

# Marketing strategies in the uk car insurance market assignment

[Art & Culture](#)



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? Marketing? strategies? in? the? UK? car? insurance? market? Marketing?  
of? Financial? Services? ? ? 31/06/2011? ? ? ? ? Anne? Sophie? de?  
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Neophytos? Stylianides? 100059219? ? ? ? ? 1. 0? Introduction? ? Due? to?  
the? high? level? of? regulation? that? exists? in? the? insurance? industry?  
differentiation? is? limited? as? products? and? services? need? to? be?  
compliant.? In? regards? to? car? insurance,? where? competition? is?  
intense,? insurance? premiums? and? policies? are? similar.? Marketing? of?  
insurance? products? should? e? carefully? designed? so? that? the? main?  
message? about? various? insurance? services? would? be? easily?  
understandable? to? the? potential? customer,? appealing? with? interest?  
and? trust? but? at? the? same? time? not? being? annoying. 1? Due? to?  
low? customer? loyalty? that? exists? in? the? sector,? any? marketing?  
communications? tend? to? raise? consumer's? awareness? not? only? on?  
the? advertised? product,? but? on? competitive? products? as? well.? As?  
the? product? itself? is? intangible,? it? lacks? overall? understanding? by?  
the? general? public.? Consequently,? the? customer's? ecision? making?  
process? is? of? high? importance.? The? AIDA? model? is? therefore? used?  
to? illustrate? the? four? stages? (Awareness,? Interest,? Desire? and?  
Action),? that? marketing? communications? should? move? through? a?  
potential? customer. 2?? Furthermore? there? are? two? types? of?  
marketing,? known? as? tactical? marketing? (short? term)? and? strategic?  
marketing? (long? term).? The? former? focuses? mainly? on? awareness,?  
price? and? promotional? activity,? thus? creating? brand? awareness? and?  
increase? in? sales,? whereas? the? latter? focuses? on? changing?

attitudes/feelings and establish perceptions of quality and brand, resulting in adding value to the company. As insurance market develops and competition becomes fierce, marketing of insurance products and services has changed creating its own rules, targets and strategies. When dealing with insurance products (i. e. car insurance), unique approaches and strategies are required considering the target market. Nowadays, different marketing strategies are successfully implemented upon marketing insurance products. Direct marketing strategies applied have failed to meet any significant success due to high costs and the uncertainty that arises from the intangibility of the product. Furthermore, due to increased number of internet users, online insurance brokers (aggregators) provide an efficient and profitable method that influences a constantly growing market mainly for comparison purposes.

4 ? ? 1 2 ?

Insurance marketing <http://www.insurancemarketing123.org/> ? David Pickton, Amanda Broderick Integrated Marketing Communications (2005) ? Dr Greg Harris Marketing of Financial Services lecture slides 4 ? Insurance marketing Consequently, increased consumer choices force insurers to think on their positioning strategy and their sources of differentiation. Each company will need to claim its market share by offering value for money and as Porter believes, brand share can be explained by looking at brand quality. Combining various marketing techniques and creating

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innovative advertisements gives insurers the opportunity to stand out and relate their products to a high quality, by emphasizing on those factors that differentiate them from competitors. 5

Notably, car insurers do not usually produce creative campaigns and apply marketing mostly to increase awareness. In order to give a better illustration, the marketing strategies of three well-established companies in the UK car insurance market will be analysed.

5 Insurance marketing 2.0 Aviva Paul Whitehouse, the famous comedian, stars in Aviva's advertising campaign for car insurance, thus enabling the customer to put a familiar face on Aviva's products. The particular campaign aimed at creating product recall and maximise customer impact. The 'Green Army' advert was supported by an innovative, online contest asking football fans all over UK to post their "away day" videos, rewarding the best video every week. This showed that Aviva has positioned its product by focusing on specific demographic and psychographic consumer profiles; football fans and consequently men.

This is a clever choice because it makes the brand friendlier and customers can identify themselves easily to the product as football is extremely popular in the UK. However, football was simply a way of catching people's attention, as the new advertising campaign with Paul Whitehouse now in a different role that of a ballroom dancer, shows that Aviva is now trying to

reach? different? customer? segment.? ? Aviva? has? clearly? built? its? car?  
insurance? advertising? campaign? based? on? humour,? contrary? to? its?  
life? insurance? campaign.?

However? it? can? be? noted? that? the? comedian's? accent? is? hardly?  
understandable? for? some? people? who? will? simply? ignore? it.?

Moreover,? limited? information? is? given? on? the? scope? of? cover,?  
features? and? benefits.? As? a? result,? for? those? who? do? not?

understand? what? the? comedian? is? trying? to? say,? the? advert? does?  
not? catch? attention? as? it? relies? on? speaking? without? giving? any?  
written? support.? For? all? the? others,? it? is? simply? amusing? and?

funny? to? watch.? Keeping? in? mind? that? this? new? advertising?

campaign? differs? from? the? company's? previous? one8,? where? focus?

was? made? on? the? customer? as? an? individual? and? could? potentially?  
produce? long? term? bonding? with? customers,? the? 2010? campaign? is?

based? on? a? humoristic? approach? and? can? be? therefore? difficult? to?  
achieve? strategic? objectives.? ? After? examining? Aviva's? approach? it?

would? be? safe? to? conclude? that? even? though? they? seem? to?

understand? marketing,? they? need? to? have? deeper? understand? of?

customer? psychology.? Using? celebrities? to? lead? a? marketing?

campaign? is? not? a? bad? idea,? but? they? have? to? be? more? creative?

and? ?? 6 7 8 ?

[http://www.youtube.com/watch?v=5tuVGST\\_1gE??](http://www.youtube.com/watch?v=5tuVGST_1gE??) ? <http://www.youtube.com/watch?v=sUDaXcYja1l??> ? <http://www.youtube.com/watch?v=FSuR60ztYms??>

convey? their? message? in? a? more? understandable?

way.? Aviva? is? trying? to? raise? awareness? but? should? not? only? focus?

way.? Aviva? is? trying? to? raise? awareness? but? should? not? only? focus?

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on? that.? Instead,? what? would? be? beneficial? for? the? company? is? to? take? advantage? of? their? star? acting? ad? hero? and? create? interest/desire.? This? pull? advertising? strategy? could? then? be? used? to? help? in? creating? push? advertisements,? as? these? two? methods? are? interlinked.?? 3. 0? Churchill? Insurance? ? The? Royal? Bank? of? Scotland? owned? insurance? company? has? adopted? an? English? bulldog? as? their? mascot? to? lead? the? marketing? campaign? that? was? first? launched? in? 1994.? The? nodding? bulldog? with? the? catchy? phrase? “ oh? yes”,? has? established? a? link? between? customers? and? the? company? through? a? series? of? direct? response? ads? that? have? the? objective? of? increasing? awareness? of? its? complete? product? portfolio.? The? use? of? a? mascot? can? be? characterised? as? a? smart? move,? since? mascots? tend? to? build? a?