

Category: *Insurance*

Methods: *Advanced Analytics, Brand Equity Modeling, Customer Loyalty Modeling, Customer Loyalty Simulator™*

Summary

A financial holding company desired an equity and loyalty evaluation of several insurance company brands. Using an online survey, consumers evaluated insurance company brands on a battery of attributes.

Decision Analyst's Customer Loyalty Simulator™ was integral in empowering the client to make decisions about how to improve the brand. First, a customer loyalty model provided the client with customized latent-class factor models, and regression models were developed using the survey ratings. Once these models were programmed into the Customer Loyalty Simulator™, the client learned the value of its brand compared to the competition and identified key attributes that impacted equity and loyalty.



Strategic Issues

Within the highly competitive insurance industry, a financial holding company wanted to know how to talk to consumers about its flagship brand and products. The company sought to identify aspects of their brand that most impacted likelihood to consider purchasing and customer loyalty. These key aspects would be used to differentiate the brand from others in the competitive landscape.

Research Objectives

The main objective of this research was to determine the value of several insurance brands. More specifically, the client company sought to:

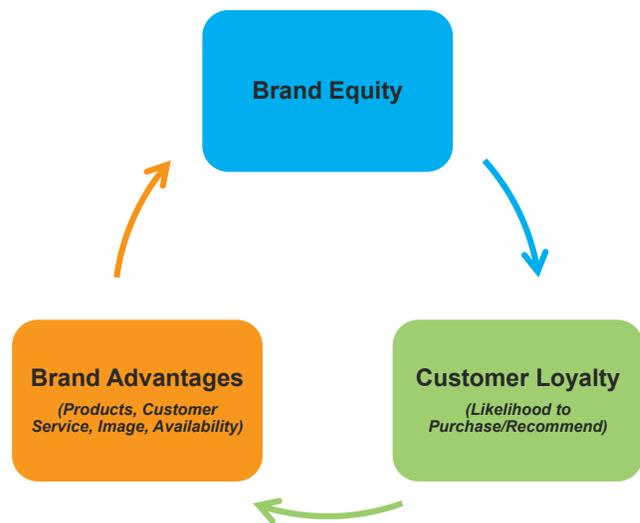
- Measure the overall brand equity and customer loyalty, relative to other insurance brands.
- Identify key aspects of the brand that impacted brand equity and loyalty.

Research Design and Methods

In an online survey, consumers evaluated several insurance company brands on a battery of image, product, customer service, and availability attributes. Approximately 3,400 consumer surveys were included in the modeling exercise. These consumers were sourced from Decision Analyst's proprietary American Consumer Opinion® panel.

Decision Analyst developed latent-class factor models and regression models by using the consumer ratings of each brand. Next, Decision Analyst customized the brand-equity model details.

Brand equity was considered a comprehensive metric that measured relative brand preference based on all aspects of the brand, including both rational and emotional perceptions of the product, customer service, image, and supply or availability in the marketplace.



Results

The models were programmed into the Customer Loyalty Simulator™. This tool allowed management to investigate how changes in perceptions of their brand would impact equity and loyalty through “what if” scenarios.

With the intelligence gleaned from the research, the client gained a deeper understanding of the value of its brand compared to competitive brands. In addition, the client identified key attributes that would increase brand equity and loyalty. Finally, Decision Analyst's research quantified the contribution of the key attributes via “impact scores” that measured the percentage change in brand equity (or likelihood to consider purchasing) caused by a percentage increase in an attribute. Armed with the knowledge of which marketing levers to pull, the client leveraged the research findings in its communications with potential and current customers.