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Abstract

The purpose of this study is to understand how customer loyalty program can help in building customer loyalty and commitment, and thus provide a competitive advantage to a life insurance company operating in the turbulent Polish market. The ingredients of a successful customer loyalty program in insurance service field are studied in detail. The nature of the study is constructive and the case company is a Polish subsidiary of Suomi-Group, Finlife Towarzystwo Ubezpieczen Na Zycie S.A., which is planning to be the first company in the Polish life insurance market to build a customer loyalty program.

The theoretical frame of reference is mainly built on theories related to relationship marketing, customer loyalty and insurance services management. Customer loyalty is seen deriving from customer satisfaction, and as a pre-stage of customer commitment. Customer loyalty increases the profitability of the company. Conditions of the Polish insurance market as well as the Polish consumer behavior are mapped. The empirical part of the study consists of two semi-structured interviews with the Finnish insurance experts as well as studying the Finnish insurance company Tapiola's customer loyalty program as an example of a well-functioning one. In this study, the role of theory is emphasized instead of empirical findings.

The synthesis of this study is that by offering its customers added value in the form of a customer loyalty program, Finlife can achieve customer satisfaction, and further customer loyalty and commitment. The most important issues that need to be carefully considered and planned when implementing a loyalty program are the following: Taking advantage of the information technology in the form of databases and Internet applications when implementing the program is of crucial importance to guarantee customer satisfaction. Financial and informational advantages are considered as the most important benefits generated to the customers by the program. It is recommendable to build the loyalty program together with other service providers as a coalition. Developing a loyalty point system, staff training and motivating, market researchs, correct segmentation of the customers, customer communication, managing the costs occurred from building customer loyalty and corporate strategy checking and developing are important issues that the case company has to take into consideration when implementing a customer loyalty program.

Key words	Customer loyalty, commitment, insurance service, customer loyalty program.
Further information	