

Analyzing value propositions of property and casualty insurance companies in the business-to-business market



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Management Summary

The goal of this research is to assess what future value proposition might be used by Dutch P&C-insurance companies to distinct their offering from competitors' and win the market for B2B-clients. The following main research question has been formulated:

How can property & casualty insurance companies in the business-to-business market become distinctive in terms of their future customer value proposition?

The value disciplines of Treacy and Wiersema (1997) have been used as three ways in which superior customer value can be created, i.e. operational excellence ('best total costs'), product leadership ('best product'), and customer intimacy ('best total solution'). Inspired by the work of Micheels and Gow (2009), a value discipline scale has been created with which the extent of each value discipline can be measured on nine elements of a value proposition in P&C-insurance. The value discipline scale is used to measure value propositions from the perspectives of P&C-insurers' intention (n = 8) and B2B-clients' perceptions and needs (n = 171). Using the same scale allows us to identify and analyze the most important 'gaps' between these perspectives. By identifying and analyzing potential gaps, we hope to provide P&C-insurance companies with future directions on how they can deliver a more distinctive value proposition towards their customers. The quantitative results of the survey, including this gap analysis, are complemented with qualitative interviews for the purpose of *explanation, unexpected results and illustration* (Bryman, 2006, p. 106).

Multiple gaps were found between the different perspectives. Our results might suggest that B2B-clients want the content of their 'core insurance product' to be more tailor-made and aligned with their specific needs. The 'core insurance product' would then comprise the risks which are covered by the policy and the conditions under which these risks are insured. A relationship and personal contact with the advisor should also contribute to better knowledge of the P&C-insurer about what the B2B-client needs in his product. Our results also indicate that clients show a need for quicker and simpler advice and risk management, thereby reducing the total costs for B2B-clients. For advice, the challenge for P&C-insurers would be to spend the time on advice as useful as possible. This can be done by reducing the time which is spent on retrieving client information, e.g. by using (publicly available) data to obtain client information. The element 'risk management' was ranked as least important by clients, while insurers considered it as one of the most important elements. This could mean that risk management is not considered to be important by B2B-clients, or that clients do not understand the added value yet. This would imply that P&C-insurers and their intermediaries need to be more pro-active in explaining the added value of a tailor-made risk advice.

The findings of this research are limited to a generic analysis of B2B-clients with 2-50 fte as firm size. Because the heterogeneity in B2B-clients' needs is high, a larger sample size will be necessary for future research in order to make a further segmentation in clients and their needs. Regarding the methods used, future research may contribute to the further development of a value discipline scale in P&C-insurance for validation of quantitative results, while the application of open coding procedures might obtain richer results from qualitative interview data. A more fundamental shift could be made by considering value propositions in '*multilateral settings and networked environments*' (Kowalkowski, 2011). This might provide us with more insights on the dynamics of how a value proposition is transferred across different distribution channels, thereby acknowledging the important role of intermediaries as well.

Preface

Now that I am writing the final words of my master thesis, it is strange to realize that I will not only end my graduation internship, but also my period as a student at the University of Twente. Starting with the internship: it was a great opportunity to write my thesis for Accenture, as one of the largest consulting firms in the world. I have experienced it as a firm with a lot of smart, ambitious, and fun people to work with. Therefore, I would like to thank all colleagues from the operating group of Financial Services. Especially, I want to thank my supervisors Xander Schelfhout, Frank Alderliesten, and of course Rene van den Berk, for all their constructive feedback, their patience, and their willingness to make this internship to an incredible learning opportunity for me. I really hope that this research project has opened up some opportunities for Accenture as well!

With the master thesis as capstone of my study program, I would like to thank my supervisors, prof. dr. Groen and dr. Zalewska-Kurek, for their constructive help and feedback (looking forward to the colloquium)! Arriving at the end of a period of five years study, I would like to thank all my study mates from the Business Administration program and other friends for the great years! Finally, I would like to thank my family for their incredible support.

Bornerbroek, September 2014.

Robin Beijen

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Chapter 1 Introduction

This chapter starts with an introduction to the property and casualty insurance industry in paragraph 1.1. The research background and problem statement will be presented in paragraph 1.2. This will be followed by the research questions in paragraph 1.3. The practical and scientific relevance will be discussed in paragraph 1.4, and the chapter ends with an outline of this research in paragraph 1.5.

1.1 Introduction to the property and casualty insurance industry

To give an overview of the insurance industry, a distinction can be made between three main segments:

- Life;
- Property & casualty (P&C);
- Healthcare.

In this research, we will focus on P&C insurers. The distinction between property and casualty insurance can be defined as follows: *“Technically, property insurance protects a person or business with an interest in physical property against its loss or the loss of its income-producing abilities. Casualty insurance mainly protects a person or business against legal liability for losses caused by injury to other people or damage to the property of others”* (Insurance Services Office, n.d.).

The most important source of income for P&C insurers are the premiums earned (Schlieker, 2010). The P&C insurer receives premiums from its policyholders in return for insurance coverage. This coverage is related to, for example, risks on third party liabilities or goods owned by the policyholder. The process by which an insurer selects risks and decides what premiums to charge for accepting these risks is called underwriting. The related income stream is usually called the risk-related underwriting business (Schlieker, 2010). The expenses related to policyholders' claims are normally the biggest expense items for P&C insurers, representing the reimbursements to policyholders which are based on the clients' legitimate claims.

The total market size in 2011 of the Dutch P&C insurance market is estimated on €XXX million turnover, where approximately XXX % of the market concerns business-to-consumer (B2C) insurance and the other half business-to-business (B2B) insurance (van Graafeiland & van Gelderen, 2012, p. 5). In this research, we will focus on the B2B-market. Although multiple estimations are available for the exact turnover of this market and its segments, we chose to present the estimations of Insurer Echo¹ (2013) in Table 1. It provides us with a more detailed segmentation than its counterparts (e.g. van Graafeiland & van Gelderen, 2012) with more segmentation criteria. Moreover, the segmentation comes directly from one of the largest market players in the Netherlands.

¹ The names of insurance companies who provided data for this research have been replaced by different names, in order to avoid the publication of sensitive information.

Products	Turnover	Client industry	Turnover	Client size	Turnover
Motor	XXX	Professional services	XXX	Self-employed	XXX
Fire	XXX	Construction	XXX	SMEs	XXX
Transport	XXX	Retail and wholesale	XXX	Corporate clients	XXX
Liability	XXX	Hotel and catering	XXX		
Legal	XXX	Transport	XXX	Distribution channel	Turnover
Travel	XXX	Other	XXX	Intermediary	XXX
				Direct	XXX
				Bank	XXX
				Other	XXX
Total	XXX	Total	XXX	Total	XXX

Table 1; Market size based on gross written premium (GWP x million euro's), i.e. the total written premium income of all insurance companies for their P&C-activities (Insurer Echo, 2013, p. 32-33)

1.1.1 Products of P&C-insurance companies

A few examples of important P&C-insurance products for B2B-clients will be presented, with definitions based on the Institute for Financial Knowledge-exchange (IFK, 2012) and turnover data based on estimations of Insurer Echo (2013, p. 32-33):

- **Motor vehicle insurance:** insures the risk of damage to the own vehicle, or damage and injury to others as a result of traffic accidents (and liability that may arise). This product line accounted for a turnover of €XXX million in 2011. A further distinction can be made between:
 - **Motor hull insurance** (in Dutch: 'casco'): insures the risk of damage to the vehicle.
 - **Third party liability insurance** (in Dutch: 'Wettelijke Aansprakelijkheid'): insures the risk of legal claims as a consequence of the use of a motor vehicle in traffic.
- **Fire insurance:** insures against the risk of damage to buildings, inventory, etc. due to fire. This product line generated a turnover of € XXX million in 2011. In their market size estimation, van Graafeiland and van Gelderen (2012) also include technical insurance products, e.g. the *construction all risk* (CAR) insurance for civil construction risks.
- **Transport insurance:** insures against the risk of damage to property during transport. This product line accounted for a turnover of € XXX million in 2011.
- **Liability insurance** (in Dutch: 'Aansprakelijkheidsverzekering voor bedrijven – AVB'): insures the risk of liabilities, i.e. from lawsuits or other third-party formal claims against the company. This product line generated a turnover of € XXX million in 2011.
- **Legal (expenses/protection) insurance** (in Dutch: 'Rechtsbijstandverzekering'): insures against the risk of costs related to legal protection for a firm. This product line accounted for a turnover of € XXX million in 2011.
- **Travel insurance:** insures against the risk of losses incurred while traveling (for business purposes, in this case). This product line generated a turnover of € XXX million in 2011.

1.1.2 Business-to-business clients of P&C-insurance companies

For this research, we are interested in the P&C-insurance market for *business-to-business* (B2B) clients. A further distinction in B2B-clients can be made, for example based on size or the industry in which B2B-clients operate. While every client will have its own specific needs with regard to insurance products, there might be an overlap for clients from the same size and industry.

In making a distinction, Statistics Netherlands (2014a – in Dutch: 'Centraal Bureau voor de Statistiek' [CBS]) employs a classification of 21 industries, which is based on classifications of the

European Union (NACE) and the United Nations (ISIC). However, to give a quick overview, we will not present 21 industries, but show the largest client industries in 2011, based on the segmentation of Insurer Echo (2013) in Table 1:

- Professional services (e.g. IT, accounting, marketing, legal, etc.) accounted for € XXX million;
- The construction industry (e.g. contractors, installers, etc.) accounted for € XXX million;
- Retailers and wholesalers accounted for € XXX million;
- The hotel and catering industry (also restaurants, cafes, etc.) accounted for € XXX million;
- The transport industry accounted for € XXX million;
- All other industries accounted for € XXX million.

Regarding a B2B-client's size, the Dutch SME-Servicedesk (MKB Servicedesk, 2014) suggests several segmentation criteria, such as number of employees, yearly turnover, or the total monetary size of the balance sheet. Statistics Netherlands (2014b) only focuses on number of employees as they distinct small companies (fewer than 10 employees), medium-sized companies (10 to 100 employees), and large companies (more than 100 employees). As one of the largest market players in Dutch P&C-insurance, Insurer Echo (2013) also focuses on number of employees when segmenting the market based on the client's size (the turnover data for 2011 is based on Table 1):

- The self-employed (in Dutch: 'zelfstandigen zonder personeel') accounted for € XXX million;
- Small and medium-sized enterprises (SMEs – 2-50 employees) accounted for € XXX million;
- Large corporate clients (more than 50 employees) accounted for € XXX million.

1.1.3 Distribution channels of P&C-insurance companies

A client can be served directly by the insurance company (also called 'direct writing' or 'direct distribution'), banks, or insurance intermediaries. A brief introduction on each of these channels is provided by Schliecker and Mthethwa (2008):

- **Direct distribution** depends on the availability of technological infrastructure (e.g. phone or internet), as clients directly communicate to insurance companies which risks they want to cover, and what insurance products they choose in order to do so. Direct distribution is mostly used for simple products, which can be chosen by a client without the interference of an intermediary. Hence, it can be regarded as an efficient and economically priced channel.
- **Insurance intermediaries** can fulfill different roles, but in the Netherlands, they mainly serve as *brokers*, thereby offering products from multiple insurance companies. Typically, they build on their market expertise and their independency. They are mostly paid by insurance companies in the form of commissions, or by clients in the form of advisory fees.
 - Apart from these typical intermediaries (in Dutch: 'provinciale intermediairs'), there are also intermediaries working for P&C-insurers through 'signature by proxy' (in Dutch: 'volmachten'). This means that such an intermediary is allowed to take on more tasks and responsibilities which normally lie with the P&C-insurer, such as underwriting and the composition of new insurance products (de Jong, 2010).
- **Banks** can also serve as a distribution channel if they have a relationship with an insurance company, thereby operating as a sales partner. Banks can lever their financial advisory expertise and offer insurance as an addition to other financial products and services.

For P&C insurance, 80 percent of total turnover in 2011 was generated via banks and intermediaries, compared to only 20 percent via direct channels (Verbond van Verzekeraars, 2013, p. 84). These numbers reflect the insurance for both business and consumer clients. The proportion of intermediary distribution may be even higher if we only consider the B2B-market. According to the Baken Adviesgroep (Berendsen, 2013), the reason is that the risks of a company are more specific and complicated for B2B-clients (compared to consumer risks), which makes it more difficult for insurance companies to provide B2B-clients with standardized and IT-enabled insurance offerings fitting their needs. Nevertheless, there are increasing developments in direct (online) distribution, although intermediaries are expected to remain important as long as they communicate well and offer high quality services (Berendsen, 2013).

1.1.4 Market players in P&C-insurance

We can make a distinction between market players on different (aggregation) levels. For example, there are several insurance *groups or holdings*, which often consist of multiple *legal entities* (e.g. an entity per type of insurance, such as life, P&C or healthcare). Furthermore, every group or entity can use different *labels* to position themselves in the market. We will now discuss separate legal entities in the Dutch P&C-insurance market and give examples of their labels in the B2B-market. The following information is based on market research of van Graafeiland and van Gelderen (2012), who also mention each player's market share in the total P&C-insurance market (B2B *and* B2C) and the most important distribution channels through which these labels offer their products:

- [Confidential]

1.2 Research background and problem statement

Imagine how an entrepreneur anticipates on, for example, the risk of fire. Besides safety measures or even an action plan that describes what will be done to restart the business after a fire, there will still be a large loss that the company cannot afford by itself. A fire insurance might be a logical solution, and this thought might be shared by Dutch companies as well, given the fact that fire insurance products for B2B-clients accounted for a turnover of approximately € XXX million in 2011 (Insurer Echo, 2013). So, does this mean that these risks are covered appropriately and that companies will be 'back on in business' soon after the occurrence of a fire?

For a large number of companies, the answer might be 'no'. Of all the Dutch companies that were hit by fire between 2002 and 2012, fifty to sixty percent went bankrupt within one quarter after the fire occurred, and this percentage rose to ninety percent after two or three years, according to Statistics Netherlands (Lange, 2012). These numbers may be surprising and even shocking given the high amount of money spent on fire insurance, which is supposed to protect B2B-clients against the (financial) consequences of a fire. Together with other measures that these companies might have taken, the fire insurance did not guarantee business continuity for these clients. P&C-insurance companies may need to reconsider whether the current combination of insurance products and other measures taken by the client are sufficiently covering their risks. We believe it demonstrates the potential for P&C-insurers to reassess what the B2B-client really needs.

From a more general, scientific perspective, Teece (2010) also argues that companies need to become more customer-centric and re-evaluate the *value propositions* they present to their customers. To support his argument, Teece (2010) refers to developments in the global economy, which changed the traditional relationship between customer and supplier. For example,

technological developments provide customers with low cost information and new customer solutions. Supply alternatives become more transparent, and customers can express their opinions more easily.

Similar trends can be observed in the insurance market. For instance, in developed markets such as the Netherlands, customers are demanding more relevant products, services and advice (Accenture Research, 2013, p. 29). In addition, digitalization allows the client to sign directly with insurance companies via online channels, leading to growing competition. An increase in clients signing via online channels, will inherently lead to lower revenue streams via intermediaries, which are traditionally responsible for a large part of revenue streams for P&C-insurers. Therefore, P&C-insurers may need to balance the increase in distribution via online channels while retaining (and acknowledging) the important contribution of intermediary partners to overall revenue streams. In the current situation, digitalization is mainly observable for the consumer market, as the risks of B2B-clients are more complex and more difficult to standardize via online channels. However, the Baken Adviesgroep (offering advisory services in the Dutch insurance industry) observes some progress in B2B-market as well, and expects that it will be feasible to offer online insurance that tailors the needs of SMEs and the self-employed (Berendsen, 2013). Together, these *“changes in customer demands and channel proliferation force insurance companies to review their distribution and customer relationship strategies. Improving customer centricity will be of paramount importance”* (Accenture Research, 2013, p. 31).

This challenge might be complicated further by the highly competitive nature of the P&C-insurance market, which is ‘mature and saturated’, as market leader Achmea Schadeverzekering N.V. (2012, p. 9) notes in its annual report over 2011, *“Compared to other Dutch insurance market sectors, non-life is the most mature market and the arena where price is the main competitive factor.”*

If these insights are combined, a tension can be observed in this market to deliver different kinds of value simultaneously. On the one hand, customers demand more relevant products, services and advice (Accenture Research, 2013, p. 29). On the other hand, P&C-insurers need to compete on price in this mature and saturated market. Companies that try to simultaneously deliver low price and differentiated products, are described by Porter (1985) as being ‘stuck in the middle’. This means that they do not (or *cannot*) choose for one generic strategy in which they wish to excel (e.g. low cost, differentiation, or focus).

According to Treacy and Wiersema (1997), a firm will perform mediocre if it does not choose for one type of customer value on which it wants to excel. In contrast, if the whole organization is aligned towards a common goal of creating one particular kind of value, it allows organizations to focus on smaller adjustments producing incremental value. Altogether, these incremental improvements should add up to an offering that is truly superior in delivering a particular kind of value. Treacy and Wiersema (1993; 1997) suggest that a value proposition can be based on delivering the best total costs (*operational excellence*), the best products (*product leadership*), or the best total solution (*customer intimacy*).

The value disciplines of Treacy and Wiersema (1993; 1997) present us with three means of providing superior (and distinctive) customer value. We believe that the value discipline typology will help us to analyze how P&C-insurance companies try to distinct themselves with their value propositions in the B2B-market. However, it is also the question whether customers perceive these value propositions as truly distinctive. In the B2C market, research has already shown that customers

do not see the difference between the value propositions of insurance companies (van Vugt, 2014a). We want to know whether the B2B-market faces similar difficulties. In this research, we will assess which (elements in) value propositions P&C-insurance companies are currently *communicating* and *intending* to deliver. We also assess how B2B-clients *perceive* the current (elements in) value propositions, and what B2B-clients actually *need*. In an ideal situation, there would be no difference between communicated, intended, perceived, and needed (elements in) value propositions. However, we expect that there might be some ‘gaps’ between these different perspectives on value propositions. By identifying and analyzing these gaps, we hope to provide P&C-insurance companies with some future directions on how they can deliver a more distinctive value proposition towards their customers.

1.3 Research question

The goal of our research is to assess what future value proposition might be used by Dutch P&C-insurance companies to distinct their offering from competitors’ and win the market for B2B-clients. The following main research question has been formulated:

How can property & casualty insurance companies in the business-to-business market become distinctive in terms of their future customer value proposition?

Several sub-questions were formulated in order to answer the main research question in a structured way:

1. *Which differences, if any, can be identified between (elements in) value propositions as intended and communicated by P&C-insurance companies?*
2. *Which differences, if any, can be identified between (elements in) value propositions as intended by P&C-insurance companies and (elements in) value propositions as needed by B2B-clients?*
3. *Which differences, if any, can be identified between (elements in) value propositions as intended by P&C-insurance companies and (elements in) value propositions as perceived by B2B-clients?*
4. *Which differences, if any, can be identified between (elements in) value propositions as perceived and needed by B2B-clients?*

1.4 Research scope and relevance

1.4.1 Target segment

To limit our research scope, we will first focus on value propositions towards small and medium-sized enterprises (SMEs). While there are several definitions of SMEs, we focus on companies with 2 to 50 employees, which is how market players such as Insurer Echo (2013) define the target group of SMEs for P&C-insurance. Together, firms of this size have generated a turnover of € XXX million in 2011 for all P&C-insurance companies in the B2B-market. The consequent exclusion of value propositions towards the self-employed (1 employee) and larger (corporate) clients (more than 50 employees) makes our research more feasible given the time constraints at hand.

We assume that value propositions towards the self-employed will show high resemblance with value propositions towards consumer clients, where simple P&C-products (via direct channels

such as internet) can satisfactorily insure the risk of an individual. Extensive research is already available on this topic, for example with Accenture's '*Consumer-Driven Innovation Survey*' and '*What does it take to be a Digital Insurer?*' By focusing on SME-clients, we hope to obtain insights that are not already known from the B2C-market.

Furthermore, it is assumed that the risks of a large corporate client will nearly always require a tailor-made solution. This complicates the search for a more generic value proposition which is applicable to a large volume of B2B-clients in P&C-insurance.

With the SME-segment, we still have a broad and diverse segment, including different industries, using different insurance products, and which is served through different distribution channels. This will increase the availability of potential respondents and it allows us to get ideas and insights from different viewpoints, so as to enrich our findings on generic lessons for value propositions in P&C-insurance.

1.4.2 Practical relevance

As we stated in paragraph 1.2, P&C-insurance companies need to become more customer-centric and re-evaluate the value propositions they present to their customers (Teece, 2010). Before the stage of re-evaluation and improvement, we first need to understand which value propositions are currently offered. The value discipline typology of Treacy and Wiersema is used to analyze which combinations of values are currently offered to clients.

This allows us to identify whether insurers aim to create similar kinds of value or not. Based on how the different insurers already position themselves in the same area of 'market space', insurers can gain better insight in the areas of 'market space' which are more saturated than others. Areas of market space which are not covered yet, may present an opportunity for insurers to become distinctive. Insurers can adapt their future value propositions in such a way that these discrepancies in market space are addressed, hence delivering a value proposition that is not offered by other suppliers.

However, the most important contribution of this research will be based on the analysis of differences between value propositions from different perspectives. In general, this research aims to identify differences between what is currently offered by insurers and what should be offered in the future. To get an indication of what is currently offered, the value proposition as *intended* and *communicated* by insurers and the value proposition as *perceived* by clients will be analyzed. To get an indication of what should be offered in the future, the value proposition as *needed* by clients will be analyzed. In the case that some of the clients' needs are not fulfilled by current value propositions, P&C-insurers can become distinctive if their future value proposition is the first to fulfill these needs. Therefore, by identifying and analyzing potential differences, we hope to provide P&C-insurers with some future directions on how to deliver a more distinctive value proposition that resonates with their customers.

The quantitative results will be complemented with semi-structured interviews with both B2B-clients and P&C-insurers to provide us with illustrations and explanations. Moreover, surprising findings or unrealized potential in the data might be a reason to combine research methods in ways that were not anticipated (Bryman, 2006). We allow for such new insights and new combinations of methods, as it may help us to obtain new, original ideas in developing a distinctive future value proposition.

1.4.3 Scientific relevance

After a systematic literature review, we chose to follow the conceptualization of value propositions as '*supplier-crafted generic strategies*' (Ballantyne, Varey, Frow, & Payne, 2011). Treacy and Wiersema (1997) define three "*value disciplines as three desirable ways in which companies can combine operating models and value propositions to be the best in their markets*". These value disciplines will be used to simplify the description of a value proposition. The value discipline scale of Micheels and Gow (2009) has been used to describe value propositions as a combination of three kinds of value on four elements. We will design a value discipline scale for P&C-insurance, extending their work to a new industry, while we also include more components of a value proposition in our scale.

Through an analysis of both the current ('As-Is') and desired future situation ('To-Be'), we offer a structured way to address the gaps between suppliers' current offerings and that what is valued most by B2B-clients in a (future) P&C-insurance offering. This can be a first crucial step towards the development of a future value proposition which is better aligned to clients' needs. The successful application of multiple research methods in this research (i.e. a content analysis, a survey, and interviews with suppliers and buyers), may then be extended to other industries as well.

The application of a multiple methods research design is used to frame the P&C-insurance market within a broader perspective, thereby "*seeking elaboration, enhancement, illustration, and clarification of the results from one method with the results from another*" (Greene, Caracelli, & Graham, 1989, p. 259). Based on the results from different methods, we contribute to future research in the P&C-insurance industry by giving an indication of the methods which could be used more extensively to yield even more insights. This research may also identify the trends and topics on which future research could focus.

By identifying which combination of values should be offered by insurers, this research can also form the first step to explore which operating model is required to deliver a value proposition. Based on other conceptualizations, value propositions can also be defined as part of a business model (e.g. Al-Debei & Avison, 2010; Amit & Zott, 2001; Magretta 2002; Osterwalder *et al.*, 2005). Therefore, the results of this research can be integrated within a broader context of business model innovation. The relevance for business model innovation is emphasized by Osterwalder and Pigneur (2010), arguing that an organization should assess its business model on a regular basis, so as to maintain the health of a company's market position. In reassessing their business models, profit seeking firms in competitive environments will attempt to meet client needs through the constant invention and presentation of new value propositions (Teece, 2010). While this research is primarily focused on the potential for (innovative) new value propositions, it can be the first step to gain more insight in business model innovation in the P&C-insurance industry for B2B-clients.

1.5 Research outline

In the literature review of Chapter 2, we discuss the contributions of previous scholars on value propositions. From the different conceptualizations, we elaborate on Treacy and Wiersema's (1993; 1997) *value disciplines* as three distinctive means of providing value. These value disciplines are operationalized through a value discipline scale, based on the work of Micheels and Gow (2009). This operationalization will be discussed in Chapter 3 on methodology, in which we also elaborate on our mixed methods research design including content analysis, interviews, and a questionnaire. The results will be discussed in Chapter 4, based on a gap analysis between the perspectives of value

propositions as *intended* and *communicated* by P&C-insurers, and value propositions as *perceived* and *needed* by B2B-clients. In the discussion of Chapter 5, we will discuss what the combination of gaps between these perspectives would imply, while we also interpret these results in the light of expectations based on previous research. In Chapter 6, we present the conclusions of this research, followed by the managerial implications in Chapter 7. Finally, we will discuss the limitations of this study and provide suggestions for future research in Chapter 8.

Chapter 2 Theoretical framework

In paragraph 2.1, we report the findings of our literature review in which we search for a definition of the ‘value proposition’ concept. Although there are various conceptual progressions of this concept, we chose to analyze ‘value propositions as supplier-crafted generic strategies’ in terms of Treacy and Wiersema’s (1997) three *value disciplines*. These will be discussed in paragraph 2.2. The use of Treacy and Wiersema’s value disciplines in previous literature will be discussed in paragraph 2.3. A value discipline scale, based on the work of Micheels and Gow (2009), will be used to measure the gaps between buyer and supplier perspectives on value propositions. Previous literature on gaps between buyer and supplier perspectives will be discussed in paragraph 2.4. This will be followed by the theoretical conclusions in paragraph 2.5, after which we present our hypotheses in paragraph 2.6.

2.1 Exploring the ‘value proposition’-concept

2.1.1 Search strategy in value proposition literature

To structure the literature review, the initial goal is to find an appropriate definition of a value proposition. We search for a decomposition of the concept into various elements to frame the analysis of current and future value proposition of P&C-insurance for B2B-clients. In searching for literature, we initially used the online database Scopus, with ‘*“value proposition”*’ as query in the title, abstract, and/or keywords, resulting in 1,521 documents. After limiting the subject area to ‘*Business, Management and Accounting*’, the results were reduced to 481 document results. From here, the query was restricted to the document title which should include “value proposition”, giving 65 document results. Based on ‘document type’ (and after a quick scan of the titles and abstracts), another 15 results were excluded (4 ‘reviews’, 2 ‘books’, 2 ‘book chapters’, 2 ‘editorials’, 2 ‘notes’, 2 ‘short surveys’, and 1 ‘erratum’). This left us with 50 articles, conference papers, and articles in press.

These 50 articles were scanned on titles, abstracts, and content, to assess whether our goal fits with the selected articles, for example in how they use concept of ‘value proposition’ and in what context. Examples of articles that were left out, discussed value propositions in the context of HRM, quality management in healthcare, fair trade, or electric vehicles.

2.1.2 Review of value proposition literature

There are a few recurring perspectives on value propositions in the selected literature:

1. First, multiple articles elaborated on the work of Anderson, Narus, and van Rossum (2006) on customer value propositions in business markets. These authors argue that there are three ways how suppliers use the term value proposition: to state (1) *all benefits*, (2) the *favorable points of difference*, or (3) the *resonating focus*. Examples of found articles that cited these authors (although they do not adopt the approach literally), are Ballantyne, Frow, Varey, and Payne (2011), Frow and Payne (2011), Li, (2007) Lindic and da Silva (2011), Rintamäki, Kuusela and Mitronen (2007), and Wouters (2009; 2010).
2. Second, multiple articles elaborated on the work of Vargo and Lusch (2004), whom discuss value propositions within a broader service-dominant logic. These authors argue that the *company* can only offer *value propositions* (as a reasoning on how the company thinks their offering might create value), but it is the *customer* that determines the real *value* being created. Examples of found articles that refer to the service-dominant logic are Ballantyne *et al.* (2011), Frow and Payne (2011), Kowalkowski (2011), Kowalkowski, Persson Ridell, Rödell,

and Sörhammar (2012), Rintamäki, Kuusela, and Mitronen (2007), Scharf (2012), Smith, Ng, and Maull (2012), Storbacka and Nenonen (2011), Truong, Simmons, and Palmer (2012), and Vargo (2012).

3. Third, there are several articles in which the value proposition is one of the building blocks of a *business model*. Osterwalder (2004) is one of the authors with an impactful contribution in this line of literature. Here, the value proposition “*is an overall view of a company’s bundle of products and services that are of value to the customer*” (Osterwalder, 2004, p. 43). Examples of found articles that framed the value proposition within business model logic, were Enquist and Juell-Skielse (2010) and Osterwalder and Pigneur (2003).

In addition, there are several other conceptualizations of value propositions, with slightly less coverage in the resultant literature from our aforementioned query (e.g. Li, 2007; Müller, 2012). The previous categorization can be supplemented by the work of Ballantyne *et al.* (2011). These authors discuss six conceptual progressions of the value proposition concept:

1. *Value propositions as supplier-crafted value for customers*, where the value proposition describes the performance expected of the product (assuming that customer value is embedded in goods), aiming to exceed the value offered by competitors (e.g. Lanning, 1998).
2. *Value propositions as supplier-crafted generic strategies*, where value propositions are discussed in strategy literature. For example, Ballantyne *et al.* (2011) refer to the *value disciplines* of Treacy and Wiersema (1997). Representing three generic approaches to create a particular kind of customer value, Treacy and Wiersema (1997) define three value disciplinary options: operational excellence (providing products at the best price), customer intimacy (understanding and fulfillment of customer needs), and product leadership (delivering innovative and unique value products).
3. *Value propositions for stakeholders other than customers*, noting that *customer* value propositions are dominant in literature (e.g. Treacy & Wiersema, 1997), but that value propositions can also be aimed to other stakeholders; for example, to improve supplier and supply chain coordination (e.g. Bititci, Martinez, Abores, & Parung, 2004).
4. *Value propositions co-produced by suppliers and customers*, where the value proposition is not offered as pre-packaged by the supplier, but *co-created* by suppliers and customers. Both parties bring in components of value propositions through knowledge exchange, which are then considered and modified to the satisfaction of both parties (e.g. Flint & Mentzer, 2006).
5. *Reciprocal value propositions – equitable exchange highlighted*. Here, two parties or more should *reciprocally* determine their own sense of what is of value to them in a certain proposition (e.g. Ballantyne & Varey, 2006). Propositions can be initiated by *every* party (not only the supplier), and after evaluation by other parties involved, propositions become linked in reciprocal promises. In doing so, every party is seeking for an equitable exchange.
6. *Collaborating with customers to achieve customer solutions*, building on the insight of Levitt (1960) that customers buy solutions rather than products. Approaches that emerge from this logic differ in their emphasis on customer involvement as part of the ‘solution’, but it is not explicitly mentioned whether customers are involved in developing *value propositions*.

2.1.3 Conceptualization of value propositions in this research – the ‘value disciplines’

Based on the work of Ballantyne *et al.* (2011), this research focuses on their second conceptual progression of the term value proposition. This means we will focus on value propositions on a high generic level, thereby using the value discipline typology of Treacy and Wiersema (1997). Ballantyne *et al.* (2011, p. 204) argue that this approach contributes *“to stimulating managerial and academic interest in ‘delivering value’ to customers. However, these high level generic strategies arguably deflect attention from individual customer-based strategies. They are also supplier-led, notwithstanding the intent to understand and fulfill customer needs.”* While these arguments can be perceived as a limitation for some research purposes, we do not expect that this will be the case for our research. For example, Ballantyne *et al.* (2011) note that Treacy and Wiersema (1997) are oriented towards *customer* value propositions – although value propositions can also be directed towards other stakeholders. However, as we also want to analyze the value proposition towards *clients*, we do not regard this as a limitation on forehand.

Moreover, we are initially interested in an analysis on a generic level, starting with an analysis on the level of the brands under which suppliers operate and try to distinct themselves. This allows us to identify some generic trends with greater generalizability towards the P&C-insurance market for B2B-clients, compared to the case where we would study a single insurance product aimed at specific client groups.

Ross and Grace (2012) compare Treacy and Wiersema (1997) with other generic strategy typologies, such as Miles and Snow (1978) or Porter (1985). The emphasis of Miles and Snow (1978) and Porter (1985) is mainly on market growth, whereas the work of Treacy and Wiersema (1997) gravitates around the creation of *value* for customers and organizations. Enquist and Juell-Skielse (2010) also draw attention to the framework of Hax and Wilde (2001) as an addition to the works of Porter (1985) and Treacy and Wiersema (1993; 1997). However, the ‘Delta Model’ (Hax & Wilde, 2001) links the generic strategies of Porter (1985) to the resource-based view (Barney, 1991). The resource-based view focuses on the firm and its valuable, rare, inimitable and difficult to substitute resources. However, we are first of all interested in an external focus, i.e. on the customer value which is created with these internal resources. As Treacy and Wiersema (1997) focus on delivering superior value for the customer, it suits our research goal to assess how a distinctive future value proposition can be developed in alignment with the perceptions and needs of B2B-clients.

2.2 The ‘value disciplines’ of Treacy and Wiersema

Michael Treacy and Fred Wiersema first discussed their value disciplines in their Harvard Business Review article from 1993, presenting it as *“three paths to market leadership”* (p. 84). Treacy and Wiersema (1997, p. xii) define three important concepts which are essential to the management of companies (or business units) in striving for market leadership:

1. The **value proposition** is *“the implicit promise a company makes to customers to deliver a particular combination of values—price, quality, performance, selection, convenience, and so on.”*
2. The value-driven **operating model** is *“that combination of operating processes, management systems, business structure, and culture that gives a company the capacity to deliver on its value proposition. It's the systems, machinery, and environment for delivering value. If the value proposition is the end, the value-driven operating model is the means.”*

3. Finally, **value disciplines** are “the three desirable ways in which companies can combine operating models and value propositions to be the best in their markets.”

According to these authors, companies that redefined performance expectations in their markets, have chosen to focus on delivering superior value in line with one of three value disciplines – so called because each discipline creates a different kind of *customer value*. Treacy and Wiersema (1997) define **customer value** as the sum of benefits received minus the costs incurred by the customer from the product and the service that a company provides. They define the product as ‘what we sell’ and the service as ‘how we do business’. The consequent *dimensions of customer value* are summarized in Table 2. All these dimensions can either create or destroy value, dependent on whether the value delivered is exceeding (or falling short) of customer expectations.

	Cost	Benefit
Products “What we sell”	<ul style="list-style-type: none"> ▪ price ▪ reliability & durability 	<ul style="list-style-type: none"> ▪ unique features ▪ brand experience
Services “How we do business”	<ul style="list-style-type: none"> ▪ service dependability ▪ convenience 	<ul style="list-style-type: none"> ▪ expert advice ▪ personalized services

Table 2: 'Dimensions of customer value' (Treacy & Wiersema, 1997, p. 20)

As mentioned before, a different kind of customer value is delivered by each of the three *value disciplines*, which can be summarized as follows: “By operational excellence, we mean providing customers with reliable products or services at competitive prices, delivered with minimal difficulty or inconvenience. By product leadership, we mean providing products that continually redefine the state of the art. And by customer intimacy, we mean selling the customer a total solution, not just a product or service” (Treacy & Wiersema, 1997, p. 32). In line with the dimensions of customer value in Table 2, Treacy and Wiersema (1997) argue that operational excellent companies focus on value delivery by reducing the costs of both products and services, whereas product leaders focus on the benefits captured in products, and customer intimate companies focus on delivery of superior benefits in terms of services. Examples of how these dimensions of customer value are recognized by the customer are shown in Table 3.

	Cost	Benefit
Products “What we sell”	Best Total Cost (<i>Operational excellence</i>) "Great prices and quality." "Their products last and last and last."	Best Product (<i>Product leadership</i>) "Premium priced, but worth it." "Consumers ask for it by name."
Services “How we do business”	"A no-hassle firm." "Consistency is their middle name."	Best Total Solution (<i>Customer Intimacy</i>) "They are experts in my business." "Their services are exactly what I need."

Table 3: 'What customers say about value' (Treacy & Wiersema, 1997, p. 21)

Choosing for one value discipline means that a company *champions* one of these disciplines (to stake its market reputation), while *meeting industry standards* in the other two (Treacy & Wiersema, 1993, p. 84). This involves *discipline*, as leading companies are not only choosing a strategic goal, but they align their whole *operating model* to create superior value associated with the value discipline. If all the elements of an operating model (see Table 4) are aligned towards one common goal, it allows organizations to focus on smaller adjustments which produce incremental value. This can differentiate a firm’s offering from competitors’ offerings. In contrast, “less focused

companies must do far more than simply tweak existing processes to gain this advantage” (Treacy and Wiersema, 1993, p. 85). Stated otherwise: a company that does not choose one value discipline, will end up “*being mediocre on all three disciplines*”. The resulting hybrid operating models are “*neither here nor there*”, which can cause confusion, tension, and loss of energy (Treacy & Wiersema, 1997).

In the following paragraphs, we will discuss each of the ‘value disciplines’ in further detail, based on their operating models and the numbered items from Table 4. At the end of each paragraph, we will conclude with a short summary of (i) the *main goal* underlying a value discipline and the four most important features in the related operating model: (ii) *core processes*, (iii) *organization*, (iv) *management systems*, and (v) *culture*. These four features correspond with the descriptions in Table 4, although Treacy and Wiersema (1997) did not include a description of the *information systems* in the four most important features.

Parts of an Operating Model	A. Operational excellence	B. Product leadership	C. Customer intimacy
Core processes	1. Product delivery and basic service cycle 2. Built on standard, no frills fixed assets	1. Invention, commercialization 2. Market exploitation 3. Disjoint work procedures	1. Client acquisition & development 2. Solution development 3. Flexible and responsive work procedures
Organization	3. Centralized functions 4. High skills at the core of the organization	4. Ad-hoc, organic and cellular 5. High skills abound in loose-knit structures	4. Entrepreneurial client teams 5. High skills in the field
Information Technology	5. Integrated, low-cost transaction systems 6. Mobile and remote technologies	6. Person-to-person communication systems 7. Technologies enabling cooperation and knowledge management	6. Customer databases linking internal and external information 7. Knowledge bases built around expertise
Management Systems	7. Command and control 8. Compensation fixed to cost and quality 9. Transaction profitability tracking	8. Decisive, risk oriented 9. Reward individuals’ innovation capacity 10. Product life cycle profitability	8. Revenue and share of wallet driven 9. Rewards based in part on client feedback 10. Lifetime value of client analysis
Culture	10. Disciplined teamwork 11. Process focused 12. Conformance, “one size fits all” mindset	11. Concept, future driven 12. Experimentation, “out of the box” mindset 13. Attack, go for it, win	11. Client and field driven 12. Variation: “Have it your way” mindset

Table 4: Comparison of operating models per value discipline (Treacy & Wiersema, 1997).

2.2.1 Operational excellence

Following the value discipline of ‘operational excellence’, the firm’s goal is to deliver an acceptable product at the *lowest total cost*, i.e. when all the costs to the customer of owning and using the company’s product or service are added up (Treacy & Wiersema, 1997, p. 49). This *can* include price, but it also covers convenience, such as the time spent on purchase, and the inconvenience of untimely repair. Service dependability may therefore contribute to customer value creation as well. It

is also determined by *future* total costs, which can be lowered by delivering a product with high reliability and durability. Furthermore, the art is to keep total costs *consistently* low, meaning that one-time price drops do not suffice (Treacy & Wiersema, 1997, p. 50).

The **core processes** underlying this value discipline focus on a swift and dependable (1) *product delivery and basic service cycle*. The overall service needs to be effortless, flawless, and instantaneous, in order to increase convenience as part of the lowest total cost. The delivery of these offerings is (2) *built on no-frills, standardized assets*, e.g. the same design of a shop, store, machine, or business process that has proven to be efficient, and which can be deployed in various places and settings.

In terms of their **organization**, operational excellent companies also increase efficiency through (3) *centralized functions*, and concentrate (4) *high skills at the core of the organization*, where the most important decisions are made and procedures are developed that will be employed throughout the rest of the organization.

With regard to **information technology**, the contribution of (5) *integrated, low-cost transaction systems* and (6) *mobile and remote technologies* was emphasized, but we assume that the contribution of *information technology* will be more advanced today than in the year of publication of Treacy and Wiersema's work (1997). Nevertheless, the underlying idea of highly automated processes and the use of technology for better operational efficiency and control, may still be relevant for product leaders today.

Moreover, in terms of the **management systems** at hand, operational excellent companies engage extensively in measuring and monitoring in order to support quality and cost control. Detailed data hence supports management decision-making. Combined with a centralized (and hierarchical) structure to coordinate all activities, management systems can be characterized by the description of (7) *'command and control'*. In addition, employee and management (8) *compensation may be fixed to cost and quality*. What is more important, however, is that operational excellent companies will employ (9) *transaction profitability tracking*. As easy, pleasant and quick transactions are one of the most important goals for operational excellent companies, they will monitor the profitability of each transaction (Treacy & Wiersema, 1997, p. 50).

With regard to the **culture**, emphasis is put on (10) *disciplined teamwork*, in order to comply with the structure and norms at hand. Furthermore, the culture is (11) *process focused*, which involves *"seeking ways to minimize overhead costs, to eliminate intermediate production steps, to reduce transaction and other "friction" costs, and to optimize business processes across functional and organizational boundaries"* (Treacy & Wiersema, 1992, p. 85). Because the whole operating model is aimed at reducing total costs and increasing efficiency, it is difficult to match by their unfocused competitors. Finally, there is an emphasis on (12) *conformance, with a "one size fits all" mindset*. Again, this may refer to compliance (or conformance) with norms at hand, but it can also be observed in a low variety in product offerings. Operationally excellent companies typically reject too much variety, because it burdens the business with cost. Instead, these companies focus on *"no-frills products for the middle of the market where demand is huge and customers are more interested in cost than in choice"* (Treacy & Wiersema, 1997, p. 51).

Operational excellence in summary

- i. **Main goal:** *Delivering a combination of quality, price and ease of purchase, that is unmatched by any other offering available in the market. These companies execute so*

- extraordinarily well, that their proposition is based on guaranteeing low price and/or hassle-free service.*
- ii. **Processes** for end-to-end product supply and basic service that are optimized and streamlined to minimize costs and hassle.
 - iii. **Organization:** Operations that are standardized, simplified, tightly controlled, and centrally planned, leaving few decisions to the discretion of rank-and-file employees.
 - iv. **Management systems** that focus on integrated, reliable, high-speed transactions and compliance to norms.
 - v. A **culture** that abhors waste and rewards efficiency.

(Treacy and Wiersema, 1997, p. 33; p. 36-37)

2.2.2 Product leadership

Following the value discipline of 'product leadership', companies strive to produce a continuous stream of innovative products and services that customers regard as truly 'superior', compared to that of competitors, e.g. through unique features or by creating brand experience (Treacy & Wiersema, 1993;1997). It needs to deliver real benefit and performance improvements. However, a one-time innovation followed by numerous 'improvements' does not suffice; instead, true product leaders need to deliver a *steady stream* of outstanding products to keep customers amazed. This can be done if the offering makes an *experiential or emotional impact* on them.

The **core processes** of product leaders focus around (1) *invention and commercialization* of new ideas, as two main components of successful innovation. Challenging themselves to commercialize new ideas quickly, it requires that all business and management processes should be engineered for speed. This should result in effective (2) *market exploitation*, where product leaders try to get demand to climb faster and earlier. In other words, the *diffusion of innovation* with demand of new products taking off slow, then rising rapidly, and then leveling off, should be sped up beyond what is natural and common. This can be achieved via, for example, "*larger-than-life launches, early adopter programs, and massive marketing education*" (Treacy & Wiersema, 1997, p. 92). Furthermore, core processes are characterized by (3) *disjoint work procedures*, for example by working cross-functionally and by paying attention to later development stages, ensuring a good coordination amongst different stages of product development and commercialization.

In terms of the **organization**, product leaders adopt an (4) *ad-hoc, organic and cellular* structure. Resources (including employees) are shifted easily towards the most promising projects or markets. Their strength lies in reacting to situations as they occur, which is why the company should remain open-minded to ideas from in- and outside the organization. Large companies can replicate the entrepreneurial spirit of smaller ones by dividing people into smaller teams or clusters. However, highly talented people, who would fit in the entrepreneurial culture of the company, are pivotal in product leading-organizations, which is why they are amongst the most aggressive recruiters on campus. All these (5) *high skills are abound in loose-knit structures*.

Information technology supports the organization via (6) *person-to-person communication systems*, allowing for direct contact between people, which is not slowed down by rules of hierarchy or bureaucracy. In general, it is expected that (7) *technologies enable cooperation and knowledge management*, in order to spread promising ideas quickly and to speed up collaboration on new ideas.

The **management systems** of product leaders are characterized as (8) *decisive and risk-oriented*. As these companies need to react quickly to emerging opportunities and commercialize their ideas with high speed, quick decision-making is very important, arguing that “*it is often better to make a wrong decision than to make one late or not at all*” (Treacy & Wiersema, 1993, p. 90). Product leaders are willing to take a risk in realizing new product success, and experimentation needed to achieve this will not be punished – on the contrary, they (9) *reward individuals’ innovation capability*. Innovation will be necessary, as new offerings quickly follow each other. In managing the prices with regard to (10) *product life cycle profitability*, these companies need to consider that the perceived value of their once ‘new offerings’ will soon decline, and that they have to lower the price accordingly. Price reductions need to be timed carefully to gain the most long-term profit.

The **culture** of companies pursuing product leadership is (11) *concept and future-driven*, with an emphasis on new ideas to be commercialized. Treacy and Wiersema (1997) suggest that the creation of truly new products might be achieved by starting with a vision or ideal (‘a dream of improbable achievements’). Turning these ideas into clear targets (preferably as simple as possible), the company starts to work backwards and derive the steps that are needed to achieve that goal. Treacy and Wiersema (1997) call this ‘working right-to-left’. This requires some (12) *experimentation and an “out of the box” mindset*, involving recognition and embracing of ideas that usually originate outside the own company. This is the first way (being creative, recognizing ideas) in how Treacy and Wiersema (1993, p. 89) argue that product leaders should challenge themselves; the second and third way show a better fit with the description of culture as (13) *‘attack, go for it, win’*. The second way is quick commercialization of ideas, requiring that all business and management processes should be engineered for speed. Third, and argued as most important, product leaders must keep on pursuing new solutions to problems they have just solved with their own products and services. That is: if their products or services should become obsolete, product leaders prefer to do it themselves.

Product leadership in summary

- i. **Main goal:** continually pushing its products into the realm of the unknown, the untried, or the highly desirable, and offering customers products or services that expand existing performance boundaries. A product leader’s proposition to customers is best product.
- ii. A focus on the **core processes** of invention, product development, and market exploitation.
- iii. **Organization:** A business structure that is loosely knit, ad hoc, and ever-changing to adjust to the entrepreneurial initiatives and redirections that characterize working in unexplored territory.
- iv. **Management systems** that are results-driven, that measure and reward new product success, and that don’t punish the experimentation needed to get there.
- v. A **culture** that encourages individual imagination, accomplishment, out-of-the-box thinking, and a mind-set driven by the desire to create the future.

(Treacy and Wiersema, 1997, p. 37; p. 39-40).

2.2.3 Customer intimacy

Following the value discipline of ‘customer intimacy’, a company strives for the best *total solution*. Although offerings are not necessarily offered at the lowest price or with the latest product features, they can still provide a better overall result to the client. This can be achieved by attending to a much

broader range of clients' needs, as customer-intimate companies understand that there is a broader underlying problem the client is trying to solve when he needs a product or service. These problems can be addressed by offering a unique range of superior services and expert advice, from education to hands-on help, so that customers can get the most out of their products (Treacy & Wiersema, 1997). They make a business of knowing the people to whom they sell, and products and services are continuously tailored, personalized, and customized in response to the customers' needs.

One of the **core processes** is (1) *client acquisition and development*. As customer-intimate companies recognize the long-term value of a client, they "*don't pursue transactions; they cultivate relationships*" (Treacy & Wiersema, 1997, p. 40). Therefore, employees will do almost anything to make sure that each customer gets exactly what he wants, including the broader underlying needs, and hence they focus on (2) *solution development*. In order to produce a tailor-made solution that suits a specific client situation, (3) *flexible and responsive work procedures* are in place. However, this requires the full backing of the whole organization and not only from salespersons with client contact. For example, product development and manufacturing departments should be willing to answer more in-depth and complicated questions with regard to product use, but they can also direct their efforts in product development by "*piling layer upon layer of services to address clients' limitations in using the products*" (Treacy & Wiersema, 1997, p. 133).

With regard to the **organization**, (4) *entrepreneurial client teams* are in place to achieve tighter relationships with clients. Emphasis is placed on empowerment of employees who are closest to the customer, with a critical role for individual initiative. Customer-intimate companies have (5) *high skills in the field*, as deep customer knowledge and breakthrough insights about the underlying processes of a client are the backbone of these companies.

Information technology should support account control, with (6) *customer databases linking internal and external information*. The storage of specific, detailed and integrated customer data is especially important when multiple people are serving a client account, instead of one person. In addition, (7) *knowledge bases are built around expertise* emerging from close contact with clients.

The **management systems** are (8) *revenue and share of wallet driven*, measuring account penetration and hence focusing on what share the company has in a customers' spending as the most critical objective. Here, "*the critical objective is share of client*" (Treacy & Wiersema, 1997, p. 132). For every client, targets are set for penetration, development, and growth, and (9) *rewards are based in part on client feedback*, to make sure that emphasis is placed on customer satisfaction with the solution. On the longer term, customer-intimate companies engage in (10) *lifetime value of client analysis*. This provides the company with insight in the level of revenues generated per client, allowing them to make a distinction in the level of service each client requires. Emphasis on lifetime value also reflects the belief that, for customer-intimate companies, the worst kind of failure is losing a client (and not losing money on a single transaction).

A **culture** related to customer intimacy can be characterized as (11) *client and field driven*, sending a message to employees that they should do whatever it takes to please the customer. It is argued that "*an average product tailored to a client's very specific needs is often better than the more advanced, but inflexible, product*" (Treacy & Wiersema, 1997, p. 131). Therefore, employees should be adaptable, flexible, and multitalented, and companies need a broad set of employee skills and styles in order to deliver an appropriate response to varying customer needs. To allow for flexibility, there is high (12) *variation and a "have it your way" mindset*.

Customer intimacy in summary

- i. **Main goal:** *delivering what a specific customer wants. The customer-intimate company makes a business of knowing the people it sells to and the products and services they need. It continually tailors its products and services, and does so at reasonable prices. Its proposition is: "We take care of you and all your needs," or "We get you the best total solution."*
- ii. *An obsession with the **core processes** of solution development (i.e., helping the customer understand exactly what's needed), results management (i.e., ensuring the solution gets implemented properly), and relationship management.*
- iii. **Organization:** *A business structure that delegates decision-making to employees who are close to the customer.*
- iv. **Management systems** *that are geared toward creating results for carefully selected and nurtured clients.*
- v. **A culture** *that embraces specific rather than general solutions and thrives on deep and lasting client relationships*

(Treacy and Wiersema, 1997, p. 40; p. 43)

2.3 Treacy and Wiersema's value disciplines in previous literature

2.3.1 Search strategy in value discipline literature

An additional, shorter literature review was conducted to search for earlier applications and operationalization of Treacy and Wiersema's (1997) value disciplines in contexts that are similar to our research. The influence of the value disciplines on consecutive researchers may be reflected in the number of citations of Treacy and Wiersema's (1993) article in the *Harvard Business Review* (with 214 citations in Scopus and even 836 citations in Google Scholar) and Treacy and Wiersema's (1997) book on *The Discipline of Market Leaders* (296 citations in Scopus and 1276 in Google Scholar).

We refined our scope of these articles citing Treacy and Wiersema (1993; 1997) in the Scopus database. We searched for the appliance of the value disciplines in the context of 'business-to-business OR B2B' (obtaining 15 results) and 'insurance' (also obtaining 15 results). In addition, a new query was entered in the Scopus database, with ' "value discipline" ' as query in either the title, abstract, and/or keywords. We also limited the subject area to 'Business, Management and Accounting', resulting in 10 articles. To assess how these articles use Treacy and Wiersema's (1997) value disciplines, the titles, abstracts, and content were scanned.

2.3.2 Application of Treacy and Wiersema in previous literature

Ballantyne *et al.* (2011) compared different conceptualizations of the value proposition concept, from which we chose the value disciplines as "*high level generic strategies*" (p. 204). Although Treacy and Wiersema (1997) are cited by Ballantyne *et al.* (2011), these authors chose other conceptualizations on which they elaborated in their article. In contrast, authors whom did apply the value discipline typology, even within an insurance context, are Bouwman, Faber, and Van der Spek (2005). These authors connected future scenarios for innovation to changes in the business models of insurance intermediaries. These changes and their consequent demands on management are presented as strategic options, which are aligned to the three value disciplines of Treacy and Wiersema (1997). The practical purpose of Bouwman *et al.* (2005) is to stimulate the innovative

capability of insurance intermediaries and the translation of that capability into viable and feasible business models. However, our initial purposes are more descriptive at first. The strategic choice of how to respond to future situations warrants a separate study, in order to determine the consequent changes in the business model.

Ross and Grace (2012) validated that the VDS typology is an appropriate and relevant mechanism for understanding marketing strategies. However, due to the divergent nature of service offerings, caution should be taken by generalizing from Ross and Grace's (2012) context of education towards our context of P&C-insurance. Moreover, these authors mainly focus on the *suppliers'* side (instead of the clients' side) as their operationalization is mainly focused on the *operating model*. Treacy and Wiersema (1997) define value disciplines as the three desirable ways to combine operating models and value propositions, but we are mainly interested in the latter.

The article of Micheels and Gow (2009) holds the most potential for our research. These authors developed a scale to measure value discipline *clarity*, as they did not find an existing scale after a "*thorough literature study*" (p. 131). In their scale, suppliers could score the importance of each value discipline on four components of a value proposition: pricing, product quality, production practices, and relationship building. The scale was applied to a sample of 343 Illinois beef producers. The development of a scale for value discipline clarity is interesting for our research purposes as well, as it allows us to measure and compare value propositions from the perspective of both insurers and clients. This will simplify our consequent 'gap analyses between these perspectives. However, the scale will need to be modified to fit the context of P&C-insurance companies, instead of beef producers. The development of this scale will be discussed in Chapter 3 (methodology). We will first discuss previous literature on 'gap analyses' between the perspectives of buyers and suppliers.

2.4 Gaps between buyer and supplier perspectives

Even if P&C-insurers choose to deliver superior value in line with one of Treacy and Wiersema's (1997) value disciplines, this *intention* should also be recognized by B2B-clients. For B2C-clients, market research has already shown that customers do not properly understand the offering of insurers, nor do they see the differentiation between various insurers (van Vugt, 2014a). It is suggested that insurers hold a great potential if they succeed to become truly distinctive in the perception of its clients (van Vugt, 2014a). This might be a possibility to step away from price competition in this "*mature and saturated market*" (Achmea Schadeverzekeringen N.V., 2012, p. 9).

The outlook on this potential may support this research's interest in distinctiveness as perceived by clients. In particular, distinctiveness can be an issue when it is related to the content of value propositions. Within the brand strength model (Interbrand, n.d.), B2C-clients gave a low score to insurers for the factors *understanding* (in-depth knowledge of a company's distinctive qualities and characteristics) and *differentiation* (companies being distinctive in their positioning). It would be interesting to test if P&C-insurers in the B2B-market face a similar challenge, i.e. if B2B-clients recognize the distinctive value that P&C-insurers aim to deliver, or whether there is a gap between P&C-insurers' and B2B-clients' perspectives. The brand strength model that was used in the research reported by van Vugt (2014a) will not be used though. Because this model focuses on brands and also includes factors such as *presence* (the degree to which a brand is talked about), this might draw our attention away from the *content* of value propositions in which we are interested. And whereas the B2C-market research only included the clients' perspective (van Vugt, 2014a), this research will

also include the perspective of P&C-insurers. By linking these perspectives, we can identify on which elements of a value proposition we find the most significant gaps between the perspectives of P&C-insurers and B2B-clients. These are the areas where P&C-insurers can improve the most.

Different types of gaps can be present, each representing a different problem. The seminal paper of Parasuraman, Zeithaml, and Berry (1985) has delivered an influential contribution in the literature on gaps between buyer and supplier perspectives. These authors produced a conceptual model in which a set of key discrepancies (or 'gaps') are defined. These 'gaps' may form an obstacle in suppliers' attempts to deliver a service which clients perceive as being of high quality. Service quality is the central concept of their model, which is defined as the degree and direction of the discrepancy between clients' service expectations and perceptions (Parasuraman, 1998).

This seems to correspond with an assumption of Treacy and Wiersema (1997), who state that the creation or destruction of *customer value* is dependent on whether the delivered value exceeds (or falls short) of customer expectations. Despite these similarities, the service quality model will not be implemented directly in this research. The reason is that a focus on service alone may not cover the full scope of a value proposition in which we are interested. The value proposition, as an "*implicit promise to deliver a particular combination of values*", is not only based on service, i.e. "*how we do business*", but also based on the product, i.e. "*what we sell*" (Treacy & Wiersema, 1997, p. 20).

Of course, the distinction between products and services may be blurred. Therefore, in terms of Parasuraman (1998), a focus on the 'product' can also be rephrased to a focus on the 'core offering', whether it is tangible (as with products) or intangible (as with services). Parasuraman (1998) goes further by making a distinction between 'services' as intangible core offerings, and 'service' as "*a supplement that accompanies the core offering... this emphasizes the general quality of interactions between a seller and a customer.*" (p. 310). Parasuraman (1998) proposed a research agenda for service quality in business-to-business markets, and indicates that the focus corresponds more to service as a supplement than on the core offering. Although these supplements are not unimportant, this research will also focus on the core offering. Therefore, we will not directly use the conceptualizations and operationalisations from the line of research introduced by Parasuraman *et al.* (1985). Nevertheless, these authors introduce several gaps with different origins and implications. Some of these gaps are interesting for our research, and these will be discussed in further detail.

First of all, we need to know which value propositions are currently offered by P&C-insurers before we can analyze any gaps. Similar to the service quality model (Parasuraman *et al.*, 1985), the development of a value proposition will start with the perception that insurers have regarding the expectations of clients. In this research, we will speak in terms of insurers' *intention* when we refer to the value that insurers want to deliver to their clients. However, multiple gaps can already originate from the side of P&C-insurers as they try to deliver this value. Parasuraman *et al.* (1985) refer to gaps which may originate from the service quality specifications, the actual service delivery (including pre- and post-contact), and the external communication to clients. For business-to-business markets, Parasuraman (1998) defines the service standards gap, the service performance gap, and the internal communication gap. Most of these gaps would require a more detailed analysis on the functioning of the supplier's service performance and his service standards, which might be more related to the insurer's *operating model* when speaking in terms of Treacy and Wiersema (1997). We are first of all interested in generic value propositions offered to clients, and an analysis of P&C-insurers' *operating models* lies beyond the scope of this research.

However, a first analysis of the *communicated* value propositions towards clients may help us to develop a better understanding of P&C-insurers' value propositions before we conduct more in-depth interviews to assess the *intended* value propositions. Moreover, by linking communicated and intended value propositions and by assessing the gaps between them, we may still provide a first indication of internal (i.e. organizational) gaps from the marketers' side (Parasuraman, 1998). This opens up possibilities for future research to assess these shortfalls in further detail, and analyze how the alignment of insurers' operating models can be improved.

- **Gap 1:** the first gap we assess, is that **between P&C-insurers' intention and communication**. This gap would imply that P&C-insurers do not communicate what they intend to deliver. It means there are inconsistencies between what customers are told the offering will be like (Parasuraman, 1998), and what suppliers actually want the offering to be like.

If P&C-insurers' value proposition is known, the question is whether B2B-clients show a need for the value that insurers promise to deliver. P&C-insurers will base their value proposition on their understanding of what B2B-clients expect. This understanding will be reflected in the insurers' intention. However, as described by Parasuraman *et al.* (1985), service firm executives and marketers may not always understand what features a service must have in order to meet customer needs. These authors define it as 'gap 1' in their model: the consumer expectation-management perception gap. Applied to a B2B-context, if suppliers have incomplete or inaccurate knowledge of customer expectations, Parasuraman (1997) describes this as a 'market information gap'. If we apply this logic to our research, it should be noted that *expected* service may differ slightly from the *needed* value proposition by clients. B2B-clients may not expect (yet) that a P&C-insurer is able to match the profile of an ideal-type P&C-insurer. Nevertheless, the gap of insufficient market knowledge might still describe the problem at hand.

- **Gap 2:** the second gap we assess, is that between **P&C-insurers' intention and B2B-clients' needs**. This gap would imply that insurers have incomplete or inaccurate knowledge of the clients' needs. In this case, insurers may need to reconsider what they should offer to clients.

Manager expectations of customer needs (in our research: P&C-insurers' *intention*) and the perceived service from the perspective of customers (in our research: *perception* of B2B-clients) are both formulated in the model of Parasuraman *et al.* (1985). However, these authors have not defined a gap between these perspectives. This gap was not identified as one the five 'key discrepancies' from the four sets of executive interviews that were conducted by Parasuraman *et al.* (1985). It should be noted though that Parasuraman *et al.* (1985) identified a gap as 'key' if it forms a hurdle to deliver high quality service. Their five key discrepancies also include four gaps which are related to the organization's operating model, which is not included in the scope of research. As we are interested in the perspectives of insurers and clients on value propositions (and the differences between these perspectives), we believe that the gap between insurers' intention and clients' perception may deliver some valuable insights for this research. Looking at how perception can be defined, Parasuraman *et al.* (1985) define customers' perceptions as their beliefs concerning the service they received. The question is whether this will match with what the insurers intend to deliver. If this is not the case, insurers may have to execute their value proposition in a different way to make sure that clients perceive the added value that insurers intend to deliver. The exact reason and origin of these execution problems warrants a separate (case) study which is focused on the operating models of (individual) insurers. In this study, we first identify whether there any gaps.

- **Gap 3:** the third gap we assess, is that between **P&C-insurers' intention and B2B-clients' perception**. This gap would imply that the B2B-clients' belief of what they received, does not match with that what P&C-insurers expect to deliver. This may indicate an execution problem for insurers, who should make more clear to clients what they intend to deliver.

One of the most important gaps in the model of Parasuraman et al (1985), is that between customers' perceptions and expectations. This gap is defined as perceived service quality, which is argued to be a function of other 'gaps' from the marketer's side. To measure this gap, they developed their influential SERVQUAL scale (Parasuraman *et al.*, 1988), which can be used to better understand the service expectations and perceptions of customers. This can form the basis of future service improvements, because the key to ensure good service quality is to meet or exceed clients' expectations of the service. Although we are not directly interested in measuring service quality, the reasoning behind the expected service-perceived service gap (gap 5 – Parasuraman *et al.*, 1985), is more or less similar to our purposes. A gap between a client's perception and his needs, may indicate that B2B-clients prefer that a different kind of distinctive value should be delivered, compared to what they currently perceive.

- **Gap 4:** the fourth gap we assess, is that between **B2B-clients' perception and their needs**. This gap would imply that B2B-clients prefer that a different kind (or combination of) distinctive value is delivered, compared to what they perceive now. This may indicate an opportunity to become distinctive, as there are needs which are not fulfilled yet.

2.5 Hypotheses

The goal of this research is to assess what future value proposition might be used by Dutch P&C-insurance companies to become distinctive and win the market for B2B-clients. To reach this goal, we first identify the value propositions from four perspectives. The value discipline typology of Treacy and Wiersema (1997) will help us to describe value propositions in terms of three kinds of customer value on which insurers can excel. Micheels and Gow (2009) developed a scale to measure value discipline clarity as they did not find an existing scale after a thorough literature study. Five years after their article was issued, we have not found a better or more suitable measurement scale to date. Inspired by Micheels and Gow (2009), we choose to develop our own scale as well to compare value propositions within the Treacy and Wiersema (1997) framework. Even if P&C-insurers choose to distinct themselves in line with one of Treacy and Wiersema's (1997) value disciplines, this *intention* should also be recognized by B2B-clients. However, different types of gaps can be present between the perspectives of clients and insurers, each representing a different problem. The seminal paper of Parasuraman *et al.* (1985) provides us with more insight on the different types of gaps. In this research, the logic of Parasuraman *et al.* (1985) will be applied to the context of value propositions (instead of service quality) to test hypotheses regarding the differences between clients' and insurers' perspectives.

In an ideal situation, there would be no differences between intended, communicated, perceived, and needed value propositions as they ‘pass’ from one perspective to another. The P&C-insurer thinks of a value proposition it *intends* to deliver, which they start to *communicate*. If ‘done correctly’, the communicated value proposition is *perceived* as such by the B2B-client, which should ultimately fulfill his *needs*. However, there are six possible ‘gaps’, and each gap would have different implications. Figure 1 illustrates the desired path (using bold arrows) and the potential gaps.

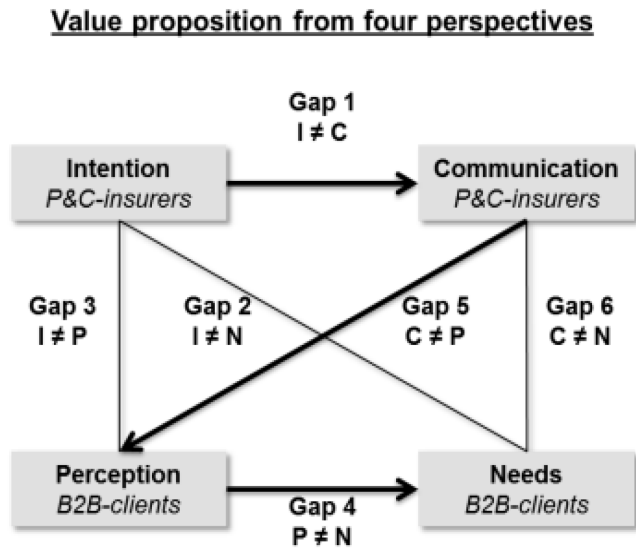


Figure 1: Value propositions from four perspectives

In this research, we focus on gaps 1 to 4. This means that we will not compare the value propositions as communicated by P&C-insurers with propositions as perceived and needed by B2B-clients. This would imply that the communication of insurers does not resonate with the clients’ perception (gap 5 in Figure 1), or that the insurer communicates a proposition for which there is no need among clients (gap 6 in Figure 1). However, such communication issues are not of our main interest. To determine the difference in perspectives of clients and insurers on value propositions, we believe that the insurers’ intention can provide us with sufficient insights, as the intention forms the starting point in the creation of a value proposition.

The analysis of communicated value propositions will mainly serve an exploratory and informative goal, to get an idea of the value propositions being offered by P&C-insurers and whether the value proposition is consistent across different sources of communication. Hence, a gap analysis of communicated with intended value propositions (gap 1) will also serve an informative and exploratory purpose. It provides us with an indication of value propositions from the P&C-insurer’s perspective, and whether individual P&C-insurers are communicating the same value proposition as they intend to deliver. We do not couple any hypotheses to gap 1.

However, hypotheses were developed for gaps 2, 3, and 4, which are presented below.

Gap 2: Intention vs. Needs	Gap 3: Intention vs. Perception	Gap 4: Perception vs. Needs
$H_0: \mu_{I,jk} = \mu_{N,jk}$	$H_0: \mu_{I,jk} = \mu_{P,jk}$	$H_0: \mu_{P,jk} = \mu_{N,jk}$
$H_a: \mu_{I,jk} \neq \mu_{N,jk}$	$H_a: \mu_{I,jk} \neq \mu_{P,jk}$	$H_a: \mu_{P,jk} \neq \mu_{N,jk}$

For each gap, we will compare the means of two perspectives (i.e. intention, perception, and needs). These means are calculated per element j in a value proposition. The selected elements will be introduced in paragraph 3.4. We will use one of Treacy and Wiersema’s (1997) value disciplines k as an indication of the value being created on that element, in accordance with operational excellence, product leadership, or customer intimacy. Treacy and Wiersema (1997) argue that “*different kinds of customers buy different kinds of value (...) customers know that to expect superior value in every dimension from the same supplier is unreasonable*” (p. 19; p.22). If a P&C-insurer intends to deliver a

certain kind of value, we expect that B2B-clients will show a preference for the same kind of value. Assuming that B2B-clients already chose a company that delivers this value, this preference will be demonstrated in the (3) *perceived* value proposition of the current supplier. Assuming a B2B-client will choose according to his needs, we expect that the dominant focus on one kind of value will also be demonstrated in the (4) *needed* value proposition. In this ideal situation, we expect no gaps between intention, perception and needs, as reflected in the null hypotheses. The alternative hypotheses would imply a difference between these perspectives.

The gaps that will be analyzed in this research, are presented in Figure 2.

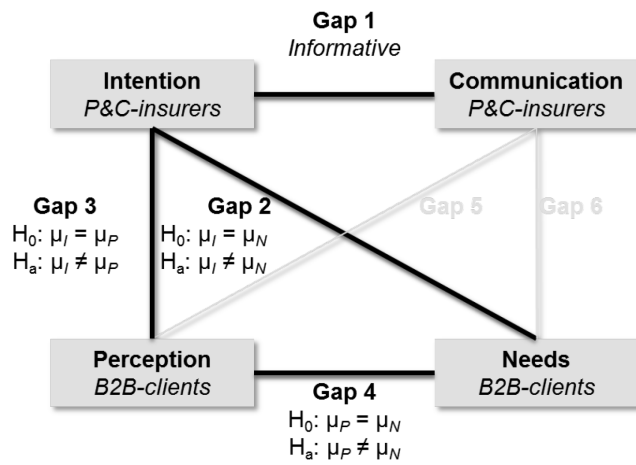


Figure 2: Gaps that will be analyzed in this research.

Chapter 3 Methodology

The ‘mixed methods’ research design of this study will be discussed in paragraph 3.1. The case selection and sampling for each of the research methods will be discussed in paragraph 3.2. We will then proceed with a description of our content analysis approach in paragraph 3.3. As part of our quantitative research, the development of our value discipline scale (Micheels and Gow, 2009) will be discussed in paragraph 3.4. In our survey among B2B-clients, this value discipline scale is complemented with other closed-ended questionnaire items, which are discussed in paragraph 3.5. Finally, the methodological design and choices regarding the open-ended interview questions will be discussed in paragraph 3.6.

3.1 Research design

A ‘mixed-methods’ design will be used to answer our research question. Combining quantitative and qualitative methods will mainly serve a purpose of *complementarity*, i.e. “*seeking elaboration, enhancement, illustration, and clarification of the results from one method with the results from another*” (Greene, Caracelli, & Graham, 1989, p. 259).

For exploratory purposes, we start with a preliminary desk research. As part of a content analysis, we will conduct a frequency count of keywords on written sources of communication. This should provide us with an idea of value propositions being offered by P&C-insurers. It also forms the main input for the perspective of value propositions as *communicated* by P&C-insurers, allowing us to check whether value propositions are consistent across different sources of communication.

For validating purposes, quantitative methods will be used to ‘measure’ a value proposition. Inspired by the work of Micheels and Gow (2009), a value discipline scale will be used to classify value propositions in terms of Treacy and Wiersema’s (1997) three value disciplines. A classification will be made from the perspective of both P&C-insurers’ *intention* and B2B-clients’ *perception* and *needs*. Employing a similar scale for value propositions from different perspectives allows for greater comparability, and hence easier assessment of the gaps between these perspectives. For B2B-clients, the value discipline scale will be complemented with other questions as we obtain quantitative data from a larger (and more representative) sample of B2B-clients. The number of P&C-insurers will be smaller, although the largest insurers will be represented in our sample (see paragraph 3.2).

For explanatory purposes, the collection of quantitative data will be complemented with semi-structured interviews with both B2B-clients and P&C-insurers, providing us with rich qualitative background information. In the extensive classification of mixed methods research by Bryman (2006), our qualitative methods may contribute to *explanation*, *unexpected results* and *illustration*:

- *Explanation – one [method] is used to help explain findings generated by the other.*
- *Unexpected results – refers to the suggestion that quantitative and qualitative research can be fruitfully combined when one generates surprising results that can be understood by employing the other.*
- *Illustration – refers to the use of qualitative data to illustrate quantitative findings, often referred to as putting ‘meat on the bones’ of ‘dry’ quantitative findings.*

(Bryman, 2006, p. 106)

Although we have a specific purpose on forehand with each method, the outcomes of mixed-methods research are not always predictable (Erzberger & Kelle, 2003). Surprising findings or unrealized potential in the data might be a reason to combine research methods in ways that were

not anticipated (Bryman, 2006). We allow for such new insights and combination of methods, as it may help us to obtain new, original ideas in developing a distinctive future value proposition.

3.2 Case selection and sampling

The following subparagraphs describe the case selection and sampling for each research method.

3.2.1 Case selection and sampling of P&C-insurers

The selection of P&C-insurers is first of all based on an indication of their market share in the B2B-market (van Graafeiland & van Gelderen, 2012). The insurers have been selected on the level of their labels (even though one entity may use different labels). The names of insurance companies who provided data for this research have been replaced by different names, in order to avoid the publication of sensitive information. These names are based on the NATO-alphabet: Alpha, Bravo, Charlie, Delta, Echo, and Foxtrot. This sample includes five of the largest insurance labels in the Netherlands. For a higher variety in P&C-insurers, another insurance label was included which is only offering specialized B2B-product lines.

The key informants from these P&C-insurers should be able to provide us with relevant information on the value proposition they want to offer with P&C-insurance products towards B2B-clients. Our final sample of key informants included product managers, (senior) marketing managers, proposition managers, sales managers, and an underwriting manager. The interview respondents were also asked to fill in the value discipline scale to quantify that P&C-insurers' value proposition. The development of the value discipline scale will be discussed in paragraph 3.4.

3.2.2 Case selection – Sources of communication for content analysis

Three sources of written text from each market player are used in content analysis. These sources consist of different pages from the P&C-insurers' websites. Each source is argued to reflect a different way in which P&C-insurers can create customer value. The following sources are selected:

- **The 'About Us'-page**, i.e. the first overview page on which the insurer describes itself, and an additional web page on the P&C-insurer's mission, vision, or strategic positioning in the market. We expect that these pages provide us with insight in how the company describes itself in the first place and what value it aims to deliver in general.
- **Web pages related to SME packages**, i.e. bundles of products with which a client can close multiple (if not, all) of his necessary insurance policies at once. We expect that these pages provide us with insight regarding the kinds of customer value that P&C-insurers emphasize most when they have to address *all* insurance needs of a client.
- **Web pages related to liability insurance**, which insures the risk of liabilities, i.e. from lawsuits or other third-party formal claims against a company. We expect that these pages provide us with insights in the value being emphasized for an individual insurance product. We choose to analyze *liability* insurance. After motor vehicle and fire insurance, this product line accounts for the greatest turnover in P&C-insurance. However, while there is variance in the product names and coverage of policies related to motor vehicle and fire insurance, the advantage of liability insurance is that all of the six analyzed insurers have a product page for liability insurance. This allows for a better comparison between different suppliers.

The texts that were scanned for the frequency count are available upon request, and an overview of the text sources (incl. the amount of words per text source) can be found in Appendix A.

3.2.3 Case selection and sampling of B2B-clients for survey

A market research agency (Newcom Research & Consultancy) was hired to obtain a relevant sample of respondents from B2B-clients. This agency has one of the largest panels in the Netherlands, comprising 150.000 members. The panel and sampling procedures are compliant with ISO-standards 26362:2009 for access panels, including standards for use of the term ‘representativeness’.

Two selection variables were applied in selecting relevant respondents. First, we ask for firm size, based on the number of employees as calculated in full-time equivalents (fte). Firms are only selected if they have 2 to 50 fte. Within this target segment, we made a further distinction between firms with 2-10 and 11-50 fte. This segmentation is based on our first interviews with two insurance companies whom indicated more or less than 10 fte as a threshold value in their segmentation.

Second, we ask for the respondent’s role in decision-making regarding P&C-insurance in their firm. These are based on four roles within a decision-making unit of a company, i.e. the decision-maker, the gatekeeper, the buyer, and the advisor (Webster & Wind, 1972). Two roles were excluded which seemed irrelevant to decision-making with regard to P&C-insurance: the ‘initiator’ and ‘user’ of a product. We believe that P&C-insurance addresses a generic need of the company, and that there is not likely one ‘initiator’ who recognizes the problem for which P&C-insurance is needed, nor do we expect that there is one ‘user’ who benefits from P&C-insurance. We added a fifth option: ‘*I am not involved with P&C-insurance in my company*’. These respondents were omitted from the results.

In total, 802 respondents started to fill in the web-based survey, and 235 respondents successfully completed the survey, which would yield a completion rate of 29.3% (Tourangeau, Conrad, & Couper, 2013). However, some of the 802 initial respondents were excluded earlier in the survey as they did not belong to the target segment of firms with 2-50 fte. After this selection criterion was applied, 480 respondents from a firm with 2-50 fte started to fill in the web-based survey. A final sample of 171 respondents was obtained from firms with 2-50 fte. All these 171 respondents are also involved in decision-making with regard to P&C-insurance.

Unfortunately, this sample size was insufficient to compare subsamples of B2B-clients from individual insurers. Therefore, we chose to analyze this group of B2B-clients in aggregation. A description of the sample in terms of industry, size, and distribution channels, is presented in Table 5.

Client industry	Sample	Population (2-50 fte)	Client size	Sample	Population (2-50 fte)
Professional services	33.9% (58)	25.6%	2-10 fte	70.7% (121)	85.8%
Construction	11.7% (20)	7.8%	10-50 fte	29.3% (50)	14.2%
Retail and wholesale	18.1% (31)	23.7%			
Hotel and catering	6.4% (11)	8.1%	Distribution channel	Sample	Population (2-50 fte)
Transport	5.3% (9)	3.6%	Intermediary	35% (59)	n/a
Other	24.6% (42)	31.2%	Direct	49% (83)	n/a
			Bank	16% (28)	n/a
			Other	1% (1)	n/a

Table 5: Sample description, with population data based on Statistics Netherlands.

3.2.4 Case selection and sampling of B2B-clients for interviews

The selection of B2B-clients for our interviews can be classified as nonprobability sampling, where the judgment of the researcher on availability, usefulness and appropriateness of respondents can determine the selection (Babbie, 2007). More specifically, the purpose in this sampling procedure is to select respondents from varying sizes and industries. In addition, we have aimed to gather B2B-clients from different P&C-insurers – preferably those insurers that are also included in our sample from subparagraph 3.2.1. We acknowledge that results obtained from a nonprobability sample should be generalized with great caution. Therefore, these interviews will mainly serve the purposes of *explanation*, *unexpected results*, and *illustration* in terms of Bryman (2006). The final sample of interviewed B2B-clients is presented in Table 6.

Firm industry	Firm size	Most important P&C-insurer
1. Fashion retailer	2-4 fte	Insurer Golf
2. Gardening business	2-4 fte	Insurer Charlie
3. Restaurant holder	2-4 fte	Insurer Delta
4. Restaurant holder	5-9 fte	Insurer Echo
5. Bicycle store	5-9 fte	Insurer Hotel
6. Garden fencing	5-9 fte	Insurer Charlie
7. Consulting firm	5-9 fte	Insurer Delta
8. Contractor	10-19 fte	Insurer Bravo
9. Machine factory	20-50 fte	Insurer India
10. Wholesale	20-50 fte	Insurer Bravo

Table 6: Interview respondents (B2B-clients)

3.3 Content analysis approach

The content analysis will be based on a frequency count of keywords that should reflect a focus on one of the three value disciplines. In subparagraph 3.3.1, we describe how keywords were selected through a meeting with three insurance industry experts from Accenture's consulting workforce. The procedure of the actual 'frequency count' will be described in subparagraph 3.3.2.

3.3.1 Determination of keywords

To ensure the use of proper keywords in the frequency count, a meeting was arranged with three insurance industry experts from Accenture's consulting workforce. The experts had 10-15 minutes to come up with keywords that are related to the three value disciplines in the context of P&C-insurance. All participants claimed to be familiar with the value disciplines of Treacy and Wiersema (1997). However, to reduce the risk of cognitive dissonance between the author and the three experts, a summary of each value discipline was provided during the session. These summaries can be found at the end of subparagraph 2.2.1 to 2.2.3. Keywords should be mutually exclusive, in the sense that one keyword can refer to only one value discipline.

After the experts answered the question individually, the experts told the group which keywords they formulated per value discipline. This group discussion served as an additional reduction of cognitive dissonance, as experts could be corrected by their peers and the author of this research (who functioned as a discussion leader). If one of the other participants doubted whether a keyword truly covered the content of the particular value discipline, this keyword was 'marked'. All

the 'marked' keywords were discussed to ensure that all experts agreed on the relation between the keyword and a value discipline. If not, the keyword was omitted.

The final selection of keywords can be found in Table 7. Behind every keyword, it is mentioned how many times this keyword was suggested. Words that were mentioned more often, have been grouped together to ensure that they occur only once in the keyword dictionary. The keywords in Table 7 which originally comprised multiple words, have been reduced to one word if possible, in order to simplify our search query. For some of these words, a relevant addition is still mentioned between brackets, to ensure that words are only counted if they are applied in the right context.

3.3.2 Frequency count procedure

To interpret words in the right context, the hits in the frequency count will be controlled by the author. An example is 'aansluiten', which can be used as a verb, e.g. 'uw verzekering sluit aan bij uw behoeften' (your insurance fits your needs). However, searching for 'sluit' could also obtain results for 'sluit uw verzekering af' (close your policy). By qualitatively interpreting the search results, these false hits can be omitted from our frequency count.

All keyword hits were added up to a total number of keywords per value discipline for each insurer. The total number per value discipline was divided by the total number of keywords found for that insurer, in order to obtain a percentage for each of the three value disciplines.

Operational Excellence		Product Leadership		Customer Intimacy	
Keyword	# Times suggested	Keyword	# Times suggested	Keyword	# Times suggested
1. direct	2	1. aantrekkelijk	1	1. aanpassing	1
2. eenvoud	2	2. alles (gedekt)	1	2. aansluiten	2
3. efficiënt	2	3. beste (product)	4	3. begrip / begrijpen	1
4. goedkoop	2	4. breed (assortiment)	1	4. behoefte	3
5. korting	1	5. duidelijkheid	1	5. betrokken	1
6. lean	1	6. innovatie	3	6. continuïteit	1
7. premie	4	7. kwaliteit	1	7. (eigen) accountmanager	1
8. prijs	4	8. nieuw	2	8. klant	1
9. simpel	3	9. productontwikkeling	1	9. maatwerk	4
10. snel	3	10. sterk	1	10. NPS (hoog)	1
11. voordelig	<u>1+</u>	11. uitbreiding	2	11. Onbezorgd	1
<i>Total:</i>	25	12. uitstekend	1	12. oplossing	1
		13. uitzonderlijk	1	13. referenties	1
		14. uniek	3	14. service	2
		15. winnaar	1	15. specifiek	2
		16. zekerheid	<u>1+</u>	16. transparant	1
		<i>Total:</i>	25	17. wensen	<u>1+</u>
				<i>Total:</i>	25

Table 7: Keywords per value discipline for our frequency count, based on an expert meeting.

We considered the option to multiply the occurrence of a keyword with its weighting factor (based on how many of the four experts suggested the keyword in the expert session). The choice to apply this 'multiplier'-effect will cause the greatest impact on the frequency of keywords related to

operational excellence. Although there are less keywords for this value discipline, these keywords were suggested more often during the expert meeting (hence still adding up to 25 suggestions). One of the reasons why a weighting factor could be applied, is that the importance or 'quality' of the keyword will be considered. However, it can be assumed that keywords which are more important according to the experts, will also be important according to P&C-insurers. As a consequence, these keywords might be mentioned more often. Applying a multiplier to words that already occur more often, could result in disproportionate frequency counts. Therefore, the decision was made to analyze the results *without* applying the weighting factor.

3.4 Development of a value discipline measurement scale

One of the most important parts of this research will be the *value discipline scale*, inspired by the work of Micheels and Gow (2009) as an operationalization of Treacy and Wiersema's (1997) value disciplines. The modified version of the value discipline scale will be based on nine of the most important elements in a value proposition for P&C-insurance. In subparagraph 3.4.1, we will first discuss how these elements were determined. For each of the nine elements, three statements will be developed on how this element can be fulfilled in accordance with one of the three value disciplines. The development of these statements is discussed in subparagraph 3.4.2. Finally, validity and reliability assessments are discussed in subparagraph 3.4.3.

It should be noted that this research measured the *relative* importance of a certain kind of customer value, compared to other kinds of customer value (in line with operational excellence, product leadership, or customer intimacy). As we want to know which kind of customer value is preferred, respondents should make a trade-off. The use of Treacy and Wiersema's (1997) value disciplines and the desire to make this measurable in terms of a trade-off question for P&C-insurers and B2B-clients, resulted in the choice to let respondents distribute 100 points (Micheels & Gow, 2009). The limitation is that the *absolute* importance cannot be derived from these answers, as respondents could not assign more or less than 100 points to the three statements per element. We also cannot make any statements regarding the performance of P&C-insurers as evaluated by B2B-clients, or with regard to the satisfaction of B2B-clients. To make any inferences about satisfaction and perceived quality, a different scale would have to be used. In terms of service quality, an extensive research has already been conducted by Tsoukatos (2007), whom applied a modified version of the SERVQUAL scale (Parasuraman *et al.*, 1988) in Greek insurance. In this research, we will focus on customer value though, for which a new scale was developed.

3.4.1 Determining the elements in the value discipline scale.

We started with the four 'components of a value proposition' from the value discipline scale of Micheels and Gow (2009), which are *pricing*, *production*, *relationship* and *quality*. Note that we will use the term 'elements' of a value proposition instead of 'components'. This is because Treacy and Wiersema (1997) use the term 'components of value' in referring to best total costs, best product or best total solution as 'one component of value' on which market leaders can excel. While these 'components of value' can be seen as the ultimate value that needs to be created, the 'elements in a value proposition' contribute to delivering this value. These elements were reconfigured from the beef industry to the context of P&C-insurance.

- Micheels and Gow's (2009) elements of *pricing* (in Dutch: 'prijsniveau') and *relationship* ('relatie') are assumed to be relevant for P&C-insurance as well, and hence they are included as such in the scale of this research.
- *Production* (Micheels & Gow, 2009) was translated to two of the most important production processes for a P&C-insurance company, i.e. *closing/changing policies* ('afsluiten/wijzigen van verzekeringen') and *claims handling* ('afhandeling van claims').
- *Quality* (Micheels & Gow, 2009) was translated to *products and services* ('producten en diensten'), which still refers to quality and benefits of products and services being offered.

Other elements were added as well, to ensure that the full content of a value proposition in P&C-insurance is covered. As a source of inspiration, we also searched in literature on service quality in insurance. For example, Tsoukatos (2007) presents us with elements such as:

- "*Contracts with clear terms*", which we changed to *conditions* ('voorwaarden'); and
- "*Settling claims with no unnecessary delays*", supporting our element of *claims handling* ('afhandeling van claims').

Other elements were based on suggestions from the field, e.g. from the first interviews with B2B-clients, but also from interviews with intermediaries and consultants:

- *Advice* ('advies');
- *Communication* ('communicatie');
- *Risk management* ('risico management').

The final selection of elements is presented in Table 8. Both clients and insurers will be asked to rank the importance of these elements. Therefore, a short explanation is added for each statement.

Elements	Explanation to B2B-clients	Statements' order in value discipline scale
Prijsniveau (<i>Pricing</i>)	Wat wilt u betalen? (<i>What are you willing to pay?</i>)	(1) PL, (2) OE, (3) CI
Relatie (<i>Relationship</i>)	De relatie met bijv. uw adviseur (<i>The relation with your advisor</i>)	(1) OE, (2) PL, (3) CI
Producten en diensten (<i>Products and services</i>)	De dekking en de polisvoorwaarden (<i>The coverage and conditions</i>)	(1) CI, (2) OE, (3) PL
Afsluiten/wijzigen van verzekeringen (<i>Closing/changing policies</i>)	Hoe verloopt dit proces? (<i>How does the process take place?</i>)	(1) PL, (2) CI, (3) OE
Advies (<i>Advice</i>)	Hoe wordt u geadviseerd? (<i>How are you advised?</i>)	(1) OE, (2) CI, (3) PL
Communicatie (<i>Communication</i>)	Hoe wordt u op de hoogte gehouden? (<i>How are you being informed?</i>)	(1) CI, (2) PL, (3) OE
Risicomanagement (<i>Risk management</i>)	Preventie en beheersing van risico's (<i>Prevention and risk management</i>)	(1) OE, (2) PL, (3) CI
Voorwaarden (<i>Conditions</i>)	Is het duidelijk wat wel en niet verzekerd is? (<i>Is it clear what is insured and not?</i>)	(1) CI, (2) PL, (3) OE
Afhandeling van claims (<i>Claims handling</i>)	Hoe verloopt dit proces? (<i>How does the process take place?</i>)	(1) PL, (2) OE, (3) CI

Table 8: Elements in a value proposition for P&C-insurance. OE = Operational Excellence, PL = Product Leadership, CI = Customer Intimacy.

3.4.2 Developing statements per element

For each of the elements, statements should be developed which need to be framed “*in a manner that removed any ambiguities about which value discipline it was referring to, stopping short of identifying the value discipline by name*” (Micheels & Gow, 2009, p. 133). The statements were partially based on the keywords per value discipline that were suggested by insurance industry experts and which are also used for the content analysis (see paragraph 3.3).

The elements of Table 8 serve as our primary categories to which the keywords are assigned. Keywords can be assigned to multiple elements, as they mainly serve as a source of inspiration in the development of statements. Ideally, we strive for statements on one element to be ‘MECE’, i.e.:

- ‘*Mutually Exclusive*’ in the sense that the content of a statement related to one value discipline should not overlap with the content of a statement related to another value discipline. This forces respondents to choose what they really find most important; and
- ‘*Collectively Exhaustive*’ such that all statements together cover the full range of options on how this element can be fulfilled in accordance with the three value disciplines.

The final version of the value discipline scale can be found at the end of Appendix B (presenting the version for P&C-insurers) and Appendix C (presenting the version for B2B-clients). The statements per value discipline were put in a random order, so that respondents do not recognize a pattern based on the numbering. The ordering of the statements per value discipline can be found in the last column of Table 8.

3.4.3 Validity and reliability assessment

After the value discipline scale was constructed, it was evaluated on content validity by industry experts and academics in strategy and marketing. Content validity is a qualitative measure to assess whether the statements are related to the conceptualization of the value disciplines, and to assess the clarity of the scale. Regarding the clarity, we also acquired feedback from B2B-clients to remove ambiguities. Changes were also made if clients considered some statements to be more desirable than the other statements on that element.

While we are not interested in testing a relationship that includes the latent variables of operational excellence, product leadership, and customer intimacy, the aggregation into latent variables might simplify the ‘gap analyses between the perspectives of *intention*, *perception*, and *needs*. Therefore, we also tested for internal consistency reliability by calculating Cronbach’s Alpha to verify whether all statements measure a unidimensional construct. This would allow us to aggregate the indicators (i.e. the scores of the nine elements) in one latent variable. To calculate Cronbach’s Alpha, the latent variable is one of the three value disciplines, and its indicators are the scores on the statements related to that value discipline on each of the nine elements in our value discipline scale as presented in Table 8 (e.g. pricing, relationship, etc.). The values for Cronbach’s Alpha are calculated based on the scores of 171 B2B-clients as perceived and needed. However, as we can see in Table 9, values for Cronbach’s Alpha do not reach the desired threshold value of 0.6 for exploratory research (Nunnally, 1978). This means that individual clients are not consistent enough in their preference for operational excellence, product leadership, or customer intimacy across the different elements in the value discipline scale of this research.

To check whether internal consistency reliability is not the only problem that might withhold us from aggregating the indicators into a latent variable, we also assessed the convergent validity by calculating the average variance extracted (AVE). Values for AVE above 50% indicate that the variance explained by the latent variable is greater than the variance attributed to measurement error (Fornell & Larcker, 1981). However, as observed in Table 9, values for AVE do not exceed 0.5.

	Operational excellence		Product leadership		Customer intimacy	
	<i>Perceived</i>	<i>Needed</i>	<i>Perceived</i>	<i>Needed</i>	<i>Perceived</i>	<i>Needed</i>
AVE	0,222	0,245	0,109	0,150	0,201	0,232
Cronbach's Alpha	0,572	0,612	0,439	0,408	0,546	0,577

Table 9: Internal consistency reliability as measured by Cronbach's Alpha, and convergent validity as measured by the average variance extracted (AVE). These numbers were calculated for the final scores of 171 B2B-clients for their scores on value propositions as perceived and needed, for each of the three value disciplines.

The implication of insufficient internal consistency reliability and convergent validity, is that we cannot use data reduction to compare the average scores of all nine elements at once on latent variables of operational excellence, product leadership, and customer intimacy. In presenting our results, we will therefore analyze the 'gaps' on the level of individual elements between the different perspectives of *intention*, *perception*, and *needs*. This allows us to add more nuance and become more concrete as we discuss how the separate elements of a value proposition should be fulfilled.

3.5 Development of other closed-ended survey questions for B2B-clients

Apart from the scores on the value discipline scale, additional quantitative data will be obtained from the survey among B2B-clients. These variables can serve multiple purposes, e.g. variables used in the sample selection, variables as descriptive 'meta-data', and variables allowing for additional analyses.

Selection variables

Two selection questions were applied in selecting relevant respondents. These questions have already been discussed in paragraph 3.2.3. First, our target population comprises Dutch firms with 2-50 employees. Therefore, respondents were asked for the number of employees in their firm as measured in fte. Second, to make sure that respondents can provide us with relevant answers, we ask for the respondent's role in decision-making regarding P&C-insurance in their firm (Webster & Wind, 1972).

Descriptive variables

The first descriptive 'meta-data' relates to client industry. We mainly focus on those industries for which P&C-insurers are currently offering SME packages, i.e. professional services, retail, wholesale, construction, hotel and catering, and health and wellbeing (complemented with an open category of 'other'). Second, we ask for firm age to distinct between start-ups and more mature companies. Third, we ask for the respondent's function within their organization (e.g. management, staff, procurement, etc.).

Insurance-related variables

We ask for the importance of certain insurance products to the client's company. These products are based on the largest segments which were presented in Table 1 (Insurer Echo, 2013). For fire

insurance, a distinction is made between the more specific categories of buildings, inventory, and 'bedrijfsschade' for loss of revenue (ING, n.d.).

Furthermore, we ask for both the current and preferred distribution channel through which the respondent closes or changes his policy. On the one hand, we do not expect any changes if we assume that B2B-clients have already chosen the source of their own preference (and if not, they would already have made the switch). On the other hand, a move to direct distribution channels is not always possible as the risks of B2B-clients are more complex and more difficult to standardize via online channels (Berendsen, 2013). It would be interesting to observe whether clients would make a move to direct (online) distribution if this becomes possible in the future.

The question on current distribution channels is also used to assess which parties are involved in P&C-insurance for a particular B2B-client. This gives us an indication about the parties for which a B2B-client is giving his/her opinion in the remainder of the questionnaire. For the same end, we also ask for the number of insurance companies with which a client has closed a policy, and the insurance company with which the B2B-client has closed his most important policies. In addition, we use a semantic differential question to assess which party is more important to the client, i.e. an advisor (of the insurer, bank, or intermediary) or the insurer with which the policies are actually closed.

3.6 Semi-structured interview design

To complement the quantitative findings, semi-structured interviews will be conducted to obtain rich, qualitative background information for the purposes of *explanation*, *unexpected results*, and *illustration* (Greene *et al.*, 1989). A different set of themes and probing questions will be prepared for the interviews with P&C-insurers (highlighting the suppliers' perspective) and B2B-clients (highlighting the buyer's perspective). Although the overall themes will remain similar, the order in which these are discussed may vary slightly per interview to allow for flexibility and richness in responses from the interviewee. Based on findings from other research methods, for example the preliminary content analysis, probing questions were added and revised.

3.6.1 Semi-structured interview design for P&C-insurers

The goal of the interviews with P&C-insurers is to provide us with qualitative background information for a richer explanation on what a P&C-insurer really intends with its value proposition. Interview quotes should hence clarify the P&C-insurers' quantification on the value discipline scale. However, to prevent a bias of respondents to answer in terms of Treacy and Wiersema's (1997) value discipline terminology, we will ask them to fill in the questionnaire *after* the interviews.

First of all, we ask for the segmentation and targeting of the P&C-insurer in the B2B-market (Blythe, 2009). We will then proceed with how these companies intend to create value in general, and which element is most important in their value proposition. These elements may correspond with the elements of the value discipline scale (Micheels & Gow, 2009). After the P&C-insurer has chosen an element, we become more specific and present three general descriptions of the value disciplines (Treacy & Wiersema, 1997). We ask the P&C-insurer to what extent they recognize the distinctive value they aim to create in each of the three general descriptions. We also ask P&C-insurers for their future intention and developments which they anticipate in the market. Filling in the value discipline scale will be the last step in our contact with P&C-insurance companies.

3.6.2 Semi-structured interview design for B2B-clients

The goal of semi-structured interviews with B2B-clients is to gain insights in their perception of their current supplier, and what they would value most in a P&C-insurance offering from an ideal future supplier. Related to these goals, we also want to obtain some background information on how a B2B-client chooses a P&C-insurer, how the policy is closed or changed, and how performance is evaluated.

We start with an identification of the current P&C-insurer, the reason why the B2B-client has chosen for his current supplier, and whether the B2B-client thinks that his supplier is 'distinctive' or not. We proceed with an evaluation of this supplier, by asking whether the B2B-client feels secure about whether he is insured properly (or not), and what contributes to this feeling of (in)security. B2B-clients are also asked to rate their supplier, and the factors that contribute to their (dis)satisfaction. From there on, we continue by asking how an ideal supplier should distinct itself. The B2B-client is asked what the current supplier should improve to approach the status of 'ideal P&C-insurer'. Similar to our interviews with P&C-insurers, we ask for the most important element that contributes to the delivery of distinctive value. Interview respondents are also asked to fill in the value discipline scale, so that we might couple these quantitative results to the qualitative answers from interviews.

Chapter 4 Results

In this chapter, we report the results of our ‘gap analysis’ based on the hypotheses as presented in paragraph 2.6. We also argued in paragraph 2.6 why gap 5 and 6 will not be analyzed, and that we focus on gap 1 to 4. The results will first be discussed for each type of ‘gap’ in paragraphs 4.1 to 4.4.

For gap 1, the results will be analyzed on the level of a complete value proposition which P&C-insurers *intend* and *communicate* they are offering. No hypotheses will be tested in gap 1, which mainly serves an informative and exploratory goal. For gaps 2, 3, and 4, the results are analyzed on the level of separate elements in the value proposition. Due to the limited internal consistency reliability and convergent validity that was discussed in paragraph 3.4.3, we already concluded that we cannot use data reduction to compare the scores on the value disciplines for all nine elements at once. Therefore, the results for gap 2, 3, and 4 will be analyzed for each element separately.

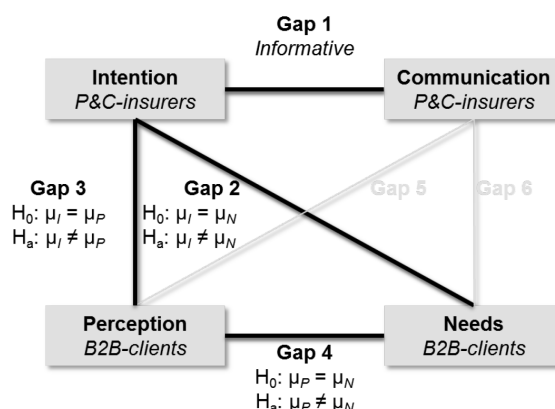


Figure 3: Gaps that were analyzed in this research

In paragraph 4.2 to 4.4, we start with a summary of the main results per gap on all elements, thereby considering whether the results per element indicate the same direction within a ‘gap’, for example towards lower or higher levels of a certain value discipline. In the discussion of Chapter 5, we consider the results on gaps 2, 3, and 4 simultaneously to discuss what the combination of gaps would imply per element.

Apart from the preference of B2B-clients and P&C-insurers towards a certain value discipline per element, we also asked which of these elements was considered as most important. Both P&C-insurers and B2B-clients were asked to rank the importance of nine elements in a value proposition of P&C-insurance. The results ² are presented in Figure 4 and Table 10, based on the average score of all respondents on a distribution from 1 (least important) to 9 points (most important).

B2B-clients' ranking (n = 171)	Average points	P&C-insurers ranking (n = 8)	Average points
1. Products and services	6,9 out of 9	1. Claims handling	6,0 out of 9
2. Pricing	6,3 out of 9	2. Risk management	5,9 out of 9
3. Conditions	5,5 out of 9	2. Relationship	5,9 out of 9
4. Advice	4,9 out of 9	4. Products and services	5,4 out of 9
5. Relationship	4,7 out of 9	5. Conditions	5,1 out of 9
6. Claims handling	4,6 out of 9	6. Pricing	5,0 out of 9
7. Communication	4,5 out of 9	7. Advice	4,8 out of 9
8. Closing/changing policies	3,9 out of 9	8. Closing/changing policies	3,9 out of 9
9. Risk management	3,8 out of 9	9. Communication	3,1 out of 9

Table 10: Importance of elements in a value proposition, according to P&C-insurers (N = 8) and B2B-clients (N = 171)

² Smith and Albaum (2004) raise the concern that ranking questions might become too complex if there are too many items for a person to be able to make distinctions. In this case, you might ask the respondent to rank the three most important items. Therefore, we also analyzed the results by counting how often an element was ranked as one of the three most important elements and/or as one of the three least important elements by individual respondents. Subtracting these amounts gives us a sort of ‘net promoter score’ per element. A ranking based on this ‘net promoter score’ did not result in significant differences in the ranking of elements. Therefore, we will assume that the rankings are robust to the application of different analysis procedures.

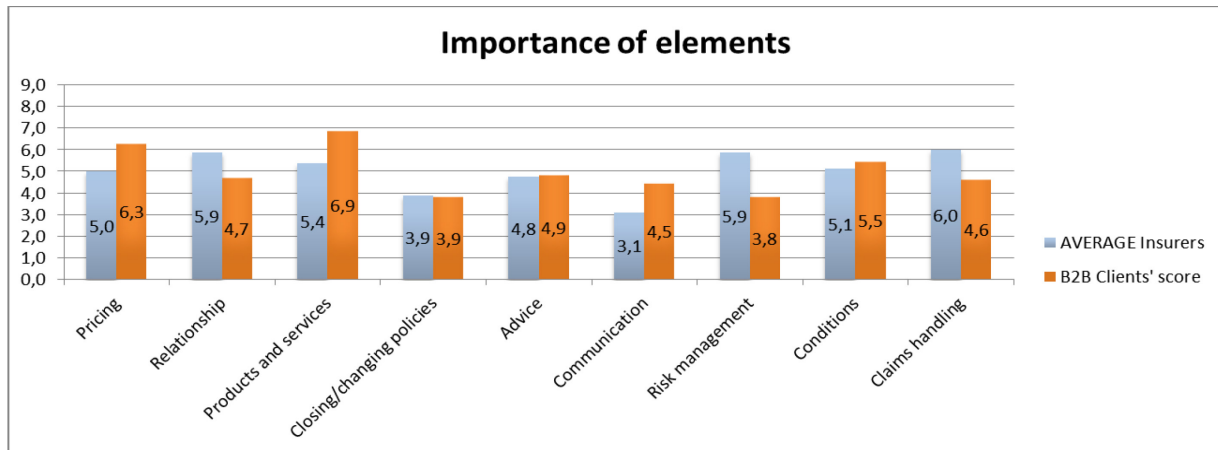


Figure 4: Importance of elements in a value proposition, according to P&C-insurers (N = 8) and B2B-clients (N = 171)

From Figure 4 and Table 10, it can be concluded that the most important elements for clients are 'products and services' (the coverage and conditions), 'pricing' (what are you willing to pay?), and 'conditions' (is it clear what is insured and not?). This might indicate that most clients will first of all make a basic trade-off between price and product, thereby considering how broad their insurance coverage is for the price paid. For insurers, 'claims handling' was on average considered as the most important element. Some insurers indicated during the interviews that the occurrence of damage and the subsequent claim handling is considered as 'the moment of truth'. The (dis)satisfaction and problems of a client with his insurer can be a consequence of (in)adequate claims handling.

An interesting finding is that risk management is considered as *second* most important by P&C-insurers, while it is considered as one of the *least* important by B2B-clients. Several P&C-insurers indicated in interviews that risk management (including prevention) can serve as a broader solution to the underlying client need of reducing risks. Apart from delivering value to the customer who will suffer less (often) from a loss, a reduction of claims can also lead to a more positive financial result for the P&C-insurer.

The gap on risk management might reflect the difficulty of a transition from 'classical' insurance (and the clients' trade-off between products and prices) towards a 'new' role for P&C-insurers where they are considered as more comprehensive risk advisors. In a highly competitive market, P&C-insurers are looking for new ways to become distinctive, apart from product and price. This might be done through advice and risk management as a complementary service.

However, the question is whether B2B-clients will need such additional services. The gap analysis in the following paragraphs may provide us with more insight regarding these questions. We will first start with an analysis of the gap between P&C-insurer's intention and communication.

4.1 Gap 1: What P&C-insurers *intend* vs. what they *communicate*

As indicated in paragraph 2.6, the analysis of communicated value propositions serves an informative and exploratory goal. This should provide us with an indication of the value propositions being offered. The gap analysis between intended and communicated value propositions should indicate whether there are inconsistencies between the communication and the intention of the insurer. This may indicate a possibility to improve the alignment of an insurer's internal organization.

Table 11 shows the results of the intended and communicated value propositions. The value disciplines with the highest score have been highlighted as ‘dominant’ value discipline. The most frequently intended value discipline is customer intimacy (in six of the eight value propositions). Customer intimacy is also the most frequently communicated value discipline (in five of the six value propositions). If we check whether the ‘dominant value disciplines’ are similar between *intention* and *communication*, we observe that this is the case for five of the eight value propositions.

<i>Insurer</i>	Alpha	Bravo		Charlie	Delta	Echo		Foxtrot
<i>Target segment</i>	<i>General</i>	<i>< 10 fte</i>	<i>10-50 fte</i>	<i>< 20 fte</i>	<i>General</i>	<i>< 10 fte</i>	<i>10-50 fte</i>	<i>General</i>
Intention								
Operational excellence	43	42	21	8	28	16	9	17
Product leadership	17	34	38	21	16	35	26	31
Customer intimacy	40	23	41	71	57	49	65	52
Communication								
Operational excellence	30	42		30	30	14		5
Product leadership	32	26		22	35	36		38
Customer intimacy	38	32		48	35	50		57

Table 11: Results for the intended value propositions (n = 8, based on the average score on the nine elements of the value discipline scale) and for communicated value propositions (n = 6, based on the average score of three sources of text on which a frequency count of keywords was applied). The value disciplines with the highest score per proposition have been highlighted as ‘dominant’ value discipline. Insurer Bravo and Insurer Echo submitted two intended value propositions (one per segment), while the scores of their communicated value propositions were measured once.

It should be noted that some value disciplines are more ‘dominant’, as some P&C-insurers show a much higher resemblance with a certain value discipline compared to others. For example, both Insurer Charlie and Insurer Bravo (with its proposition for B2B-clients with 10-50 fte) have customer intimacy as ‘dominant’ value discipline in their intention. However, Insurer Charlie seems to be more outspoken in this preference with a mean of 71, compared to 41 for Insurer Bravo. Nevertheless, we can conclude that most P&C-insurers seem to be consistent in their ‘dominant’ value discipline for both intention and communication. Differences were found for three value propositions:

- **Insurer Alpha’s general proposition:** Insurer Alpha’s communication was classified as less focused on operational excellence (Mean = 30) and customer intimacy (Mean = 38) than its intention on operational excellence (Mean = 43) and customer intimacy (Mean = 40). In communicating that Insurer Alpha also wants to deliver outstanding products (product leadership), this may lead to a less clear focus towards one value discipline in its communication. To become more focused, this implies that Insurer Alpha can put more emphasis in its communication on the benefits it intends to deliver. Examples of these benefits are ... [Confidential] (customer intimacy) and ... [Confidential] (operational excellence).
- **Insurer Bravo’s proposition for B2B-clients of 10-50 fte:** Insurer Bravo offers a different kind of value for different segments. For the segment of 10-50 fte, Insurer Bravo intends to ... [Confidential]. However, this focus on ... [Confidential] (in line with customer intimacy, intention’s mean = 41) is not as prominent (yet) in its communication (Mean = 32). Hence, the communication still seems to be oriented more on ... [Confidential]. If so, Insurer Bravo

could also shift its future communication focus from ... [Confidential] towards a focus on ... [Confidential].

- **Insurer Delta's general proposition:** During the interview, Insurer Delta indicated that it intends to be ... [Confidential]. However, being ... [Confidential] can contribute to different kinds of value in line with different value disciplines. In the communicated proposition of Insurer Delta, customer intimacy (Mean = 35, e.g. reflected by ... [Confidential]) and product leadership seem to be equally important (Mean = 35, e.g. reflected because ... [Confidential]). However, these value disciplines are closely followed by operational excellence (Mean = 30, e.g. ... [Confidential]). Now, if customer intimacy really is most important in Insurer Delta's *intention* (which seems the case, as the intention's mean = 57), the implication is that Insurer Delta could put more emphasis in its communication that ... [Confidential].

Of course, a comparison (or gap analysis) of these results should be made with caution, because the intention is based on a survey, whereas the communication is based on a frequency count of keywords. However, conclusions can also be drawn from the individual analyses. From the communication analysis (see Table 12), it is observed that P&C-insurers communicate multiple value propositions (in line with multiple value disciplines) within the segment of B2B-clients with 2-50 fte.

	Alpha	Bravo	Charlie	Delta	Echo	Foxtrot
Total of 3 sources						
Operational excellence	30%	42%	30%	30%	14%	5%
Product leadership	32%	26%	22%	35%	36%	38%
Customer intimacy	38%	32%	48%	35%	50%	57%
Total no. of keywords found	56	62	86	43	100	21
SME packages						
Operational excellence	39%	50%	39%	47%	27%	n/a
Product leadership	25%	22%	21%	33%	57%	n/a
Customer intimacy	36%	28%	40%	20%	17%	n/a
Total no. of keywords found	28	32	62	15	30	0
Liability insurance						
Operational excellence	19%	50%	18%	36%	33%	0%
Product leadership	31%	36%	0%	45%	25%	50%
Customer intimacy	50%	14%	82%	18%	42%	50%
Total no. of keywords found	16	14	11	11	12	4
'About us'						
Operational excellence	25%	19%	0%	12%	3%	6%
Product leadership	50%	25%	46%	29%	28%	35%
Customer intimacy	25%	56%	54%	59%	69%	59%
Total no. of keywords found	12	16	13	17	58	17

Table 12: Results of frequency count per text source, per insurer.

Table 12 shows the results of the frequency count of keywords. The results are presented per text source for each insurer. Although the number of keywords per source might be low, these results indicate that only one insurer (Insurer Charlie) has the same 'dominant' value discipline across the text sources of SME packages, liability insurance, and the 'about us' web pages. This could imply that five P&C-insurers are not consistent in their value proposition, as they communicate different value disciplines at once. It could also mean that these insurers pursue multiple value propositions, but that these are formulated on a lower aggregation level than on brand level.

Therefore, a question was added to the interview protocol for insurers, asking them on which level they define a value proposition (e.g. for the whole brand or whether there are different value propositions for different segments). Three of the six insurers (Insurer Alpha, Insurer Bravo, and Insurer Charlie) claim to have a generic proposition on brand level, but with a more specific interpretation per segment (hence offering multiple value propositions). Two insurers (Insurer Delta and Insurer Echo) did not mention one generic proposition on brand level, and the last insurer's value proposition (Insurer Foxtrot) is primarily based on tailor-made solutions for corporate clients, although it is also developing a proposition with more standardized products per industry. In short, most insurers intend to offer more than one value proposition.

In conclusion, the gaps between intended and communicated value disciplines were explored by comparing the 'dominant value disciplines'. The 'dominant' value disciplines were similar between intention and communication for five out of eight value propositions. Differences were found for three value propositions, each with various reasons and implications. Looking at communication separately, it was found that five of the six insurers communicate different 'dominant' value disciplines across three text sources. This may indicate that insurers are inconsistent in the value proposition they communicate. However, most insurers indicated in the interviews that they offer different value propositions to different segments, or that a generic value proposition is interpreted per segment. This might be one of the explanations why different 'dominant' value disciplines are communicated.

According to Treacy and Wiersema (1997), one company cannot deliver all these kinds of values simultaneously, which would lead to "*being mediocre on all three disciplines*". From a theoretical perspective, this would imply that P&C-insurers could improve their focus by making a more profound choice for one value discipline. Delivering superior value requires that the whole operating model of a business unit is aligned towards the creation of one kind of value. Therefore, following the theory, P&C-insurers could still realize multiple kinds of value if these are created in different business units. This research has not focused on the operating models of insurers and how insurers are organized in different business units. The extent to which P&C-insurers currently succeed to create value for the client, should be answered by the following sub-questions.

4.2 Gap 2: What the P&C-insurer *intends* vs. what the B2B-client *needs*

Using an independent (two-)samples *t*-test, eight significant gaps were identified between the average value discipline scores as *intended* by P&C-insurers and *needed* by B2B-clients. These eight gaps were distributed among five of the nine elements in a value proposition (see Table 13). The elements with significant gaps will be discussed in the following subparagraphs, including the formal reporting of *t*-statistics. For now, a short overview of the results will be presented.

Operational excellence is significantly higher for the clients' needs on three elements: pricing, advice, and risk management. In addition, a significant decrease of customer intimacy can be observed on four elements, including the three elements we just mentioned. These elements are: pricing, closing/changing policies, advice, and risk management. Finally, product leadership is less important in clients' needs regarding 'products and services' when compared to insurers' intention.

	Intended by P&C-insurers (n = 8)		Needed by B2B-clients (n = 171)		t-value (intended and needed)
	Mean	SD	Mean	SD	
Pricing					
Operational excellence	23,1	15,3	47,7	30,9	2,225*
Product leadership	35,6	13,5	26,9	22,2	-1,094
Customer intimacy	41,3	16,4	25,4	21,4	-2,058*
Relationship					
Operational excellence	23,1	30,3	35,4	31,9	1,072
Product leadership	25,6	19,2	22,1	19,5	-0,522
Customer intimacy	51,3	23,0	42,5	30,3	-0,799
Products and services					
Operational excellence	15,6	17,6	30,7	28,1	1,483
Product leadership	45,0	20,7	22,8	20,7	-2,951**
Customer intimacy	39,4	12,7	46,4	28,2	1,453
Closing/changing policies					
Operational excellence	18,1	27,0	35,1	30,5	1,542
Product leadership	20,0	21,4	27,7	26,0	0,817
Customer intimacy	61,9	35,7	37,2	31,1	-2,170*
Advice					
Operational excellence	22,5	19,4	48,9	30,6	2,110*
Product leadership	22,5	6,1	18,0	19,9	-0,576
Customer intimacy	55,0	21,7	33,1	26,0	-2,028*
Communication					
Operational excellence	18,1	19,6	33,3	33,6	1,254
Product leadership	25,6	15,0	20,2	22,7	-0,674
Customer intimacy	56,3	29,2	46,5	35,7	-0,744
Risk management					
Operational excellence	16,9	21,9	36,2	30,9	1,745 ⁺
Product leadership	16,9	14,4	31,5	27,7	1,458
Customer intimacy	66,3	27,2	32,4	29,3	-3,189**
Conditions					
Operational excellence	28,8	8,8	23,4	25,4	-1,477
Product leadership	27,5	10,7	33,9	27,9	1,460
Customer intimacy	43,8	16,9	42,7	29,9	-0,088
Claims handling					
Operational excellence	43,1	17,5	32,8	29,3	-0,988
Product leadership	24,4	18,8	36,2	32,2	1,022
Customer intimacy	32,5	28,2	31,1	31,0	-0,126

Table 13: Means and standard deviations (SD) for the scores on the three value disciplines per element. The means of P&C-insurers' intention and B2B-clients' needs were compared using an independent samples t-test. The t-value is reported in the last column. ⁺ p < 0,10, * p < 0,05, ** p < 0,01, *** p < 0,001 (two-tailed).

4.2.1 P&C-insurers' intention versus B2B-clients' needs for pricing

B2B-clients' needs on the element of pricing were classified as significantly less customer intimate ($M = 25.4$, $SD = 21.4$) than in P&C-insurers' intention ($M = 41.3$, $SD = 16.4$), with $t(177) = -2.058$, $p < .05$. Instead, B2B-clients' needs are found to be significantly more aligned with operational excellence ($M = 47.7$, $SD = 15.3$) compared to P&C-insurers' intention ($M = 23.1$, $SD = 15.3$), with $t(177) = 2.225$, $p < .05$. So, while P&C-insurers expect that B2B-clients are willing to pay more for products and services that are aligned with their specific needs (customer intimacy on pricing), B2B-clients indicate a need for delivery of products against the lowest price in the market, for an optimal combination of price and quality (operational excellence in pricing).

The higher importance of an optimal price-quality ratio might indicate that B2B-clients are first of all making a basic trade-off between price and product quality, before other elements are considered. This explanation might be reinforced by the fact that B2B-clients ranked 'pricing' and 'products and services' as most important elements (see Table 10). In addition, the need for competitive prices might be more important to B2B-clients because differences in products and services are currently hard to find – according to some B2B-clients due to a lack of transparency, but also because *"differences in products are hard to find – even for us as an insurer"*, as indicated by Insurer Charlie. Two of the six P&C-insurers actively mentioned that they expect that the 'commoditization' of insurance products will continue in the future. If this trend of commoditization would continue, P&C-insurers may need to become more competitive on price, through which they might close the gap with clients' needs for more operational excellence.

However, Insurer Delta was the only P&C-insurer telling that, as a generalist in insurance, they aim to deliver all products for competitive prices. In contrast, most P&C-insurers confirmed during the interviews that they do not intend to be a price fighter, and try to move away from price competition by becoming distinctive through their knowledge, products or (risk) advice. Currently, the willingness to pay for an insurer who knows what his client needs and delivers tailor-made products, is lower in B2B-clients' needs compared to P&C-insurers' intention. The challenge for P&C-insurers is to convince clients of the added value they might deliver, apart from a competitive price.

Implications

- *Though currently not intended by most insurers, competitive prices can be a distinctive factor.*
- *If P&C-insurers aim to create value apart from a competitive price (e.g. more customer intimacy in knowing what clients need), they should better explain what added value they deliver to B2B-clients*

4.2.2 P&C-insurers' intention versus B2B-clients' needs for products and services

On products and services, we found that B2B-clients' needs for product leadership ($M = 22.8$, $SD = 20.7$) are classified as significantly lower than P&C-insurers intention ($M = 45.0$, $SD = 17.6$), with $t(177) = -2.951$, $p < .01$. Product leadership would reflect the offering of high quality, innovative products, so the client knows that all his risks are covered. However, this need seems to be less prevalent in B2B-clients' needs. Instead, there is an indication that B2B-clients' needs on customer intimacy are more important on average ($M = 46.4$, $SD = 28.2$), although heterogeneity in needs is high (as observed from a relatively high standard deviation). Customer intimacy would imply that P&C-insurers try to build a relationship with their B2B-clients, so that they know what is relevant to the client, allowing insurers to adapt the products and services to match the clients' needs. No gaps

were found on customer intimacy, as P&C-insurers also seem to indicate a relatively high importance of this value discipline in their intention ($M = 39.4$, $SD = 12.7$).

An explanation for the lower level of product leadership might be that B2B-clients do not necessarily need the most innovative products, and are less interested in insuring *all* risks. Instead, B2B-clients only want to insure *relevant* risks which “*you can’t or don’t want to carry yourself*”, in line with customer intimacy. For this end, P&C-insurers are already offering predefined insurance packages with the most relevant products for a specific industry. Currently, these packages mainly exist for client industries with a high premium volume, such as professional service firms. However, as Insurer Charlie indicated in interviews, problems may occur if a client’s profile does not fit in such a predefined package. This can also be the case if the risks of a company are too large or too complicated to be insured via a standardized industry package. Insurer Charlie indicated that this problem might be most prominent for clients with approximately 20-80 fte (or 10-100 fte). While the needs of these clients might not be fulfilled appropriately by standard insurance packages, they are also too small to receive a truly tailor-made solution which insurers offer to corporate clients (e.g. starting from 80 or 100 fte). Therefore, there is a large segment which may fall ‘in between’. An option to serve these clients as well, is to increase the variety in insurance packages (e.g. by offering packages for more industries), to increase the coverage (e.g. for larger risks), and/or to offer more flexibility within these packages to adapt the content to an individual B2B-client’s needs. This might be simplified by offering an array of product modules which can be activated.

Implications

- *P&C-insurers should focus on offering products and services which cover relevant risks, and not necessarily on products insuring all risks.*
- *A challenge for P&C-insurers is to offer a wider variety of insurance packages and more flexibility within these packages at lower costs, especially for clients who cannot be insured sufficiently via the current standardized (industry-specific) insurance packages, and who are too small for truly tailor-made products as offered to corporate clients.*

4.2.3 P&C-insurers’ intention versus B2B-clients’ needs for closing and changing policies

For closing and changing policies, the needs of B2B-clients on customer intimacy ($M = 37.2$, $SD = 31.1$) are classified as significantly lower than P&C-insurers intention ($M = 61.9$, $SD = 35.7$), with $t(177) = -2.170$, $p < .05$. This implies that B2B-clients show a less prevalent need for an advisor who makes sure that a policy is closed in accordance with the B2B-clients’ needs. Compared to customer intimacy, B2B-clients’ average score on operational excellence ($M = 35.1$, $SD = 30.5$) and product leadership ($M = 27.7$, $SD = 26.0$) lie close behind, while standard deviations also indicate a high heterogeneity between B2B-clients and their needs. Operational excellence means that B2B-clients have the opportunity to close their policies directly with the P&C-insurer in a fast and easy manner.

A possible explanation might be derived from preferred distribution channels. From our survey, 55% of B2B-clients preferred intermediaries or banks as distribution channel in the future, whereas the other B2B-clients preferred direct channels. This might explain that some B2B-clients still have a preference for an advisor who closes their policy (customer intimacy), whereas other B2B-clients prefer the benefits of direct channels, e.g. ‘quick’ and ‘simple’ (operational excellence). In contrast, five out of six P&C-insurers in our sample still intend to work predominantly via intermediaries (or banks), which might explain the higher average extent of customer intimacy in

their intention. P&C-insurers might be hesitant to switch towards direct channels, as they do not want to 'offend' their intermediary business partners whom generate a large share of current (and future) revenues. However, given the clients' needs, P&C-insurers may have to consider that direct distribution might become more important.

Implication

- *P&C-insurers may anticipate an increase in clients' needs for direct distribution channels or at least the benefits associated with it, for example that policies can be closed fast and easily.*

4.2.4 P&C-insurers' intention versus B2B-clients' needs for advice

Regarding advice, B2B-clients' needs in line with operational excellence ($M = 48.9$, $SD = 30.6$) are significantly higher compared to P&C-insurers' intention ($M = 22.5$, $SD = 19.4$), with $t(175) = 2.110$, $p < .05$. This indicates that P&C-insurers may underestimate the need for a quick and simple answer if clients ask for advice. In contrast, B2B-clients' needs in line with customer intimacy ($M = 33.1$, $SD = 26.0$) are significantly lower than in P&C-insurers' intention ($M = 55.0$, $SD = 21.7$), with $t(175) = -2.028$, $p < .05$. This implies that P&C-insurers may overestimate the clients' needs for a tailor-made advice as part of a specific solution for his needs.

A possible explanation why advice needs to be quick is that insurance might be regarded as a 'low interest product' on which B2B-clients do not want to spend too much time. However, it will be difficult for P&C-insurers to give a quick advice if the insurer should also deliver tailor-made products. These products should be tailored to the client's needs, and the insurer may need some time to learn about the client's needs. The challenge would be to spend the available time for advice as useful as possible and keep it short. By reducing the time that clients spend with their advisors, the total costs for the client can be reduced. In addition, clients also indicate a need for *clear* advice. The interviewed clients suggested that this can be done by reducing the use of complicated calculation methods or difficult terms in the contact with clients.

Implication

- *More convenience can be offered to clients by reducing the time that clients spent with their advisor.*

4.2.5 P&C-insurers' intention versus B2B-clients' needs for risk management

For risk management, customer intimacy seems to be classified as most important in the intention of P&C-insurers ($M = 66.3$, $SD = 27.2$), but in the needs of B2B-clients ($M = 32.4$, $SD = 29.3$), it is significantly less important, with $t(177) = -3.189$, $p < 0.01$. This would mean that, on average, P&C-insurers overestimate the needs of B2B-clients for an advisor who has the discussion with a client to reduce the occurrence and impact of risks which are most relevant for his specific company. A contrary development can be seen on operational excellence, where B2B-clients' needs ($M = 36.2$, $SD = 30.9$) are significantly higher than P&C-insurers intend to deliver ($M = 16.9$, $SD = 14.4$), with $t(177) = 1.745$, $p < .10$. This would mean that, on average, P&C-insurers underestimate the need for B2B-clients to conduct a simple (online) risk scan by himself, to reduce the most obvious risks and keep the costs of advice low. However, in general, we see that B2B-clients' needs are almost evenly distributed between the three value disciplines, as the means seem to be of a comparable level and because standard deviations are high, indicating a high heterogeneity in the needs of various clients.

A possible explanation in B2B-clients' heterogeneity of needs might be found in the importance of the element 'risk management'. P&C-insurers consider risk management as one of the most important elements, while B2B-clients rank it as one of the least important elements in a value proposition. When we discussed risk management in interviews with B2B-clients, some of them were only interested in the measures that are required according to the conditions, i.e. risk management as a minimal requirement to get *reimbursements*. These might be the B2B-clients that are also making a basic trade-off between price and products. The challenge for P&C-insurers is to make them more aware of the added value of risk management. It is also in the best interest of P&C-insurers, as a reduction of the occurrence and impact of a loss will increase their financial results.

Therefore, P&C-insurers and intermediaries may need to 'push' this into the market. Actually, B2B-clients also expect that the intermediary or P&C-insurer will show initiative in alerting B2B-clients on potential risks, or even on such simple things as a change in policies (which might impose a risk). Four of the ten interviewed clients actively mentioned a more 'pro-active' role as a point for future improvement.

Implication

- *P&C-insurers and their intermediaries need to be more pro-active in explaining the added value that they can deliver to clients on risk management.*

4.3 Gap 3: What the P&C-insurer *intends* vs. what the B2B-client *perceives*

Using an independent (two-)samples *t*-test, eight significant gaps were found between the average value discipline scores as *intended* by P&C-insurers and *needed* by B2B-clients. These eight gaps were distributed among five of the nine elements between the scores as *intended* by P&C-insurers and *perceived* by B2B-clients. The results are presented in Table 14. The elements with significant gaps will be discussed in the following subparagraphs, including the formal reporting of *t*-statistics. For now, we will provide a short summary of the main results.

On three elements, B2B-clients perceive that P&C-insurers are more oriented to offer simple products and services against low prices (in line with operational excellence), compared to what P&C-insurers actually intend. These elements are: pricing, products and services, and advice. On average, B2B-clients perceived on four elements a significantly lower level of customer intimacy compared to what P&C-insurers intend. These elements are: pricing, closing/changing policies, advice, and risk management. Finally, customers also perceive a significantly lower level of product leadership on the element products and services.

	Intended by P&C-insurers (n = 8)		Perceived by B2B-clients (n = 171)		t-value (intended and needed)
	Mean	SD	Mean	SD	
Pricing					
Operational excellence	23,1	15,3	45,8	28,3	2,238*
Product leadership	35,6	13,5	28,2	22,2	-0,917
Customer intimacy	41,3	16,4	26,0	20,1	-2,112*
Relationship					
Operational excellence	23,1	30,3	41,8	32,2	1,603
Product leadership	25,6	19,2	22,5	20,6	-0,404
Customer intimacy	51,3	23,0	35,7	29,4	-1,485
Products and services					
Operational excellence	15,6	17,6	35,8	28,4	1,992*
Product leadership	45,0	20,7	25,9	21,0	-2,527*
Customer intimacy	39,4	12,7	38,3	26,7	-0,115
Closing/changing policies					
Operational excellence	18,1	27,0	33,7	28,0	1,532
Product leadership	20,0	21,4	29,3	26,0	1,004
Customer intimacy	61,9	35,7	37,0	29,0	-2,343*
Advice					
Operational excellence	22,5	19,4	42,2	28,7	1,660 +
Product leadership	22,5	6,1	21,7	21,1	-0,105
Customer intimacy	55,0	21,7	36,1	26,5	-1,712 +
Communication					
Operational excellence	18,1	19,6	31,0	31,5	1,132
Product leadership	25,6	15,0	22,1	23,4	-0,437
Customer intimacy	56,3	29,2	46,9	34,4	-0,737
Risk management					
Operational excellence	16,9	21,9	31,1	29,3	1,345
Product leadership	16,9	14,4	33,1	28,5	1,591
Customer intimacy	66,3	27,2	35,7	30,6	-2,746**
Conditions					
Operational excellence	28,8	8,8	28,4	26,7	-0,103
Product leadership	27,5	10,7	30,2	24,7	0,303
Customer intimacy	43,8	16,9	41,4	30,0	-0,213
Claims handling					
Operational excellence	43,1	17,5	33,1	25,3	-1,091
Product leadership	24,4	18,8	30,1	24,3	0,641
Customer intimacy	32,5	28,2	36,8	27,3	0,426

Table 14: Means and standard deviations (SD) for the scores on the three value disciplines per element. The means of P&C-insurers' intention and B2B-clients' perception were compared using an independent samples t-test. The t-value is reported in the last column. ⁺ p < 0,10, * p < 0,05, ** p < 0,01, * p < 0,001 (two-tailed).**

4.3.1 P&C-insurers' intention versus B2B-clients' perception for pricing

The perception of B2B-clients on the element of pricing can be classified as significantly more operational excellent ($M = 45.8$, $SD = 28.3$) than P&C-insurers intend ($M = 23.1$, $SD = 15.3$), with $t(177) = 2.238$, $p < .05$. However, we observe significantly less customer intimacy in the perception of B2B-clients ($M = 26.0$, $SD = 20.1$) compared to P&C-insurers' intention ($M = 41.3$, $SD = 16.4$), with $t(177) = -2.112$, $p < .05$. So, while P&C-insurers expect that B2B-clients are willing to pay more for products and services that are aligned with their specific needs (customer intimacy on pricing), B2B-

clients perceive that insurers aim to deliver products and services against the lowest price in the market, for an optimal combination of price and quality (operational excellence in pricing).

This might be explained as B2B-clients currently perceive that differences in the products and services of different insurers are hard to find – according to some B2B-clients due to a lack of transparency, but also because *“differences in products are hard to find – even for us as an insurer”*, as indicated by Insurer Charlie. For three of the interviewed B2B-clients, differences are unknown because they *“cannot make a comparison, because we have had the same P&C-insurer and intermediary for over 20 years.”* As a result, B2B-clients may not perceive that they are paying for extra products and services. The challenge for P&C-insurers is to make their focus on tailor-made solutions more clear.

Implication:

- *P&C-insurers should make their focus on tailor-made solutions more clear, so that B2B-clients can see the difference with offerings of other insurers more clear as well.*

4.3.2 P&C-insurers' intention versus B2B-clients' perception for products and services

For products and services, the classification of product leadership was significantly lower for B2B-clients' perceptions ($M = 25.9$, $SD = 21.0$) compared to the intention of P&C-insurers ($M = 45.0$, $SD = 17.6$) with $t(177) = -2,527^*$, $p < .05$. Instead, B2B-clients' perceive a value proposition which can be classified as more operational excellent ($M = 35.8$, $SD = 28.4$) than P&C-insurers intend ($M = 15.6$, $SD = 17.6$), with $t(177) = 1.992$. This means that, on average, B2B-clients do not perceive that P&C-insurers offer such innovative and qualitatively strong products, with which the client knows that all his risks are covered (reflecting product leadership in our scale). Instead, according to average B2B-clients' perception, P&C-insurers are more oriented on insuring that what is strictly necessary, so that P&C-insurers are able to offer competitive prices (reflecting operational excellence).

During the interviews, most P&C-insurers indicated that they do not intend to be a price fighter, nor do they intend to become one in the future. However, a possible explanation for the higher perception of B2B-clients on operational excellence might be that (some) clients have doubts regarding the coverage of their insurance and the height of reimbursements. In our interviews, four of the ten interviewed B2B-clients were doubtful when they were asked if they are insured properly. What contributes to the doubts of such clients, are cases in which these B2B-clients (or a colleague-entrepreneur) did not receive a reimbursement after submitting a claim. Reimbursements might also be insufficient to repurchase any lost assets, as these are based on book value, instead of replacement value. Therefore, a challenge for P&C-insurers would be to reduce the occurrence and impact of such exemplar cases which influence the clients' perception.

Implication:

- *P&C-insurers have to make clear they do not intend to insure only what is strictly necessary. This could be done, for example, by reducing the impact and occurrence of cases in which an insufficient or no reimbursement is granted to B2B-clients (which might negatively influence the B2B-clients' perception).*

4.3.3 P&C-insurers' intention versus B2B-clients' perception for closing and changing policies

For closing and changing policies, B2B-clients' perceptions in line with customer intimacy ($M = 37.0$, $SD = 29.0$) are significantly lower than P&C-insurers intention ($M = 61.9$, $SD = 35.7$), with $t(177) = -2.343$, $p < .05$. Customer intimacy on this element would imply that the advisor makes sure that a policy is closed in accordance with the needs of B2B-clients. This may explain the focus of P&C-insurers, as five of the six interviewed P&C-insurers intend to work via intermediaries, involving an advisor in closing and changing the policy.

However, in the sample of B2B-clients, the proportion of B2B-clients who closed their policy via intermediary channels is smaller compared to P&C-insurers. Approximately 65% (i.e. 111 of the 171) B2B-clients closed their policies via intermediary channels (including banks as well as insurance intermediaries). This might explain why B2B-clients also perceive (on average) that they can close their policy directly via the P&C-insurer, which works fast and easy (i.e. more operational excellent).

Implication:

- *On average, the group of B2B-clients perceive both a role for advisors/intermediaries in closing and changing policies, but also for (the benefits associated with) directly closing/changing a policy with the P&C-insurer, working fast and easy.*

4.3.4 P&C-insurers' intention versus B2B-clients' perception for advice

Regarding advice, B2B-clients' perception can be classified as significantly more operational excellent ($M = 42.2$, $SD = 28.7$) than P&C-insurers' intention ($M = 22.5$, $SD = 19.4$), with $t(175) = 1.660$, $p < .10$. This seems to come at the cost of customer intimacy, which is less prevalent in B2B-clients' perception ($M = 36.1$, $SD = 26.5$) compared to P&C-insurers' intention ($M = 55.0$, $SD = 21.7$), with $t(175) = -1.712$, $p < .10$. This means that P&C-insurers intend to deliver a tailor-made advice in accordance with the specific needs of a B2B-client (customer intimacy), while this is less prevalent in the perception of B2B-clients. And although operational excellence is not as prominent in P&C-insurers' intention, B2B-clients perceive that P&C-insurers put more effort in giving a quick and simple answer when they are asked for advice (operational excellence).

An explanation might be that B2B-clients base their perception on the most frequently occurring form of advice. These might be the short questions for which B2B-clients need a quick answer. For example, one of our interviewees with a gardening business always asks whether he is insured as soon as he employs a new activity, such as hiring a crane. Another B2B-client with a consulting company makes sure that his coverage is expanded when he travels with a laptop, beamer, and other expensive electronics. However, this does not mean that a more specific advice (customer intimacy) is perceived as unimportant for B2B-clients. In case of a (periodic) check-up, several of our interviewed B2B-clients preferred the involvement of an advisor, to make sure whether the policy still fits with the scale of (and variety in) the activities of their specific firm.

Implication:

- *The added value that P&C-insurers intend to deliver via tailor-made advice does not resonate yet. This might be because B2B-clients base their perception on more frequently occurring forms of advice, which would clarify why 'quick and simple answers' are more prevalent now.*

4.3.5 P&C-insurers' intention versus B2B-clients' perception for risk management

For risk management, B2B-clients' perceptions can be classified as significantly lower on customer intimacy ($M = 35.7$, $SD = 30.6$) compared to P&C-insurers' intention ($M = 66.3$, $SD = 27.2$), with $t(177) = -2.746$, $p < .01$. Hence, it does not resonate with B2B-clients yet that P&C-insurers intend to give a more prominent role to the advisor in risk management. In P&C-insurers' intentions, the advisor will have the discussion with a B2B-client to reduce the occurrence and impact of risks which are most relevant for the client's specific company. This might be explained by the earlier-mentioned fact that five of six P&C-insurers in our sample are mainly operating via intermediary channels.

A possible explanation why clients' perception is less aligned with one value discipline on this element is that clients may have little experience with risk management so far. In our interviews, four of the ten clients actively mentioned that P&C-insurers and intermediaries are not very pro-active in alerting clients on potential risks, or even on such simple things as a change in policies (which might impose a new risk). Therefore, P&C-insurers' focus on risk management might be more of a *future* intention, which P&C-insurers still have to work out. This is what Insurer Bravo indicated, for example, as they expect to quit their product for firms with 10-50 fte and move towards a more integrated role of risk advisor. The challenge for P&C-insurers (and their intermediaries) is to make the role of risk management and its added value more clearly to clients.

Implication:

- *The important role of the advisor in risk management is not perceived by clients yet. P&C-insurers and intermediaries should be more pro-active in the execution of risk management to make clear which added value can be delivered.*

4.4 Gap 4: What the B2B-client *perceives* vs. what he *needs*

Using a paired-samples t-test, we identified twelve gaps in which the average difference between value discipline scores as *perceived* and *needed* by B2B-clients, was found to be significant. These twelve gaps were distributed among five of the nine elements in a value proposition. The results are reported in Table 15. The elements with significant results will be discussed in the following subparagraphs, including the formal reporting of the t-tests. For now, a short summary of the main results will be presented.

On three elements, the individual B2B-client indicates that he needs less operational excellence and/or more customer intimacy than what is currently delivered by P&C-insurers in the individual client's perception. These three elements are: relationship, products and services, and conditions. However, we see a contrary development on the elements 'advice' and 'risk management', for which the individual B2B-client indicates that he needs more operational excellence and less customer intimacy than what is currently delivered by P&C-insurers in the individual clients' perception.

What needs to be considered though, is that heterogeneity in B2B-clients' perceptions and needs is high, as reflected by the high standard deviations. Although we did find significant gaps on these elements, these are based on the average differences for individual B2B-clients. Therefore, conclusions for all B2B-clients should be made with great caution when we want to indicate which value discipline is most important, or what the optimal, absolute level of a value discipline would be. Nevertheless, the gaps do indicate a trend whether B2B-clients prefer a lower or higher level of a certain value discipline. These significant trends will be discussed in the following subparagraphs.

	Perceived by B2B-clients		Needed by B2B-clients		n	95% CI for mean difference	r	t-value	df
	Mean	SD	Mean	SD					
Pricing									
Operational excellence	45,8	28,3	47,7	30,9	171	-4,572; 0,747	0,826	-1,419	170
Product leadership	28,2	22,2	26,9	22,2	171	-1,090; 3,850	0,729	1,103	170
Customer intimacy	26,0	20,1	25,4	21,4	171	-2,013; 3,078	0,671	0,413	170
Relationship									
Operational excellence	41,8	32,2	35,4	31,9	171	2,143; 10,676	0,611	-2,965**	170
Product leadership	22,5	20,6	22,1	19,5	171	-1,777; 2,607	0,739	-0,374	170
Customer intimacy	35,7	29,4	42,5	30,3	171	-10,729; -2,920	0,625	3,450***	170
Products and services									
Operational excellence	35,8	28,4	30,7	28,1	171	1,152; 8,977	0,580	-2,555*	170
Product leadership	25,9	21,0	22,8	20,7	171	-0,062; 6,237	0,499	-1,935 ⁺	170
Customer intimacy	38,3	26,7	46,4	28,2	171	-11,889; -4,415	0,595	4,307***	170
Closing/changing policies									
Operational excellence	33,7	28,0	35,1	30,5	171	-4,477; 1,705	0,758	-0,885	170
Product leadership	29,3	26,0	27,7	26,0	171	-1,666; 5,022	0,637	0,991	170
Customer intimacy	37,0	29,0	37,2	31,1	171	-2,888; 2,304	0,839	-0,222	170
Advice									
Operational excellence	42,2	28,7	48,9	30,6	171	-10,098; -3,352	0,718	3,936***	170
Product leadership	21,7	21,1	18,0	19,9	171	0,439; 6,929	0,451	-2,241*	170
Customer intimacy	36,1	26,5	33,1	26,0	171	0,018; 6,064	0,709	-1,986*	170
Communication									
Operational excellence	31,0	31,5	33,3	33,6	171	-5,676; 1,091	0,765	-1,337	170
Product leadership	22,1	23,4	20,2	22,7	171	-1,124; 4,960	0,619	1,245	170
Customer intimacy	46,9	34,4	46,5	35,7	171	-3,833; 4,582	0,684	0,176	170
Risk management									
Operational excellence	31,1	29,3	36,2	30,9	171	-8,363; -1,695	0,733	2,978**	170
Product leadership	33,1	28,5	31,5	27,7	171	-1,027; 4,373	0,798	-1,223	170
Customer intimacy	35,7	30,6	32,4	29,3	171	0,654; 6,060	0,822	-2,451*	170
Conditions									
Operational excellence	28,4	26,7	23,4	25,4	171	2,070; 7,883	0,728	-3,380***	170
Product leadership	30,2	24,7	33,9	27,9	171	-6,936; - 0,467	0,675	2,259*	170
Customer intimacy	41,4	30,0	42,7	29,9	171	-5,033; 2,483	0,654	0,670	170
Claims handling									
Operational excellence	33,1	25,3	32,8	29,3	80	-5,597; 6,422	0,483	0,137	79
Product leadership	30,1	24,3	36,2	32,2	80	-9,194; 1,619	0,626	-1,394	79
Customer intimacy	36,8	27,3	31,1	31,0	80	-2,252; 9,002	0,611	1,194	79

Table 15: Means and standard deviations (SD) for the scores on the three value disciplines per element. The average difference between value discipline scores as *perceived* and *needed* by individual B2B-clients have been tested on significance, using a paired-samples t-test. ⁺ p < 0,10, * p < 0,05, ** p < 0,01, *** p < 0,001 (two-tailed).

4.4.1 B2B-clients' perception versus B2B-clients' needs for relationship

For the element relationship, the individual B2B-client's needs ($M = 35.4$, $SD = 31.9$) are classified as significantly lower on operational excellence than currently perceived ($M = 41.8$, $SD = 32.2$), with $t(177) = -2.965$, $p < .01$. This means that B2B-clients show a lower need (than currently perceived) for a P&C-insurer who has little personal contact with its clients and uses more written communication.

On the other hand, the individual B2B-client's needs ($M = 42.5$, $SD = 30.3$) are classified as significantly higher on customer intimacy than currently perceived ($M = 35.7$, $SD = 29.4$), with $t(177) = 3.450$, $p < .001$. Hence, B2B-clients show on average a higher need for a P&C-insurer that tries to build a personal relationship with its clients, so that he knows what the B2B-client needs and that products can be customized to those needs. From our interviews, three out of ten B2B-clients actively mentioned "*an advisor who visits me personally*" as a characteristic of an ideal P&C-insurer.

So, although we cannot indicate one optimal level given the high standard deviations of client scores, the significant average differences indicate that P&C-insurers should increase the amount of personal contact with their clients, compared to what B2B-clients experience now.

Implication

- *On average, P&C-insurers could increase personal contact, as a relationship can contribute to better understanding of clients' needs, in order to deliver better customized products.*

4.4.2 B2B-clients' perception versus B2B-clients' needs for products and services

For the element products and services, the individual B2B-client's needs ($M = 30.7$, $SD = 28.1$) are classified as significantly lower on operational excellence than currently perceived ($M = 35.8$, $SD = 28.4$), with $t(177) = -2.555$, $p < .05$. This means that B2B-clients show on average less need for a P&C-insurer who only insures what is strictly necessary, so that they are able to offer competitive prices, compared to what B2B-clients experience now. In addition, the individual B2B-client's needs ($M = 22.8$, $SD = 20.7$) are classified as significantly lower on product leadership (although this significance is observed on a 10% level) compared to current perception ($M = 25.9$, $SD = 21.0$), with $t(177) = -1.935$, $p < .10$. This means that B2B-clients show on average less need (compared to current perception) for a P&C-insurer offering innovative and qualitatively strong products, with which the client knows that all his risks are covered.

These declines might be compensated by a significantly higher classification of the individual B2B-client's needs on customer intimacy ($M = 46.4$, $SD = 28.2$) compared to current perception ($M = 38.3$, $SD = 26.7$), with $t(177) = 4.307$, $p < .001$. So, for the average B2B-client, it is more important that a P&C-insurer knows his client, including which products and services are relevant to him. With this knowledge, an insurer can customize products to the client's needs. As the individual needs exceed the current perception for customer intimacy, offering (even) more tailor-made products and services presents an area of potential improvement.

Implication

- *Relevance of products (customer intimacy) seems to be more important, while competitive prices (operational excellence) or the highest quality and most innovative products (product leadership) seems to be less important. Products and services should be (more) tailor-made.*

4.4.3 B2B-clients' perception versus B2B-clients' needs for advice

For advice, we see a development which contrasts with the previous elements of relationship and products and services. Here, the individual B2B-client's needs being classified as operational excellence ($M = 48.9$, $SD = 30.6$) are significantly higher than current perception ($M = 42.2$, $SD = 28.7$), with $t(175) = 3.936$, $p < .001$. This means that the B2B-clients indicate on average a higher need for a more quick and simple answer when they ask for advice, compared to what is currently

perceived. This is compensated with a decrease of the individual B2B-client's needs in alignment with product leadership ($M = 18.0$, $SD = 19.9$) compared to perception ($M = 21.7$, $SD = 21.1$), with $t(175) = -2.241$, $p < .05$. This trend is similar for customer intimacy, with an individual B2B-client's needs ($M = 33.1$, $SD = 26.5$) scoring lower than current perception ($M = 36.1$, $SD = 26.5$) of this value discipline, with $t(175) = -1.986$, $p < .05$. Less product leadership indicates that B2B-clients show on average a lower need for the newest and most innovative forms to give the best advice, whereas less customer intimacy means that there is a lower need for tailor-made advice in which the clients' wants are heard in search for a specific solution – all compared against current perception.

So, while we saw on the previous elements that operational excellence decreased and customer intimacy increased, the opposite is true for advice. Here, the average difference gives an indication towards more operational excellence. A possible explanation for a higher need for quick and (perhaps even more important) *simple* answers might be the currently perceived lack of transparency in insurance. Four of the ten interviewed B2B-clients actively mentioned the lack of transparency as most important option for future improvement. In addition, three out of the ten interviewees indicated that distinctive value can be delivered through the knowledge of their advisor. If we combine these findings, B2B-clients may need an advisor who has extensive knowledge, which he can translate into *quick* and *simple* answers when he is asked for advice. In such a case, B2B-clients might be willing to pay more if their advisor can make insurance more transparent to them.

Implication

- *Because clients may currently perceive a lack of transparency in P&C-insurance, they may value an advisor who is able to give a simple answer on client questions.*

4.4.4 B2B-clients' perception versus B2B-clients' needs for risk management

The differences between perception and needs on risk management are similar to advice. The individual B2B-client's needs being classified as operational excellence ($M = 36.2$, $SD = 30.9$) are significantly higher than the current perception ($M = 31.1.2$, $SD = 29.3$), with $t(177) = 2.978$, $p < .01$. These results might indicate that B2B-clients show on average a higher need to conduct a simple and self-executed (online) risk scan, with which B2B-clients can reduce the most obvious risks and keep the costs of advice low.

This is compensated with a decrease of the individual B2B-client's needs classified in line with customer intimacy ($M = 32.4$, $SD = 29.3$), which are significantly lower than the individual B2B-client's current perceptions ($M = 35.7$, $SD = 30.6$). This would mean that, on average, B2B-clients could be satisfied with a less prominent role of their advisor compared to what B2B-clients currently perceive, and where the advisor has the discussion with a client to reduce the occurrence and impact of risks which are most relevant for his specific company.

However, given the fact that the means of all three value disciplines are (still) close to each other and because the standard deviations are high, we also observe a large heterogeneity in B2B-clients' needs. Therefore, an optimal level of each value discipline on risk management cannot be indicated. Still, P&C-insurers might consider that (at least some) B2B-clients might be more open to manage simple risks by themselves. This can reduce the costs of risk management, as the currently perceived involvement of an advisor may not be necessary in all cases.

Implication

- *Though heterogeneity in B2B-clients' needs for risk management is high, the prominent role of an advisor in risk management might not be necessary in all cases. The costs of risk management to the client could be reduced, for example as P&C-insurers could facilitate clients in conducting simple and self-executed risk scans for the most obvious risks.*

4.4.5 B2B-clients' perception versus B2B-clients' needs for conditions

For the element conditions, an individual B2B-client's needs were classified as significantly less operational excellent ($M = 23.4$, $SD = 25.4$) than currently perceived ($M = 28.4$, $SD = 26.7$), with $t(177) = -3.380$, $p < .001$. This means that B2B-clients, on average, want less simple and standard conditions compared to what they currently perceive. A similar development of less operational excellence was also observed on the previous elements of relationship (4.4.1) and products and services (4.4.2).

This decreasing need seems to be compensated with an increase in the individual B2B-client's needs being classified as product leadership ($M = 33.9$, $SD = 27.9$), compared to current perception ($M = 30.2$, $SD = 24.7$), with $t(177) = 2.259$, $p < .05$. Needs that are more aligned with product leadership, refer to conditions which are so clear that no discussion will emerge after a claim, as it is very clear what has been insured and not. This corresponds with our interview results. When asked what could be improved in P&C-insurance, five of the ten interviewed B2B-clients indicated a need for more clarity in conditions and/or a reduction of small print.

Although the gap on customer intimacy between perception ($M = 41.4$, $SD = 30.0$) and needs ($M = 42.7$, $SD = 29.9$) on conditions are not significant, we have a (weak) indication that this is currently perceived by B2B-clients to be most prominent in P&C-insurers' value proposition, while it is also important in B2B-clients' needs. Hence, we might conclude that B2B-clients are on average not dissatisfied with how they are kept up-to-date about (changes in) conditions – conditions which are made comprehensible to him and tailor-made, including relevant inclusions and exclusions. However, the gaps on product leadership and customer intimacy indicate some room for improvement for P&C-insurers to reduce the amount of simple and standard conditions, and improve clarity on what is insured and not.

Implication

- *P&C-insurers might reduce the amount of simple and standard conditions and improve the clarity of conditions, so that discussions on 'small print' are prevented in case of a claim.*

Chapter 5 Discussion

Now that the gaps per element have been discussed separately, the results on gaps 2, 3, and 4 are analyzed simultaneously to discuss what the combination of gaps would imply per element. The significant results of the gap analyses are summarized in Table 16.

	Gap 2: Significant difference from P&C-insurers' intention to B2B-clients' needs?	Gap 3: Significant difference from P&C-insurers' intention to B2B-clients' perception?	Gap 4: Significant difference from B2B-clients' perception to B2B-clients' needs?
Pricing	Yes: OE ↑ PL – CI ↓	Yes: OE ↑ PL – CI ↓	No
Relationship	No	No	Yes: OE ↓ PL – CI ↑
Products and services	Yes: OE – PL ↓ CI –	Yes: OE ↑ PL ↓ CI –	Yes: OE ↓ PL ↓ CI ↑
Closing/changing policies	Yes: OE – PL – CI ↓	Yes: OE – PL – CI ↓	No
Advice	Yes: OE ↑ PL – CI ↓	Yes: OE ↑ PL – CI ↓	Yes: OE ↑ PL ↓ CI ↓
Communication	No	No	No
Risk management	Yes: OE ↑ PL – CI ↓	Yes: OE – PL – CI ↓	Yes: OE ↑ PL – CI ↓
Conditions	No	No	Yes: OE ↓ PL ↑ CI –
Claims handling	No	No	No

Table 16: Summary of elements on which one or more gaps were identified between the different perspectives of intention, perception and needs. An upwards (downwards) arrow means that the average score of this value discipline is higher (lower) for the last mentioned perspective in the top row, compared to the first mentioned perspective in the top row. OE = Operational Excellence, PL = Product Leadership, CI = Customer Intimacy.

In summary, the following gaps were found per element:

- For three elements ('products and services', 'advice' and 'risk management'), significant *t*-values were found all of the three potential gaps. In all of these gaps, it was observed that customer intimacy is significantly lower for the perception and needs of B2B-clients, in comparison with either the P&C-insurers' intention or the B2B-clients' perception.
- For two elements ('pricing' and 'closing/changing policies'), significant *t*-values were found on two of the three potential gaps. For 'closing and changing policies', B2B-clients perceive and need less customer intimacy than P&C-insurers intend to deliver. A similar trend can be observed for 'pricing', although B2B-clients also perceive and need more operational excellence on this element.
- For two elements ('relationship building' and 'conditions'), significant *t*-values were found for one of the three potential gaps, i.e. the gap between B2B-clients' perceptions and needs. In both cases, B2B-clients need less operational excellence than they currently perceive, which is complemented with a trend towards more customer intimacy on the element 'relationship building', and with more product leadership on the element 'conditions'.
- For two elements ('communication' and 'claims handling'), no significant *t*-values were found on the three potential gaps.

We will first start with the elements that were considered as most important by B2B-clients: 'products and services' and 'pricing'.

5.1 A need for relevant and tailor-made products against lower prices

	Intended by P&C-insurers (n = 8)		Perceived by B2B-clients (n = 171)		Needed by B2B-clients (n = 171)	
	Mean	SD	Mean	SD	Mean	SD
Pricing						
Operational excellence	23,1	15,3	45,8	28,3	47,7	30,9
Product leadership	35,6	13,5	28,2	22,2	26,9	22,2
Customer intimacy	41,3	16,4	26,0	20,1	25,4	21,4
Products and services						
Operational excellence	15,6	17,6	35,8	28,4	30,7	28,1
Product leadership	45,0	20,7	25,9	21,0	22,8	20,7
Customer intimacy	39,4	12,7	38,3	26,7	46,4	28,2
	Gap 2: Significant difference from P&C-insurers' intention to B2B-clients' needs?		Gap 3: Significant difference from P&C-insurers' intention to B2B-clients' perception?		Gap 4: Significant difference from B2B-clients' perception to B2B-clients' needs?	
Pricing	Yes: OE ↑ PL – CI ↓		Yes: OE ↑ PL – CI ↓		No	
Products and services	Yes: OE – PL ↓ CI –		Yes: OE ↑ PL ↓ CI –		Yes: OE ↓ PL ↓ CI ↑	

We already observed at the beginning of Chapter 4 that B2B-clients considered 'pricing' and 'products and services' as the most important elements in a value proposition. The results of our gap analysis on these elements contributes to an interesting discussion – first of all because we observe a possible contradiction in B2B-clients' needs.

5.1.1 A potential contradiction in B2B-clients' needs

Combining the insights obtained from the elements 'pricing' and 'products and services', we might observe a possible contradiction in B2B-clients' needs. The results indicate that an individual B2B-client needs products which are more tailor-made, so that the products are relevant to the specific needs of the client. This can be observed from the fact that an individual B2B-client's needs for customer intimacy on the element 'products and services' was significantly higher than what he currently perceives (gap 4). At the same time, no significant gaps were found between P&C-insurers' intention and B2B-clients' needs on customer intimacy on the element products and services (gap 2). This would imply that P&C-insurers know their clients' needs for tailor-made products, but that the individual client still needs a higher level of customization of products than he currently perceives.

Customizing products will come at a cost though, and here we observe the seemingly contradiction. From the element 'pricing', the results indicate that B2B-clients are less willing to pay for products which are tailor-made (customer intimacy). This can be observed from the fact that B2B-clients' needs on pricing are significantly lower on customer intimacy compared to what P&C-insurers assume in their intention (gap 2). Instead, B2B-clients demand lower prices and better price-quality ratio's, compared to what P&C-insurers intend to deliver. This can be observed from the fact that B2B-clients' needs are significantly higher on operational excellence compared to P&C-insurers' intention (gap 2).

Nevertheless, these results may reflect the tension that was described in the research background of this study, as P&C-insurers are asked to deliver different kinds of value simultaneously. On the one hand, customers demand more relevant products, services and advice (Accenture Research, 2013, p. 29). On the other hand, P&C-insurers need to compete on price in this "mature and saturated market" (Achmea Schadeverzekeringen N.V., 2012, p. 9).

The need for more tailor-made products is contrasted with a significantly lower need for product leadership on the element products and services, compared to what P&C-insurers intend (gap 2). This would imply that B2B-clients do not necessarily need to insure all their risks with high quality, innovative products. This implication seems to be reinforced by the fact that product leadership is even lower for the individual B2B-client's needs compared to current perception (gap 4). So, while the intention of most P&C-insurers' intention on 'products and services' now seems to be balanced between customer intimacy and product leadership (high quality, innovative products), the focus may have to shift towards more customer intimacy. As B2B-clients only insure what is relevant, the amount of unnecessary insurance products may also decrease, hence lowering their premiums paid. Therefore, the following implication can be derived for P&C-insurers:

- *P&C-insurers should focus on offering products and services which cover relevant risks, and not necessarily on products insuring all risks.*

5.1.2 Standardized vs. tailor-made products and the segment 'in between'

In the current situation, we already observe that P&C-insurers offer pre-defined, industry-specific insurance packages, thereby combining the benefits of insuring only what is relevant to the B2B-client (customer intimacy in products), and premium discounts (operational excellence) if a B2B-client closes multiple policies at once. This is what we observed in the communication regarding the web pages on 'SME packages' (see Table 12), for which operational excellence was marked as 'dominant' value discipline for three of the five P&C-insurers. 'Premium' and 'discount' comprised 60 of the 83 keywords that were counted on operational excellence for SME packages. However, from the interviews with P&C-insurers, we observed that most P&C-insurers do not necessarily intend to compete on price, but also on convenience such as the time spent on closing the policy. For example, Insurer Bravo intends to offer more operational excellent value propositions towards B2B-clients with less than 10 fte, as clients should be able '*to close a policy within 20 minutes*'.

However, not all B2B-clients' needs can be satisfied with a standardized SME-package. This might be the case as soon as a client's risks become more complicated, for example when the firm grows larger and starts to employ activities that are not directly related to the typical industry for which the insurance package was designed. Moreover, SME packages are currently mainly offered for segments which are larger and/or easy to insure, such as professional services, construction, retail and wholesale, and hotel and catering. The challenge for P&C-insurers would be to offer such insurance packages or other simplified solutions for firms of larger size and different industries as well. Some P&C-insurers acknowledge this challenge themselves, such as Insurer Charlie, stating that they can offer easy, standardized products for smaller clients (up to 10 or 20 fte) and more expensive tailor-made products for large corporate clients (e.g. more than 80 or 100 fte). However, there is no suitable solution yet for the segment in between, which Insurer Charlie defines as firms with 20-80 fte (or 10-100 fte). This leads to the following implication:

- *A challenge for P&C-insurers is to offer a wider variety of insurance packages and more flexibility within these packages at lower costs, especially for clients who cannot be insured sufficiently via the current standardized (industry-specific) insurance packages, and who are too small for truly tailor-made products as offered to corporate clients.*

During the interviews with P&C-insurers, multiple solutions were suggested for this 'in between' segment. Some P&C-insurers mainly intend to offer a wider array of insurance packages

based on modular solutions. For example, if a wholesale company also starts to directly deliver single products to end clients, their policy might be expanded by adding a product module that is originally intended for a company in courier services. This is an example of how the flexibility within insurance packages can be increased in order to provide better solutions to more complicated clients as well. This example was given by Insurer Delta. Another example is Insurer Charlie, who already claims to ... [Confidential]. An example of a different approach is Insurer Foxtrot. Insurer Foxtrot offers ... [Confidential].

In short, every P&C-insurer might choose for an approach which is based on its current strengths. As every P&C-insurer emphasizes its own strengths, this may offer the potential to deliver a distinctive kind of value. The question is whether this distinctive value is also perceived by B2B-clients, for which we have to study the gaps linked to B2B-clients' perception in further detail.

5.1.3 Current perception of relevant and distinctive products

While P&C-insurers might assume in their intention that B2B-clients are willing to pay more for an insurer who knows the clients' needs and who customizes its products accordingly, the needs of B2B-clients for such a form of customer intimacy on the element 'pricing' is significantly lower than P&C-insurers' intention (gap 2). Therefore, if P&C-insurers aim to create value apart from just a competitive price (e.g. more customer intimacy by knowing what clients need), they should better explain what added value they deliver to B2B-clients. This seems to be an execution problem, because B2B-clients already perceive lower levels of customer intimacy than P&C-insurers intend to deliver on pricing (gap 3). Therefore, the added value of tailor-made products which P&C-insurers intend to deliver does not fully resonate (yet) with B2B-clients.

Combining this insight with a higher perception and need on operational excellence on 'pricing', our results might reflect a development towards 'commoditization' in P&C-insurance. For three of our interviewed B2B-clients, differences are unknown because they *"cannot make a comparison, because I have had the same P&C-insurer and intermediary for over 20 years."* However, even when a comparison is made, Insurer Charlie indicated that *"differences in products are hard to find – even for us as an insurer"*. B2B-clients may not perceive that they are paying more for tailor-made products and services. As B2B-clients do not see the differences between the offerings of various suppliers, price will play a more important role in their choice. Two of the six P&C-insurers actively mentioned that they anticipated 'commoditization' as an important future trend.

However, most P&C-insurers do not have an intention to compete on price in such a commodity market. Still, B2B-clients already perceive significantly higher levels on operational excellence than P&C-insurers intend (gap 3). No significant gaps were found between B2B-clients' perception and needs, which might indicate that B2B-clients are satisfied with the current distinctive value that P&C-insurers are *perceived* to deliver on pricing (i.e. low prices and the best price-quality ratio). While this perception may not present an immediate problem, it might become one in the future if B2B-clients keep expecting lower prices that P&C-insurers do not intend to deliver. As Treacy and Wiersema (1997) argued, customer value can be destroyed if the value delivered falls short of clients' expectations. Therefore, the implication for P&C-insurers is as follows:

- *If P&C-insurers do not intend to compete on price, they should make this clear to clients in order to prevent that clients' (future) expectations for lower prices are not met.*

If products need to be more tailor-made, but clients' willingness to pay for it is lower, a question would be: which elements also need to be more tailor-made and how feasible is it to realize this against competitive prices? We will proceed with two elements on which we also observed a tendency towards less operational excellence and/or more customer intimacy.

5.2 When personal contact is needed: relationships contributing to tailor-made products and conditions

	Intended by P&C-insurers (n = 8)		Perceived by B2B-clients (n = 171)		Needed by B2B-clients (n = 171)	
	Mean	SD	Mean	SD	Mean	SD
Relationship						
Operational excellence	23,1	30,3	41,8	32,2	35,4	31,9
Product leadership	25,6	19,2	22,5	20,6	22,1	19,5
Customer intimacy	51,3	23,0	35,7	29,4	42,5	30,3
Conditions						
Operational excellence	28,8	8,8	28,4	26,7	23,4	25,4
Product leadership	27,5	10,7	30,2	24,7	33,9	27,9
Customer intimacy	43,8	16,9	41,4	30,0	42,7	29,9
	Gap 2: Significant difference from P&C-insurers' intention to B2B-clients' needs?		Gap 3: Significant difference from P&C-insurers' intention to B2B-clients' perception?		Gap 4: Significant difference from B2B-clients' perception to B2B-clients' needs?	
Relationship	No		No		Yes: OE ↓ PL – CI ↑	
Conditions	No		No		Yes: OE ↓ PL ↑ CI –	

For the elements 'conditions' and 'relationship', no significant gaps were found between P&C-insurers' intention and B2B-clients' needs (gap 2) or perception (gap 3), indicating that P&C-insurers' intention seems aligned with B2B-clients' needs, and that B2B-clients do not perceive something significantly different from what the insurer intended to deliver. However, similar to 'products and services', we observed for the elements 'conditions' and 'relationship' that the individual B2B-client's needs are also significantly lower on operational excellence compared to current perception (gap 4). We first discuss what this gap implies for the element 'conditions', but as we combine these results with the findings on other elements, we can draw an important implication that the need for tailor-made products is most profound when it is related to the 'core insurance product'.

5.2.1 Clarity in conditions

For 'conditions', we might conclude that P&C-insurers' intention is right, given its alignment with B2B-clients' needs (gap 2). However, there might still be some room for improvement, as the individual B2B-client's needs were significantly less aligned with operational excellence (i.e. less simple, standard conditions) and more with product leadership (clarity on what is insured and not) compared to their current perception (gap 4). This may correspond with the findings of our interviews, as five of the ten interviewed B2B-clients actively mentioned that P&C-insurers could improve by introducing more clarity and/or a reduction of small print. This would imply that:

- *P&C-insurers might reduce the amount of simple and standard conditions and improve the clarity of conditions, so that discussions on 'small print' are prevented in case of a claim.*

In an earlier stadium, Leste and Wanderley (1997) also found that customers do usually not possess sufficient information for the available products and terms of insurance policies. More recently, results of Tsoukatos (2007) in the Greek insurance industry also indicated that the issuing of contracts and policies with clear, unambiguous terms presents a quality challenge for insurers. While this might be considered as a continuing challenge, the interviews revealed that Dutch P&C-insurers' intention is also aimed at more clarity. For example, Insurer Bravo ... [Confidential], Insurer Charlie is ... [Confidential], and Insurer Foxtrot ... [Confidential].

From the results of our value discipline scale, another option to make conditions more clear to B2B-clients is to let an advisor explain it personally. If we look to customer intimacy on the element 'conditions', no significant gap was found between an individual B2B-client's perception and needs (gap 4). Hence, we might conclude that B2B-clients are on average not dissatisfied with how they are kept up-to-date about (changes in) conditions – conditions which are made comprehensible to him and tailor-made, including relevant inclusions and exclusions. Given the fact that the average score of B2B-clients' needs was highest on customer intimacy, we might have a (weak) indication that the personal approach regarding conditions is most important in B2B-clients' needs for conditions. However, we need to consider that heterogeneity among B2B-clients' needs is high, as observed from the high standard deviations. Therefore, the need for customer intimacy should be cross-checked with other elements as well.

5.2.2 A need for tailor-made core insurance products

For 'relationship', less operational excellence implies that the individual B2B-client shows less preference for a P&C-insurer with whom they have little personal contact and who mainly communicates via written communication. Instead, the average difference between a B2B-client's perception and needs for customer intimacy on 'relationship' was also found to be significant (gap 4). This indicated a higher need for a P&C-insurer who builds a personal relationship with its clients, so that the insurer knows what their clients want and adapts his products accordingly.

Combining this result with the findings on other elements, we might conclude that B2B-clients want the content of their '*core insurance products*' to be more aligned with their specific needs. The 'core insurance product' would then comprise *which* risks the insurance is covering (as indicated by the element 'products and services') and the conditions that come with this product (indicated by the similarly-named element). A relationship with the advisor, with whom B2B-clients have personal contact about their insurance (reflecting customer intimacy on the element 'relationship'), is expected to be beneficial in delivering tailor-made products. This would lead to the following implication:

- *P&C-insurers need to ensure that the 'core insurance product' is relevant to B2B-clients' specific needs, comprising which risks the insurance is covering and under which conditions. A relationship and personal contact with the advisor should contribute to better knowledge of the P&C-insurer about what the B2B-client needs.*

5.3 No significant gaps in communication

	Intended by P&C-insurers (n = 8)		Perceived by B2B-clients (n = 171)		Needed by B2B-clients (n = 171)	
	Mean	SD	Mean	SD	Mean	SD
Communication						
Operational excellence	18,1	19,6	31,0	31,5	33,3	33,6
Product leadership	25,6	15,0	22,1	23,4	20,2	22,7
Customer intimacy	56,3	29,2	46,9	34,4	46,5	35,7
	Gap 2: Significant difference from P&C-insurers' intention to B2B-clients' needs?		Gap 3: Significant difference from P&C-insurers' intention to B2B-clients' perception?		Gap 4: Significant difference from B2B-clients' perception to B2B-clients' needs?	
Communication	No		No		No	

The findings on the element 'communication' might confirm that *personal* contact about insurance, in line with customer intimacy, seems to be important both in P&C-insurers' intention and B2B-clients' needs (gap 2). Earlier in our discussion, we already observed a need towards more personal contact on, for example, the elements 'relationship' and 'products and services'. For P&C-insurers, the high extent of customer intimacy in communication might be explained as five of the six P&C-insurers intend to work via intermediary channels, which might imply a more important role for the advisor who has personal contact with its clients about his insurance (in line with customer intimacy). However, 59 of the 171 B2B-clients in our sample closed their policies directly with the P&C-insurer, which might imply that they tend to find operational excellence in communication more important. Nevertheless, no significant gaps were found between P&C-insurers' intention and B2B-clients' needs, indicating that the intention of P&C-insurers is resonating with B2B-clients' perception, in which customer intimacy again seems to be most profound (gap 3). The gap between the individual B2B-client's perception and needs was also not found to be significant, indicating that B2B-clients seem to be satisfied with the current value they perceive in communication.

5.4 P&C-insurers' trade-off on advice and risk management

	Intended by P&C-insurers (n = 8)		Perceived by B2B-clients (n = 171)		Needed by B2B-clients (n = 171)	
	Mean	SD	Mean	SD	Mean	SD
Advice						
Operational excellence	22,5	19,4	42,2	28,7	48,9	30,6
Product leadership	22,5	6,1	21,7	21,1	18,0	19,9
Customer intimacy	55,0	21,7	36,1	26,5	33,1	26,0
Risk management						
Operational excellence	16,9	21,9	31,1	29,3	36,2	30,9
Product leadership	16,9	14,4	33,1	28,5	31,5	27,7
Customer intimacy	66,3	27,2	35,7	30,6	32,4	29,3
	Gap 2: Significant difference from P&C-insurers' intention to B2B-clients' needs?		Gap 3: Significant difference from P&C-insurers' intention to B2B-clients' perception?		Gap 4: Significant difference from B2B-clients' perception to B2B-clients' needs?	
Advice	Yes: OE ↑ PL – CI ↓		Yes: OE ↑ PL – CI ↓		Yes: OE ↑ PL ↓ CI ↓	
Risk management	Yes: OE ↑ PL – CI ↓		Yes: OE – PL – CI ↓		Yes: OE ↑ PL – CI ↓	

If B2B-clients are demanding lower prices, the question is how this can be realized if clients also demand more relevant and tailor-made products. In paragraph 5.2, it was concluded that more relevant products and conditions would require an investment of P&C-insurers in relationships with their B2B-clients to gain more knowledge about their needs. However, while this relationship may also serve a purpose of giving (risk) advice, this seems to be less important in B2B-clients' needs, compared to P&C-insurers' intention (gap 2). The need for quicker advice may present a challenge for insurers, because a tailor-made advice may be necessary to provide tailor-made products as well. The challenge would be to reduce the time spent on advice, while insurers should still deliver a tailor-made product. The lower need for tailor-made risk management may present a challenge as well, because risk management is regarded by some insurers an alternative to deliver distinctive value, apart from a competitive price in a market characterized by 'commoditization'. The question is what P&C-insurers should do if B2B-clients do not show a need for additional services such as risk management.

We first discuss the P&C-insurers' possible response on a need to make advice and risk management more quick and simple (i.e. more operational excellent), followed by the lower need for tailor-made advice and risk management. However, P&C-insurers should also consider that B2B-clients might be heterogeneous in their needs, indicating that there will not be one optimal solution to all clients.

5.4.1 A need for quicker and simpler advice and risk management

The needs of B2B-clients in line with operational excellence on 'advice' and 'risk management' are significantly higher than P&C-insurers' intend (gap 2). For 'advice', this may indicate that P&C-insurers underestimate the need of B2B-clients for a quick and simple answer if clients ask for advice. 'Risk management' could also be more operational excellent, which was operationalized here as B2B-clients conducting a simple and self-executed (online) risk scan to address the most obvious risks and keep advisory costs low.

A possible explanation why advice needs to be *quicker* is that insurance might be regarded as a 'low interest product' on which B2B-clients do not want to spend too much time. Moreover, a possible explanation why advice has to be *simpler* might be the currently perceived lack of transparency in insurance. This might be supported by our finding that the individual B2B-client's need for quick and simple answers (i.e. operational excellence in advice) is significantly higher than currently perceived. Moreover, four of the ten interviewed B2B-clients actively mentioned the lack of transparency as most important option for future improvement. However, three out of the ten interviewees indicated that distinctive value can still be delivered through the knowledge of their advisor. If we combine these findings, B2B-clients may need an advisor who has extensive knowledge, which he can translate into *quick* and *simple* answers when he is asked for advice.

- *B2B-clients should get a quick and clear answer on their questions if they ask for advice.*

In this regard, an increase in transparency may not only contribute to clearer or simpler answers, but perhaps also to *quicker* answers as B2B-clients need less time to understand the advice regarding insurance. The time spent on a product is one of the components in 'the total costs' which should be kept low to create the 'best total costs' in line with operational excellence (Treacy & Wiersema, 1997). Therefore, a higher need for operational excellence might be fulfilled by reducing

the time that B2B-clients have to spend, e.g. through quicker answers when P&C-insurers are asked for advice.

What needs to be considered though, is that these short questions from clients are only one form of 'advice'. An advice may also comprise a more extensive analysis of a client's situation and his needs in order to deliver a tailor-made product. The results for the element 'products and services' indicated that clients need more tailor-made products than they perceive now. However, clients' willingness to spend much time on a tailor-made advice might be lower, as observed from the lower need for customer intimacy on 'advice'. Hence, a challenge for P&C-insurers is to deliver more tailor-made products with less client contact.

One of the options to reduce the time for client contact is to use (publicly available) data to obtain client information. For example, the interviewee from Insurer Alpha mentioned an example in which data from Google Maps, Google Streetview and/or the land registry (in Dutch: 'kadaster') can be used to automatically determine the size of a client's building. As a result, there is no need to send a representative from the insurer to obtain this data on the client's location, which will save time for the client. If clients know that their policies can also be aligned via such applications and other kinds of big data, the time spent with their advisor can be reduced. As a result, the quality of the total time spent on advice will increase. This leads to the following implication:

- *More convenience can be offered to clients by reducing the time spent with advisors, for example by using (publicly available) data to obtain client information. This will increase the quality of the time spent on advice.*

If we look at B2B-clients' perception, we observe that B2B-clients' perception of operational excellence is already significantly higher than in P&C-insurers' intention (gap 3). An explanation might be that B2B-clients base their perception on the most frequently occurring form of advice. These might be the short questions for which B2B-clients need a quick answer. For example, one of our interviewees with a gardening business always asks whether he is insured as soon as he employs a new activity, such as hiring a crane. This can be an example of a need for quick and simple answers.

Nevertheless, a need for quick and simple answers does not mean that a more specific advice (customer intimacy) is perceived as unimportant for all B2B-clients (as heterogeneity on 'advice' is high) or that it is unimportant in all cases. For example, in case of a (periodic) check-up, several of our interviewed B2B-clients preferred the involvement of an advisor, to make sure that the policy still fits with the scale of (and variety in) the activities of their specific firm. For this end, advice would again contribute to the 'core insurance product' which needs to be relevant and tailor-made, for which more time and resources might be necessary.

The significantly lower levels of customer intimacy for clients' perception compared to insurers' intention may also have another implication. That is: it could also imply that P&C-insurers do not make clear enough to B2B-clients that they intend to deliver tailor-made products and services via personal contact with their advisor. If clients want a truly tailor-made product, it should be clear to clients that they have to invest more time in (a tailor-made) advice – even though insurance is considered as a low interest product.

5.4.2 What about the potential to deliver distinctive value on tailor-made (risk) advice?

For additional services, however, the time and resources that B2B-clients want to spend on it might be lower than P&C-insurers assume in their intention. We observed that B2B-clients' needs for

operational excellence on ‘advice’ and ‘risk management’ are significantly higher than P&C-insurers’ intention (gap 2). In contrast, B2B-clients’ needs in line with *customer intimacy* are significantly lower compared to P&C-insurers’ intention (gap 2). This trend continues from perception to needs, as the individual B2B-client’s needs for operational excellence on risk management are higher than currently perceived, whereas the needs for operational excellence per client are on average lower than currently perceived (gap 4). For advice, this implies that P&C-insurers may overestimate the needs of B2B-clients for a tailor-made advice as part of a specific solution for his needs. For risk management, it implies that P&C-insurers may overestimate the clients’ needs for an advisor in discussing the risks which are most relevant to the clients’ company.

If we also consider B2B-clients’ perception, we observe that B2B-clients’ perception on customer intimacy is significantly lower than P&C-insurers’ intention for both advice and risk management (gap 3). This would imply that the added value that P&C-insurers intend to deliver via tailor-made advice and risk management does not fully resonate yet with B2B-clients. A possible reason is that risk management might be more of a *future* intention that P&C-insurers still have to work out in their execution. This is what Insurer Bravo indicated for example, as their product for firms with 10-50 fte might disappear. Instead, Insurer Bravo intends to take on a more integrated role of partner in risk management for these clients. Risk management is in the interest of the P&C-insurer, as a reduction of the impact and occurrence of risks will lead to lower levels of reimbursements and hence a better financial result. The shift of P&C-insurers towards a more integrated role of risk advisor seems to be confirmed by practitioners in the field. For example, ‘de Goudse’ (Benedictus, 2014), and Nationale-Nederlanden (Beentjes, 2014) have stated in public that they work on the concept of a ‘registered risk advisor’ which focuses on non-insurable risks as well, in order to fulfill the need of SME-firms to protect the continuity of their firm. Insurance products and (risk) advice will be disentangled from each other. Small entrepreneurs perceive the intermediary as most logical partner to discuss potential risks and continuity issues (Beentjes, 2014).

Five of the six P&C-insurers in our sample also mainly operate via intermediary channels, but the intention of P&C-insurers to let the advisor discuss issues about risk management for a clients’ specific firm (customer intimacy) does not resonate yet in B2B-clients’ perception (gap 3). The challenge for P&C-insurers is to make the added value of risk management more clear to B2B-clients. P&C-insurers and intermediaries may need to ‘push’ this into the market. Actually, B2B-clients also expect that the intermediary or P&C-insurer will show initiative in making clients aware of their risks. Four of the ten interviewed clients actively mentioned a more ‘pro-active’ role as a point for future improvement, because P&C-insurers (and intermediaries) are not perceived to be very pro-active in alerting clients on potential risks, or even on such simple things as a change in policies (which might impose a risk).

- *The important role of the advisor in risk management is not perceived by clients yet. P&C-insurers and their intermediaries should become more pro-active in making clear to clients what added value they intend to deliver on risk management.*

However, in general we see that B2B-clients’ needs on risk management are almost evenly distributed between the three value disciplines, as the means seem to be of a comparable level. Moreover, high standard deviations indicate a high heterogeneity in the needs of various clients. A possible explanation in B2B-clients’ heterogeneity of needs, might be found in the importance of the element ‘risk management’ (see Table 10). P&C-insurers consider risk management as one of the most important elements, while B2B-clients rank it as one of the least important elements in a value

proposition. When we discussed risk management in interviews with B2B-clients, some of them were only interested in the measures that are required according to the conditions, i.e. risk management as a minimal requirement to get reimbursements. These might be the B2B-clients that are also making a basic trade-off between price and products.

A challenge for P&C-insurers would be to find out what client characteristics determine the importance for risk management and the preference for a certain kind of value discipline on this element. One of these characteristics is the difference between B2B-clients who have experience with claims and those who have never claimed a loss. As these B2B-clients have experienced the difficulties that arise when they have to claim a loss, they might be more receptive to take measures which reduce the impact and occurrence of a potential loss.

Given this high heterogeneity, an optimal level of each value discipline on risk management cannot be indicated. The significant difference between an individual B2B-client's perception and needs on operational excellence, may therefore represent a shift in nuance (gap 4). This nuance could indicate P&C-insurers might consider that (at least some) B2B-clients might be more open to manage simple risks by themselves (i.e. more operational excellence). The total (monetary) costs for the client can be kept lower if clients can conduct a simple, self-executed (online) risk scan, to reduce the most obvious risks and keep advisory costs low. This need was significantly higher compared to individual B2B-clients' perception (i.e. higher operational excellence on gap 4).

- *Though heterogeneity in B2B-clients' needs for risk management is high, P&C-insurers might better facilitate B2B-clients in conducting simple and self-executed risk scans, so that the involvement of an advisor is not always necessary.*

5.5 Heterogeneity in B2B-clients' needs on claims handling

	Intended by P&C-insurers (n = 8)		Perceived by B2B-clients (n = 171)		Needed by B2B-clients (n = 171)	
	Mean	SD	Mean	SD	Mean	SD
Claims handling						
Operational excellence	43,1	17,5	33,1	25,3	32,8	29,3
Product leadership	24,4	18,8	30,1	24,3	36,2	32,2
Customer intimacy	32,5	28,2	36,8	27,3	31,1	31,0
	Gap 2: Significant difference from P&C-insurers' intention to B2B-clients' needs?		Gap 3: Significant difference from P&C-insurers' intention to B2B-clients' perception?		Gap 4: Significant difference from B2B-clients' perception to B2B-clients' needs?	
Claims handling	No		No		No	

The heterogeneity in B2B-clients' needs that we observed on several elements, including risk management in the previous paragraph, also seems to be prevalent on the elements 'claims handling'. Remarkably, we did not observe any significant gap on this element. Though there is a weak indication that P&C-insurers are tending most towards operational excellence (i.e. a quick, written confirmation on the handling of a claim), the perceptions and needs of B2B-clients seem to be evenly distributed among the three value disciplines. The means are comparable and standard deviations are high, indicating that B2B-clients are heterogeneous in their needs for either a quick, written confirmation (operational excellence), more innovative ways to file a claim (product leadership), or leaving the process of claims handling up to the advisor (customer intimacy). A further

segmentation of B2B-clients will be necessary to discover which value discipline is preferred by each B2B-client.

5.6 Closing and changing policies and the choice for distribution channels

	Intended by P&C-insurers (n = 8)		Perceived by B2B-clients (n = 171)		Needed by B2B-clients (n = 171)	
	Mean	SD	Mean	SD	Mean	SD
Closing/changing policies						
Operational excellence	18,1	27,0	33,7	28,0	35,1	30,5
Product leadership	20,0	21,4	29,3	26,0	27,7	26,0
Customer intimacy	61,9	35,7	37,0	29,0	37,2	31,1
	Gap 2: Significant difference from P&C-insurers' intention to B2B-clients' needs?		Gap 3: Significant difference from P&C-insurers' intention to B2B-clients' perception?		Gap 4: Significant difference from B2B-clients' perception to B2B-clients' needs?	
Closing/changing policies	Yes: OE – PL – CI ↓		Yes: OE – PL – CI ↓		No	

While B2B-clients' needs also seem to be heterogeneous on 'closing and changing policies', we do observe significant gaps on this element. B2B-clients' needs are classified as significantly lower on customer intimacy than P&C-insurers intend (gap 2). This implies that B2B-clients show a less prevalent need for an advisor who makes sure that a policy is closed in accordance with the B2B-clients' needs. A similar difference can also be observed between P&C-insurers' intention and B2B-clients' perception (gap 3), whereas the difference between an individual B2B-client's perception and needs was not found to be significant (gap 4). Therefore, B2B-clients do not need a different kind of value than what they perceive now.

5.6.1 An increase of direct channels

The gap between P&C-insurers' intention and B2B-clients' perception and needs might be explained by the distribution channels being used. Five out of six P&C-insurers (i.e. about 83%) in our sample still intend to work predominantly via intermediaries (or banks), which might explain the higher average extent of customer intimacy in their intention. However, as presented in Table 17, 35% of the B2B-clients in our sample have their policies currently closed via direct distribution channels. The other 65% of B2B-clients currently closed their current policies via an intermediary or bank. Therefore, while some B2B-clients still have a preference for an advisor who closes their policy (customer intimacy), there is also a group of B2B-clients which prefers the benefits of direct channels, e.g. 'quick' and 'simple' (operational excellence).

However, if we look at the future preferred channels, the percentage of B2B-clients that prefer intermediaries or banks in the future decreases to 55%. To test the significance of this change in preference, we used a chi-squared test for goodness of fit. The number of B2B-clients for each of the current distribution channels was used as 'expected value',

	<i>Current channel</i>	<i>Preferred in future</i>
<i>Direct</i>	59 (35%)	75 (44%)
<i>Intermediary</i>	83 (49%)	73 (43%)
<i>Bank</i>	28 (16%)	20 (12%)
<i>Other</i>	1 (1%)	3 (2%)

Table 17: Number of B2B-clients who currently closed their policy via a certain distribution channel, and the channel through which they prefer to close their policies in the future

compared to the ‘observed values’ for preferred channels in the future. We found a significant difference between current and preferred distribution channels, with $\chi^2(3, N = 171) = 11,830, p < 0.01$. This may indicate a shift of B2B-clients towards more direct distribution.

- *P&C-insurers may anticipate an increase in clients’ needs for direct distribution channels, or at least the benefits associated with it, e.g. quick and simple.*

5.6.2 Complications in shifting from intermediary to direct channels

Although the role of direct (online) distribution is increasing, the B2B market for P&C insurance still offers sufficient potential for intermediaries to maintain market share (Berendsen, 2013). In our sample, five out of six P&C-insurers still intend to work predominantly via intermediaries (or banks), which might explain the higher average extent of customer intimacy in their intention.

A transition from intermediary towards direct distribution channels may involve some complications though, which can be illustrated by the case of Nationale-Nederlanden (NN). Intermediaries are currently generating a large share of NN’s revenue, and intermediaries might not be happy with a multichannel policy of NN (van Vugt, 2014b). ‘Going direct’ means that the intermediaries are left out from a client transaction, implying that the revenues for intermediaries will be lower. The CEO of NN, Lard Friese, acknowledges that intermediaries are important and that they will remain important, although he also states that the “*client belongs to no-one: not to the intermediary, and not to the insurer*” (van Vugt, 2014b, para. 3).

Still, if policies are sold via an intermediary, P&C-insurers can prevent the costs of ‘duty of care’ (‘zorgplicht’) and the costs of direct contact with a large group of smaller clients. For one of the insurers in our sample, this may be a reason to keep intermediaries involved, even if they offer a predefined, industry specific package for which a minimal amount of time is needed from clients and advisors to close the policy. The alternative would be a business model of a direct writer. Another interviewee from one of the insurers confirmed that the business model of a direct writer is quite expensive if you need to have a client support department standby 24/7.

However, another option to combine the benefits of closing and changing policies in a quick and simple manner, while also involving an intermediary who takes care of it, is through ‘signature by proxy’ (in Dutch: ‘volmachten’). Insurer Echo also mentioned this as an important future trend. Intermediaries who operate via signature by proxy are allowed to take over the P&C-insurer’s task of underwriting, i.e. selecting which risks to insure and deciding what premiums to charge for accepting these risks. Although this authority is limited to risks of a certain (monetary) level, it presents an efficient way of closing and changing policies for a large group of smaller clients.

- *Closing and changing policies via signature by proxy combines the benefits of closing and changing policies in a quick and simple manner, while there is still an intermediary involved who takes care for B2B-clients’ needs.*

Chapter 6 Conclusions and recommendations

6.1 Problem statement and research question

A tension can be observed in the property and casualty (P&C) insurance market to deliver different kinds of value simultaneously. On the one hand, customers demand more relevant products, services and advice (Accenture Research, 2013, p. 29). On the other hand, P&C-insurers also have to offer competitive prices in this mature and saturated market (Achmea Schadeverzekeringen N.V., 2012, p. 9). Companies that try to simultaneously deliver low price and differentiated products, are described by Porter (1985) as being 'stuck in the middle'. According to Treacy and Wiersema (1997), a firm will perform mediocre if it does not choose for one type of customer value on which it wants to excel.

In the value discipline typology of Treacy and Wiersema (1993; 1997), three kinds of customer value are defined. These are: the 'best total costs' (in line with operational excellence), the 'best product' (in line with product leadership), or the 'best total solution' (in line with customer intimacy). This typology can be used to analyze which combination of values is offered to clients. The combination of values that insurers promise to offer towards their clients is then defined as the *value proposition* (Treacy & Wiersema, 1997, p. xii). However, the question is whether clients perceive the value proposition that insurers want to deliver. Another question is whether clients show a need for the combination of values that insurers promise to deliver. If the needs of clients are not fulfilled by current value propositions, this offers an opportunity for insurers to become distinctive. For retail (i.e. B2C) clients, market research has already shown that customers do not understand the value propositions that are offered (van Vugt, 2014a). Clients also do not see the difference between the value propositions of various insurance companies (van Vugt, 2014a). It would be interesting to test whether the business-to-business (B2B) market faces similar difficulties.

The initial goal of this research was to assess what future value proposition might be used by Dutch P&C-insurance companies to distinct their offering from competitors' and win the market for B2B-clients. The following main research question has been formulated:

How can property & casualty insurance companies in the business-to-business market become distinctive in terms of their future customer value proposition?

6.2 Research design and limitations

To answer the main research question, the value discipline typology of Treacy and Wiersema (1997) has been used to describe value propositions as a combination of three kinds of customer value. Inspired by the work of Micheels and Gow (2009), a value discipline scale has been created to measure which kind of customer value P&C-insurers *intend* to deliver and which kind of customer value is *perceived* and *needed* by clients. In total, nine elements of a value proposition were included in the value discipline scale of this research. These elements were based on previous literature and suggestions from the field (e.g. from clients, intermediaries, and consultants). For each element, three statements were developed. Each statement reflects one way to offer customer value in line with operational excellence, product leadership, or customer intimacy. Respondents had to distribute 100 points between the three statements per element.

The value discipline scale was distributed among six of the largest P&C-insurers in the Netherlands. Two insurers filled in the scale twice as they have two value propositions within the target segment of this research, i.e. a proposition for clients with 2-10 fte and a proposition for

clients with 10-50 fte. This resulted in eight different value propositions from P&C-insurers. The value discipline scale was also distributed among a sample of 171 respondents from clients with 2-50 fte.

The scores of P&C-insurers and B2B-clients were used to test whether there are any differences between what is currently offered and what should be offered in the future. The future value proposition will be based on the *needs* of the clients. To get an indication of what is currently offered, the value proposition as *intended* and *communicated* by insurers and the value proposition as *perceived* by clients were analyzed. The differences (or 'gaps') give an indication what P&C-insurers should change to ensure that clients *perceive* a value proposition which is also aligned with their *needs*. There is an opportunity for P&C-insurers to become distinctive if they can offer a value proposition which covers the needs that are currently not fulfilled.

Potential gaps were identified by comparing the scores of P&C-insurers and B2B-clients on each statement of the value discipline scale. An independent samples *t*-test was used to test whether the means of P&C-insurers' *intention* and B2B-clients' *needs* are significantly different from each other (gap 2). The same test was used to check for significant differences between the means of P&C-insurers' *intention* and B2B-clients' *perception* (gap 3). Because the scores for clients' *perception* and *needs* (gap 4) were obtained from the same sample of 171 respondents, a paired samples *t*-test was used to compare the average difference between an individual client's score on *perception* and the score on his *needs*.

The quantitative results of the gap analysis were complemented with qualitative data from semi-structured interviews. The qualitative data was used for the purpose of *explanation*, *unexpected results* and *illustration* (Bryman, 2006, p. 106). The combined results of the quantitative and qualitative analysis will provide P&C-insurers with some future directions on how they can deliver a more distinctive value proposition towards B2B-clients.

For a correct interpretation of the conclusions and implications in the following paragraphs, a few limitations should be noticed. First, the gap analysis has been conducted on the level of separate elements. The analysis could have been simplified by taking the average score for all nine elements on operational excellence, product leadership, and customer intimacy. However, such data reduction was not possible due to the low levels of internal consistency reliability and convergent validity. This means that the scores of an individual client do not indicate a consistent preference for operational excellence, product leadership, or customer intimacy across the different elements in the value discipline scale of this research. Hence, it cannot be stated with certainty that the statements are all measuring the same value discipline as an underlying construct.

Furthermore, the heterogeneity in clients' perceptions and needs is high (as reflected by the high standard deviations). Because the clients in this sample were diverse, it cannot be stated which kind of customer value is most important to *all* B2B-clients with 2-50 fte as firm size. To determine the optimal level of one kind of customer value, a further segmentation in clients will be necessary. For a reliable comparison of segments, the sample size will need to be larger than the 171 clients that were used for this research.

A larger sample size will also allow for a gap analysis of clients from the same insurer. The sample size of clients per insurer was too low to make any valid inferences with regard to the perception and needs of its own clients. As a result, this research could not test the differences between the clients of various insurers. Otherwise, we could have tested the assumption of Treacy and Wiersema (1997) that "*different kinds of customers buy different kinds of value*" (from different companies). More time and resources will be necessary to obtain larger subsamples of clients for

each insurer and to conduct an analysis per insurer. This research has provided a start for such a future research by first exploring the generic trends in the P&C-insurance market.

The cross-sectional measurement of the research data also presents a limitation, as B2B-clients were asked simultaneously for their perception and their needs. This makes it difficult to assess whether client's expectations (or needs) are fulfilled by the P&C-insurer. A longitudinal study may be necessary in which the expectations of clients are measured on forehand, while the clients' perception of the delivered service is measured afterwards.

However, although the quantitative data was limited by the cross-sectional design, the research data was also enriched by complementing it with qualitative data from semi-structured interviews and a frequency count of keywords. Additional insights were derived from these data as well. One of these findings is that there seems to be little attention for innovation among P&C-insurers. This was initially observed from a low frequency of the keyword 'innovation', and it was later confirmed by the interviewees from P&C-insurers. However, given the time constraints of this research, we may not have elaborated too much on the potentially limited attention for innovation and the underlying reasons. This may require a more in-depth analysis of qualitative interviews. Our interviews now mainly served a goal of *explanation, unexpected results* and *illustration* (Bryman, 2006, p. 106).

Similarly, the frequency count of keywords mainly served an informative and exploratory goal. Future research with a more extensive keyword dictionary might be needed, to verify whether the frequency count in this research missed some other important keywords. In addition, the analysis of communication has been restricted to written sources of text on the insurers' web sites for time considerations. Other important sources of communication, such as the advisor, have not been included. It might be interesting to assess the influence of an advisor on client's decision-making.

6.3 Main results

To support the answer to the main research question, four sub-questions were formulated. Each sub-question reflects a different kind of gap, and we will first present the conclusions for these gaps.

1. Which differences, if any, can be identified between (elements in) value propositions as intended and communicated by P&C-insurance companies?

The gaps between intended and communicated value disciplines were explored by comparing the 'dominant' value disciplines, i.e. the value discipline for which the average score was the highest in the value proposition as *intended* by P&C-insurers (based on the average score of P&C-insurers' respondents on the nine elements of our value discipline scale) and as *communicated* by P&C-insurers (based on a frequency count of keywords, where the average score per value discipline of three different sources was calculated).

The 'dominant' value disciplines are similar between intention and communication for five out of eight value propositions. Differences were found for three value propositions, each with various reasons and implications. Looking at communication separately, it was found that five of the six insurers communicate different 'dominant' value disciplines across three text sources. This may indicate that insurers are inconsistent in the value proposition they communicate. However, most insurers indicated in the interviews that they offer different value propositions to different segments. This might explain why different 'dominant' value disciplines are communicated.

According to Treacy and Wiersema (1997), one company cannot deliver all these kinds of values simultaneously, which would lead to *“being mediocre on all three disciplines”*. From a theoretical perspective, this would imply that P&C-insurers could improve their focus by making a more profound choice for one value discipline. Delivering superior value requires that the whole operating model of a business unit is aligned towards the creation of one kind of value. Therefore, following the theory, P&C-insurers could still realize multiple kinds of value if these are created in different business units. This research has not focused on the operating models of insurers and how insurers are organized in different business units. The extent to which P&C-insurers currently succeed to create value for the client, should be answered by the following sub-questions.

2. Which differences, if any, can be identified between (elements in) value propositions as intended by P&C-insurance companies and (elements in) value propositions as needed by B2B-clients?

On average, the results indicate that B2B-clients show a preference for tailor-made products that are relevant to their specific needs (i.e. customer intimacy). This is also what P&C-insurers intend to deliver, and hence there was no significant gap for customer intimacy on the element ‘products and services’. Normally, customizing products will come at a cost though. However, the willingness of clients to pay more for tailor-made products is significantly lower than insurers assume in their intention (as observed for customer intimacy on the element ‘pricing’). When clients were asked for their preference on pricing, they indicated a higher need for low prices and the best price-quality ratio for their products (in line with operational excellence). This might imply a challenge for P&C-insurers, because a need for more tailor-made products may conflict with clients’ preference for more competitive prices compared to what P&C-insurers intend. Competitive prices can contribute to lower total costs for the client.

However, lower total costs to the client can also be realized by offering more convenience, e.g. by reducing the time spent on purchase (Treacy and Wiersema, 1997). Lower total costs can be realized on the elements ‘advice’ and ‘risk management’, because operational excellence was found to be significantly more important in clients’ needs than in insurers’ intention. For ‘risk management’, more operational excellence implies that clients can also be satisfied with a simple, self-executed risk scan to reduce the most obvious risks and keep advisory costs low. In general, it was also observed that that ‘risk management’ was ranked as the least important element by the sample of 171 clients, while P&C-insurers ranked it as second most important (see Table 10). This could mean that risk management is not considered to be important by clients, or that clients do not understand the added value yet. The latter might also be the case, because clients’ need for tailor-made risk solutions, provided by their own advisor, is less prominent than P&C-insurers assume in their intention (i.e. less customer intimacy). Therefore, if P&C-insurers aim to create value apart from competitive prices (e.g. by providing more comprehensive, tailor-made risk solutions), insurers need to be more pro-active in explaining the added value that they deliver.

For the element ‘advice’, B2B-clients’ preference for quick and clear advice is significantly more important (i.e. higher operational excellence), whereas a tailor-made advice is significantly less important (i.e. customer intimacy) compared to what P&C-insurers assume in their intention. A preference for *quick* advice might be explained because insurance can be considered as a ‘low interest product’, on which clients do not want to spend too much time. However, it will be difficult for P&C-insurers to give a quick advice if the insurer should also deliver tailor-made products. These

products should be tailored to the client's needs, and the insurer may need some time to learn about the client's needs. The challenge would be to spend the available time for advice as useful as possible. For example, advisors can reduce the time spent on retrieving client information when this information can also be obtained from (publicly available) data. Clients also indicate a need for *clear* advice, and the interviewed clients suggested that this can be done by reducing the use of complicated calculation methods or difficult terms in the contact with clients.

3. Which differences, if any, can be identified between (elements in) value propositions as intended by P&C-insurance companies and (elements in) value propositions as perceived by B2B-clients?

On three elements, B2B-clients perceive that P&C-insurers are more oriented to offer simple products and services against low prices (in line with operational excellence), compared to what P&C-insurers actually intend. A possible explanation is that B2B-clients might not perceive the differences between the products of P&C-insurers. If B2B-clients do not perceive any difference in the products of various P&C-insurers, this might imply that low prices and low hassle might be more important in a B2B-client's decision for his current insurer (as clients' perceptions are based on his current insurer). Based on the interviews, two of the six P&C-insurers actively mentioned 'commoditization' as one of the most important trends they anticipate towards the future. However, most P&C-insurers indicated that they want to step out of price competition, which might be a consequence of increasing 'commoditization'.

If the choice for more tailor-made products and the involvement of an advisor (in line with customer intimacy) would present an alternative to price competition, the quantitative results indicate that this value proposition does not resonate yet with B2B-clients. On average, B2B-clients perceived on four elements a significantly lower level of customer intimacy compared to what P&C-insurers intend. Hence, this might imply that B2B-clients think that P&C-insurance is currently insufficiently tailor-made to fit their needs. It could also imply that P&C-insurers do not make clear enough to B2B-clients that they intend to deliver tailor-made products and services via personal contact with their advisor. If clients want a truly tailor-made product, it should be clear to clients that they have to invest more time in (a tailor-made) advice – even though insurance is considered as a low interest product.

4. Which differences, if any, can be identified between (elements in) value propositions as perceived and needed by B2B-clients?

A contrary development can be observed for the gaps between perception and needs. On the one hand, individual B2B-clients want the content of their 'core insurance products' to be more aligned with their specific needs, compared to what is currently perceived (i.e. more customer intimacy). The 'core insurance product' would then comprise *which* risks the insurance is covering (indicated by the element 'products and services') and the conditions that come with this product. A relationship with the advisor, with whom B2B-clients have personal contact about their insurance (reflecting customer intimacy on the element 'relationship'), is expected to be beneficial in delivering tailor-made products.

On the other hand, tailor-made advice and risk management – with a prominent role for the advisor – is less prevalent in the individual client’s needs compared to what they currently perceive (i.e. less customer intimacy). Instead, the individual B2B-client indicates a higher need for quick, simple, and/or lower costs on the elements ‘advice’ and ‘risk management’ (i.e. more operational excellence). For advice, a more *quick* and *clear* advice is preferred, while a tailor-made advice is less important in the individual client’s needs, compared to his perception. A possible explanation why advice needs to be *quicker* is that insurance might be regarded as a ‘low interest product’ on which B2B-clients do not want to spend too much time. As indicated before, it is questionable whether a tailor-made ‘core insurance product’ can be delivered if the P&C-insurer has too little time to learn about the client’s specific needs. The challenge for P&C-insurers would be to deliver tailor-made products with less client contact, for example by using (publicly available) data to collect client information. Moreover, a possible explanation why advice has to be *simpler* might be the currently perceived lack of transparency in insurance. As mentioned for the gap between *intention* and *needs*, the interviewed B2B-clients suggested that advice can be made more transparent and clear by reducing the use of complicated calculation methods or difficult terms in the contact with clients.

For risk management, the individual client indicates a higher need for simple, self-executed risk scans, to keep additional advisory costs low. In addition, it was already observed that B2B-clients rank ‘risk management’ as least important element (see Table 10). Hence, it might be concluded that clients are less willing to put much time and resources in an additional service such as risk management, compared to what is currently offered in the clients’ perception. On the other hand, if clients do not know yet which added value can be delivered via risk management, it might be that their needs are based on an ‘incomplete’ perception which can still be influenced if P&C-insurers and intermediaries explain the added value they can deliver.

6.4 Conclusion

The following main research question has been formulated:

How can property & casualty insurance companies in the business-to-business market become distinctive in terms of their future customer value proposition?

It was argued that P&C-insurers can become distinctive by offering a value proposition that covers the needs of clients which are currently not fulfilled. Regarding the current value propositions, the analysis of intended and communicated value propositions has indicated that insurers currently offer different value propositions to different segments. According to Treacy and Wiersema (1997), P&C-insurers could improve their focus by making a more profound choice to excel in one kind of value. Still, P&C-insurers can deliver multiple kinds of value if these are created in different business units. This research has not focused on the operating models of insurers and how insurers are organized in different business units. Therefore, an answer to the main question will be dependent on the extent to which insurers are currently creating value for the client, and which needs are not fulfilled yet.

However, it should be noted that B2B-clients are very heterogeneous in their needs. Therefore, statements about the needs for *all* B2B-clients should be made with caution. Nevertheless, the gaps have indicated a general trend what P&C-insurers should do to ensure that their *intended* value proposition is also *perceived* by clients, but also how the intended and perceived value propositions can be aligned with clients’ *needs*. The conclusions can be summarized as follows:

- **Clients are less willing to pay higher prices for an insurer who tailors its products to clients' needs**
- **Clients indicate a need for a more tailor-made 'core insurance product'**
- **The added value of tailor-made advice and risk management does not resonate with the client**

Clients are less willing to pay higher prices for an insurer who tailors its products to clients' needs

According to B2B-clients, two of the most important elements in a value proposition are 'products and services' and 'pricing'. Regarding 'products and services', clients need a P&C-insurer who offers more relevant products that are tailor-made to the clients' needs (compared to what clients perceive now). Customizing products may come at a price though. However, on the element 'pricing', clients indicate they are less willing to pay for an insurer who adapts his products to the clients' needs. Instead, clients prefer lower prices for the best price-quality ratio.

Apart from 'products and services', the question is which elements also need to be more tailor-made, and how feasible it is to realize this against competitive prices. Our results suggest that B2B-clients want the content of their 'core insurance product' to be more tailor-made and aligned with their specific needs (in line with customer intimacy). According to the clients' needs, advice and risk management can become more *quick and simple* compared to what P&C-insurers currently intend. This can reduce the total costs for B2B-clients (in line with operational excellence).

Clients indicate a need for a more tailor-made 'core insurance product'

The need for a more tailor-made 'core insurance product' might be reflected by the element 'products and services', but also on 'relationship' and 'conditions'. First, a relationship with more personal contact is preferred as this may contribute to a better knowledge of P&C-insurers about B2B-clients' needs, so that products can be adapted to those needs. This can be observed from the increase of customer intimacy (more personal contact) on the element 'relationship'. Regarding the conditions that come with these products, B2B-clients want to be kept up-to-date about (changes in) these conditions, and they should include the relevant inclusions and exclusions for that client. This personal and tailor-made approach regarding the element 'conditions' is aligned with P&C-insurers' intention, because we did not observe any significant differences on customer intimacy for the element 'conditions'. For 'communication', P&C-insurers and clients also seem to indicate a preference for personal contact (customer intimacy). No significant gaps were found on this element.

The added value of tailor-made advice and risk management does not resonate with the client

The importance of tailor-made advice and risk management – with a prominent role for the advisor (customer intimacy) – is less prevalent in clients' needs when this is compared to what P&C-insurers intend (gap 2), and compared to what the individual client currently perceives (gap 4). Instead, the individual B2B-client indicates a higher need for quick, simple, and/or low costs on the elements 'advice' and 'risk management' (i.e. more operational excellence). For advice, the challenge for P&C-insurers would be to spend the time on advice as useful as possible. This can be done by reducing the time which is spent on retrieving client information, for example by using (publicly available) data to obtain client information.

For the element 'risk management', it should be noted that this element was ranked as least important by the sample of 171 B2B-clients, while P&C-insurers ranked it on average as second most important (see Table 10). This could mean that risk management is not considered to be important

by B2B-clients, or that clients do not understand the added value yet. Both options can be supported though. Starting with the latter explanation, clients do not perceive that their specific risks are being discussed with their own advisor (in line with customer intimacy), even though this is what P&C-insurers intend (gap 3). This might support the notion that clients do not understand the added value that P&C-insurers intend to deliver. The implication would be that P&C-insurers and their intermediaries need to be more pro-active in explaining the added value of a tailor-made risk advice. B2B-clients are not aware that investing time in risk management on the short term can be beneficial on the long term. The investments on the short term can be outweighed by future cost savings, because risk management can reduce the occurrence and/or the impact of a potential future loss. However, it is also possible that clients just think that risk management is not important. While clients already perceive that a tailor-made risk advice is not very prominent, the individual client's needs for such tailor-made risk advice is also significantly lower compared to his current perception (gap 4). In the case that risk management is not considered to be important, this might explain that clients can also be satisfied with a simple, self-executed risk scan to reduce only the most obvious risks and to keep the additional costs of risk advice low.

6.5 Managerial implications

The challenge for P&C-insurers is to offer 'core insurance products' which are more relevant and tailor-made to the clients' needs, while prices should also remain competitive. The 'core insurance product' needs to be more tailor-made, and this will comprise the risks which are covered by the policy, and the conditions under which these risks are insured. A relationship and personal contact with the P&C-insurer, should contribute to better knowledge of the P&C-insurer about what the B2B-client needs in his product.

In the current situation, we already observe that P&C-insurers offer standardized (industry-specific) insurance packages. These packages combine the benefits of insuring only what is relevant to the B2B-client in his specific industry, whereas prices are reduced through premium discounts if a client closes multiple policies at once. However, while P&C-insurers assume that clients will pay more for products that are tailor-made to their needs, this is not perceived as such by clients. Instead, clients perceive that their P&C-insurers offer products against competitive prices for an optimal price-quality ratio, while this is not intended by P&C-insurers.

Even though the intention of P&C-insurers is not resonating, there were no significant gaps between clients' perception and needs on pricing, which might indicate that clients are satisfied with current pricing. While this perception may not present an immediate problem, it might become one in the future if clients keep expecting lower prices that P&C-insurers do not intend to deliver. As most P&C-insurers do not intend to compete on price, they should make this clear to clients in order to prevent that clients' (future) expectations for lower prices are not met. Expectations that are not met can potentially destroy customer value (Treacy and Wiersema, 1997). The implication for P&C-insurers is as follows:

- *If P&C-insurers do not intend to compete on price, they should make this clear to clients in order to prevent that clients' (future) expectations for lower prices are not met.*

One of the reasons why clients do not perceive that they are paying more for tailor-made products, might be that B2B-clients do not see the differences between the products of various suppliers. As products are not perceived to be different, price might play a more important role in

the client's choice for his current insurer, compared to a (future) situation in which clients perceive that they can choose between different products. P&C-insurers acknowledge that the differences between products are currently difficult to observe – even for P&C-insurers themselves. This increasing 'commoditization' of P&C-insurance products is actively mentioned by two of the six P&C-insurers as an important future trend.

One of the options to ensure that B2B-clients perceive that tailor-made products are being delivered, is to increase the variety in insurance packages (e.g. by offering packages for more industries), and to offer more flexibility within these packages to adapt the content to an individual B2B-client's needs (i.e. more 'mass customization'). Currently, these packages are mainly focused on smaller clients (e.g. up to 10 or 20 fte) and/or industries with high premium volumes (e.g. professional services). As a result, the current packages might not be sufficient for clients whose risks are too large, too complicated, or too different from the risks being insured by the currently offered insurance packages. These clients may fall 'in-between' in the case that they are also too small for truly tailor-made products which are offered to corporate clients (e.g. starting from 80 or 100 fte). Insurer Charlie defines this 'in between' segment as clients with approximately 20-80 fte (or 10-100 fte). Therefore, an increase in 'mass-customization' may be particularly important for these clients. The implication for P&C-insurers is as follows:

- *A challenge for P&C-insurers is to offer a wider variety of insurance packages and more flexibility within these packages at lower costs, especially for clients who cannot be insured sufficiently via the current standardized (industry-specific) insurance packages, and who are too small for truly tailor-made products as offered to corporate clients.*

However, insurers should realize that an increase of the variety in products may come at the cost of efficiency (Treacy & Wiersema, 1997). Efficiency is now considered as a benefit of the (industry-specific) insurance packages. Therefore, insurers should make their own choice on how to deliver customer value as they balance between an increase in variety and maintaining efficiency.

On average, clients also indicate a higher need for 'quick and clear' advice, whereas the need for tailor-made advice is lower compared to what clients currently perceive. A preference for *quick* advice might be explained because insurance can be considered as a 'low interest product', on which clients do not want to spend too much time. However, it might be difficult for P&C-insurers to give a quick advice if they should also deliver tailor-made products. Hence, a challenge for P&C-insurers is to deliver more tailor-made products with less client contact. One of the options to reduce the time for client contact is to use (publicly available) data to obtain client information. For example, data from Google Maps, Google Streetview and/or the land registry (in Dutch: 'kadaster') can be used to automatically determine the size of a client's building. If clients know that their policies can also be aligned via such applications and other kinds of big data, the time spent with their advisor can be reduced. As a result, the quality of the total time spent on advice will increase. This leads to the following implication:

- *More convenience can be offered to clients by reducing the time spent with advisors, for example by using (publicly available) data to obtain client information. This will increase the quality of the time spent on advice.*

P&C-insurers which aim to complement their insurance product with additional services such as risk advice, may be presented with a challenge. That is: the added value that P&C-insurers aim to deliver via tailor-made risk management by the personal advisor, does not resonate yet in clients'

perception. In addition, the-clients' need for such personal risk advice is also significantly lower than P&C-insurers assume in their intended value proposition. As the element 'risk management' was also ranked as least important by clients, this might imply that clients have no outspoken need for risk management, or at least: not yet. Therefore, a value proposition of more extensive risk advice may need to be pushed into the market. In this regard, four of the ten clients actively mentioned that P&C-insurers and intermediaries are not very pro-active in alerting clients on potential risks, or even on such simple things as a change in policies (which might impose a new risk). Therefore, P&C-insurers' focus on risk management might be more of a *future* intention, which P&C-insurers still have to work out. It should be clear to B2B clients that investing time in risk management on the short term can be beneficial on the long term, i.e. by reducing the occurrence and/or the impact of a potential future loss.

- *The important role of the advisor and tailor-made risk management is not perceived by clients yet. P&C-insurers and intermediaries should be more pro-active in explaining the added value and long term benefits that they deliver to clients on risk management.*

Of course, some clients might be more receptive to the added value of risk management, and the challenge for P&C-insurers is to find out how this segment can be characterized. One of these segments might be the B2B-clients who have experience with the claim of a loss. Perhaps these clients are more receptive to reduce the occurrence and impact of potential future losses, as they know which trouble can be prevented. Insurers could use these examples of colleague-entrepreneurs to increase the awareness among other B2B-clients what might happen in case of a future loss. However, finding the right segment would call for a future research, and this will be discussed next.

6.6 Suggestions for future research

Generic trends were identified for P&C-insurance towards B2B-clients with 2-50 fte. However, the group of B2B-clients with 2-50 fte would have to be segmented further, in order to obtain more detailed insights in the perceptions and needs of specific segments of B2B-clients. The sample size will have to be larger in order to make a comparison between subsamples of clients with different characteristics. Cluster analysis might be used on such a larger sample, in order to cluster the clients who have the same preferences. A segment can be defined by searching for common characteristics in these groups of clients.

If the heterogeneity in clients' needs is lower, this would allow us to test the applicability of a key assumption of Treacy and Wiersema (1997). According to these authors, "*different kinds of customers buy different kinds of value (...) customers know that to expect superior value in every dimension from the same supplier is unreasonable*" (p. 19-22). However, the results of this research indicate that the average group of clients prefers more operational excellence on one element (e.g. pricing), while they prefer more customer intimacy on the other element (e.g. products and services). It cannot be stated with certainty whether the same, individual clients indicated these preferences for different kinds of value. If this is the case, it would imply that insurers have to realize different kinds of value on each of the different elements. This might falsify the assumption that insurers should align their whole operating model towards the creation of one kind of value. To test this assumption, future research would require a (sub)sample of clients which is more homogenous (i.e. with lower standard deviations). In the case that the same, homogenous group of clients still prefers

different kinds of value for different elements, this would complicate the alignment of the operating model towards one value discipline.

The observed preference of clients towards different kinds of value can also be explained by the measurement tool, i.e. the value discipline scale. For the scale in this research, internal consistency reliability and convergent validity did not reach the desired threshold values. Therefore, it cannot be stated with certainty that the statements of the scale are actually measuring the value discipline that they should measure. Future research can contribute to the improvement of a value discipline scale with higher validity and reliability.

In the case that insurers have to deliver multiple kinds of value simultaneously, this should also be communicated accordingly. However, it might not be clear to the client on which kind of value the insurer wants to excel if multiple kinds of value are communicated. Caution may even be necessary if an insurer intends to deliver different value propositions towards different segments. In such a case, clients might base their perception on the communication of a value proposition which was not intended for them, which may lead to 'wrong' expectations. If clients' expectations are not met, this might lead to lower levels of satisfaction. In the current communication of insurers, it was already observed that multiple 'dominant' value disciplines emerged across three sources of text from the same insurer. This research did not analyze the difference between communicated and perceived value propositions as these were measured with different methods and for different units of analysis. By analyzing these differences, future research can indicate whether the communication of multiple kinds of value leads to more confusion among clients, with the potential consequence of lower client satisfaction.

Previously, it was argued that future research can focus on segments which are more homogenous in their needs. If future research should choose one specific subsample on forehand, a potentially interesting subsample would be those clients whose risks might not be insured appropriately by the (industry-specific) insurance packages which are currently offered, while these clients are also too small for truly tailor-made offerings aimed at corporate clients. This may concern B2B-clients with approximately 20-80 (or 10-100 fte), as indicated by Insurer Charlie. It would be interesting to test whether the gaps between intended, perceived and needed value propositions are larger for this group, compared to clients who are part of the target segment of these industry-specific packages (i.e. less than 10 or 20 fte) or in the target segment of truly tailor-made solutions (i.e. corporate clients). This would imply that P&C-insurers have to take more action on developing an appropriate solution for the segment with 20-80 fte that potentially falls 'in between'.

Future research could also focus on samples of B2B-clients from the same P&C-insurer(s) which are large enough for reliable and valid inferences. P&C-insurers themselves might be in the best position to conduct such a research, as they have direct access to their own B2B-client data. It would be interesting to observe whether clients are more satisfied if they perceive and need the same value proposition as their P&C-insurer intends. If there are any gaps, this might imply that clients base their judgments and (dis)satisfaction on wrong expectations of their P&C-insurer. As our respondent from Insurer Alpha indicated, *"P&C-insurers might question themselves whether they want to accept this client. If you know that he will be dissatisfied next year because you can't deliver what he wants, it will be better for this client to choose a different insurer."*

Apart from a more extensive quantitative analysis, future research can also focus on other methods and analyses to obtain insights on how P&C-insurers can become more distinctive. Two other methods were already used in this research, i.e. a frequency count of keywords, and semi-structured interviews. These methods resulted in some interesting insights, which would call for a more extensive analysis of this data. To give an example, a remarkable finding of the frequency count of keywords, was the low frequency of some keywords on product leadership, such as 'unique', 'best product', or 'innovation', even though they were on forehand considered to be very important indicators of product leadership. Therefore, future research with a more extensive keyword dictionary might be needed, to verify whether this research missed some keywords that are also indicative for product leadership (and for operational excellence or customer intimacy as well).

However, the low occurrence of 'innovation' was also a trigger to ask P&C-insurers whether they recognized this limited attention for innovation in their industry, which was the case for all six P&C-insurers. Given the time constraints of this research, we may not have elaborated too much on this potentially limited attention for innovation. The application of open coding procedures may obtain richer results from the interview data. Interviewing multiple stakeholders, such as intermediaries, may also contribute to a more diverse perspective on innovation in P&C-insurance.

Speaking of intermediaries, a more fundamental shift in future research could also be made by reconsidering the conceptualization of value propositions to include value propositions to other stakeholders as well. For example, some of our interviewees from P&C-insurers mentioned that they also offer value propositions to intermediaries.

Although the use of Treacy and Wiersema's (1997) conceptualization was useful for our purpose of a generic analysis, the conceptualization of *reciprocal* value propositions (Ballantyne *et al.*, 2011) might be applicable to a market with multiple stakeholders. Ballantyne *et al.* (2011) define six stakeholder markets for which 'reciprocal value propositions' can be developed. In line with the service-dominant logic (Vargo & Lusch, 2004), Ballantyne *et al.* (2011) argue that value propositions should be crafted as a reciprocal exchange of value. In this regard, "*the beneficiaries will always determine what is of value in their own terms*" (Ballantyne *et al.*, 2011, p. 205). In line with the service-dominant (S-D) logic, the *value proposition* may be determined by the *company* (as a reasoning on how the company thinks their offering might create value), but it is the *customer* that determines the real *value* being created (Vargo & Lusch, 2004). Ballantyne *et al.* (2011) consider that value might be determined by multiple stakeholders though.

Applying this to the context of P&C-insurance, the co-creation of value between P&C-insurers and intermediaries might also be an interesting line for future research, as it would acknowledge the important role of intermediaries, banks, and other partners in distribution. Apart from academic purposes, this might also contribute to practical purposes as multiple P&C-insurers experience a challenge in transferring their value propositions across intermediary distribution channels. A more integrative, network perspective on value propositions is also highlighted by Kowalkowski (2011): "*Since the main focus of the conceptual framework of value propositions is on the customer-provider dyad, future studies should broaden coverage to multilateral settings and networked environments*" (Kowalkowski, 2011, p. 288). We expect that the P&C-insurance industry provides a suitable case study for value propositions in '*multilateral settings and networked environments*'. This might provide us with more insights on the dynamics of how a value proposition is transferred across different distribution channels, thereby acknowledging the important role of intermediaries as well.

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Appendix A Sources for frequency count of keywords

Merken / labels	SME packages	Liability insurance	About Us
Insurer Alpha	1663 words Source names are confidential: available upon request	671 words Source names are confidential: available upon request	257 words Source names are confidential: available upon request
Insurer Bravo	963 words Source names are confidential: available upon request	832 words Source names are confidential: available upon request	394 words Source names are confidential: available upon request
Insurer Charlie	3409 words Source names are confidential: available upon request	406 words Source names are confidential: available upon request	639 words Source names are confidential: available upon request
Insurer Delta	302 words Source names are confidential: available upon request	717 words Source names are confidential: available upon request	546 words Source names are confidential: available upon request
Insurer Echo	497 words Source names are confidential: available upon request	474 words Source names are confidential: available upon request	952 words Source names are confidential: available upon request
Insurer Foxtrot	0 words Source names are confidential: available upon request	246 words Source names are confidential: available upon request	404 words Source names are confidential: available upon request

Appendix B Interview protocol for P&C-insurance companies

A. Introductie van het onderzoek (5 min.)

- Inleiding: Ter afsluiting van mijn master Business Administration aan de Universiteit Twente, voer ik een onderzoek uit in samenwerking met consultants bureau Accenture. Dit onderzoek richt zich op *de huidige en toekomstige waardeproposities van zakelijke schadeverzekeraars*.
- Definitie: Een waardepropositie is een belofte die een bedrijf doet om een bepaald type waarde te creëren voor zijn klanten. Bijvoorbeeld door de combinatie van aangeboden producten en diensten.
- Onderzoeksstappen: Hierbij ben ik op zoek naar de onderscheidende waarde die verzekeraars op dit moment willen leveren (intentie), de manier waarop verzekeraars dit communiceren, maar ook de perceptie en de behoeften van de zakelijke klanten ten aanzien van deze waardeproposities. De focus ligt hierbij op het midden- en kleinbedrijf.
- In dit interview zou ik vooral willen praten over uw *intentie*, dus welke waarde u wilt creëren met schadeverzekeringen voor MKB-klanten.
 - Behalve de manier waarop u in de huidige situatie waarde creëert voor uw klanten, ben ik ook benieuwd naar uw visie voor de toekomstige situatie voor wat betreft waardeproposities in de zakelijke schademarkt.
- We beginnen algemeen en werken toe naar een aantal specifieke elementen waarop u als verzekeraar zich wil onderscheiden. Hiervoor heb ik nog een vragenlijst die u kunt invullen. Graag wil ik de laatste 10 minuten van ons gesprek reserveren voor het invullen van deze vragenlijst. Is het doel van dit gesprek daarmee helder?
 - **Eigen notitie**: Eventuele onduidelijkheden nog bespreken en toelichten
- Verwerking in scriptie: De resultaten van dit interview worden vertrouwelijk behandeld en kunnen op uw verzoek anoniem blijven. Nadat de resultaten zijn verwerkt in mijn scriptie, ontvangt u een schriftelijke samenvatting van de onderzoeksresultaten en – conclusies. We blijven dan ook graag in contact over de uitkomsten van het onderzoek.
 - Kunnen we na dit interview contact met u opnemen bij eventuele aanvullende vragen?

B. Introductie door respondent van de verzekeraar (5 min.)

1. Wilt u zichzelf kort introduceren? Ik ben hierbij benieuwd naar twee zaken:
 - a. Wat is uw huidige rol binnen deze verzekeraar?
 - b. In welke hoedanigheid heeft u momenteel of in het verleden te maken gehad met waardeproposities voor de zakelijke schadeverzekeringsmarkt?
 - i. **Eigen notitie**: Hierna kort samenvatten wat de expertise en verantwoordelijkheid is van deze respondent op het gebied van zakelijke schadeverzekeringen.

C. Huidige segmentatie door verzekeraar en gekozen 'target-segment' (5 min.)

2. In mijn onderzoek kijk ik vooral naar waardeproposities voor (de wat kleinere) MKB-klanten, met 2 tot 50 medewerkers. Om zeker te weten dat we tijdens dit interview over hetzelfde klantsegment praten, wil ik u vragen:
 - a. Hoe heeft uw bedrijf de zakelijke schadeverzekeringsmarkt gesegmenteerd?
 - b. En onder welk(e) van deze klantsegment(en) kunnen we het (kleinere) MKB met 2 tot 50 medewerkers dan scharen?
 - i. **Eigen notitie**: Hierna vat ik kort samen over welk segment we het in de rest van dit interview gaan hebben. Bedrijven met 1 medewerker (ZZP'ers) en middelgrote tot grote bedrijven (meer dan 50 medewerkers) zouden daarmee buiten beschouwing blijven.

D. Positionering en onderscheidende waarde (15 a 20 min.)

3. In het algemeen: wat wilt u betekenen voor MKB-kanten op het gebied van zakelijke schadeverzekeringen? Oftewel: welke onderscheidende waarde wilt u leveren?
 - i. **Eigen notitie:** *samenvatten welke onderscheidende waarde de verzekeraar wil leveren aan MKB-kanten in het algemeen (los van andere segmentatiecriteria zoals branche of product).*
4. Op welk niveau wordt voor de doelgroep MKB (2-50 medewerkers) de propositie gedefinieerd? Heeft u bijvoorbeeld één propositie voor de gehele zakelijke markt (zowel ZZP, MKB, als grootzakelijk), of biedt u proposities aan op een specifiek niveau, bijvoorbeeld per branche, of per product?
5. Graag zou ik met u willen kijken naar het totaalpakket van uw producten en diensten richting MKB-kanten. Hierbij ben ik benieuwd naar het belangrijkste element waarmee u de onderscheidende waarde wilt realiseren zoals u die net beschreef.
 - a. Oftewel: met welk element in uw totaalpakket onderscheidt u zich in de huidige situatie? En waarom is juist dit element onderscheidend?
 - i. **Eigen notitie:** *Eerst de verzekeraar laten antwoorden (om hun antwoord niet te sturen). Wanneer de verzekeraar om verduidelijking vraagt, noem ik de 9 elementen die ik in de Value Discipline Scale heb staan.*
 - ii. *Daarna vat ik het antwoord van de verzekeraar samen. Als de verzekeraar het eens is dat dit betreffende element het belangrijkste is, praten we daarover verder in de volgende vragen.*

E. Discussie over belangrijkste element(en) in waardepropositie (15 a 20 min.)

6. Het element dat u zojuist gekozen hebt, kan bijdragen aan één van drie manieren om onderscheidend te zijn (deze 3 manieren op papier laten zien). Op welke manier wilt u zich onderscheiden met het door u gekozen element? En waarom?
 - a. *De laagste 'totale kosten' voor de klant, door lage prijs en/of weinig moeite die klant hoeft te doen*
 - b. *Producten en diensten op maat, afgestemd op specifieke behoeften van de klant.*
 - c. *De beste en meest innovatieve producten en diensten.*
7. Om onderscheidend te zijn, kunt u dit element op meerdere manieren invullen. In de vorige vraag zijn 3 mogelijkheden geformuleerd, samengevat: de laagste totale kosten, maatwerkoplossingen, of de beste en meeste innovatieve producten.
 - a. Zijn er buiten deze drie manieren nog andere manieren waarop u onderscheidend wilt zijn met dit element? Zo ja, hoe zou u die manier willen omschrijven?
8. Wilt u met de overige elementen in uw propositie dezelfde onderscheidende waarde leveren (zie vraag 6; deze 3 manieren op papier laten zien)?
9. Graag wil ik met u kijken naar uw distributiekkanalen en de manier waarop de propositie via deze kanalen gecommuniceerd wordt.
 - a. Wat is het aandeel van elk distributiekanaal in uw omzet voor zakelijke schadeverzekeringen richting MKB-kanten?
 - b. Welk aandeel komt van uw eigen, directe distributiekkanalen (zoals uw website, call center en eigen adviseurs) en welk aandeel komt van indirecte kanalen van partners (zoals onafhankelijke intermediairs, volmachten of banken)?
 - c. Hoe borgt u dat de propositie richting MKB-kanten via elk van deze kanalen goed wordt overgebracht op de eindklant – zowel bij eigen directe kanalen als bij indirecte kanalen van partners?
 - i. **Eigen notitie:** *wanneer respondent om verduidelijking vraagt, geven we volgende voorbeelden → Bijvoorbeeld: Richt u zich met name op de communicatie en promotie van de propositie op uw website? En hoe*

verzorgt u dit wanneer het een tussenpersoon betreft die buiten uw eigen organisatie valt?

10. Wat is uw ervaring ten aanzien van het onderscheidend vermogen van uw propositie in de huidige markt? Welke concrete 'bewijzen' heeft u die dit onderbouwen?

F. Segmentatie, targeting, en positionering in de toekomst (15 a 20 min.)

11. Hoe ziet u de toekomst van de zakelijke schadeverzekeringsmarkt voor zich?
- a. Op welke manier wilt u zich over 3 jaar onderscheiden? Verschilt dit van de huidige manier waarop u zich wilt onderscheiden en zo ja, welke veranderingen ziet u dan voor zich? En met welk element verwacht u zich over 3 jaar te kunnen onderscheiden?
12. Vanuit mijn desk research naar communicatie via publieke websites van verzekeraars, krijg ik de indruk dat er door zakelijke schadeverzekeraars in Nederland weinig aandacht wordt besteed aan innovatie en het aanbieden van unieke producten die duidelijk het beste zijn.
- a. Herkent u dit beeld? Zo ja, wat zou uw verklaring hiervoor zijn? Zo niet, waarom niet?
 - b. Gaat u zich in de toekomst meer op innovatie richten en hoe belangrijk is product- en dienstinnovatie in de zakelijke schadeverzekeringsmarkt volgens u?

G. Volledige Value Discipline Scale invullen (evt. achterlaten) en afronding interview (10 min.)

13. Wilt u de volgende vragenlijst nog invullen? (zie volgende pagina)
14. Heeft u verder nog opmerkingen of aanvullingen n.a.v. wat er is besproken?
15. Mag ik u hartelijk danken voor dit interview?

Enquête zakelijke schadeverzekeraars

Deze vragen hebben betrekking op verschillende elementen van uw huidige propositie richting MKB-klanten. Het gaat hierbij om zakelijke schadeverzekeringen (zoals brand, aansprakelijkheid voor bedrijven, rechtsbijstand, etc.).

Elke vraag bestaat uit 3 onderdelen. Graag willen we dat u 100 punten verdeelt over deze 3 onderdelen. Dit hangt af van de mate waarin u deze stellingen van toepassing vindt op de propositie die u aan klanten biedt.

Een voorbeeld:	Stelling 1	15	
	Stelling 2	60	
	Stelling 3	<u>25</u>	
		100	(Totaal moet altijd 100 punten zijn)

Prijsniveau	Puntenverdeling
1. De klant krijgt bij ons het beste product en is bereid om daarvoor een hogere prijs te betalen.	_____
2. Wij leveren de klant producten tegen de laagste prijs in de markt en garanderen de beste prijs-kwaliteitverhouding.	_____
3. De klant is bereid om wat meer te betalen voor onze schadeverzekeringen, omdat wij de specifieke behoeften van de klant begrijpen en onze producten en diensten hierop aanpassen.	_____
	100

Relatie	
1. Wij hebben weinig persoonlijk contact met onze klant, maar meer contact via post of email.	_____
2. De klant doet zaken met ons omdat wij met nieuwe en innovatieve producten en diensten komen	_____
3. Wij proberen een persoonlijke relatie met onze klant te onderhouden, zodat wij weten wat hij wil en wij onze producten hierop kunnen aanpassen.	_____
	100

Producten en diensten	
1. Doordat wij een relatie hebben met onze klant, weten wij precies welke producten en diensten relevant voor hem zijn en passen we deze aan naar zijn behoeften.	_____
2. Wij verzekeren alleen het strikt noodzakelijke om een zo scherp mogelijke premie aan te kunnen bieden.	_____
3. Wij bieden innovatieve en kwalitatief sterke producten. De klant weet zeker dat al zijn relevante bedrijfsrisico's zijn afgedekt.	_____
	100

Afsluiten van verzekeringen	
1. Wij bieden traditionele, maar ook nieuwe en innovatieve manieren om een verzekering af te sluiten of te wijzigen.	_____
2. Onze adviseurs zorgen ervoor dat er voor de klant een verzekering wordt afgesloten op de manier die voor hem het beste uitkomt.	_____
3. De klant kan bij ons direct (bijv. via internet) snel en eenvoudig een verzekering afsluiten of wijzigen.	_____
	100

Advies

1. Als de klant digitaal of in een (telefonisch) gesprek om advies vraagt, krijgt hij een snel, eenvoudig antwoord.
2. Wij geven een advies op maat. De wensen van de klant worden gehoord bij het zoeken naar een specifieke oplossing.
3. Wij zijn steeds op zoek naar nieuwe en innovatieve manieren om het beste advies te geven.

100

Communicatie

1. De communicatie met de klant over zijn verzekeringen verloopt via zijn eigen adviseur, met wie hij persoonlijk contact heeft.
2. Wij communiceren op een duidelijke manier en zijn daarbij ook op zoek naar vernieuwende manieren om te communiceren.
3. Wij communiceren vooral direct met onze klant via post of email, zonder tussenkomst van een tussenpersoon. Dit werkt snel en efficiënt.

100

Risicomanagement

1. Door zelf een simpele (online) risicoscan uit te voeren, kan de klant snel de meest voor de hand liggende risico's beheersen en voorkomen, waardoor de advieskosten laag blijven.
2. De klant krijgt bij ons het best mogelijke advies over risicomanagement en preventie, om vrijwel alle schades te voorkomen.
3. Onze adviseur overlegt met de klant over preventie en beheersing van de belangrijkste risico's voor zijn specifieke bedrijf.

100

Voorwaarden

1. De klant wordt altijd persoonlijk op de hoogte gehouden van (veranderingen in) de voorwaarden. Deze voorwaarden worden in begrijpelijke taal en op maat opgesteld, inclusief de voor hem geldende uitbreidingen en beperkingen.
2. Onze verzekeringsvoorwaarden zijn zo duidelijk dat er bij (mogelijke) schadeclaims nooit discussie ontstaat. Het is duidelijk wat er allemaal wel en niet is verzekerd en waar de klant recht op heeft.
3. Wij bieden eenvoudige en simpele standaardvoorwaarden aan.

100

Afhandeling van claims

1. De afhandeling van schadeclaims verloopt probleemloos doordat alle risico's van de klant zijn afgedekt. Bovendien kunnen claims op nieuwe en innovatieve wijze worden ingediend (bijv. via smartphone).
2. Wij handelen claims eenvoudig en snel af, waarbij de klant direct een schriftelijke bevestiging ontvangt via post of email. Wij zijn snel en efficiënt in het afhandelen van claims.
3. Wij zijn flexibel in het proces rond de afhandeling van schadeclaims. De klant kan de afhandeling van een schadeclaim onbezorgd overlaten aan zijn eigen adviseur.

100

Wat vindt u belangrijk?

Wat vindt u het belangrijkste van de 9 onderstaande elementen? Hiervoor kunt u een cijfer van 1 tot en met 9 toekennen. Het belangrijkste onderdeel geeft u 9 punten, het op één na belangrijkste onderdeel 8 punten, enz. Het minst belangrijke onderdeel geeft u slechts 1 punt.

Elk cijfer van 1 tot en met 9 mag slechts één keer gebruikt worden!

Onderdeel		Punten
Prijsniveau	<i>Wat wil de klant betalen?</i>	
Relatie	<i>De relatie van de klant met bijv. zijn adviseur</i>	
Producten en diensten	<i>De dekking en de polisvoorwaarden</i>	
Afsluiten/wijzigen van verzekeringen	<i>Hoe verloopt dit?</i>	
Advies	<i>Welke adviezen geeft u als verzekeraar?</i>	
Communicatie	<i>Hoe wordt de klant op de hoogte gehouden?</i>	
Risicomanagement	<i>Preventie en beheersing van risico's</i>	
Voorwaarden	<i>Is het duidelijk wat wel en niet verzekerd is?</i>	
Afhandeling van claims	<i>Hoe verloopt dit proces?</i>	

Appendix C Survey for B2B-clients

Welkom bij dit onderzoek!

Om mijn opleiding Bedrijfskunde aan de Universiteit Twente af te kunnen sluiten, voer ik een onderzoek uit naar zakelijke schadeverzekeringen.*

Hiervoor ben ik op zoek naar manieren waarop schadeverzekeraars hun producten en diensten meer onderscheidend kunnen maken. Uw mening als zakelijke klant is daarbij erg belangrijk!

Graag wil ik u daarom uitnodigen om deze enquête in te vullen. Hiermee zou u mij ontzettend helpen om mijn onderzoek te laten slagen. Bij voorbaat hartelijk dank voor uw tijd en moeite!

Vriendelijke groeten,
Robin Beijen

**Denk bij schadeverzekeringen aan brand, bedrijfsschade, rechtsbijstand, aansprakelijkheidsverzekeringen voor bedrijven, etc. Verzekeringen die niet relevant zijn voor mijn onderzoek zijn particuliere verzekeringen, zorg-, pensioen- en inkomensverzekeringen.*

Algemeen

In welke branche is uw bedrijf hoofdzakelijk actief?	<input type="checkbox"/> Bouwnijverheid <input type="checkbox"/> Detailhandel <input type="checkbox"/> Groothandel <input type="checkbox"/> Informatie en communicatie <input type="checkbox"/> Financiële dienstverlening <input type="checkbox"/> Verhuur en handel van onroerend goed <input type="checkbox"/> Specialistische zakelijke dienstverlening <input type="checkbox"/> Verhuur en overige zakelijke diensten <input type="checkbox"/> Horeca <input type="checkbox"/> Vervoer en opslag <input type="checkbox"/> Gezondheids- en welzijnszorg <input type="checkbox"/> Anders, namelijk ...
Hoe lang bestaat uw bedrijf?	<input type="checkbox"/> 0-2 jaar <input type="checkbox"/> 2-5 jaar <input type="checkbox"/> 5-10 jaar <input type="checkbox"/> Meer dan 10 jaar
Hoeveel werknemers heeft uw bedrijf in dienst, omgerekend naar fte* (evt. uzelf als eigenaar meegerekend)? <i>*fte - Fulltime-equivalent of Fulltime-eenheden. Een fte is een volledige arbeidsplaats binnen een organisatie. Een functie van 0,8 fte bijvoorbeeld is – uitgaande van een werkweek van 40 uur – een functie van 0,8 x 40 = 32 uur.</i>	<input type="checkbox"/> 1 FTE <input type="checkbox"/> 2-10 FTE <input type="checkbox"/> 11-50 FTE <input type="checkbox"/> Meer dan 50 FTE

Waar werkt u binnen uw organisatie? <i>(Meerdere antwoorden zijn mogelijk)</i>	<input type="checkbox"/> Directie (eigenaar, management-team) <input type="checkbox"/> Stafafdeling (managementassistent, directiesecretaris etc.) <input type="checkbox"/> Inkoop <input type="checkbox"/> Verkoop <input type="checkbox"/> Productie/operatie <input type="checkbox"/> Financiën <input type="checkbox"/> Marketing <input type="checkbox"/> Klantenservice/aftersales <input type="checkbox"/> ICT <input type="checkbox"/> Anders, namelijk...																																																															
Welke rol (of rollen) vervult u bij het afsluiten/wijzigen van zakelijke schadeverzekeringen binnen uw bedrijf? <i>(Meerdere antwoorden zijn mogelijk).</i>	<input type="checkbox"/> Ik kan de uiteindelijke beslissing nemen om wel/niet een verzekering af te sluiten of te wijzigen (bijv. in rol als (mede-) eigenaar). <input type="checkbox"/> Ik verzamel en selecteer de relevante informatie die nodig is voor het nemen van de beslissing. Bijvoorbeeld door bij verschillende aanbieders informatie op te vragen (zoals verzekeraars, tussenpersonen en banken). <input type="checkbox"/> Ik heb contact met de uiteindelijke verzekeraar, tussenpersoon of bank om de verzekering daadwerkelijk af te sluiten of te wijzigen. <input type="checkbox"/> Ik adviseer degene binnen ons bedrijf bij het nemen van de juiste beslissing voor het afsluiten/wijzigen van een verzekering. <input type="checkbox"/> Ik ben niet betrokken bij de verzekeringen binnen mijn organisatie.																																																															
Hoe belangrijk vindt u de volgende verzekeringen voor uw bedrijf?																																																																
	<table border="1"> <thead> <tr> <th></th> <th>N.v.t.</th> <th>Niet belangrijk</th> <th>Minder belangrijk</th> <th>Neutraal</th> <th>Belangrijk</th> <th>Zeer belangrijk</th> </tr> </thead> <tbody> <tr> <td>Motorvoertuigen zakelijk</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Gebouwen</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Inventaris, goederen</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Bedrijfsschade</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Aansprakelijkheid voor bedrijven</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Rechtsbijstand</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Transport</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Overig (specificeer hieronder)</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		N.v.t.	Niet belangrijk	Minder belangrijk	Neutraal	Belangrijk	Zeer belangrijk	Motorvoertuigen zakelijk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Gebouwen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Inventaris, goederen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Bedrijfsschade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Aansprakelijkheid voor bedrijven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rechtsbijstand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overig (specificeer hieronder)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	N.v.t.	Niet belangrijk	Minder belangrijk	Neutraal	Belangrijk	Zeer belangrijk																																																										
Motorvoertuigen zakelijk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Gebouwen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Inventaris, goederen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
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Aansprakelijkheid voor bedrijven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Rechtsbijstand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Overig (specificeer hieronder)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										

Indien u bij de vorige vraag een score hebt ingevuld voor 'Overig', dan hieronder graag toelichten om welke verzekering(en) dit gaat.

...

Denk bij het invullen van de overige enquêtevragen aan de verzekeraar, bank en/of tussenpersoon bij wie u uw belangrijkste zakelijke schadeverzekeringen heeft afgesloten.

Via welk kanaal heeft u <u>op dit moment</u> uw zakelijke schadeverzekering(en) afgesloten?	<input type="checkbox"/> Direct bij de verzekeraar <input type="checkbox"/> Via een tussenpersoon <input type="checkbox"/> Via uw bank <input type="checkbox"/> Anders, namelijk...
Via welk kanaal zou u <u>in de toekomst</u> graag uw schadeverzekering(en) willen afsluiten/wijzigen?	<input type="checkbox"/> Direct bij de verzekeraar <input type="checkbox"/> Via een tussenpersoon <input type="checkbox"/> Via uw bank <input type="checkbox"/> Anders, namelijk...
Bij hoeveel verschillende verzekeringsmaatschappijen zijn uw zakelijke schadeverzekeringen ondergebracht?	<input type="checkbox"/> 1 maatschappij <input type="checkbox"/> 2 maatschappijen <input type="checkbox"/> 3 maatschappijen <input type="checkbox"/> 4 maatschappijen <input type="checkbox"/> 5 maatschappijen <input type="checkbox"/> Meer dan 5 maatschappijen <input type="checkbox"/> Ik weet het niet
Bij welke verzekeringsmaatschappij heeft u de belangrijkste zakelijke schadeverzekeringen lopen?	<input type="checkbox"/> ABN Amro Verzekeringen <input type="checkbox"/> Aegon <input type="checkbox"/> Allianz <input type="checkbox"/> Amlin <input type="checkbox"/> ANWB <input type="checkbox"/> a.s.r. <input type="checkbox"/> Avéro Achmea <input type="checkbox"/> Bovemij <input type="checkbox"/> Centraal Beheer <input type="checkbox"/> DAS <input type="checkbox"/> Delta Lloyd <input type="checkbox"/> Generali <input type="checkbox"/> Goudse <input type="checkbox"/> HDI-Gerling <input type="checkbox"/> Interpolis <input type="checkbox"/> Klaverblad <input type="checkbox"/> London <input type="checkbox"/> Mondial <input type="checkbox"/> Nationale-Nederlanden <input type="checkbox"/> NH van 1816 <input type="checkbox"/> Reaal <input type="checkbox"/> TVM <input type="checkbox"/> Univé <input type="checkbox"/> Anders, namelijk...

					<input type="checkbox"/> Ik weet het niet	
Welke partij is voor u het meest belangrijk bij uw keuze voor een zakelijke schadeverzekering?						
	Meest belangrijk	Belangrijker	Even belangrijk	Belangrijker	Meest belangrijk	
Adviseur (van bank, verzekeraar of assurantie-kantoor)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(Achterliggende) Verzekeringsmaatschappij
Ervaring met schadeclaims Heeft u in het verleden te maken gehad met het indienen van een schadeclaim?				<input type="checkbox"/> Ja <input type="checkbox"/> Nee		

100 punten vragen

Zakelijke schadeverzekeringen* kunnen op verschillende elementen verschillen, zoals de prijs, de voorwaarden, maar ook het advies, etc. De volgende vragen hebben betrekking op verschillende elementen van een zakelijke schadeverzekering. Elke vraag bestaat uit 3 stellingen. Graag willen we dat u 100 punten verdeelt over deze 3 stellingen. Dit hangt af van de mate waarin u deze stellingen van toepassing vindt op uw huidige zakelijke schadeverzekeringen.

- Eerst vult u links de scores in die u van toepassing vindt op uw huidige verzekering.
- Daarna vult u rechts de scores in zoals u deze bij de ideale verzekering zou willen zien.

U kunt zelf bepalen hoeveel punten u verdeelt, zolang het totaal maar op 100 punten uitkomt.

Voorbeeld:

	<i>Huidig</i>	<i>Ideaal</i>
<i>Stelling 1</i>	15	20
<i>Stelling 2</i>	60	30
<i>Stelling 3</i>	<u>25 +</u>	<u>50 +</u>
	100	100

(Totaal moet altijd 100 punten zijn).

*Denk bij schadeverzekeringen aan brand, rechtsbijstand, aansprakelijkheidsverzekeringen voor bedrijven, etc. Verzekeringen die niet relevant zijn voor mijn onderzoek, zijn zorg-, pensioen- en inkomensverzekeringen.

	<u>Huidige</u> verzekering	<u>Ideale</u> verzekering
Prijsniveau		
1. Ik krijg bij mijn verzekeraar het beste product en ben bereid om daarvoor een hogere prijs te betalen.		
2. Mijn verzekeraar levert mij producten tegen de laagste prijs in de markt en levert hiermee de beste prijs/kwaliteit- verhouding.		
3. Ik ben bereid om wat meer te betalen voor mijn schadeverzekeringen omdat mijn verzekeraar mijn specifieke behoeften begrijpt en de producten en diensten hierop aanpast.		
	100	100
Relatie		
1. Mijn verzekeraar heeft weinig persoonlijk contact met mij als klant, maar meer contact via post of email		
2. Ik doe zaken met mijn verzekeraar omdat hij met nieuwe en innovatieve producten en diensten komt.		
3. Mijn verzekeraar probeert een persoonlijke relatie met mij te onderhouden, zodat hij weet wat ik wil en hij zijn product daarop kan aanpassen.		
	100	100
Producten en diensten		
1. Doordat mijn verzekeraar een relatie heeft met mij als klant, weet hij precies welke producten en diensten relevant zijn voor mij en past hij ze aan naar mijn behoeften.		
2. Mijn verzekeraar verzekert alleen het strikt noodzakelijke om een zo scherp mogelijke premie aan te kunnen bieden.		
3. Mijn verzekeraar biedt innovatieve en kwalitatief sterke producten aan. Ik weet zeker dat alle bedrijfsrisico's zijn afgedekt.		
	100	100

	Huidige verzekering	Ideale verzekering
Afsluiten/wijzigen van verzekeringen		
1. Mijn verzekeraar biedt traditionele, maar ook nieuwe en innovatieve manieren om een verzekering af te sluiten en te wijzigen.		
2. Mijn adviseur zorgt dat er voor mij als klant een verzekering wordt afgesloten op de manier die voor mij het beste uitkomt.		
3. Ik kan bij mijn verzekeraar direct (bijv. via internet) snel en eenvoudig een verzekering afsluiten of wijzigen.		
	100	100
Advies		
1. Als ik digitaal of in een (telefonisch) gesprek om advies vraag, krijg ik een snel en eenvoudig antwoord.		
2. Mijn verzekeraar geeft een advies op maat. Mijn wensen worden gehoord bij het zoeken naar een specifieke oplossing.		
3. Mijn verzekeraar is steeds op zoek naar nieuwe en innovatieve manieren om het beste advies te geven.		
	100	100
Communicatie		
1. De communicatie over mijn verzekeringen verloopt via mijn eigen adviseur van de verzekeraar, waarmee ik persoonlijk contact heb.		
2. Mijn verzekeraar communiceert op een duidelijke manier en is op zoek naar vernieuwende manieren om te communiceren		
3. Mijn verzekeraar communiceert direct met mij via post of email, zonder tussenkomst van een tussenpersoon. Dit werkt snel en efficiënt.		
	100	100
Risicomanagement		
1. Door zelf een simpele (online) risicoscan uit te voeren, kan ik snel de meest voor de hand liggende risico's beheersen en voorkomen, waardoor de advieskosten laag blijven.		
2. Ik krijg bij mijn verzekeraar het best mogelijke advies over risicomanagement en preventie, om vrijwel alle schades te voorkomen.		
3. Mijn adviseur overlegt met mij over preventie en beheersing van de belangrijkste risico's voor mijn specifieke bedrijf.		
	100	100
Voorwaarden		
1. Ik word altijd persoonlijk op de hoogte gehouden van (veranderingen in) de voorwaarden. Deze voorwaarden worden in begrijpelijke taal en op maat opgesteld inclusief de voor mij geldende uitbreidingen en beperkingen.		
2. De voorwaarden van mijn verzekeraar zijn zo duidelijk dat er bij (mogelijke) schadeclaims nooit discussie ontstaat. Het is duidelijk wat ik allemaal wel en niet heb verzekerd en waar ik recht op heb.		
3. Mijn verzekeraar biedt mij eenvoudige en simpele standaardvoorwaarden aan.		
	100	100

Afhandeling van claims

Wanneer u nog nooit een schadeclaim heeft ingediend namens uw huidige bedrijf, hoeft u voor dit element ('afhandeling van claims') alleen de vraag in te vullen voor uw *ideale* verzekering.

**Huidige
verzekering**

*Alleen bij
ervaring met
claims*

**Ideale
verzekering**

1. De afhandeling van schadeclaims verloopt probleemloos doordat al mijn risico's zijn afgedekt. Bovendien kunnen claims op nieuwe en innovatieve wijze worden ingediend (bijv. via smartphone/tablet).		
2. Mijn verzekeraar handelt claims eenvoudig en snel af, waarbij ik direct een schriftelijke bevestiging ontvang via post of email.		
3. Mijn verzekeraar is flexibel in het proces rond de afhandeling van schadeclaims. Ik kan de afhandeling van een schadeclaim onbezorgd overlaten aan mijn eigen adviseur.		
	100	100

Wat vindt u belangrijk?

Wat vindt u het belangrijkste van de 9 onderstaande elementen? Hiervoor kunt u een cijfer van 1 tot en met 9 toekennen. Het belangrijkste onderdeel geeft u 9 punten, het op één na belangrijkste onderdeel 8 punten, enz. Het minst belangrijke onderdeel geeft u slechts 1 punt.

Elk cijfer van 1 tot en met 9 mag slechts één keer gebruikt worden!

Onderdeel		Punten
Prijsniveau	<i>Wat wilt u betalen?</i>	
Relatie	<i>De relatie met bijv. uw adviseur</i>	
Producten en diensten	<i>De dekking en de polisvoorwaarden</i>	
Afsluiten/wijzigen van verzekeringen	<i>Hoe verloopt dit?</i>	
Advies	<i>Hoe wordt u geadviseerd?</i>	
Communicatie	<i>Hoe wordt u op de hoogte gehouden?</i>	
Risicomanagement	<i>Preventie en beheersing van risico's</i>	
Voorwaarden	<i>Is het duidelijk wat wel en niet verzekerd is?</i>	
Afhandeling van claims	<i>Hoe verloopt dit proces?</i>	

Einde

Hartelijk dank voor het invullen van deze vragenlijst!

Appendix D Interview protocol for B2B-clients

A. Introductie van het onderzoek (5 min.)

- Inleiding: Ter afsluiting van mijn master Business Administration aan de Universiteit Twente, voer ik een onderzoek uit in samenwerking met consultants bureau Accenture. Dit onderzoek richt zich op de manieren waarop zakelijke schadeverzekeraars meer onderscheidend kunnen worden. Daarbij kijk ik naar het totaalpakket van producten en diensten van een zakelijke schadeverzekering, waarmee de betreffende verzekeraar uw behoeften wil vervullen.
- Onderzoeksstappen: Hierbij ben ik op zoek naar de onderscheidende waarde die verzekeraars op dit moment willen leveren (intentie), de manier waarop verzekeraars dit communiceren, maar ook de manier waarop eindklanten dit ervaren en welke behoeften eindklanten hebben bij een schadeverzekering. Met 'eindklanten van verzekeraars' richt ik mij met name op het midden- en kleinbedrijf.
- In dit interview wil ik praten over uw ervaringen met zakelijke schadeverzekeraars op dit moment, maar ook over uw behoeften als eindklant. Oftewel: wat zou een verzekeraar moeten aanbieden zodat u overtuigd bent om voor hem te kiezen?
 - We beginnen bij de huidige situatie en uw tevredenheid in het algemeen, om van daaruit toe te werken naar de onderdelen die u het meest belangrijk vindt in een zakelijke schadeverzekering. Hiervoor heb ik nog een vragenlijst die u kunt invullen. Graag wil ik de laatste 10 minuten van ons gesprek reserveren voor het invullen van deze vragenlijst.
- Is het doel van dit gesprek daarmee helder?
 - **Eigen notitie**: Eventuele onduidelijkheden nog bespreken en toelichten

B. Introductie door respondent bij de eindklant (5 min.)

1. Wilt u uzelf en uw bedrijf kort introduceren?
 - a. Hoe zou u de activiteiten van uw bedrijf kort willen omschrijven?
 - b. Wat is uw leeftijd?
 - c. Hoeveel werknemers (FTE) heeft u in dienst?
 - d. Wat is uw functie binnen het bedrijf?
 - i. **Eigen notitie**: als checkvraag voor de branche waarin men actief is, leeftijd van de respondent en bedrijfsgrootte (in aantal FTE). Dit vragen we ook in de enquête, met als toevoeging de functie binnen het bedrijf.
2. Wat is uw rol bij het afsluiten van de schadeverzekeringen binnen uw bedrijf?
 - i. **Eigen notitie**: Als de klant om verheldering vraagt, noem ik deze rollen:
 - a. Bent u degene die informatie verzamelt (of heeft verzameld) van de verschillende aanbieders, zoals verzekeraars, tussenpersonen en banken?
 - b. Bent u degene die contact heeft met verzekeraars of tussenpersonen om de verzekering daadwerkelijk af te sluiten, ook administratief gezien?
 - c. Bent u degene die de uiteindelijke beslissing kan nemen om wel/niet met een bepaalde aanbieder in zee te gaan, bijv. als u de (mede-)eigenaar bent?
 - i. **Eigen notitie**: Hierna kort samenvatten wat de rol is van deze respondent bij het afsluiten van zakelijke schadeverzekeringen binnen dit bedrijf.
 - ii. (a) is 'gatekeeper', (b) is 'buyer' en (c) is 'decider' binnen een 'decision-making unit' van een bedrijf. (Webster & Wind, 1972; Blythe, 2009). Overige rollen zijn 'initiator, user and influencer', maar ik verwacht dat deze minder snel genoemd zullen worden.
 - iii. Om de resultaten te kunnen meenemen in mijn onderzoek, moet de respondent tenminste één van deze rollen vervullen.

C. Inventarisatie van huidige aanbieder (15 min.)

3. Waar bent u verzekerd (met welke verzekeraar / tussenpersoon doet u zaken)?
 - a. Via welk kanaal heeft u deze schadeverzekering(en) afgesloten? Direct bij de verzekeraar, via een tussenpersoon, of via de bank?
 - b. Weet u ook bij hoeveel verschillende verzekeringsmaatschappijen uw schadeverzekeringen zijn ondergebracht?
 - c. Bij welke maatschappij zijn de meeste van uw schadeverzekeringen ondergebracht?
 - i. **Eigen notitie:** *Hierna samenvatten met welke tussenpersoon / verzekeraar deze klant het meeste contact heeft en welke maatschappij het grootste aandeel heeft in de portefeuille aan schadeverzekeringen van deze klant. Hierover gaan de volgende vragen.*
4. Heeft u bij het afsluiten van uw schadeverzekeringen getwijfeld tussen meerdere verzekeraars?
 - a. Wat gaf de doorslag om voor deze verzekeraar te kiezen?
5. Vindt u uw huidige aanbieder/verzekeraar onderscheidend? Zo ja, op welk vlak?
 - a. *De laagste totale kosten (kwalitatief voldoende product wat op lange termijn minste geld voor u kost?)*
 - b. *Producten en diensten op maat, zodat dit op uw specifieke situatie is afgestemd?*
 - c. *De meest vernieuwende producten en meest brede dekking.*

D. Evaluatie van huidige aanbieder (15 min.)

6. Heeft u het idee dat u goed verzekerd bent?
 - a. Bent u op de hoogte van hetgeen u wel en niet hebt verzekerd? Heeft u bijvoorbeeld de polisvoorwaarden doorgelezen?
 - b. Er is een statistiek dat 60% van de bedrijven met brand binnen 1 kwartaal failliet is. Denkt u dat u bij de goede 40% zit? Waarom wel/niet?
7. Kunt u een algemeen rapportcijfer geven om aan te geven hoe tevreden u bent met het totaalpakket van producten en diensten rond uw huidige zakelijke schadeverzekeringen?
 - i. **Eigen notitie:** *Dit betreft de totale waardepropositie van producten en dienstverlening die wordt aangeboden door de verzekeringsmaatschappij en/of de tussenpersoon.*
 - a. Wat maakt dat u (on)tevreden bent?
 - b. **(Bij een laag rapportcijfer voor de verzekeraar):** Heeft u overwogen om naar een andere verzekeraar over te stappen? Zo ja: wat belemmert u om over te stappen?

E. Inventarisatie van ideale aanbieder (10 min.)

8. Op welk vlak zou de ideale verzekeraar zich volgens u moeten onderscheiden?
 - a. *De laagste totale kosten (kwalitatief voldoende product wat op lange termijn minste geld voor u kost?)*
 - b. *Producten en diensten op maat, zodat dit op uw specifieke situatie is afgestemd?*
 - c. *De meest vernieuwende producten en meest brede dekking.*
9. In hoeverre verschilt dit van uw huidige verzekeraar?
 - a. Wat zou uw huidige verzekeraar beter kunnen doen?
10. Ik wil graag kijken naar het totaalpakket van de producten en diensten bij een zakelijke schadeverzekering. Wat is daarin voor u het belangrijkste element waarmee een verzekeraar zich kan onderscheiden?
 - i. **Eigen notitie:** *Eerst de klant laten antwoorden (om het antwoord niet te sturen). Daarna vat ik het antwoord van de klant samen.*

- ii. *Hierbij kijk ik welk element uit de Value Discipline Scale het beste bij dit antwoord past. Als de klant het eens is dat dit betreffende element het belangrijkste is, praten we daarover verder in de volgende vragen.*
- iii. *Als een klant meerdere elementen noemt, dwingen we de klant om eerst het belangrijkste element te kiezen. Daarover praten we als eerst. Op één na belangrijkste element volgt daarna, net zolang totdat we 5 min. voor einde van het interview verwijderd zijn.*
- iv. *Mocht het door de verzekeraar genoemde element niet in de Value Discipline Scale staan, dan praten we verder over het element dat de verzekeraar kiest.*

F. Discussie over belangrijkste element(en) in waardepropositie (10 min.)

11. Het element dat u zojuist gekozen hebt, kan door verzekeraars op drie verschillende manieren worden ingevuld. Welke van de volgende drie heeft uw voorkeur? Waarom?
 - a. *De laagste totale kosten (kwalitatief voldoende product wat op lange termijn minste geld voor u kost?)*
 - b. *Producten en diensten op maat, zodat dit op uw specifieke situatie is afgestemd?*
 - c. *De meest vernieuwende producten en meest brede dekking.*
12. Ziet u nog een andere invulling buiten deze drie mogelijkheden?
 - a. *Zo ja, hoe zou u die invulling willen omschrijven?*
13. Vindt u bij vraag 12 gekozen invulling ook het meest belangrijk bij overige elementen van het totaalpakket aan producten en diensten?

G. Volledige versie Value Discipline Scale invullen en afronding interview (10 min.)

14. Wilt u de volgende vragenlijst nog invullen? (zie volgende pagina)³
15. Heeft u verder nog opmerkingen of aanvullingen n.a.v. wat er is besproken?
16. Mag ik u hartelijk danken voor dit interview?

³ The B2B-clients that participate in an interview, will also be asked to fill in Appendix C Survey for B2B-clients)

