

The external environment consists of the opportunity and threat analysis. Kotler et al suggest that there are three main types/sources of market opportunities in the external environment. The first source is offering something that is in short supply in the market. Here both the customer and the business realize the need for the service, so little marketing is required. The second source is supplying an existing service in an improved way, but this method raises the question, how? To answer this question, customers can be consulted. The problem detection method takes the suggestions of customers into account, the ideal method has the customers imagine their ideal version of the service, and the consumption chain method, which completes the third source of market

opportunity, has the customer explain the whole process of acquiring, using, and disposing of a product or a service. (Kotler & Keller, 2016, 72)

Environmental threats are challenges that arise in light of developments in the market, which require defensive marketing actions in order to avoid lower sales or profits. To chart these threats out in order to gain insight into their potential to affect business, a threat matrix can be created. The matrix gives a clear starting point for figuring out the order in which these threats should be tackled. (Kotler & Keller, 2016, 72)

2.5 Google Ads & Search Engine Optimization

Google Ads is an advertisement platform created by Google. Google Ads is built around the Google search engine and considering that Google Search is used by over 90 % of internet users, advertisements used there can easily reach vast amounts of users. (Statcounter 2022). When advertising using Google Ads, the user's advertisements can be shown on different spots in the search engine, on websites that are a part of Google Display Network, which is a collection of sites and apps owned by both Google as well as other companies, and in Google Maps. Google Ads supports text, image, and video advertisements, and has comprehensive guides for users to learn how to use the service. (Google 2022).

Search Engine Optimization (SEO) is the act of improving the way your website works with search engines. By using SEO tools, a user can increase their website's visibility in search engines, and therefore potentially gain more visitors. When compared to Google Ads as a tool to increase site engagement, SEO is more complex. Hundreds of factors come into play when search engines categorize different searches, with factors such as keywords, website relevancy in relation to the search, usability of the site and quality of the content, and user search history and demographics such as age, location and gender. (Techoarget 2022.)

3 METHODOLOGY

For this thesis/case study, the research methods are qualitative, and the data collected is empirical and based on interviews. The research is qualitative, as the aim of the research is to come up with ways to develop the marketing of Brokerlink, by examining the current marketing situation, and then applying the tools and methods learned from the literature.

The data collection method chosen are a series of interviews with Brokerlink staff. These interviews were semi structured, with some key areas of discussion thought beforehand in addition with possible additional questions or points of discussion that came up in the middle of the interview. Using a semi structured interview enables the party interviewed to also come up with different perspectives, and it allows for a more natural conversation instead of fixed questions. (Eriksson, P., Kovalainen, A. 2008)

Finding other sources of data regarding insurance brokers proved difficult, as the insurance broker business in Finland is a niche market, and the amount of literature on insurance brokers is extremely limited, therefore sources used for insurance broker related information are mostly webpages. Due to this the methods applied to improve the marketing were those which are generally used in services marketing, and not specifically in improving an insurance brokerage's marketing.

To aid in creating awareness about the marketing environment a SWOT analysis was conducted in order to gain insight of both the macro and the micro environment. During the interview, Brokerlink personnel were questioned about matters related to the SWOT analysis, and in addition to their answers research was made from online sources.

4 SITUATION ANALYSIS

Before a marketing plan can be formed, one must be aware of the situation of both the internal and external business environment. During the semi-structured interviews with key Brokerlink personnel, insight was gained of the current situation in both the business and the market they operate in. The current state of marketing is briefly explained, after which the internal and external situation in the company is analysed with the SWOT analysis. Data on the external situation of main competitors is also included in the SWOT matrix, as well as analysed briefly.

4.1 Current marketing situation at Brokerlink

At the moment, Brokerlink does not heavily invest into marketing directly. They have no dedicated marketing personnel: for marketing related tasks such as PR and other communication they have one employee, for the customer service they have one dedicated employee with the CEO and the VCEO also managing key clients. Outside of telemarketing done by employees and contractors, Brokerlink does not generate any new leads or reach new audiences through other channels.

The channels that Brokerlink use online are limited: they have an Instagram page and a Facebook page, but the Facebook page has not been updated in years. They have 492 followers in Instagram, with the average post being seen by 156 of users. One other channel which they use is e-mail newsletters. These go out to some of the current clients (156), and 41 % of said clients open the newsletter.

When observing the marketing related history of Brokerlink, the lack of dedicated marketing personnel is obvious. Every now and then there are marketing related changes implemented, but these changes are often done on a whim and lead to nowhere, examples being a second marketing website which has been abandoned, constantly changing logos and other visual themes, and insurance upkeep pricing which changes from client to client despite set levels on the contract.

4.2 SWOT

In the following figure the internal and external situation of Brokerlink is visualized. The strengths of Howden and Novum are also included in order to gain awareness. A complete SWOT analysis could not be performed on the competitors as there was no way to gain data on the internal situation, therefore data only publicly available was used. Sources for this data can be found on appendix 2.

INTERNAL FACTORS	
STRENGTHS (+)	WEAKNESSES (-)
Pricing of insurances bidding Customer service → customer retention Location Larger company, more resources (Howden) Google Ads, SEO (Howden, Novum)	Low visibility
EXTERNAL FACTORS	
OPPORTUNITIES (+)	THREATS (-)
Small amount of competition Capitalizing on economic distress	New competition Low level of trust of business clients towards insurance providers

Figure 1 SWOT Matrix of Brokerlink, competition in bold

4.2.1 Strengths

The main strength of Brokerlink lies in their pricing. For insurances bidding, Brokerlink only bills the client for half of the achieved savings for the first year, and if there are no savings achieved, there is no bill. This system of pricing makes the service always financially logical for the client and is the main driving point when it comes to selling the service product. Compared to Brokerlink's main competitors, their pricing model is also often the best choice for the client. The competing insurance brokers often have annual billing for insurances bidding, for example 50 % of the savings achieved in the first year, 25 % in the second and 10 - 15 % in the third, whereas Brokerlink only bills for the first year's savings. In insurances upkeep the situation is not as clear cut, as insurance brokers often bill for upkeep depending on multiple factors, such as current insurance prices and accident history.

The second strongpoint of Brokerlink is their customer retention percentage. At the moment, Brokerlink has around 230 insurance upkeep clients, and for the year 2021 and 2022 the calculated retention percentage is 97 %. This is a testament to the strength of their customer service. During the interviews it was mentioned that clients who have previously been with other insurance brokers have mentioned that the customer service aspect of Brokerlink is better when compared to the competitors, especially when it comes to service availability. Brokerlink has multiple personnel who are reachable during the weekdays and often even during the weekends.

Other strengths include matters such as central location in Oulu and good connections inside the insurance providers. There is however no way to compare these strengths to competition, so the true level of strength cannot be determined.

When it comes to the main competitors of Brokerlink, Howden and Novum, the main strength which separates them from Brokerlink is the usage of both SEO and Google Ads. When searching Google for an insurance broker in Finnish, Howden and Novum both had Google search ads, and were also among the results on the first page after the ads. This could be a testament of their other strength, which is simply that they are larger companies in every metric, especially Howden, which had a turnover of 16,3 million euros in 2021, compared to Brokerlink's 679 000 €.

4.2.2 Weaknesses

The main weakness of Brokerlink is low visibility in the market. So far Brokerlink has not made any real efforts to increase visibility, and this can be derived from the fact that almost all of their clients are the result of outbound marketing in the form of telemarketing and occasional e-mails for potential clients. Sales personnel at Brokerlink also report that almost never has a client heard of Brokerlink when questioned during sales calls or meetings.

When searching for an insurance broker in Google, Brokerlink is not even on the first page of results. The main competitors Novum and Howden however have the first two advertised searches, and after that some other competitors and sites follow. Due to this, potential clients who search for an insurance broker are sure to miss Brokerlink and head for their competitor's sites instead.

4.2.3 Opportunities

The main opportunity for Brokerlink is the small amount of competition in the market. Aside from Howden and Novum, other competition is often independent brokers, who necessarily do not have the capacity to compete with the brokerages. If Brokerlink manages to gain visibility in the market to the levels of its main competition, it can solidify its' place as one of the key insurance brokerages in the country.

Times of financial distress can also be seen as an opportunity for Brokerlink. At the time of writing this thesis, the ongoing COVID-19 pandemic and the war in Ukraine have affected many different facets of the global economy. (UN 2022). As operating expenses rise, Brokerlink can potentially gain new clients by emphasizing the monetary savings aspect of their offered services during sales calls and overall marketing.

4.2.4 Threats

At the moment there are no major threats that could affect Brokerlink's business in a noticeable way. The threat of new competition is the most prevalent and constantly ongoing, but the amount of insurance brokers in Finland is going down year by year. (Finanssivalvonta 2021). Therefore, the threat of new competition does not currently require any actions from Brokerlink.

One threat which might affect the marketing and sales side of Brokerlink is the low level of trust and customer satisfaction towards insurance providers among businesses and entrepreneurs. According to research by EPSI Rating, the percentage of satisfied customers among business clients was 69,1 in 2021, and a staggering 66,2 in 2020. (EPSI Finland 2022). As mentioned earlier, during phone calls with potential clients the majority of them are unaware of what an insurance broker is. This lack of awareness might hinder the success of Brokerlink's sales personnel, if a client falsely connects the insurance broker with an insurance provider, whom they might have had a negative experience with.

Threats that can have major consequences for Brokerlink but are unlikely to occur are changes to legislation regarding the insurance broker business, and changes to the insurance industry. If said possible changes were severe enough, insurance broker as a concept might become unnecessary,

causing the business to potentially cease all operations. This however is extremely unlikely and cannot be prepared for.

5 PLAN OF ACTION & CONCLUSIONS

Now that the situation analysis is complete, a plan of action can be formed. First, the marketing mix of Brokerlink is looked at and improvements suggested where possible with information gained from the analysis, after which ways to improve marketing will be introduced. These improvements will give a baseline for Brokerlink to begin improving their marketing in the future and will be made with parameters given by Brokerlink in mind.

5.1 Marketing mix

The service product element of Brokerlink can be split into two separate products: insurances bidding and insurance upkeep. Insurances bidding creates value for the customer in a simple way: Brokerlink does the insurance bidding for the customer, and while the customer could likely do the bidding themselves, by using an insurance broker they get an insurance expert's feedback and recommendations, and most likely better results. The time saved also adds remarkable value for the client, as the bidding process can take tens of hours of work, spread across multiple weeks.

When it comes to the insurance upkeep product, the ways it adds value are very much the same: guaranteed professional service, and time saved. Not all clients however see the need for this service, especially smaller businesses with little to no accidents happening, while some major clients might require assistance every week. Therefore, it might be difficult to prove the value of the service for the client if they do not get to experience the results.

Improving the core product element of Brokerlink's offerings might prove implausible, as the rights of insurance brokers are defined by law and overviewed by the FIN-FSA. Also, as the end product of the bidding is ultimately the product of an insurance provider, there is little room for innovation. With insurance upkeep, there is some room for possible improvement. While the upkeep service is quite inclusive as it is, perhaps matters such as periodic (quarterly, yearly etc.) check-ups with clients or seminars about insurance related matters could be implemented. In the end, the core

product elements currently add obvious value for the client as is, so there is no dire need to improve them.

For insurance bidding, the price element of Brokerlink's marketing mix is set up in a way where they have extremely competitive pricing compared to their main competition, while still able to make profit. At the moment, the pricing of Brokerlink for insurance bidding is 50 % of the achieved savings on a yearly basis. After the client has paid, the money received is split in the following ways:

Example 1.

- Savings of 2 000 € are achieved with the insurance bidding.
- Brokerlink bills the client for 1 000 €.
- Brokerlink pays the person responsible for gaining the client a certain percentage, ranging from 16 (employee) to 40 % (independent contractor).
- Brokerlink also pays the person responsible for doing the work for the bidding a certain percentage, ranging from 8 (employee) to 20 % (independent contractor).
- The rest of the money goes to Brokerlink.

However, if no savings are achieved with the bidding, there is no bill sent for the client.

Example 2.

- No savings are achieved with the bidding.
- Brokerlink does not pay any provisions for either employees or independent contractors.

As can be derived from the examples, the bidding always creates value when savings are achieved, and even if they are not, there are no costs for the client. Therefore, the price element of the marketing mix does not require any changes when it comes to bidding, as it is the strongpoint of Brokerlink's offerings.

As mentioned earlier, for the insurance upkeep service the pricing is based on the discount which all major insurance providers excluding LähiTapiola offer for customers who are clients of an insurance broker. At the moment Brokerlink offers three different levels of insurance upkeep, each with different pricing. The cheapest level costs only the amount of discount given to the client by the insurance provider, therefore being a +- 0 deal for the client. The next two levels of the upkeep product have increasing percentages of the yearly insurance payments as costs, in addition with

other costs should the client choose to use extra services offered. Most of the clients end up choosing the basic level, as it introduces no extra cost for them. For bigger clients, with more accidents happening, the improved services are recommended as they include better service, for example no limit on the yearly damage reports done by Brokerlink. The upkeep service's pricing is reasonable, and no changes are needed, as the pricing is very rarely an issue for the clients.

The promotion element is Brokerlink's weakest link at the moment. As mentioned during the SWOT-analysis, outside of telemarketing, Brokerlink does not reach new audiences effectively. Brokerlink does use some channels to try to gain visibility, but so far, their efforts are yet to bear fruit. They have two websites, brokerlink.fi and kululeikkuri.fi. These sites however generate little to no traffic and are not a real factor in the company's business. For existing clients, they have an e-mail newsletter with information about different insurance related themes, and 156 of the 230 upkeep clients are currently subscribed to it.

The people element of Brokerlink is currently well thought out. The employees responsible for customer service have years of experience and are almost always available. The sales team, which consists mostly of contractors, have varying levels of experience, but all newcomers are taught to do both sales and if needed, insurance upkeep related tasks. New employees/contractors start by doing gradually more demanding tasks, and sales personnel often listen to each other while working to gain knowledge.

The process element for Brokerlink's services is quite streamlined already. For insurances bidding, the customer is almost always contacted by a salesperson, and after signing necessary documents, Brokerlink does the rest of the work. For insurance upkeep related matters, one of the three employees dedicated to it can be reached by both email and phone, and if one happens to be unavailable, they are guided to one of the other two.

The final element of the marketing mix, physical element, does not have a major role in Brokerlink's business. Occasionally clients wish to have a meeting physically at the office, and Brokerlink has no issue with that, as the office is located in a central location in Oulu and has good premises for meeting clients. One form of tangibility which Brokerlink offers are the websites, but they are currently limited in both function and aesthetic.

5.2 Conclusions

The main issue which presented itself multiple times during this process is the lack of visibility in the market. To address this issue, the following methods can be introduced into Brokerlink's marketing environment. These methods are based around gaining visibility and were planned with information given by Brokerlink in mind, such as budget, goals, and preferred channels. During the interview a quantitative goal for marketing was defined: 10 % of insurance upkeep clients from passive/inbound marketing by 2024. The yearly budget proposition by Brokerlink for marketing related costs was 24 000 €. This budget could be split up and invested into the following ideas.

As mentioned during the SWOT analysis, one glaring issue of Brokerlink is the lack of search engine optimization (SEO). When searching for an insurance broker and other related terms, Brokerlink's website is rarely even on the first page of results. Although SEO as a concept is easy to understand, it requires constant work over a long period of time. While outsourcing it to a search engine optimizer is possible, for a business of this size it can theoretically be performed by an employee after studying the subject. When doing SEO, it is important to remember that results are not instant, and it can take months or even a year of SEO before seeing progress. (Google 2022)

The first recommended methods which introduces a cost is Google Advertising. Investing into Google Advertising is a great way to gain visibility online. By investing into Google Ads, your advertisements can be found on various locations on Google search and on Google Maps. Google Ads can also be done by an employee, but it requires far more effort in the beginning compared to SEO. With Google Ads, the quality of your content and the budget are the driving factors, but a high budget does not automatically create traffic on your site, the content is as important. Google Ads allow for the budget to be set in multiple ways, but up to a third of the budgeted 24 000 € could be used for Google Advertising. In the start, cheaper campaigns should be used as a learning platform, before investing more money into Google Ads. Google Advertising can also be outsourced to a marketing firm, but this will naturally introduce additional costs. (Google Ads 2022)

Investing into Google Ads and SEO is however pointless if the website where the customer ends up is not up to par. Out of the two websites that Brokerlink currently has, brokerlink.fi is the better one. It has been recently updated, and the landing page is clear and gives all the required information for the customer. Kululuikkuri.fi however has not been updated in months, and in its current state is not up to par. The front page is not well designed, the information available about Brokerlink

is outdated, and some parts of the webpage give error messages when opened. A decision should be made about the future of kululeikkuri.fi, and the following questions can help with that decision: what the goal of kululeikkuri.fi is compared to brokerlink.fi, is there a good reason to use two different sites which currently offer basically the same information, and are there enough resources to keep both sites up to date?

Using conventional advertising channels such as television or radio advertisements is also one way to gain visibility. Although these advertisements might not lead directly into new clients, it can be easier to gain a client through methods such as telemarketing if they have prior knowledge of Brokerlink and their services. Finnish media company Sanoma for example has multiple different levels of radio advertisement products, with clear information about pricing and other information, such as demographics of listeners. For Brokerlink, the best demographic to target their advertisements are males from ages 25 to 54, as most entrepreneurs and business owners/key personnel fall into that demographic. (Sutela, H. Pärnänen, A. 2017). For these conventional advertisements, a share of the yearly marketing budget should again be determined, while also remembering to budget for possible outsourcing when it comes to creating the advertisements themselves.

Social media marketing is also a tool used a lot nowadays. Brokerlink does have social media pages and is active on Instagram, with the followers there consisting almost entirely of existing clients. Advertisement space to attract new clients can be bought from Instagram, but advertising insurance broker services on a platform where over half of the users are aged 18 to 34 might prove difficult. (Datareportal, 2022)

Implementing a customer feedback form into the marketing element of Brokerlink could also help with both gaining new clients and keeping current clients. This customer feedback form could be implemented with the currently existing newsletter and sent out once or twice a year to gain insight on the customer experience. General themes in the form could be such as: customer satisfaction to current services, ideas for improvement, and what made the client become a client in the first place.

The final suggestion regarding all marketing and more so advertising is capitalising on changes on economic situation. As mentioned during the SWOT analysis, Brokerlink could gain more clients by emphasizing the potential savings from insurances bidding during times of economic distress. Customers who were not interested before might have more incentive to do insurances bidding if

their business expenses are higher than usual. This should of course be implemented in a sensitive way, as capitalising on other's misfortune might be seen as predatory.

6 DISCUSSION

The chosen topic proved somewhat difficult to work with due to the small amount of literature available on insurance brokers and brokerages directly. The main concepts were therefore considered the same as they would be for any company's marketing plan, but it is difficult to define if they were the right choice for this study, as the insurance broker business falls into a niche, and can not be compared directly to most businesses.

The legitimacy of the research should also be questioned. Due to the authors previous working history with the commissioning business, there was a lot of existing information with no real source to back it up. The interview consisted mostly of themes which were already obvious to the author, so some data which is in the thesis is not from the interviews. This obviously affects the legitimacy of the research, but the end results show that perhaps there is some level of scientific value in this thesis.

The methods which the author came up with for improving the marketing were straightforward and purposefully chosen with the business and its capabilities in mind. Obviously, the effectiveness of these methods can not be foreseen, but with the presumption that marketing in an insurance brokerage works like marketing in other types of businesses, these methods should address the glaring issues found, and potentially help with fixing them.

The thesis process as a whole was painless, but not efficient. Total hours spent on the thesis were approximately 50, but these hours were spread through a grand total of six days. The process began somewhere in May of 2022, but due to laziness and procrastination was not complete until late November of 2022. Experience and knowledge on marketing and the insurance broker business was however gained through the entire process, which will aid the author in the future.

The author would like to thank Brokerlink for providing the author with the opportunity to conduct this thesis for them, and to the personnel for being easy to work with. The author is also forever grateful to guiding lecturer Sari Alatalo for being patient and showing interest in the thesis progress through e-mails and additional meetings.

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APPENDICES

Appendix 1. Interview themes/questions

1. What is the situation with Brokerlink Oy and Brokerlink Pohjoinen Oy?
2. Expected turnover for 2022?
3. Do you allow for the business model to be explained in detail?
4. Do you allow for the earnings model to be explained in detail?
5. Reasons for focusing on business clients
6. How many biddings done in a year?
7. How many insurance upkeep clients currently?
8. How long does the bidding process usually last?
9. How much time does the average upkeep client need?
10. Upkeep client retention percentage
11. Who are your biggest competitors
12. How does Brokerlink differ from competition
13. Quantitative goal for marketing
14. Marketing at the moment (channels, time used, money invested)
15. Strengths, weaknesses, opportunities and threats of Brokerlink
16. External matters which impact Brokerlink

Appendix 2. Competition external analysis data sources

<https://novum.fi/> Accessed 26.11.2022

<https://www.finder.fi/Vakuutuspalvelut/Vakuutusmeklaripalvelu+Novum+Oy/Oulu/yhteystiedot/183156> Accessed 26.11.2022

<https://howdenfinland.fi/> Accessed 26.11.2022

<https://www.finder.fi/Vakuutusmeklari/Howden+Finland+Oy/Helsinki/yhteystiedot/894206>
Accessed 26.11.2022

<https://www.google.com/search?client=firefox-b-d&q=vakuutusmeklari> Accessed 26.11.2022

Appendix 3. Insurance broker Google search 26.11.2022

Google vakuutusmeklari

Kaikki Kuvahaku Ostokset Kartat Videot Lisää Työkalut

Noin 16 500 tulosta (0,42 sekuntia)

Mainos · <https://www.novum.fi/>

Vakuutusmeklari - Vakuutusmeklaripalvelut

Kilpailutamme haluamanne vakuutukset, jotta maksatte aina vain markkinahintaa. Säästöä vakuutuskuluissa vakuutusturvasta tinkimättä. Ota yhteyttä! Vuodesta 1991. Älä maksa liikaa.

Novum

Novum Oy aloitti toimintansa jo vuonna 1991. Kysy lisää.

Vakuutusten hoito

Kauttamme ulottuvillasi on kaikkien vakuutusyhtiöiden tuotteet.

Sijoituspalvelu

Asiantuntijamme tuntevat markkinat ja seuraavat sijoituskohteita.


Yhteystiedot

Asiantuntevat vakuutusmeklarimme palvelevat. Ota yhteyttä!

Mainos · <https://www.howdenfinland.fi/vakuutusmeklari>

Suomen johtava vakuutusmeklari - Howden Finland Oy

Edistämme ja valvomme etujasi vakuutusasioissa paikallisesti ja globaalisti. Autamme sinua aina riskienhallinnasta vahinkojen hoitoon. Tutustu ja ota meihin...
Ota yhteyttä! · [Yritysassiakkaat](#) · [Kiinteistöasiakkaat](#)



<https://www.aon.com> > palvelut > vakuutuspalvelut > v...
Vakuutusmeklari on vakuutusyhtiöistä riippumaton ... - Aon
Mitä **vakuutusmeklari** tekee? ... **Vakuutusmeklarin** tehtävänä on auttaa asiakasta suojaamaan tasettaan ja kassavirtaansa. Se tapahtuu perehtymällä asiakkaan ...

<https://www.soderbergpartners.fi> > vakuutusmeklari
Vakuutusmeklari tuntee vakuutukset - Söderberg & Partners
Vakuutusmeklari on riippumaton asiantuntija, joka auttaa yritystäsi hankkimaan mahdollisimman kustannustehokkaita ja toimivat yritys vakuutukset.

<https://www.suomenvakuutusmeklariliitto.fi> > vakuutus...
Vakuutusmeklari - SVAM - Suomen Vakuutusmeklariliitto
Vakuutusmeklari. **Vakuutusmeklarit** välittävät ammattimaisesti vakuutuksenottajille useiden toisistaan riippumattomien vakuutusyhtiöiden vakuutuksia.

<https://www.howdenfinland.fi> > vakuutusmeklari
Vakuutusmeklari etujesi valvojana – Howden Finland Oy
Vakuutusmeklari edistää ja valvoo etujasi vakuutusasioissa. Howden Finland on vakuutusyhtiöistä riippumaton meklari. Ota yhteyttä!